europower enerji

2024 Integrated Sustainability Report



INDEX

Introduction 4
About the Report 5
Chairperson's Message 6
Message from the General Manager 7
An Overview of Europower 8
Corporate Profile 9
Vision, Mission, and Values 9
Partnership Structure 13
Milestones 14
Products and Services 15
Areas of Operations 16
Responsible Investment Approach 17
Economic Performance 18
Certifications and Awards 19
Europower in Figures 21
Overview of 2024 and Outlook for 2025 22
Corporate Governance Approach 24
Governance Structure and Committees 25
Ethical Principles and Compliance 28
Information Security Management 31
Risk Management 34
Business Model and Value Chain Process 36
Our Value Chain 37
Stakeholder Relations 37
Material Topics 39
Sustainability Governance Structure 44
2024 TSRS-Compliant Sustainability Report 46
Overview of TSRS Reporting 47
Understanding of Sustainability 50
Sustainability Governance Structure 51
Sustainability Strategy 57
Management of Sustainability and Climate-Related Risks 72
Metrics and Targets 73
Environmental Impact and Climate Resilience 78
Environmental Management 79
Emission and Energy Management 80
Resource Management and Recycling Practices 83
Innovation and Digitalization 86
Our R&D, Product Development, and Technology-Focused Investments 87
Digitalization and Data Management 90
People- and Society-Centered Practices 91
Human Resources Management 92
Gender Equality, Diversity and Inclusion 93
Continuous Learning, Development and Performance Culture 94
Employee Feedback Mechanism 95
Occupational Health and Safety 96
Supply Chain Management 98
Customer Feedback Mechanism and Quality Management Practices 101
Contribution to Social Welfare and Understanding of Social Responsibility 102
Annexes 104
Performance Indicators 105
Memberships and Collaborations 110
Policies 111
GRI Content Index 112
TSRS 1 and 2 Compliance Table 117
Limited Assurance Statement 124



Abbreviations and Acronyms

AC	Alternating Current
AB	European Union
ABD	United States of America
ADAME	French Environment and Energy Management Agency
AG	Low Voltage
AR6	Sixth Assessment Report
R&D	Research and Development
BAU	Business As Usual
BIST	Istanbul Stock Exchange
UN	United Nations
SDG	United Nations Sustainable Development Goals
BMS	Battery Management Systems
IT	Information Technology
CapEx	Capital Expenditures
CBAM	Carbon Border Adjustment Mechanism
CE	European Conformity
CESI	Centro Elettrotecnico Sperimentale Italiano
CH_4	Methane
COO	Chief Operating Officer
CO_2	Carbon Dioxide
CRM	Customer Relationship Management
CSRD	Corporate Sustainability Reporting Directive
EIA	Environmental Impact Assessment
ESG	Environmental, Social and Governance
DC	Direct Current
DEFRA	UK Department for Environment, Food and Rural Affairs
DIF	Corrective and Improvement Action
DVD	Digital Versatile Disc
ESS	Energy Storage Systems
EN	European Standard
EPC	Engineering, Procurement and Construction
ERP	Enterprise Resource Planning
ETS	Emissions Trading System
EU ETS	European Union Emissions Trading System
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
FTP	File Transfer Protocol
GDP	Gross Domestic Product
SSP	Solar Power Plant
GEMIS	Global Emission Model for Integrated Systems
GHG	Greenhouse Gas
GJ	Gigajoule
GPS	Global Positioning System
GRI	Global Reporting Initiative
GW	Gigawatt
GWh	Gigawatt-hour
ICAO	International Civil Aviation Organization
IEA	International Energy Agency
IEC	International Electrotechnical Commission
ILAC	International Laboratory Accreditation Cooperation
ILO	International Labour Organization
IP	Ingress Protection
IPCC	Intergovernmental Panel on Climate Change
I-REC	International Renewable Energy Certificate
ISO	International Organization for Standardization
ISPM	International Standards for Phytosanitary Measures
OHS	Occupational Health and Safety
ITM	Step-down Transformer Centers
IUCN	International Union for Conservation of Nature
KAP	Public Disclosure Platform
KEMA	Keuring van Elektrotechnische Materialen te Arnhem
PPE	Personal Protective Equipment
KPI	Key Performance Indicators
kV	Kilovolt
LCA	Life Cycle Assessment
LNG	Liquefied Natural Gas
LTI	Lost Time Injury
MCC	Motor Control Centers
MES	Manufacturing Execution System
mn	Million
MSCI	Morgan Stanley Capital International
MVA	Mega Volt-Ampere
MVAR	Mega Volt-Ampere Reactive
MW	Megawatt
MWp	Megawatt-peak
NGFS	Network for Greening the Financial System
N_2O	Nitrous Oxide
NTP	Network Time Protocol
OECD	Organisation for Economic Co-operation and Development
OKOBAUDAT	Sustainable Construction Information Portal
OLTC	On-load Tap Changer
MV	Medium Voltage
OpEx	Operational Expenditures
OSB	Organized Industrial Zone
PCS	Power Conversion Systems
PTP	Precision Time Protocol
PV	Photovoltaic
QDMS	Quality Document Management System
QR	Quick Response
RDP	Remote Desktop Protocol
WPP	Wind Power Plant
RTU	Remote Terminal Unit
SASB	Sustainability Accounting Standards Board
SCADA	Supervisory Control and Data Acquisition
SDLC	Software Development Life Cycle
SFA	Sales Force Automation
SF_6	Sulfur Hexafluoride
SGK	Social Security Institution
SGS	Supervision, Control and Inspection Services
SPK	Capital Markets Board
CMB	Capital Markets Board
SSH	Secure Shell
SSL	Secure Socket Layer
NGO	Non-Governmental Organization
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	Tons of Carbon Dioxide Equivalent
TED	Turkish Education Association
TEİAŞ	Turkish Electricity Transmission Corporation
TL	Turkish Lira
TSE	Turkish Standards Institution
TS EN	Turkish Standard EN
TS ISO	Turkish Standard ISO
TSRS	Turkish Sustainability Reporting Standards
TÜBİTAK UME	Scientific and Technological Research Council of Turkey – National Metrology Institute
TÜRKAK	Turkish Accreditation Agency
TWh	Terawatt-hour
UL	Underwriters Laboratories Certification
UN PRI	United Nations Principles for Responsible Investment
USD	United States Dollar
VOC	Volatile Organic Compounds
WEF	World Economic Forum
YEK-A	Renewable Energy Resource Area
YEK-G	Renewable Energy Resource Guarantee Certificate
HV	High Voltage

Introduction

About the Report 5

Chairperson’s Message 6

Message from the General Manager 7



About the Report

As Europower Enerji, we are pleased to present our first Integrated Sustainability Report, prepared in alignment with the Turkish Sustainability Reporting Standards (TSRS). Through this report, we transparently share our environmental, social, and governance (ESG) impacts, our climate action initiatives, our non-financial performance, and our long-term value creation approach, following the publication of our first GRI-compliant Sustainability Report in 2023.

Since our establishment, we have contributed to the development of energy infrastructure through local and innovative solutions, while embracing a growth model that considers not only economic but also environmental and social impact. By integrating the principles of corporate sustainability into our decision-making mechanisms, we aim to create lasting value for all our stakeholders.

Accordingly, in our 2024 Integrated Sustainability Report, we present our environmental responsibilities, practices toward human capital and society, governance structure, and resilience to climate risks systematically and transparently. We monitor the ESG impacts embedded in our value creation model through concrete and measurable indicators, and we manage this performance with a continuous improvement approach.



Reporting Period and Scope

This report covers our activities carried out between 1 January 2024 and 31 December 2024. Where available, comparative data from previous years have been included. The reporting scope has been defined in line with Europower's financial reporting boundaries, and the limits and methodologies for each indicator are clearly explained in the relevant sections. The effects of capacity expansions and new investments realized in 2024 have also been integrated into our sustainability performance.

Compliance and Alignment

Europower's 2024 Sustainability Report has been prepared in full compliance with the Turkish Sustainability Reporting Standards (TSRS). In this context, all requirements under TSRS 1 – General Requirements for Disclosure of Sustainability-Related Financial Information and TSRS 2 – Climate-Related Disclosures have been duly fulfilled.

In preparing this report, both the TSRS and global reporting standards have been taken into consideration. Accordingly, the content has been structured with reference to the Global Reporting Initiative (GRI) Standards and the Greenhouse Gas (GHG) Protocol. Furthermore, our activities have been assessed in line with the United Nations Sustainable Development Goals (UN SDGs), and our contributions to these global objectives are presented throughout the relevant sections of the report.

Assurance Process and Transparency

A limited independent assurance process has been conducted for specific key indicators included in this report (such as greenhouse gas emissions, energy consumption, and occupational accidents). The assured data are indicated within the relevant sections. Our sustainability data are verified through internal control mechanisms and are presented in line with the principles of transparency and reliability.



Chairperson's Message

Dear Stakeholders,

The global climate crisis is no longer a projection of the future but a concrete reality that we are living through today—its impacts are felt across social, economic, and environmental dimensions. The consistent surpassing of the 1.5°C temperature threshold for 12 consecutive months is not only a scientific turning point but also a historic warning, reminding us of the urgent need to reconsider how we conduct business and set our priorities. In 2023 alone, 393 major disasters directly affected 167 million people and imposed an estimated economic cost of approximately USD 400 billion, making the vision of sustainable development an imperative for all sectors.

As a company positioned at the centre of the energy sector during a period of global transformation, we aim not only to be part of this transition but also to lead it. Energy generation and consumption are both among the primary causes of, and potential solutions to, the climate crisis. With this responsibility in mind, we at Europower Enerji shape our operations by addressing not only the needs of today but also the challenges of tomorrow. Our ongoing transformation in decarbonization, resource diversification, energy efficiency, and digitalization reflects our sense of responsibility toward future generations.

Since our foundation, we have evolved into a multifaceted organization offering integrated solutions from electricity generation to transmission and distribution, leveraging our technological and engineering expertise supported by strategic investments. Today, with our production capabilities, R&D competence, and global reach, we are positioned as a trusted solution partner not only in Türkiye but also internationally.

Our subsidiaries play a vital role in the Group's sustainable growth journey. Peak PV Solar, our photovoltaic module manufacturing subsidiary, contributes to enhancing domestic production capacity in Türkiye's renewable energy transition. Meanwhile, energy storage systems (ESS), battery management systems (BMS), power conversion systems (PCS), inverter projects, and hybrid solutions are developed directly under the Europower Energy R&D Centre. These projects have laid the foundations of an integrated storage infrastructure with a 2 GWh/year production capacity, providing locally developed solutions suitable for different power and application segments. Europower World, our subsidiary scheduled to commence operations in 2025, represents a strategic milestone in our high-power transformer investment, enabling entry into the European market and reducing import dependency. Another subsidiary, Euromek Elektrik, complements our product portfolio through the production of high-voltage current and voltage transformers while contributing to the strengthening of the domestic industry.

Our approach to sustainable development is based on a holistic understanding that considers not only environmental but also economic and social impacts. In line with this approach, we have strengthened our corporate infrastructure to ensure traceability and accountability across all stages of our operations. Through our ISO 14001 Environmental Management System and ISO 50001 Energy Management System certifications, we effectively control our environmental impacts and manage energy efficiency with a continuous improvement perspective. These efforts contribute not



only to process enhancement but also to our broader fight against climate change

Our ranking has affirmed this holistic success within the industrial sphere as the 11th largest industrial enterprise among Türkiye's second-largest manufacturers on the Istanbul Chamber of Industry (ISO) 500 List. This achievement is a testament not only to our production capacity but also to our sustainability-driven growth strategy.

Prepared in compliance with GRI and TSRS standards, this report demonstrates not only our performance indicators but also our firm commitment to our sustainability goals, guided by the principles of transparency and accountability. Our dedication to open communication with stakeholders, respect for human rights, mitigation of environmental impacts, and contribution to societal well-being lies at the heart of all our activities.

In this regard, I would like to extend my sincere gratitude to all our colleagues, business partners, and investors who share our sustainability vision. We take pride in walking this path toward a more livable future together and look forward to your continued support on this journey.

Sincerely,

Muhittin Behiç Harmanlı
Chairman of the Board

Message from the General Manager

Dear Stakeholders,

In 2024, as Europower Enerji, we completed our strategic transformation process, fully aligned with our sustainability focus, while significantly enhancing our operational performance. We are well aware of the rapid transformation taking place in the electricity sector both in Türkiye and globally, and we actively position ourselves at the forefront of this transformation by placing our environmental and social responsibilities at the very core of our business model.

Through our actions in key areas such as energy efficiency, the integration of renewable resources, and circular resource utilization, we are shaping not only the present but also the future. The integration of AC and DC electric vehicle charging systems, energy storage solutions, and hybrid systems into our production processes in 2024 stands as a tangible and powerful reflection of our sustainability vision. These advanced technology systems hold a strategic position on our roadmap, aimed at expanding our product diversity and achieving our digital transformation goals. In line with our strategic plan, we implemented full ERP integration to enhance operational efficiency. We successfully launched several transformation projects, including digital traceability in production, the implementation of quality management systems, and lean manufacturing practices.

By steadily strengthening our R&D investments, we continue to expand our product portfolio and deepen our expertise in energy storage and renewable energy technologies. We have achieved significant progress in the commercialisation of future-oriented product groups, including prefabricated substations, solar energy systems, and electric vehicle charging infrastructure.

We continuously monitor sustainability-related risks and opportunities, managing these processes meticulously through robust internal control mechanisms and governance committees. With our integrated management system certifications aligned with international standards, including ISO 9001, 14001, 45001, 50001, and 27001, we establish measurable and traceable performance indicators across all stages of our operations.

In line with our vision to make sustainability an inseparable part of our corporate culture, we position all our employees as active stakeholders in this transformation. Our initiatives focused on the maturity of human resources processes, integrating corporate communication and learning-development systems, and enhancing employee satisfaction form the foundation of our organizational capacity development.



In the coming period, we aim to further expand our market share both domestically and internationally in line with our strategic growth objectives, while reinforcing sustainable profitability and brand recognition. In this context, we continue to work diligently toward the commissioning of overseas production facilities, the strengthening of distributor networks in target markets, and the activation of global operation centers.

Together with you, our valued stakeholders, we will continue to build a resilient, value-creating, and future-oriented business model. I sincerely thank you for your partnership and invite you to remain part of this ongoing transformation journey.

Sincerely,

Ramin Malek
General Manager

An Overview of Europower

Corporate Profile	9
Vision, Mission, and Values	9
Partnership Structure	13
Milestones	14
Products and Services	15
Areas of Operations	16
Responsible Investment Approach	17
Economic Performance	18
Certifications and Awards	19
Europower in Figures	21
Overview of 2024 and Outlook for 2025	22



Corporate Profile

As Europower Enerji and its group companies, we operate successfully and actively across the globe, offering a broad portfolio of products, systems, and services that encompass every aspect of the energy sector — including engineering, manufacturing, contracting, sales, and marketing. With over 20 years of experience, we have completed thousands of projects, delivering our products and services to more than 70 countries across five continents with the highest level of customer satisfaction. Guided by our vision of becoming a global, sector-leading brand originating from Türkiye, we continue to grow consistently and strategically since our establishment in 2008.

Operating from our headquarters campus in Ankara, we conduct our activities across all areas of energy — from generation and transmission to distribution and the transformation toward innovative systems. Our facilities include office spaces, an R&D center, an internationally accredited test laboratory, and over 180,000 m^2 of production area, consisting of seven indoor and two outdoor facilities.

Our engineers and staff, based in Türkiye, the Netherlands, North Macedonia, Algeria, and Ukraine, deliver the products and systems we manufacture to numerous regions worldwide, bringing energy to people across the globe.

In addition, our internationally accredited High Voltage Test Laboratory, located within our central campus, conducts more than 160 types of tests — including lightning impulse tests up to 1,200 kV on equipment rated up to 245 kV. Through type and routine testing, we offer our customers comprehensive laboratory testing services. With state-of-the-art test equipment and highly skilled field engineers, we also provide on-site testing and inspection services for complex electrical transmission, distribution, and generation facilities worldwide, ensuring the reliability and safety of energy systems.

We firmly believe that sustainable energy depends on sustainable environmental policies. Accordingly, we invest in renewable energy projects, conduct R&D activities, and develop environmentally friendly products to safeguard our planet's future.

Through our global partnerships and collaborations, we continue to grow, strengthen the trust we have earned, and pursue excellence in every field — without pause, and with a steadfast commitment to leadership and innovation.

Vision, Mission, and Values

We aim to become a strong engineering brand spreading from Turkey to the world with pioneering solutions that support technological transformation and sustainable growth in the energy sector. In the fields of electricity generation, transmission, and distribution, we operate with the vision of becoming a reliable and preferred global leader through our innovative product range, high R&D capabilities, and environmental sensitivity. With our broad product portfolio addressing every segment of the energy sector, we create value for our customers and stakeholders by offering safe, efficient, and sustainable solutions.

In line with the principles of sustainability;

- Increasing energy efficiency, reducing carbon footprint,
- To popularize renewable energy applications and
- Leading digitalization forms the building blocks of our core mission.

With our engineering strength, production capability, and human-centered approach, we make a lasting impact in both local and global markets.

With our R&D-focused approach aimed at continuous development, we create solutions that make a difference in the industry, prioritizing environmentally friendly practices that contribute to society in all our activities. We build trust-based relationships and act proactively to meet the needs and expectations of our stakeholders. By integrating the experience we have gained in different geographies with our corporate culture, we adopt a management philosophy based on universal values. We operate in adherence to ethical principles in our business practices and fulfill all our commitments with transparency and a sense of responsibility.

Brand Values:

- Creative and Solution-Oriented
- Multicutural
- Inspiring
- Environmental Conscious
- Proactive
- Genuine and People-Oriented

Strategic Objectives and Market Position

In line with our current position in the energy sector, we have achieved the technical and operational competence required to manufacture a significant portion of the equipment used in electricity generation, transmission, and distribution. To strengthen our global competitive advantage, we continue to expand our product portfolio and implement a growth strategy centered on technological innovation and high production quality.

In this context, we prioritize not only the export of our physical products but also the transfer of our knowledge, technology, and engineering capabilities to international markets. Through market-oriented strategic positioning, we aim to ensure sustainable and long-term growth.

Alongside the expansion of our production capacity, we plan to increase further our export volume in transformers and low, medium, and high-voltage equipment while reinforcing our presence in the domestic market.

Future Vision and Strategic Priorities

Our vision for the future is evolving in line with rapidly changing technological dynamics and global trends. One of our primary goals is to design and manufacture, with predominantly domestic resources, nearly all the equipment used in the generation, transmission, and distribution of electricity, thereby offering integrated solutions to our customers. Accordingly, we align our R&D activities and investment plans with this overarching objective.

Access to renewable energy resources and the efficient storage of this energy through the right technologies stand among our strategic priorities for the near future. With this understanding, we are directing our investments toward both energy storage systems and the production of electrical equipment that supports this field.

In our product development processes, changes in technical standards, evolving demand in the European market, and sustainability criteria play a decisive role. Through the investments we plan to implement in the near term, we aim to increase our production capacity across all segments of our product portfolio — both domestically and globally — and further enhance our competitive strength.

We categorize our strategic objectives under the following four main pillars:



International Recognition and Strong Export Capacity

To enhance our global presence and strengthen brand recognition, we are developing country-specific marketing strategies tailored to the needs and dynamics of target markets. In this context, we regularly carry out promotional activities, strategic collaborations, and trade fair participations in export markets, while reinforcing our brand value through well-structured communication channels. Strengthening our brand positioning, particularly in Europe, the Middle East, and North Africa, and increasing our market penetration through local partnerships and distributorship models are among our key priorities.

Furthermore, to play a more active role within the global supply chain, we are expanding our international sales and operational networks. We focus on developing product portfolios that comply with the regulations of target markets and enhancing local after-sales service capabilities. These initiatives are central to our strategic roadmap for establishing a more resilient and competitive international presence.



Operational Capacity:





Production Center
7 Closed 2 Open

Production Area
180.000 m2

Test Laboratory
High Voltage Test Laboratory with International Accreditation

International Production and Marketing
Registered offices and facilities in Turkey, the Netherlands, Macedonia, Algeria, and Ukraine.

R&D Center
Research and Development for Renewable Energy and Environmentally Friendly Products













A Block	Medium Voltage Metal Clad manufacturing, R&D Center and Accredited High Voltage Test Laboratory	7.925 m²	5.626 m²
B Block	Manufacturing of Medium Voltage Equipment and Administrative Offices	5.129 m²	5.626 m²
C Block	Epoxy Plant, Current and Voltage Transformer manufacturing; Medium Voltage Circuit Breaker, Disconnector and Modular Cell manufacturing; Concrete Kiosk manufacturing and Administrative Offices	16.666 m²	13.320 m²
E Block	Low Voltage Panel and Control Panel manufacturing, all Mechanical Production Lines and Machine Workshops; production of existing Gas Insulated products (RMU and GIS). (Factory buildings consisting of E1 and E2 Blocks were renewed and expanded in 2023.)	13.010 m²	14.127 m²

D Block	Transformer Factory and Administrative Offices (The factory's capacity was increased by 100% in 2024.)		
F Block	In the factory currently under construction, our indirect subsidiary Europower World Enerji A.Ş. will start the production of HV / MV Power Transformers beginning from the first half of 2025.		

G Block	Solar panel production is carried out in G1 Block, while G2 Block is dedicated to the production of residential and small commercial type solar inverters and storage systems under the SunJunior brand, EV charging units (AddMore), and solar panel mounting/construction systems.	29.000 m²	29.140 m²
H Block	With the ongoing investments, our facility will begin operating in 2025 as the new "Distribution and Medium Voltage Power Transformer Factory."	23.314 m²	20.000 m²
I Block	In 2024, production of Oil-Type Medium and High Voltage Measurement Transformers (up to 550 kV) and High Voltage Bushings commenced.	4.534 m²	6.762 m²

Enclosed Space *Total Area*

GIS: *Gas Insulated Cell* ***RMU:*** *Ring Main Unit*

Partnership Structure

Our shareholding structure reflects a multi-stakeholder composition consisting of our main shareholder Girişim Elektrik A.Ş., our individual founding partners, and publicly traded shares. This structure enables us to integrate the principles of transparency, accountability, and strong governance into our business practices.

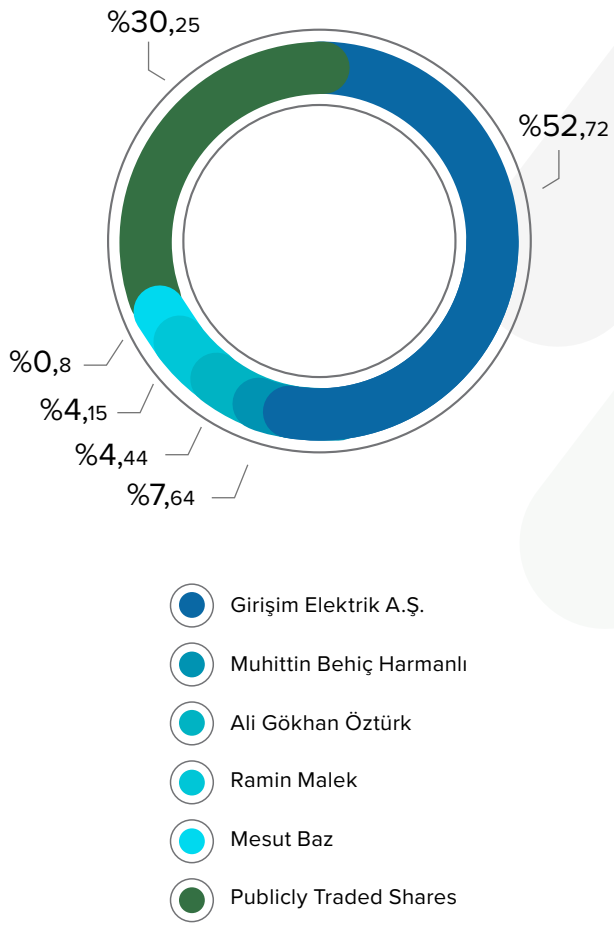
Benefiting from the sectoral expertise and strategic support of Girişim Elektrik, we continue to strengthen our competitive advantage both nationally and internationally.

In every step we take, we prioritize solid and balanced growth that aligns with our company's long-term strategic objectives.

The table below presents the distribution of our shareholders according to share groups within the company's capital structure:

Shareholders and Share Distribution (as of December 31, 2024)[1]

Shareholder	Share Class	Shareholding (%)	Share Value (TRY)
Girişim Elektrik A.Ş.	A	12,73	84.000.000
	B	39,99	263.850.000
Muhittin Behiç Harmanlı	A	3,18	21.000.000
	B	4,46	29.512.500
Ali Gökhan Öztürk	B	4,44	29.325.000
Ramin Malek	B	4,15	27.412.500
Mesut Baz	B	0,80	5.250.000
Publicly Traded Shares	B	30,25	199.650.000



[1] As of December 31, 2024, the Company's paid-in capital amounts to TRY 660,000,000, divided into 660,000,000 registered shares, each with a nominal value of TRY 1. Our shares are classified into Class A and Class B categories. Class A shares are privileged, granting their holders specific rights such as the nomination of members to the Board of Directors and five voting rights per share at the General Assembly. Class B shares, on the other hand, each carry one voting right and do not confer any privileges.

Within this structure, the total nominal value of privileged Class A shares is TRY 105,000,000, representing 15.91% of the Company's capital. The remaining TRY 555,000,000 (84.09%) corresponds to non-privileged Class B shares. The balance between shareholding and voting rights has been structured in line with the Company's strategic governance principles.

Milestones

2008
With an initial capital of TRY 300,000, we began our journey in Ankara Kahramankazan, commissioning our first production facility and starting the manufacturing of medium-voltage modular switchgears, low-voltage panels, and transformer substations.

2010
We established our electrical design and project management departments, initiating work on primary and secondary designs and strengthening our expertise in engineering design.

2011
We founded our High Voltage Test Laboratory, accredited by the International Laboratory Accreditation Cooperation (ILAC) and the Turkish Accreditation Agency (TÜRKAK). This step reinforced our R&D infrastructure and enhanced the reliability of our pre-production testing processes.

2014-2015
We began the production of medium-voltage metal-clad systems, expanding our product portfolio and significantly strengthening our position in the market.

2016
With the launch of our new facility, we initiated the mass production of mounting structures for solar panels, diversifying our operations in the renewable energy field.

2017
We started the serial production of medium-voltage gas-insulated disconnectors, load break switches, and circuit breakers in compliance with international standards and TEDAŞ specifications. Production of the Europower Inside Modular Switchgear series also commenced.

2018
We launched the serial production of high-voltage double-break switching products in accordance with international standards and TEİAŞ specifications.

2019
Our R&D Center officially became operational. Together with our internationally accredited High Voltage Laboratory, we expanded our R&D capacity and began offering innovative solutions to the industry.

2020
We began manufacturing our new high-voltage circuit breaker product and were listed in Turkishtime's R&D 250 for the first time, ranking 243rd with our R&D Center established in 2019.

2021
We made new investments to commence transformer mass production, increasing the number of our facilities to six. This expansion enabled us to respond more effectively to growing market demand. In the same year, we rose to 125th place in the R&D 250 ranking.

2022
Our R&D Center officially became operational. Together with our internationally accredited High Voltage Laboratory, we expanded our R&D capacity and began offering innovative solutions to the industry.

2023
- ✓ We made new investments to commence transformer mass production, increasing the number of our facilities to six.
- ✓ This expansion enabled us to respond more effectively to growing market demand. In the same year, we rose to 125th place in the R&D 250 ranking.

2024
- ✓ We were listed in ISO Second 500, Capital 500, and R&D 250 rankings for 2023.
- ✓ In April, we established our subsidiary Euromek Elektrik, further strengthening our corporate structure.
- ✓ We signed a three-year framework agreement worth €30 million with the French Ministry of Energy's Electricity Authority for the supply of high-voltage systems, marking a strategic partnership in the European market.
- ✓ We opened our new branch in Baku, Azerbaijan, launching direct operational activities in the Caucasus region.
- ✓ We won six transformer substation renovation tenders for TEİAŞ, with a total value exceeding TRY 1 billion, contributing to Türkiye's national energy infrastructure.
- ✓ We began the production of medium-voltage current and voltage transformers.
- ✓ Through our 60%-owned subsidiary Peak PV Solar Technologies Inc., we launched five Solar Power Plant (SPP) investment projects in Romania with a total installed capacity of 143.13 MWp.

Products and Services

EAs one of the leading engineering and manufacturing companies in the energy sector, Europower Energy operates across a broad spectrum of technologies and applications. Leveraging the innovation capacity of our R&D and Product Development Centers, we provide not only products but also comprehensive end-to-end solutions encompassing engineering, design, installation, testing, and commissioning services.With our high-quality electrical and electromechanical systems, we take pride in delivering reliable and efficient solutions to our customers around the world, supporting the safe and sustainable transformation of the global energy landscape.

Product Categories

1) High Voltage (HV) Products

- Our products developed for electrical transmission networks are reliably utilized in national infrastructure projects:
- HV Disconnectors
- HV Circuit Breakers
- HV Instrument Transformers

2) Medium Voltage (MV) Products

Our MV solutions, designed to meet the needs of distribution companies and industrial enterprises, stand out with their broad product range and application flexibility:

- Metal-Clad Systems
- Modular MV Switchgears
- Gas-Insulated MV Circuit Breakers and Disconnectors
- Air-Insulated Disconnectors
- Concrete and Metallic Type Transformer Substations, Kiosk and Inverter Stations
- Disconnectors for Railway Catenary Systems
- HV–MV–LV Compensation Systems (Fixed and Mobile)
- Gas-Insulated Switchgear (GIS) Products
- MV Vacuum Circuit Breakers

3) Low Voltage (LV) Systems

In LV panel and control systems, we offer solutions for all scales — from industrial facilities to major infrastructure projects:

- Withdrawable and Fixed-Type LV Panels
- Motor Control Centers (MCC)
- SCADA (Supervisory Control and Data Acquisition), Relay, Control and Command Panels

4) Distribution Transformers

With a production capacity of up to 110 kV and 31.5 MVA, we provide critical solutions for energy distribution projects.

5) Solar Energy Systems and Sunjunior Solutions

In line with our commitment to renewable energy, we develop systems tailored especially for small businesses and residential use:

1.Hybrid Solar Power Systems

2.Battery-S Solutions

6) Diğer Ürün ve Sistemler

As complementary components of electrification, we also provide the following solutions to our customers:

- RTU and SCADA Systems with Automation Software
- Ground-Mounted, Rooftop, and Floating Type Solar Mounting Structures
- Electric Vehicle Charging Stations
- Epoxy Resin Components, Epoxy and Composite Insulators
- Mobile Transformer Substations and Instrument Transformers
- Battery Storage Systems

Testing and Commissioning Services

Test Laboratory, located in Ankara, performs product testing up to 245 kV and conducts more than 200 specialized, type, and routine tests in compliance with IEC standards. Our expert engineers and technicians actively participate in field testing and commissioning processes, ensuring the reliability and safety of our systems.

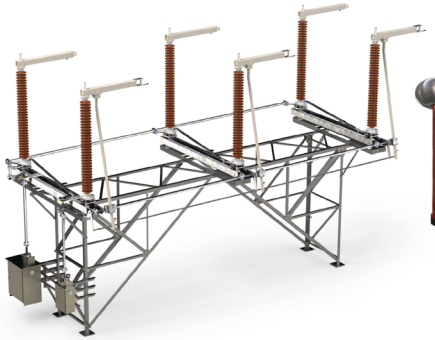
Engineering and Turnkey Projects

Europower is not only a manufacturer but also a comprehensive **engineering solutions partner.** We design electrical, mechanical, and civil projects in-house and deliver turnkey solutions for public and private sector clients in infrastructure electrification, automation systems, power plants, and substation projects — from concept design to final commissioning











Areas of Operations

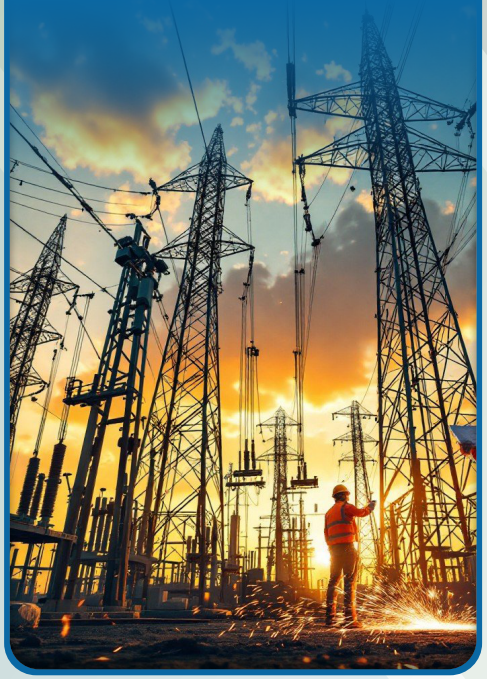
Production

- ✓ EuroSUNBOX – Central Inverter Stations
- ✓ EuroBET – Concrete Kiosks and Transformer Substations
- ✓ EuroKIOSK / euroMOBIL – Metallic Kiosks, Compact and Mobile Transformer Substations EuroCLAD
- ✓ Euro24 - euro36 / euroRMU
- ✓ Falcon12
- ✓ EuroPANEL
- ✓ EuroCONTROL
- ✓ EuroSUNJUNIOR
- ✓ Europower Solar Inverters
- ✓ EuroSUNMOUNT
- ✓ Energy Storage Solutions (ESS)
- ✓ Spear System
- ✓ Carport Systems / Floating Systems
- ✓ Rooftop System



Project Development and Turnkey Power Plant Installation – EPC

- ✓ Feasibility Studies, Permitting, Licensing and Financial Consultancy
- ✓ Project Design and Project Management
- ✓ Turnkey Power Plant Construction – AC/DC Contracting



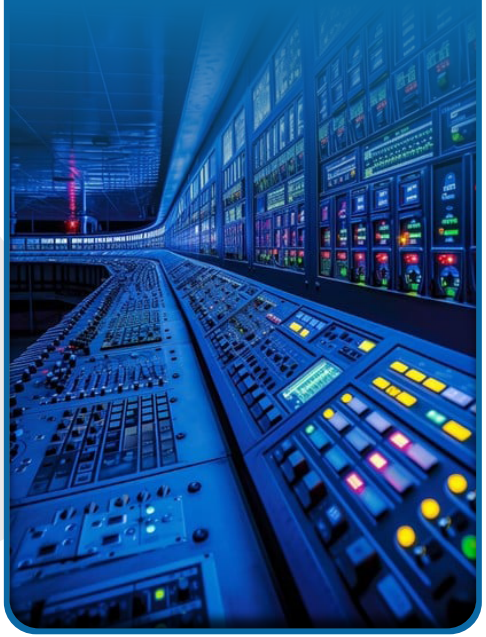
Our Solution Partners and Preferred Brands

- ✓ Solar Panels, Inverters, and Battery Suppliers
- ✓ Solar Panels, Inverters, and Battery Suppliers
- ✓ Performance Monitoring Systems, Cleaning Products and Systems, and Other Complementary Products



Engineering, Maintenance, and Testing Services

- ✓ Automation and SCADA
- ✓ Performance Analysis / Cleaning and Maintenance
- ✓ Performance Analysis / Cleaning and Maintenance



Responsible Investment Approach

We carry out our investments not solely with the aim of generating financial returns, but with a strong commitment to creating economic, environmental, and social value. Guided by our responsible investment approach, we continuously enhance our production capabilities, focus on low-carbon technologies, promote local development, and contribute to employment generation.

Through these initiatives, shaped by the principles of impact investing, we strive to meet the needs of today while leaving behind a legacy of sustainable growth for future generations.

Ongoing Investments and Incentives

Power Transformer Investment

With the global rise in electricity consumption, the demand for high-voltage (HV) power transformers has increased significantly. In addition, extended supply lead times have made investments in this field a strategic priority for our Group.



We have initiated the construction of a power transformer manufacturing facility in Ankara's Kahramankazan district, located on parcels 11–13–14 of block 220,863, designed for production at up to 500 kV voltage levels. The construction phase is in its final stage, and we have completed commercial negotiations for laboratory equipment, furnaces, cutting and slitting machines, and winding systems to be used in the production line. The selection of machinery and factory layout has also been finalized.

This investment is being implemented through our subsidiary Europower World Enerji A.Ş. The project is expected to be completed in the first half of 2025 and to generate an estimated annual revenue of at least USD 200 million, driven by both international sales — particularly in Europe and North America — and domestic market demand.

High Voltage Current and Voltage Transformer Investment

To further expand our production capabilities within the high-voltage product group, we continue to invest in the manufacturing of both power transformers and high-voltage current and voltage transformers. In this context, we established our subsidiary Euromek A.Ş. in May 2024.

Following the completion of machinery installations and type testing processes, we commenced mass production at our new facility in the fourth quarter of 2024. We expect this investment to positively contribute to the Group's overall financial performance.

AC and DC Electric Vehicle Charging Station Production Line Investment

We continue to advance our R&D initiatives focused on the design of AC (alternating current) and DC (direct current) electric vehicle charging stations. In parallel, we are developing testing procedures to ensure full compliance of our products with international standards. Work is also underway to identify suitable factory spaces for mass production and to plan the deployment of specialized personnel for this operation.

Investments to Expand Production Capacity and Enhance Manufacturing Efficiency

We continue to advance our R&D initiatives focused on the design of AC (alternating current) and DC (direct current) electric vehicle charging stations. In parallel, we are developing testing procedures to ensure full compliance of our products with international standards. Work is also underway to identify suitable factory spaces for mass production and to plan the deployment of specialized personnel for this operation.

Investments to Expand Production Capacity and Enhance Manufacturing Efficiency

We are implementing multiple investments aimed at increasing capacity and improving manufacturing efficiency across nearly all our product lines. These initiatives include:

- Modernizing existing drying and vacuum furnaces for distribution transformer production to improve speed and efficiency, and initiating the procurement of new units.
- Ordering new cutting and slitting machines to support capacity expansion and cost efficiency.
- Launching the procurement process for new winding machines.
- Expanding production capacities for switching equipment and Sunjunior systems, and initiating the relocation of the machinery park to a larger facility.
- Installing new welding lines and paint shops.
- Modernizing legacy machines and integrating robotic automation to increase production speed and quality.

As of 2024, we have increased the annual production capacity of our Distribution Transformer Plant from 10,000 units to 15,000 units, with plans to reach 20,000 units in the coming period.

To support this capacity growth, we are establishing a new production line dedicated to transformer tank manufacturing in Block H of our facility. This investment will enable rapid and efficient implementation of capacity expansion.

Additionally, in the same facility, we will commence production of UL-certified distribution transformers for the U.S. and Canadian markets, further strengthening our competitive position in global export markets.

Economic Performance

At Europower Enerji, we continue to make strategic contributions to Türkiye's economy and the energy technologies ecosystem through sustainable growth, expanding financial strength, production capacity, and international reach year after year. The financial and operational success we achieved throughout 2024 is clearly reflected not only in our profitability indicators but also in the value we create, our high-technology exports, and the increased localization of our production capacity.

By the end of 2024, we achieved net sales of TRY 8.2 billion, an operating profit of TRY 1.3 billion, and EBITDA of TRY 1.6 billion. We consistently improved our gross profitability and EBITDA margin, maintaining our operations profitably with a net period profit of TRY 223 million. These results were accomplished through strict financial discipline and continuous operational efficiency improvements.

Our economic strength, however, extends beyond financial indicators. In 2024, we commissioned over 6,600 MW of renewable energy capacity and undertook new projects totaling TRY 4.1 billion, demonstrating our tangible impact across the sector. At our production campus in Kahramankazan, this success has been collectively built by more than 1,200 employees and over 200 engineers across 10 production facilities.

Today, with our extensive product portfolio and advanced technological solutions, we export to 80 countries, directing a significant portion of our production to international markets. We continue to increase the localization rate within our supply chain, strengthening Türkiye's position in high value-added industrial exports through our integrated engineering capabilities and expanding infrastructure.

With the upcoming completion of our Power Transformer Plant, we aim for an annual revenue potential of USD 150–200 million. This investment will significantly enhance both our production capacity and global competitiveness. At the same time, we are sustaining our R&D investments, integrating long-term value creation into our business model through accredited testing laboratories and a digitally enabled production infrastructure.

At Europower Enerji, we are not only growing in size — we are advancing sustainable development, technological progress, and employment generation, creating long-term value for both our stakeholders and society.

2024 Economic Performance Indicators

Financial Indicator	2024 (million TRY)
Net Sales	8,219.00
Net Sales Growth (%)	-11.38
Gross Profit	2,043.00
EBITDA	1,604.00
EBITDA Margin (%)	19.51
Operating Profit	1,254.00
Net Profit – Share of Parent Company	223.00
Earnings per Share (Kr)	0.34
Share Buyback	0.00
New Business and Tender Value	4,944.00
Total Investment Expenditures – CapEx	1,420.00
Total Operational Expenditures – OpEx	6,799.00
R&D Expenditures	138.36

YDirect Economic Value Generated and Distributed (thousand TRY)	2022	2023	2024
Economic Value Generated (A)			
Income	2.116.375.000	9.327.358.000	8.219.713.000
Economic Value Distributed (B)			
Operating Costs*	1.300,253,9	3.568,649,8	5.697.951,0
Employee Wages and Benefits	85.041,3	261.310.1	507.752,0
Payments to Providers of Capital	74.097,9	129.876,0	341.573,3
Payments to Government (Taxes, etc.)	60.979,9	332.270,6	303.217,8
Community Investments and Expenditures	0	0	0
Retained Economic Value (A–B)	**596.002,0**	**5.035.251,5**	**1.369.218,9**

Certifications and Awards

At Europower Enerji, we view quality not merely as a goal but as the foundation of all our processes. In line with this understanding, our products and services — developed through a culture of excellence — are recognized both nationally and internationally and certified by various independent organizations.

Certifications

Through our management systems, we continuously strengthen our corporate capacity and implement the solutions we provide to different industries in full compliance with the highest global standards. In this context, we hold the following certifications:

- ISO 9001:2015 – Quality Management
- ISO 14001:2015 – Environmental Management
- ISO 45001:2018 – Occupational Health and Safety Management
- ISO 50001:2018 – Energy Management
- ISO/IEC 27001:2022 – Information Security Management
- TS ISO/IEC 17025:2017 – Laboratory Competence
- Ukr-Sepro Certificate
- GOST Certificate

All of Europower's sites and operations are certified under the ISO 9001 Quality Management System, resulting in a 100% compliance rate. Additionally, our products are certified for compliance with international standards through various European Conformity (CE) Certificates (such as IEC 60076-1, IEC 62109-1:2010, IEC 61727:2004) and Turkish Standards Institution (TSE) Product Certificates (including TS EN 62271-202, TS EN 61439-2, TS EN 60660, among others).

We also hold 31 Domestic Goods Certificates, officially documenting our strong



local manufacturing capability and commitment to domestic production.

Awards

At Europower Enerji, we pursue sustainable success by prioritizing quality, reliability, and innovation in every aspect of our operations. It is a source of pride for us that our performance and contributions to the sector are recognized by various national and international institutions and organizations.

We believe that our activities should not be limited to technical excellence alone but should also be supported by exemplary practices that advance our industry. With this approach:

- As part of our international promotional activities, we received the “Best Product Presentation,” “Best Stand Design,” and “Loyalty and Contribution” awards at the Power Uzbekistan exhibitions.
- We were honored with an appreciation plaque from Solarex Istanbul for our contributions to the solar energy sector.
- Demonstrating strong team spirit, we became two-time Ankara finalists in the Business Cup tournaments.
- Within the scope of our social responsibility initiatives, we were awarded an appreciation plaque by Elazığ Yücel Primary School.

These awards and recognitions are not only a reflection of our past achievements but also a testament to our unwavering commitment to the future. We will continue to advance our structure focused on sustainability, quality, and innovation.



Europower in Figures

As Europower, we offer a wide range of low-voltage, medium-voltage, and high-voltage electrical and electromagnetic solutions designed to meet the diverse needs of our customers in the fields of electricity generation, transmission, and distribution. At the same time, within the scope of renewable energy, we successfully manufacture many key products — including energy storage systems — contributing to the sustainable transformation of the energy sector.



Overview of 2024 and Outlook for 2025

Global Energy Trends

International Energy Agency's Global Energy Review 2025[2] , the year 2024 witnessed a significantly above-average increase in global energy demand, with the need for energy resources rising rapidly. Global energy demand grew by 2.2%, surpassing the previous decade's annual average of 1.3%. Extreme weather events, including record-high temperatures, contributed an additional 0.3 percentage points to this growth. While the global economy expanded by 3.2%, energy demand growth lagged; however, electricity demand rose sharply by 4.3%, nearly twice as fast as total energy demand. This surge was driven mainly by the increasing use of electricity-intensive devices such as air conditioners, the electrification of industrial processes, digitalization, data centers, and artificial intelligence applications — factors that made the power sector responsible for nearly 60% of total energy demand growth.

In terms of energy supply, renewables led with a 38% share of the total growth, followed by natural gas (28%), coal (15%), oil (11%), and nuclear (8%). Solar photovoltaic (PV) capacity reached an all-time high, accelerating the global energy transition. Low-carbon sources, including renewables and nuclear, accounted for 40% of global electricity generation. Additionally, 700 GW of new renewable capacity was added, with 80% of this capacity coming from solar PV. Nuclear energy capacity also increased by 33%, adding 7 GW globally.

Developing economies accounted for 80% of global energy demand growth. While growth slowed in China, it still represented the most significant increase, and India's demand growth surpassed that of all advanced economies combined. Among developed economies, the United States saw a 1% rise in energy demand, and the European Union recorded its first increase since 2017 — signaling a new phase in energy consumption for advanced nations.

Among fossil fuels, natural gas was the fastest-growing source with 2.7% growth, driven by significant increases in China (7%) and India (over 10%). Oil demand rose modestly by 0.8%, reflecting the end of post-pandemic mobility expansion, industrial slowdown, and the widespread adoption of electric vehicles. Coal demand increased by just over 1%, primarily due to power generation, while coal consumption in developed economies fell by more than 5%.

Global electricity consumption rose by 1,100 TWh, equivalent to Japan's annual electricity use. Half of this growth came from developing countries, but consumption in advanced economies also reached record highs. Notably, 80% of the increase in electricity generation was supplied by renewable and nuclear sources.

The year 2024, the hottest on record, significantly influenced energy demand. Cooling degree days increased by 6% compared to 2023 and by 20% compared to the long-term average, driving higher energy use in regions such as China, India, and the United States. Weather conditions were estimated to account for 15% of the total increase in energy demand, 20% of the rise in electricity and natural gas demand, and nearly all of the growth in coal demand. Around half of the CO_2 emission increase was also linked to extreme temperatures.

Improvements in energy efficiency slowed notably: while global energy intensity declined by an average of 2% per year between 2010–2019, the rate dropped to 1.2% between 2019–2023 and to 1% in 2024. This deceleration was driven by rising energy demand in developing economies, the impact of heatwaves, and fluctuations in hydropower output. Although efficiency improvements in China and India accelerated, they remained below pre-pandemic levels.

Carbon intensity improved by 1.1%, resulting in a 2.1% reduction in CO_2 emissions per unit of GDP. However, this progress remained slightly below the long-term average due to the slowdown in energy efficiency gains. Meanwhile, electricity use continued to grow in parallel with global electrification trends, with electricity intensity increasing by 1%, outpacing global GDP growth.

Overall, energy demand continued to rise while the clean energy transition accelerated. Renewables and nuclear energy played a critical role in reducing dependence on coal and oil. Although emission growth slowed, achieving global climate targets will require stronger measures and strategic investments. The energy transition, efficiency-oriented growth, and CO_2 reduction have now become indispensable global priorities.

Energy Trends in Türkiye:

Türkiye's energy sector has been undergoing a significant transformation. The country's installed capacity reached 115 GW, with 59% generated from renewable sources. Nearly all of the 6.5 GW of new capacity commissioned in 2024 (approximately 99%) came from renewables. The addition of 5.4 GW in solar power highlights Türkiye's strong commitment to clean energy. Total electricity generation reached approximately 330 TWh, of which renewable sources supplied 46%. Electricity consumption was led by industry (41%), followed by residential (28%) and commercial users (26%).

However, energy imports remain high. In 2024, Türkiye imported energy worth USD 65.6 billion, contributing USD 49 billion to the trade deficit. The country continues to rely on imports for 98% of natural gas, around 88% of oil, and 62% of coal. To address energy security and reduce import dependency, Türkiye has taken significant steps — including LNG supply agreements with the United States, Algeria, and Oman. Beginning in 2025, Türkiye plans to import 2.5 million tons of LNG annually from ExxonMobil, marking progress in diversifying away from Russia-dependent supply chains.

Meanwhile, coal-based power generation increased, making Türkiye Europe's largest coal-fired electricity producer. In the first nine months of 2024, coal-based generation reached 88 TWh, resulting in 154.5 million tons of CO_2 emissions. The commissioning of new units in the Afşin-Elbistan field could add 28 million tons of additional annual CO_2 emissions. Conversely, jet fuel demand decreased by 4%, reaching 6.26 million tons.

Natural gas consumption rose due to industrial and residential demand, hitting a record 7.7 billion cubic meters in December. Drought-induced declines in hydropower output also led to a higher share of natural gas in power generation. While domestic production increased, import dependency remains significant.

[2] https://www.iea.org/reports/global-energy-review-2025

Renewable energy investments, particularly in solar power, accelerated rapidly. Installed solar capacity increased by 37%, reaching 19.4 GW in 2024. Through YEKA tenders, an additional 800 MW of capacity was allocated, with an average tender price of USD 0.0325/kWh — one of the most competitive globally. By the end of 2025, renewables are expected to account for 61.2% of total installed capacity. Moreover, with the commissioning of the first unit of the Akkuyu Nuclear Power Plant, Türkiye will begin nuclear electricity generation for the first time. Once all units are operational, the plant will provide 4.5 GW of capacity.

The increase in electricity consumption is mainly driven by industrialization and urbanization in developing regions. Türkiye imported 1,018 GWh of electricity from Georgia and exported 405 GWh to Bulgaria, strengthening regional integration and energy security through cross-border trade. In 2025, investments in smart grids, SCADA systems, demand-side management, and energy efficiency technologies are expected to increase significantly.

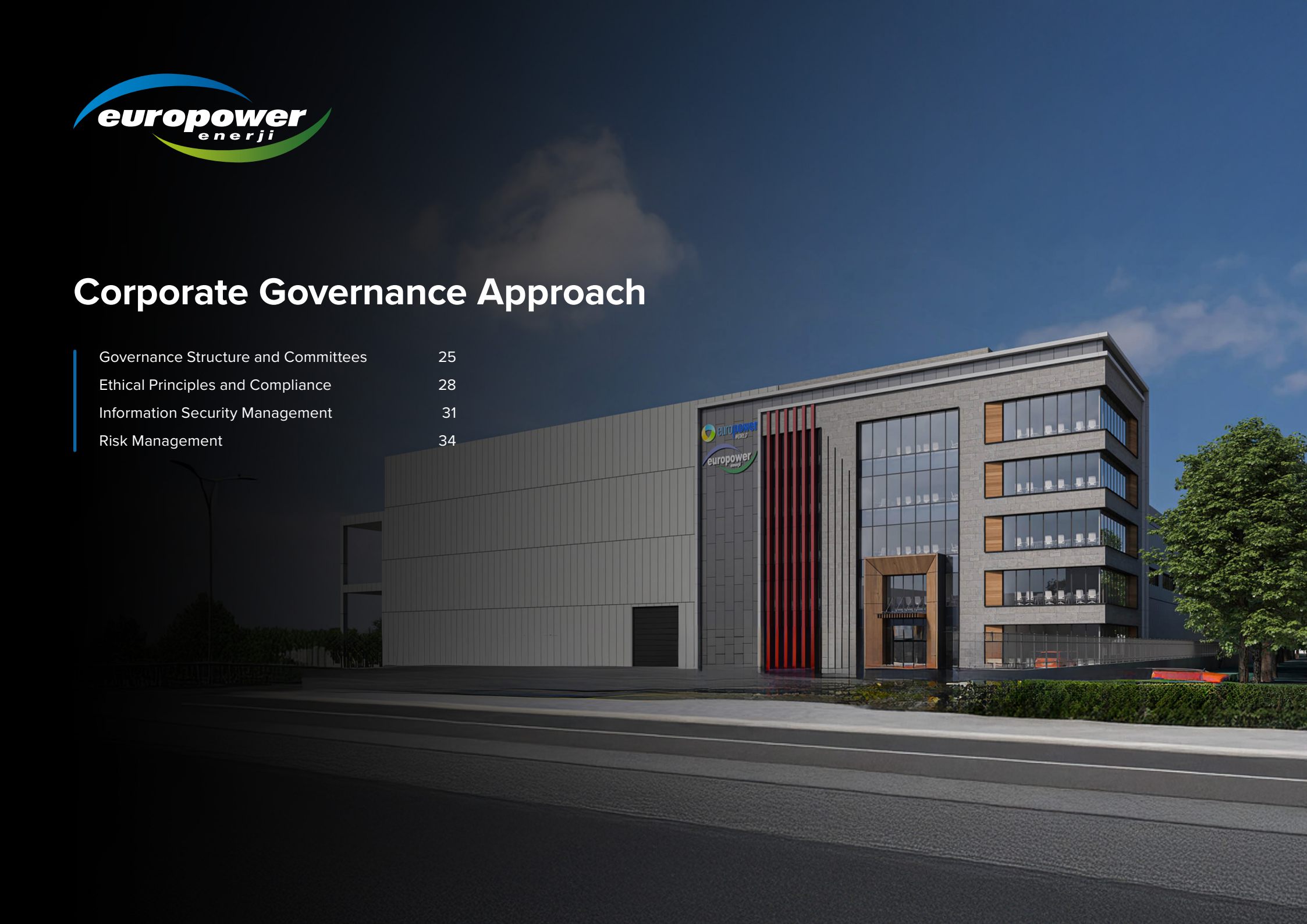
Türkiye's total installed capacity is projected to reach 122 GW in the coming years. New investments, particularly in solar and wind, will enhance energy security and diversify the energy mix. With the inclusion of nuclear generation and expanded LNG procurement alternatives, energy dependency will gradually balance. However, the continued high consumption of coal and structural reliance on fossil fuels pose a significant risk to emission reduction efforts.

Therefore, Türkiye must accelerate its energy transition, scale up efficiency measures, and implement strong carbon reduction policies — not only as an environmental necessity but also as an economic and geopolitical imperative.



Corporate Governance Approach

Governance Structure and Committees	25
Ethical Principles and Compliance	28
Information Security Management	31
Risk Management	34



Governance Structure and Committees

We support our long-term goals not only through technical achievements but also with high corporate governance standards and strong leadership principles. Our governance practices are structured in line with comprehensive policies and procedures that ensure full compliance with international ethics and compliance frameworks. In this way, we maintain the highest levels of transparency and accountability within our organization.

By preserving our reputable, strong, and reliable brand identity under all circumstances, we diligently implement our Integrated Quality Management Systems. We prioritize legal requirements and conduct our operations in line with our vision, mission, and values. This holistic management approach safeguards our sustainable growth, ensures consistently high quality standards, and enhances both customer satisfaction and stakeholder trust through operational excellence.

At Europower Enerji, our established Integrated Management System ensures that all our structures and services fully comply with customer expectations as well as current legal and regulatory requirements. In this context, we define and implement the processes required by our system as follows:

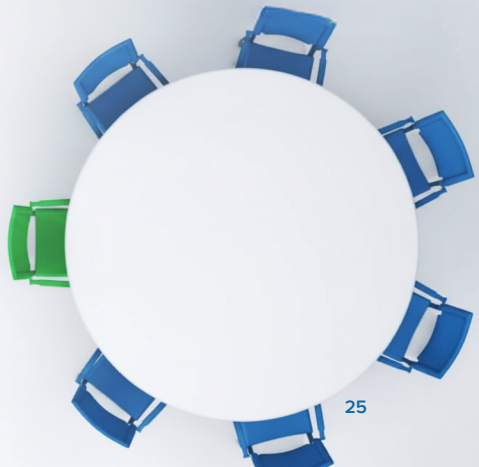
- We manage our processes in accordance with the requirements of relevant standards.
- We establish performance criteria to ensure effective implementation and control of these processes.
- We provide the necessary resources and information for process execution and monitoring in all relevant areas.
- We clearly define process measurement and analysis criteria in alignment with our objectives.
- We plan and implement the necessary actions to achieve the intended results and continuously improve our processes.

As senior management, we demonstrate our commitment to the implementation, development, and continual improvement of the Quality Management System through our Handbook and practices. In this context:

- We raise employee awareness of the importance of meeting legal and customer requirements through training, processes, and documentation.
- We establish our Integrated Management System Policy.
- We define our primary objectives and ensure that quality goals are set across relevant functions and organizational levels.
- We regularly review the system at defined intervals.
- We provide all resources necessary for the implementation, enhancement, and continual improvement of the management system.

Through this approach, we achieve sustainable quality management by ensuring full compliance with both legal obligations and customer expectations.

Our Board of Directors, which guides the company’s strategic decision-making processes in accordance with the principles of corporate governance, is composed of five members, two of whom serve as independent directors. The current Board was elected at the General Assembly held on October 3, 2022, for a three-year term.



We closely monitor our Board members' external positions and commitments to ensure effective governance and accountability. In cases where members hold multiple roles, we limit the number of such positions in accordance with corporate governance principles and Capital Markets Board (CMB) regulations, ensuring that each member fulfills their internal responsibilities efficiently and on time.

Our assessments show no underrepresented social groups within the Board. We place a strong emphasis on diversity, actively promote gender balance, and aim to maintain a minimum 30% representation of women on the Board. We appoint members with professional backgrounds across finance, law, engineering, the energy sector, and sustainability, emphasising both age and experience diversity to strengthen decision-making processes through multiple perspectives.

We strictly adhere to the principle of independence in full compliance with capital markets legislation and CMB regulations. Our independent Board members are free from any material conflicts of interest and maintain complete impartiality. All decisions are made in accordance with professional and ethical standards, without influence from external pressures or personal interests. By ensuring complete independence, particularly in public offering and capital market transactions, we further enhance investor confidence.

Throughout 2024, we maintained a high level of engagement in Board activities, with an average attendance rate of approximately 90% across all scheduled meetings, supporting the effectiveness and integrity of our decision-making processes. To further enhance Board performance, we implement internal evaluation and performance mechanisms and conduct annual self-assessment processes to regularly review our alignment with corporate objectives and sustainability strategies. Based on these assessments, we identify areas for improvement and take concrete actions to continuously strengthen governance effectiveness and support sustainable growth.











Full Name	The mission	Term of Office	Start Date	Sectoral Experience and Qualifications
Muhittin Behiç Harmanlı	Chairman of the Board	3 years	03.10.2022	Over 40 years of experience in electrical engineering. Leadership in energy generation and distribution, project management, manufacturing, and sales operations. Founding partnership and strategic governance expertise.
Ali Gökhan Öztürk	Vice Chairman of the Board	3 years	03.10.2022	Graduate in electrical and electronics engineering. Background in R&D and sales management. Founding partner of Girişim Elektrik and Europower Enerji with extensive experience in strategic guidance and business development.
Ramin Malek	Board Member	3 years	03.10.2022	Experience ranging from technical management to general management in the energy sector. Active executive since the company's foundation with comprehensive engineering and leadership background.
Savaş Atanur Kazaz	Independent Board Member	3 years	03.10.2022	Over 30 years of experience in the banking sector. Expertise in branch management, auditing, and corporate governance. Held senior positions in public financial institutions.
Mete Muzaffer Bıçaklıoğlu	Independent Board Member	3 years	03.10.2022	Senior management experience in financial markets. Expertise in investment and capital markets, portfolio management, and auditing. Serves on the boards of multiple companies.

Our General Manager, Mr. Ramin Malek, also serves as a member of the Board of Directors. To prevent any potential conflicts of interest, our Internal Audit Committee operates actively and regularly monitors management functions.

In line with our commitment to transparency and accountability, we disclose the total compensation paid to all senior executives in the notes to our financial statements. Our senior management comprises the Chairman and members of the Board of Directors, the General Manager, and department heads and directors. During the reporting period, the total monetary benefits paid to senior management, including attendance fees, salaries, bonuses, incentives and profit-sharing, amounted to TRY 23,992,000.

We ensure broad-based stakeholder representation through various channels, including the Board of Directors, Committees, General Assembly, Public Disclosure Platform (KAP) announcements, Investor Relations, employee participation mechanisms, customer and dealer networks, suppliers, and subsidiaries. Nomination and election processes for Board and senior management positions are carried out in accordance with the Turkish Commercial Code and CMB corporate governance principles. At the same time, stakeholder opinions are regularly considered in our Board meetings.

Committees

At Europower Enerji, our audit and governance committees actively operate to support sustainable growth and strengthen our transparent management approach. These committees work to enhance stakeholder confidence while continuously improving the effectiveness and accountability of company operations.

a) Audit Committee

Our Audit Committee ensures the proper and effective functioning of the accounting system, financial reporting processes, internal control mechanisms, and independent audit structures. The selection of the independent audit firm, contract procedures, and the evaluation of audit outcomes also fall under its responsibility. The committee meticulously reviews the accuracy of financial statements to be publicly disclosed, ensuring full compliance with the principle of transparency.

It handles any financial or audit-related notifications received by the company in strict confidentiality. The committee convenes at least four times a year, shares its findings and decisions with the Board of Directors in written form, and reflects its work in the annual activity report.

b) Early Detection of Risk Committee

The Early Detection of Risk Committee focuses on identifying potential risks that could threaten the company's existence or sustainable growth in a timely manner. It supports the implementation of necessary preventive measures and provides recommendations regarding risk management strategies. The committee also regularly evaluates the company's risk management infrastructure to ensure that it remains up to date and effective

c) Corporate Governance Committee

Our Corporate Governance Committee monitors the implementation level of corporate governance principles within the company, identifies the causes and potential conflicts arising from any non-compliance, and develops improvement recommendations. By overseeing the activities of the Investor Relations Department, the committee contributes to fostering a transparent and trustworthy communication environment.



Additionally, it plays an active role in the nomination process, establishing policies for identifying suitable candidates for the Board of Directors and senior management, and ensuring that this process is carried out transparently. The committee regularly evaluates the structure and operation of the Board, presenting its recommendations for improvement.

Since no separate Remuneration Committee has been established, the Corporate Governance Committee also coordinates the company's remuneration processes, ensuring that compensation policies align with long-term corporate objectives. It prepares proposals for a fair, performance-based, and transparent remuneration system, which are then submitted to the Board of Directors for approval.

Committee Name	Annual Regular Meeting Frequency	Quarterly Regular Meeting Frequency	Scope of Review
Early Risk Detection Committee	6	1–2	Established to identify risks related to company operations and report them to the Board of Directors.
Audit Committee	4	1	Formed to audit company operations and provide recommendations to management regarding potential improvements.
Corporate Governance Committee	4	1	Established to enhance the institutionalization level of the company's governance practices.

Ethical Principles and Compliance

At Europower, we are committed to providing all our employees with a respectful, transparent, and ethically driven work environment founded on open communication. Through our Code of Conduct and Ethics Policy, we proactively manage this process, aiming to prevent potential risks before they occur. Our Ethical Principles and Working Standards define the core behavioral expectations for all employees, thereby strengthening our corporate identity. These principles apply to all individuals within the organization — including full-time, part-time, and temporary employees, as well as managers and business partners.

Our policy clearly outlines key areas such as misuse of information, conflicts of interest, gifts and hospitality, market abuse, bribery, corruption, and sanctions. These definitions serve as reference points to ensure that ethical breaches are correctly understood and effectively prevented.

Reporting unethical behavior is the individual responsibility of every employee. All reports are evaluated in strict confidentiality, and any form of retaliation against whistleblowers is strictly prohibited. False or malicious reporting is also considered an ethical violation. When an ethical breach is confirmed, appropriate disciplinary measures — including termination of employment where necessary — are applied.

Our Ethical Principles are approved by the Board of Directors and periodically reviewed to reflect evolving conditions. All employees are notified of policy updates and have continuous access to the most recent version.

We foster a work environment that is inclusive, respectful of diversity, and free from discrimination, harassment, or mobbing. We uphold human rights as a fundamental principle and expect every employee to embody our institutional culture, acting ethically, efficiently, and in full compliance with laws and company policies. Employees are required to adhere to company procedures, complete all relevant training, and comply fully with applicable legal regulations.

Reporting and Management of Ethical Violations

We have established multiple communication channels for reporting unethical conduct. QR codes placed in common areas such as factory entrances, cafeterias, and human resources offices allow employees to submit anonymous reports. In addition, internal stakeholders can report ethical concerns directly to the Human Resources Department, which forwards the cases to the Legal Department for evaluation and, when necessary, to senior management for final review.

We also monitor social media platforms and digital channels to identify comments or notifications concerning Europower, collaborating with relevant departments to assess them appropriately. Reports received through the Europower Communication Line and official corporate email channels are systematically recorded and evaluated.

All reported ethical breaches are managed through our Ethics Committee. After preliminary assessment by the Legal Department, cases are referred to senior management when necessary for final resolution. This systematic approach enables us to address unethical practices effectively and maintain a work environment aligned with our corporate values.



Anti-Bribery and Anti-Corruption Policy

The fight against bribery and corruption constitutes an integral part of our ethical principles. We regard this not only as a legal obligation but also as a strategic imperative that safeguards the company's long-term success. Our moral standards are regularly updated to proactively identify potential risks, ensuring we implement measures that support sustainable growth and transparency.

Under no circumstances do we tolerate bribery or corruption. Regardless of who is involved or where it occurs, we do not offer, promise, or provide any undue advantage — directly or indirectly — to any individual, institutional representative, or public official. Similarly, we categorically reject any such requests or offers. We strictly prohibit any form of facilitation payments or value transfers intended to influence decisions.

This policy applies not only to our employees but also to all our business partners. We expect full compliance with both national and international laws as well as with our Anti-Bribery and Anti-Corruption Policy. We do not tolerate, condone, or participate in any unethical behavior in any form.

We share our anti-corruption policies and procedures publicly with all stakeholders in line with the principles of transparency and accountability. Our Code of Conduct and Ethics Policy, along with related policies on donations, disclosure, profit distribution, and remuneration, is available on our corporate website, ensuring that employees and partners have open and up-to-date access to our ethical framework.

We also prioritize anti-corruption measures in supplier audits and partnerships. All ethical rules are communicated clearly to relevant parties, defining mutual responsibilities and promoting a transparent, accountable business environment. In doing so, we aim to cultivate a culture of ethical business conduct not only within our company but also across our entire value chain.

Through our risk-based approach, we proactively identify potential risks, including conflicts of interest in procurement, indirect bribery via gifts or hospitality, lack of transparency in tender processes, regulatory non-compliance in international projects, and weaknesses in internal audit systems. We apply strict controls in these areas, implementing preventive measures through our Early Detection of Risk Committee and Executive Committee. At the same time, our Legal Department monitors full compliance with laws and internal ethical standards.

By embedding anti-corruption principles into our operational processes, we are building a transparent, ethical, and accountable corporate structure that upholds integrity across all aspects of our business.

Throughout 2024, no violations of environmental, occupational health and safety, financial, commercial, social security, human rights, ethics, or anti-corruption regulations were identified within our operations. No administrative fines, monetary, or non-monetary sanctions were imposed, and no penalties were incurred in previous reporting periods either. This outcome clearly reflects Europower Enerji A.Ş.'s strong commitment to legal compliance and ethical responsibility.



Internal Control and Audit Systems

At Europower Enerji, we ensure full compliance with legal regulations, safeguard the effectiveness of our internal control systems, and maintain an audit structure that is continuously open to improvement. Our internal audit activities are conducted in a planned and disciplined manner, following an objective and systematic approach to evaluate the adequacy, compliance, and effectiveness of our Integrated Management System. Based on reports and findings determined by our Audit Committee, the Internal Audit Department carries out comprehensive audits across accounting, finance, human resources, sales, procurement, and all other business units. Through these practices, we enhance the efficiency of operational processes, strengthen risk management, and ensure the ethical compliance of our corporate structure.

At the beginning of each year, we prepare an Annual Internal Audit Plan, which is implemented upon the General Manager's approval. Additional unplanned audits are conducted when operational needs require. Audit teams are formed in line with independence and impartiality principles, ensuring they are separate from the departments being audited. All audits are carried out by trained personnel certified in Internal Quality Auditing, who possess the required expertise in their respective fields. During audits, we review the organization's structure, business processes, procedures, human resources management, technological infrastructure, and the technical conformity of production processes. All findings are documented in the Internal Quality Audit Report.

For identified nonconformities, we prepare Corrective Action Plans, assign responsibilities, and set follow-up deadlines. When necessary, we conduct follow-up audits to verify effectiveness. Unresolved issues are recorded in new action forms and comprehensively reviewed during Management Review Meetings. All audit records are securely archived under the supervision of the Quality Assurance Department.

We consider addressing the feedback and complaints of all stakeholders affected by our operations a fundamental responsibility. To ensure transparency and accessibility, we have established complaint mechanisms for both internal and external stakeholders. Employees can share feedback through suggestion and complaint boxes located in production areas and offices; this feedback is communicated directly to the Board of Directors through the Human Resources Department. External stakeholders can submit their concerns via the contact channels on our website or through the After-Sales Services Department.

The management of complaints, suggestions, and corrective/improvement actions is carried out using integrated software systems such as EKMOB SFA, Cloudoffix CRM, and M-Files. These tools play a vital role in collecting notifications, evaluating them, and planning necessary actions. We also encourage stakeholder participation in the design and development of feedback mechanisms, continuously improving these processes through periodic reviews and collaboration between the IT and Quality departments. In monitoring effectiveness, we evaluate metrics such as complaint resolution time, recurrence rates, audit findings, and analyses from Management Review Meetings.

We address negative impacts through both internal processes and collaborative engagement with stakeholders. To this end, Corrective and Preventive Actions (CAPA), Risk Assessment and Management, Stakeholder Dialogue, Training and Awareness Programs, and Audit and Monitoring Activities are conducted in an integrated manner.

Throughout 2024 and prior reporting periods, no significant nonconformities were identified. Consequently, no sanctions or findings requiring formal reporting were encountered. This outcome reflects the strength and effectiveness of our internal control and compliance processes.

Management Review Process

We continuously monitor the effectiveness of our Quality Management System, assess our performance, and develop action plans for improvement. At least once a year, under the leadership of our General Manager and the coordination of our Quality Assurance Manager, a Management Review Meeting is held. These meetings provide a comprehensive evaluation of our quality policies, achievement of objectives, system performance, customer satisfaction levels, audit results, and the implementation status of previous decisions. Decisions are formally recorded in a Meeting Minutes Form, signed by all participants to ensure transparency and accountability.

We regard this process not merely as a quality control tool but as a strategic platform that guides our company's sustainable development. Based on meeting outcomes, we identify opportunities for improvement, plan necessary enhancement actions, and implement them to ensure alignment with our long-term corporate objectives.



Information Security Management

Within the scope of our operations, we may access clients' private connection data, credentials, passwords, and configuration details related to critical devices. Accordingly, one of our top priorities is to ensure the trust of our customers and safeguard the security of the information assets used in the services we provide.

We adopt a trust-based approach in all relationships with our business partners, customers, public institutions, and distributors. The confidentiality of the information we hold, the continuity of our services, and the integrity of internal or external information assets form the foundation of our operational excellence philosophy.

In this context:

- We have established the ISO 27001:2013 Information Security Management System and are committed to continuously improving its effectiveness.
- We regularly review information security risks and apply control measures for risks exceeding acceptable levels.
- We conduct regular training and awareness programs to maintain a high level of information security awareness among all employees.
- We fully comply with all relevant laws and regulations of the Republic of Türkiye.

We review and update our information security policy at least once a year, ensuring that all related processes are managed effectively and systematically.

At Europower, under the scope of the ISO 27001 Information Security Management System, we take comprehensive measures to protect our information assets and ensure business continuity. As part of this, we perform annual penetration tests against external cyberattack scenarios to assess the resilience of our systems.

Cybersecurity Management

We implement a comprehensive Information Security Policy to manage cybersecurity risks effectively. Every employee is responsible for protecting the company's information systems, and we aim to foster a secure digital working environment.

- ✓ **Awareness and Training:** We conduct regular cybersecurity training sessions and awareness programs to help employees recognize and prevent potential threats.
- ✓ **Access Control and Authorization**: Access to information systems is restricted to authorized personnel only, based on job responsibilities, and access rights are reviewed periodically.
- ✓ **Network Security Measures:** We reinforce network security through robust technologies, including firewalls, intrusion detection systems, and up-to-date antivirus software to prevent unauthorized access.
- ✓ **Data Backup and Recovery:** Critical data is backed up regularly, and recovery plans are maintained to ensure business continuity in the event of data loss or system disruption.
- ✓ **Monitoring and Auditing:** Our cybersecurity systems are continuously monitored to identify potential threats early. We maintain effective auditing mechanisms to detect anomalies and security breaches promptly.

Through these practices, we minimize information security risks, safeguard data integrity, and maintain a secure and sustainable business environment.

Europower uses internationally recognized cybersecurity software to ensure data privacy and protection. Our data center, located at our headquarters, serves as the central infrastructure through which all information systems are managed, ensuring both reliability and security.



Data and Asset Management Approachz

We strictly protect the confidentiality of personal and financial information belonging to customers, business partners, and employees accessed by our staff in the course of their duties. We do not share such information with unauthorized individuals or entities, respond to unrelated inquiries, or use data for personal or speculative purposes. Access to confidential information is limited to authorized personnel, and this obligation continues even after employment termination.

Only authorized personnel manage our server systems, ensuring operating system updates, patches, security configurations, and hardware controls are performed in accordance with defined procedures. Network device security is maintained through centralized management systems, and all access logs are monitored and recorded.

User access is controlled through a role-based authorization model, and connections to servers, databases, and network devices are established via secure communication protocols. All access attempts are logged in detail and analyzed regularly by our centralized security team.

We protect data integrity throughout its lifecycle. Both physical and digital information sources are securely disposed of at the end of their legally required retention periods. Electronic devices are recycled in compliance with the Basel Convention, and disks and hardware components are physically destroyed. All processes are transparently documented.

All our hardware and software assets are licensed products, which we update and audit regularly. Software is deployed following a Secure Software Development Lifecycle (SDLC) framework. Integrated firewalls, log monitoring systems, and antivirus software work together to ensure continuous protection of our information assets.

Protection and Use of Corporate Assets

All equipment and materials assigned to employees are considered corporate assets, not personal property. They are to be used solely for business purposes, and any personal or third-party use is strictly prohibited. We safeguard all company-owned physical and digital assets, including information systems, against loss, misuse, abuse, and sabotage.

Our internet and intranet infrastructures are used exclusively for work-related communication, research, and tasks. Any use for illegal, discriminatory, obscene, or inappropriate content is strictly forbidden. Europower reserves the legal right to monitor employee accounts and work-related digital systems (email, phone, computer, etc.) when necessary.

To maintain information security, all employees are expected to comply fully with relevant policies, procedures, and implementation guidelines — particularly those set out in our Information Security Policy.

Our Commitment to Record Accuracy

We record all company operations transparently and in full compliance with legal requirements. Employees are expected to ensure the accuracy of all records related to Europower's activities, avoiding any deliberate falsification, misrepresentation, or alteration of information. Any omissions, errors, or irregularities must be immediately reported to relevant managers.

In addition to accounting records, we manage emails, phone logs, CCTV footage, system logs, and all other operational records with this same commitment to accuracy and transparency, ensuring full accountability during internal and external audits.



Emergency and Business Continuity Management

Within the scope of information security, we place equal importance on preventive measures and preparedness for emergencies and disasters. Our Business Continuity and Disaster Recovery Framework ensures the ongoing functionality of our information systems while minimizing operational disruptions.

- We designate responsible personnel in advance, clearly defining their authorities and responsibilities in written form.
- We take all necessary precautions to ensure the uninterrupted operation of information systems and rapid recovery within acceptable timeframes.
- To minimize data loss, we implement technological solutions such as clustering, remote and local backups.
- We define intra-company collaboration requirements for emergency situations, ensuring fast and coordinated communication between departments.
- All system records are securely stored for post-incident review and analysis.
- We maintain internal mechanisms for reporting security vulnerabilities and breaches, reviewing and updating them regularly.
- In the event of a security breach, responsible individuals are notified immediately, and incident management processes are promptly initiated.
- Our information security manager serves as the primary contact during emergencies, with designated alternates available to ensure continuity when necessary.
- Where appropriate, incidents are escalated by the information security manager to relevant legal authorities for further evaluation.

We treat these processes as an integral part of our sustainability approach, continuously enhancing them through a focus on risk management and continuous improvement.



Risk Management

Considering the dynamic and strategic nature of the energy sector, one of our top priorities is to identify and manage corporate risks at an early stage with maximum effectiveness. To this end, we integrate our risk management processes with the company's overall strategies and corporate culture, ensuring that all employees conduct their daily operations not only with a focus on performance but also with an awareness of risk, opportunity assessment, and legal compliance principles.

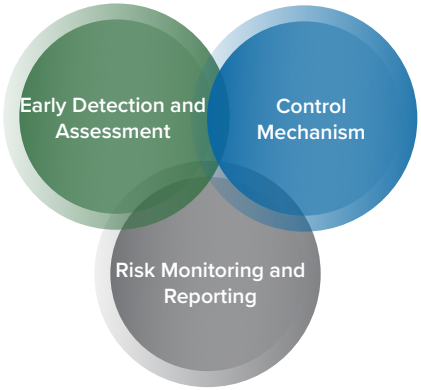
We structure our risk management processes in line with corporate governance principles, positioning them as a critical assurance mechanism for achieving our strategic objectives. Transparency, efficiency, and continuity are the fundamental principles guiding our risk management approach, and we ensure that all related policies and procedures are implemented within this framework.

To align with our sustainability strategies, we embrace continuous improvement in risk management and maintain this process transparently and systematically. Our Early Detection of Risk Committee plays a key role in identifying potential risks at an early stage and minimizing their impacts through proactive and diligent monitoring.

Risk Identification and Evaluation: Through our Early Detection of Risk Committee, we proactively identify potential risks and share assessment results with the Board of Directors to ensure timely action. This approach enables us to recognize threats that may impact our strategies and operations at an early stage and to implement necessary preventive measures without delay.

Control Mechanisms: We establish diverse internal control structures and processes to minimize the impact of potential risks. Addressing financial, operational, environmental, and legal risks with a preventive perspective, we implement the necessary actions to ensure both our company's sustainability and corporate security.

Risk Monitoring and Reporting: We prepare regular risk analysis reports to assess the impact of identified risks on our corporate strategies and share these findings with senior management. Through this ongoing process, we maintain a dynamic and continuously reviewed risk management system.





We effectively manage our corporate risk framework under four main categories:

1) Systematic Risks

These include unavoidable risks arising from domestic and international economic, political, and social changes.

- ✓ **Interest Rate Risk:** Fluctuations in interest rates may affect financing costs for capital or credit use, directly influencing our investment decisions and cash flow. As of September 2024, we do not carry interest rate risk; however, this may reemerge if future financing needs arise.
- ✓ **Inflation and Purchasing Power Risk:** Volatility in raw material prices, supply chain challenges, and global commodity crises contribute to cost increases. These factors may disrupt inventory management, create price fluctuations, and impact customer demand — posing threats to our market share and competitiveness.
- ✓ **Political Risks**: We closely monitor regulatory changes, tax revisions, and local production incentives in the countries where we operate, taking strategic measures against potential export restrictions or profit margin pressures.
- ✓ **Exchange Rate Risk:** Currency fluctuations can affect our income-expense balance. Although no such risk existed as of September 2024, we plan to implement hedging strategies for foreign currency-based transactions moving forward.

2) Non-Systematic Risks

These are company-specific and controllable risks.

- ✓ **Management Risk:** Arising from dependence on senior management in strategic decision-making. To mitigate this, we are strengthening institutionalization and governance structures.
- ✓ **Business and Industry Risk:** Intense competition, new market entrants, and technological transformations define this category. We counteract these risks by maintaining strong R&D and innovation initiatives.
- ✓ **Financial Risk:** Relates to potential challenges in securing financing for new projects and business development. We address this through effective resource management and diversified funding strategies.
- ✓ **Operational Risk:** Originates from internal factors (personnel, IT infrastructure, information security) and external factors (supply chain disruptions, contractor errors, embargoes, or taxation policies). We take preventive actions to ensure uninterrupted production and delivery processes.

3) Sector-Specific Risks

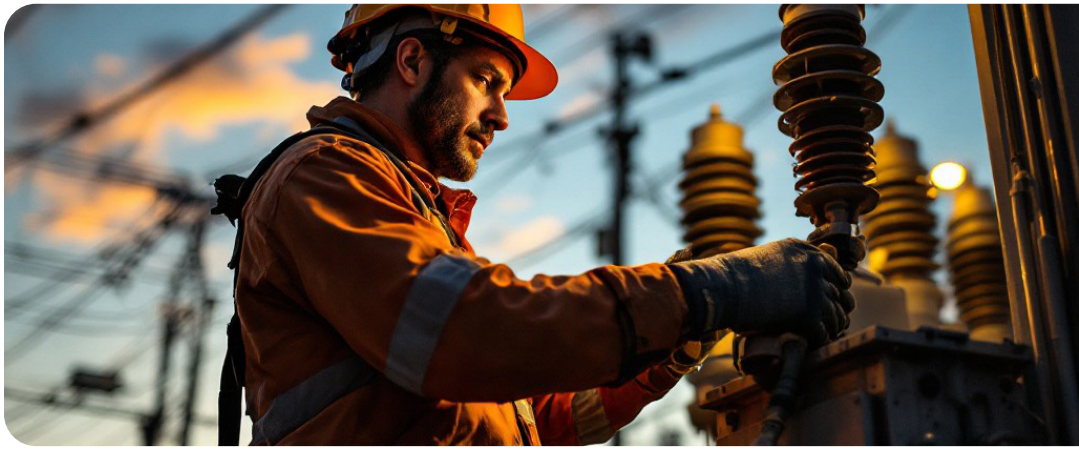
These are inherent to the energy industry, including competition, regulatory shifts, and technological adaptation challenges.

- ✓ We operate in an intensely competitive environment with both domestic and international players across manufacturing, IT, systems integration, turnkey projects, and testing-commissioning services. The emergence of new firms and the strengthening of local competitors may impact our market share.
- ✓ Frequent regulatory and policy changes in the energy sector may adversely affect investments and business volume.
- ✓ Failure to adapt to technological advancements on time — due to insufficient R&D investment or employee training — could weaken our competitiveness in the long run.

4) Other Risks

External factors, including political instability, natural disasters, wars, pandemics, economic crises, or states of emergency, can negatively impact company operations. Additionally, social or political boycotts may also influence our activities.

Through this four-pillar risk management approach, we support our long-term sustainable growth while ensuring operational security and resilience at the highest level.



Business Model and Value Chain Process

Value Chain	37
Stakeholder Relations	37
Material Topics	39
Value Creation Model	44



Value Chain

At Europower, we shape all our operations in line with Environmental, Social, and Governance (ESG) principles across every stage of our value chain. As a manufacturer operating in the energy infrastructure sector, we prioritize developing solutions that contribute to the UN Sustainable Development Goals (SDGs) and creating long-term value for all stakeholders. Our activities are carried out within a holistic value chain — beginning with responsible sourcing and extending to the delivery of final products and services to end users.

Our approved supplier system operates with a focus on environmental and social criteria in the procurement of raw materials and components. Suppliers are continuously monitored and evaluated through transparent procedures based on multiple criteria, including certification status, on-time delivery, defect rates, environmental performance, and price stability. Improvement areas are regularly identified to ensure responsible resource use from the very first link in our value chain, while fostering a collaborative and sustainable procurement model.

Our production processes are conducted across 10 factories located in Ankara, fully compliant with national and international standards. Product groups such as low-, medium-, and high-voltage systems, energy storage units, renewable energy solutions, and switchgear systems are supported by advanced engineering capabilities, technological competence, and robust quality assurance systems. In production, we implement initiatives to enhance resource efficiency, reduce environmental impact, and strengthen operational sustainability. In accordance with ISO 14001 Environmental Management System, we prioritize efficiency in energy, water, and raw material use. At the same time, all waste is separated, monitored, and disposed of in compliance with applicable regulations.

Our distribution and delivery processes are managed with a focus on on-time performance, quality-controlled logistics, and customer expectations. Through a growing client base in Türkiye and abroad, we deliver our products to five continents, ensuring that each delivery reaches end users safely, promptly, and with minimal environmental impact.

The services we provide to customers extend beyond product delivery. With after-sales support, warranty management, technical consultancy, and field assistance, we contribute to operational reliability and system continuity. Customer feedback is integrated into our quality management system and used to drive continuous improvement in both product and service quality.

Our support processes are designed to ensure the long-term sustainability of our value chain. Human resources practices are guided by equal opportunity, inclusiveness, and employee satisfaction, while we invest in the continuous development of our workforce. Simultaneously, our R&D and digitalization initiatives enable the development of innovative and environmentally responsible products.

Through this comprehensive approach, we go beyond economic value creation to foster a value chain built on environmental responsibility, social impact, and ethical conduct. At Europower, this integrated perspective enables us to deliver products while also generating sustainable value within the global energy infrastructure industry.

Stakeholder Relations

At Europower, we regard transparent, consistent, and meaningful communication with all our stakeholders as a fundamental corporate responsibility. Accurately identifying and understanding the expectations and needs of diverse stakeholder groups is an integral part of our way of doing business.

Our engagement with a broad spectrum of stakeholders — including customers, public institutions, universities, and non-governmental organizations — extends beyond social topics to encompass environmental, economic, and governance matters, thereby informing our decision-making processes. Through these interactions, we not only build trust but also refine our strategies based on feedback from the field, enabling us to identify risks earlier and evaluate opportunities more effectively.

Our collaborations with stakeholders across both financial and non-financial performance areas reinforce our commitment to transparency and accountability while driving the creation of sustainable value. In an era where ESG investments are becoming increasingly prevalent, integrating stakeholder insights into our operations strengthens our corporate resilience and prepares us for the future. We view stakeholder engagement not merely as an information exchange process but as a participatory governance approach, where stakeholders are actively involved in decision-making mechanisms.

Stakeholder engagement aims to establish transparent, trust-based, and effective communication platforms to achieve our sustainability objectives. In this process, we consider the perspectives and expectations of all our stakeholders to manage our environmental, social, and economic impacts responsibly and ensure their active participation in decision-making. This approach enables us to build strong, long-term, and mutually beneficial relationships between our organization and its stakeholders.

Meaningful Stakeholder Engagement Methods

Transparency forms the foundation of our stakeholder communication approach, and we prioritize the development of trust-based relationships. To this end, we maintain continuous and two-way communication through regular feedback mechanisms, surveys, meetings, and digital communication channels. We also foster strategic collaborations and joint projects, creating sustainable solutions that align with stakeholder expectations and needs.

These engagement practices reinforce stakeholder trust, enhance our institutional value, and ensure alignment with our sustainability goals. We regularly review all interaction processes and continuously update our communication methods in line with evolving expectations and emerging needs.

The following table outlines our key stakeholder groups, along with our communication objectives and engagement channels in detail.

Stakeholder Group		Purpose of Communication	Communication Channels and Frequency
Internal Stakeholders	**Employees**	To enhance employee satisfaction, build a sustainable employer brand, support professional and personal development, ensure healthy and safe working conditions, and promote transparent two-way communication.	Trainings, meetings, internal portal / Monthly, as needed
	Board of Directors	To ensure strategic alignment and oversight.	Strategic meetings, reports / Quarterly, annually
	Shareholders / Partners	To maintain transparent communication regarding company performance, decisions, and governance.	General assemblies, investor meetings / Annually, as needed
	Foreign Partners and Other Internal Stakeholders	To strengthen collaboration and ensure alignment with corporate strategies.	Video conferences, e-mails, site visits / Quarterly, annually
Dış Paydaşlar	**Customers and End Users**	To understand expectations, provide high-quality, reliable, and continuous service; develop cost-effective solutions; respond quickly and effectively to complaints and requests; and increase accessibility to products and services.	Feedback surveys, customer service channels / Continuous, annually
	Suppliers and Subcontractors	To ensure efficiency across the supply chain, establish sustainable business relationships in terms of quality, continuity, and cost, clarify mutual expectations and responsibilities, and monitor performance through audits and feedback.	Contracts, quality audits / Quarterly
	Investors, Banks, and Financial Institutions	To establish transparent financial partnerships, expand business volume and profitability, and ensure seamless operational communication.	Investor meetings, financial reports / Annually, as needed
	Regulatory Authorities and Public Institutions	To ensure full compliance with laws and regulations, conduct audits and reporting processes accurately and on time, and respond promptly to regulatory requirements.	Inspections, reports / Annually, as needed
	Non-Governmental Organizations (NGOs)	To develop collaborations that enhance social benefit, cooperate in social responsibility projects, and contribute to reputation management and public perception.	Joint projects, partnerships / Quarterly
	Universities and Research Institutions	To collaborate on scientific research and R&D projects, support sectoral knowledge generation, and access future talent.	R&D projects, academic collaborations / Annually
	Consultants	To provide expert input for corporate development, benefit from consultancy services in strategic, operational, and technical matters, and strengthen partnerships for continuous improvement.	Trainings, consultancy services / Periodically
	Society	To contribute to social welfare, support local development projects, act responsibly toward environmental, cultural, and social values, and respond to community expectations.	Social responsibility projects / Continuous, annually
	Municipalities and Ministries	To develop projects aligned with public policies, cooperate on environmental and social initiatives, contribute to sustainable development goals, and strengthen stakeholder relations at local and national levels.	Regulatory cooperation, environmental projects / Annually, as needed
	Media and Public	To provide transparent and accurate information about company activities, strengthen corporate reputation and brand awareness, communicate ESG commitments to the public, and share information on employment and economic contributions.	Press releases, media interviews / As needed
	Industry Associations and Chambers of Commerce	To follow sectoral developments, contribute to the establishment of common standards, provide input on regulations, share best practices, and strengthen professional solidarity.	Conferences, industry events / Annually, as needed
	Share and Bond Investors and Analysts	To provide transparent and accurate information on financial performance, support investment decisions with analysis and reporting, and maintain long-term trust-based relationships.	Financial reports, investor meetings / Annually, as needed
	Competitors	To monitor sectoral developments, adapt to market dynamics, uphold ethical standards in competition, and foster collaboration that benefits the industry and promotes innovation.	Sectoral analyses, joint initiatives / As needed

Material Topics

At Europower Enerji, we believe that building our sustainability strategy on data-driven Environmental, Social, and Governance (ESG) foundations and maintaining strong stakeholder engagement is essential for long-term success. Accordingly, we conduct a multi-stakeholder, multidimensional materiality assessment to identify the most critical issues for both our company and our stakeholders.

As of 2024, we have aligned our process with the EU Corporate Sustainability Reporting Directive (CSRD) and adopted the double materiality principle. This approach enables us to assess both the impacts of our operations on the environment and society (inside-out) and the potential effects of external developments on our company (outside-in) in an integrated manner. As a result, we can optimize resource allocation, define our focus areas more clearly, and communicate our sustainability performance transparently.

Our analysis is based on two primary axes:

- **Impact Materiality (X-Axis):** We evaluated the direct and indirect effects of our activities on environmental and social systems, taking into account our internal strategic priorities, stakeholder feedback, and the Sustainability Accounting Standards Board (SASB) Four-Factor Materiality Framework. We assessed the scale of impacts, potential for positive change, and implications for our stakeholders to define our strategic priorities.
- **Financial Materiality (Y-Axis):** We assessed the impact of ESG factors on our revenue structure, cost components, reputation management, investor expectations, and financial resilience. During this process, we referred to multiple global and national frameworks, including the World Economic Forum (WEF) Global Risk Reports, the UN Sustainable Development Goals (SDGs), the SASB Materiality Map (specifically for the electrical industry), and the Ministry of Energy and Natural Resources Strategic Plan, along with sectoral practices and stakeholder analyses.

Under internal impacts, we analyzed our carbon emissions, energy consumption, occupational health and safety (OHS) practices, employee rights, waste management processes, and resource efficiency.

For external impacts, we evaluated global energy trends, regulatory changes, market expectations, and investor demands to identify risks and opportunities that may influence our corporate performance.

Each topic was scored according to probability, impact scale, geographic scope, irreversibility, and financial relevance. We then positioned the results within a double materiality matrix, finalizing our prioritization analysis based on comprehensive data.

Throughout the process, we maintained direct engagement with internal and external stakeholders through surveys, focus group discussions, and one-on-one interviews. The feedback gathered was placed at the core of our strategic prioritization process. We calibrated our findings by comparing them with industry benchmarks and publicly available reports, then validated them through sessions with senior management and technical teams. Finally, the Board of Directors approved the outcomes, providing formal institutional validation.

We have clearly defined our priority sustainability topics and developed concrete action plans aligned with these areas. Below, we present our materiality matrix and identified priority topics that will guide Europower Enerji's sustainability roadmap moving forward.



High-Priority Topics

1. Energy Efficiency and Management
2. Risk and Crisis Management
3. Digitalization and Technological Transformation
4. Climate Change Mitigation
5. Sustainable Supply Chain Management
6. Carbon, Emissions, and Air Quality Management
7. Water Management
8. Responsible Waste and Natural Resource Management

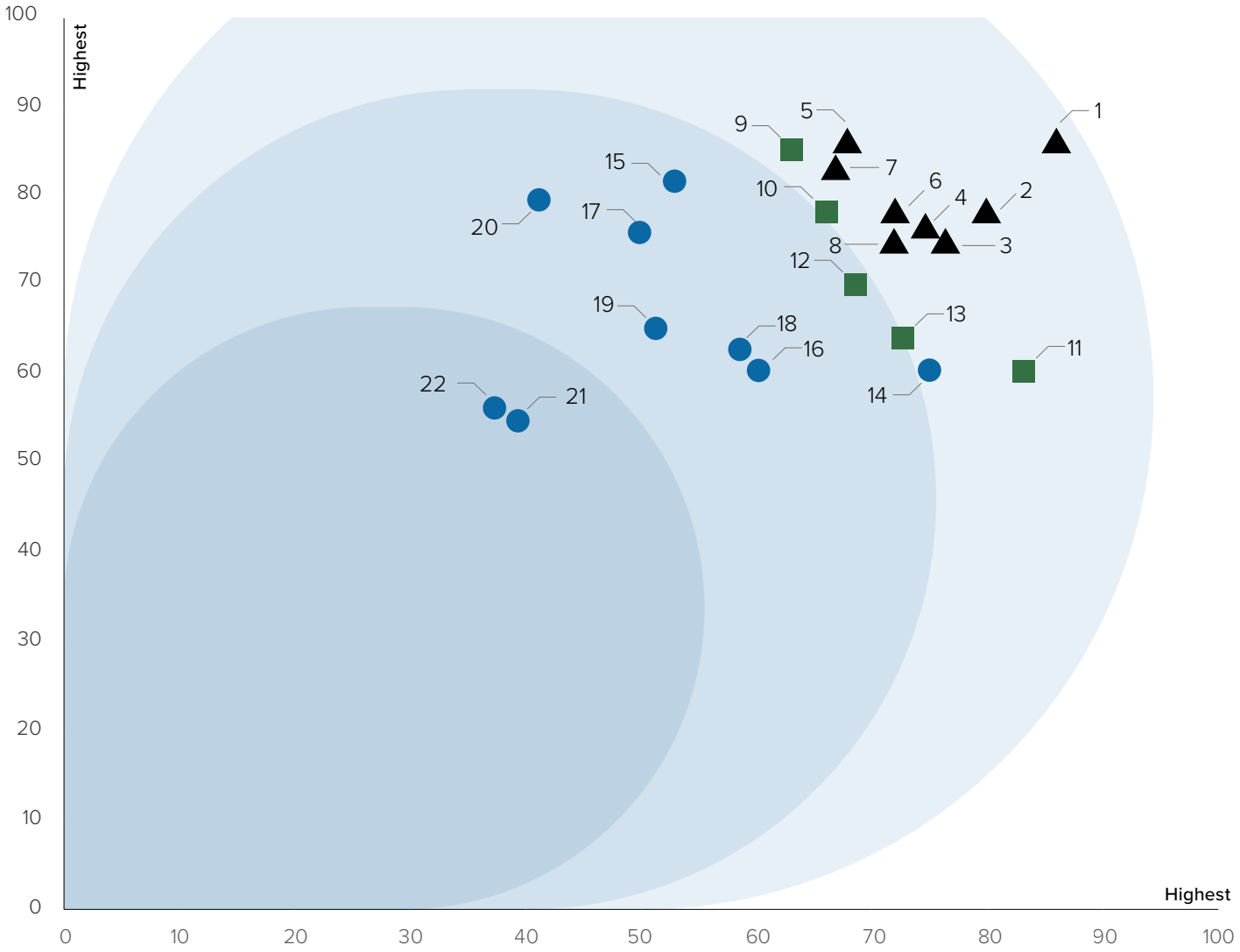
Medium-Priority Topics

9. Employee Rights, Engagement, and Development
10. Health, Occupational Safety, and Process Safety
11. Responsible and Sustainable Finance
12. Integration, Infrastructure, and Service Quality
13. Product Lifecycle and Impact Management

Priority Topics:

14. Strong Economic Performance and Competitiveness
15. Stakeholder Engagement and Corporate Reputation
16. Data Security and Privacy
17. Local Socioeconomic Impact and Community Involvement
18. Customer Satisfaction and Product Responsibility
19. Corporate Governance and Ethical Conduct
20. Biodiversity and Ecosystem Protection
21. Ethical Lobbying and Public Policy Engagement
22. Human Rights and Impact Assessment

Prioritization Matrix



High-Priority Topics

Topic	Importance for Our Company	How We Manage It	Related Stakeholders	Relevant SDGs
Energy Efficiency and Management	Increasing efficiency in our energy-intensive operations is critical to reducing operational costs and minimizing our environmental impact. We aim to lower our carbon footprint through efficient energy use.	Emission and Energy Management	EmployeesInvestors, Banks, and Financial InstitutionsRegulatory Bodies and Public Authorities	
Risk and Crisis Management	We proactively identify and manage potential risks in climate, market, and regulatory domains to build a resilient structure against uncertainties.	Risk Management ApproachSustainability StrategySustainability and Climate-Related Risk Management	Board of DirectorsInvestors, Banks, and Financial InstitutionsNon-Governmental Organizations (NGOs)	
Digitalization and Technological Transformation	By investing in next-generation energy solutions and digital infrastructures, we enhance efficiency and transition toward innovative business models — the cornerstone of our sustainable growth.	R&D, Product Development (Ür-Ge), and Technology-Oriented InvestmentsDigitalization and Data Management	EmployeesUniversities and Research InstitutionsConsultants	
Combating Climate Change	We focus on adaptation to climate risks and reducing emissions through low-carbon technologies to build a future-resilient business model.	Sustainability StrategySustainability and Climate-Related Risk ManagementEnvironmental Impact and Climate Change	Shareholders / PartnersRegulatory Bodies and Public AuthoritiesMunicipalities and Ministries	
Sustainable Supply Chain Management	We share environmental and social responsibilities with our suppliers and strengthen our value chain through sustainable procurement practices.	Responsible Supply Chain Management	Suppliers and ContractorsNon-Governmental Organizations (NGOs)Industry Associations and Chambers	
Carbon, Emission and Air Quality Management	We actively control carbon emissions and other pollutants, developing practices that contribute to cleaner air and climate action.	Emission and Energy Management	Regulatory Bodies and Public AuthoritiesNon-Governmental Organizations (NGOs)Community	
Water Management	We use water resources efficiently and reduce our water footprint through wastewater treatment and reuse, taking responsibility against water scarcity.	Resource Management and Recycling Practices	Regulatory Bodies and Public AuthoritiesNon-Governmental Organizations (NGOs)Employees	
Responsible Waste and Natural Resource Management	We minimize waste, increase recycling rates, and efficiently use natural resources by adopting a circular economy approach.	Resource Management and Recycling Practices	Suppliers and ContractorsEmployeesNon-Governmental Organizations (NGOs)	

Medium Priority Issues

Topic	Importance for Our Company	How We Manage It	Related Stakeholders	Relevant SDGs
Employee Rights, Engagement and Development	We protect our employees' rights, encourage their participation, and invest in developing their skills and competencies — forming the foundation of organizational commitment.	Human Resources ManagementGender Equality, Diversity and InclusionContinuous Learning, Development and Performance CultureEmployee Feedback Mechanisms	EmployeesBoard of DirectorsConsultants	
Health, Occupational Safety and Process Safety	The health and safety of our employees are our top priorities. We prevent workplace accidents and minimize operational disruptions through safe working environments.	Occupational Health and Safety	EmployeesRegulatory Bodies and Public AuthoritiesNon-Governmental Organizations (NGOs)	
Responsible and Sustainable Finance	We shape our investment decisions in line with sustainability principles, integrating environmental and social risks into our financial approach to create long-term value.	Strategic Goals and Market PositionEconomic PerformanceResponsible Investment Approach	Shareholders / PartnersInvestors, Banks and Financial InstitutionsEquity and Bond Investors, Analysts	
Integration, Infrastructure and Service Quality	Integration of our energy systems and continuity of our infrastructure directly affect service quality. Improvements in this area enhance our operational reliability.	Digitalization and Data Management	Suppliers and ContractorsConsultantsCustomers and End Users	
Life Cycle and Product Impacts	We evaluate the environmental impact of our products and services throughout their entire life cycle and redesign our processes to minimize adverse effects.	R&D, Product Development (Ür-Ge) and Technology-Oriented Investments	Suppliers and ContractorsNon-Governmental Organizations (NGOs)Regulatory Bodies and Public Authorities	

Priority Issues

Topic	Importance for Our Company	How We Manage It	Related Stakeholders	Relevant SDGs
Strong Economic Performance and Competitiveness	We are building a sustainable economic structure to protect and expand our market share. Financial resilience is the foundation of our competitiveness in the sector.	Strategic Goals and Market PositionEconomic Performance	Shareholders / PartnersInvestors, Banks and Financial InstitutionsCompetitors	8
Stakeholder Engagement and Corporate Reputation	By maintaining transparent, continuous, and constructive dialogue with our stakeholders, we strengthen our social license to operate. Building trust is the cornerstone of our reputation.	Stakeholder Relations	Media and PublicCommunitiesMunicipalities and Ministries	16
Data Security and Privacy	In our increasingly digital business processes, data security and the protection of personal information are of vital importance. We manage related risks through proactive measures.	Information Security ManagementDigitalization and Data Management	Customers and End UsersRegulatory Bodies and Public AuthoritiesEmployees	9, 16
Local Socioeconomic Impact and Engagement	We create employment and contribute to local development in the regions where we operate, while fostering participatory relationships with local communities.	Contribution to Social Welfare and Corporate Social Responsibility Approach	CommunitiesMunicipalities and MinistriesNon-Governmental Organizations (NGOs)	8, 11
Customer Satisfaction and Product Responsibility	We continuously improve our service quality, providing reliable and responsive solutions tailored to customer needs. This focus fosters long-term relationships and brand loyalty.	Customer Feedback Mechanisms	Customers and End UsersIndustry Associations and ChambersMedia and Public	12, 3
Corporate Governance and Ethical Conduct	We embrace a transparent, accountable, and ethics-based governance approach — the foundation for long-term success and trust.	Governance Structure and CommitteesEthical Principles and Compliance	Board of DirectorsShareholders / PartnersForeign Partners and Other Internal Stakeholders	16
Biodiversity and Ecosystem Protection	We take preventive measures to reduce our environmental footprint and implement initiatives to protect biodiversity and ecosystems.	Resource Management and Recycling Practices	Non-Governmental Organizations (NGOs)Regulatory Bodies and Public AuthoritiesCommunities	14, 15
Ethical Lobbying and Public Policy Engagement	Contributing ethically to the formation of regulations and actively engaging in public policy development are integral to our corporate responsibility. This area is a strategic extension of our transparent and accountable stakeholder engagement.	Ethical Lobbying ApproachPolicy and Regulatory Engagement	Public AuthoritiesRegulatory BodiesNon-Governmental Organizations (NGOs)	16, 17
Human Rights and Impact Assessment	We uphold respect for human rights across all operations and develop preventive mechanisms against potential violations.	Responsible Supply Chain Management	Suppliers and ContractorsNon-Governmental Organizations (NGOs)Investors, Banks and Financial Institutions	5, 8, 10

Value Creation Model

VISION

To become a leading company in Türkiye and globally in the fields of electricity generation, transmission, and distribution, as well as in low-, medium-, and high-voltage systems, with a broad range of production capabilities.

To strengthen its position in the sector through continuous R&D activities and to achieve sustainable growth and technological advancement.

MISSION

To become a global player originating from Türkiye by manufacturing products that address every segment of the energy sector—one of the fastest-growing sectors worldwide—with a very broad product portfolio.

INPUTS

FINANCIAL CAPITAL
- Capital size (Paid-in Capital): TRY 660 million
- Capital expenditures (CAPEX): TRY 1.42 billion
- Equity: TRY 8.11 billion

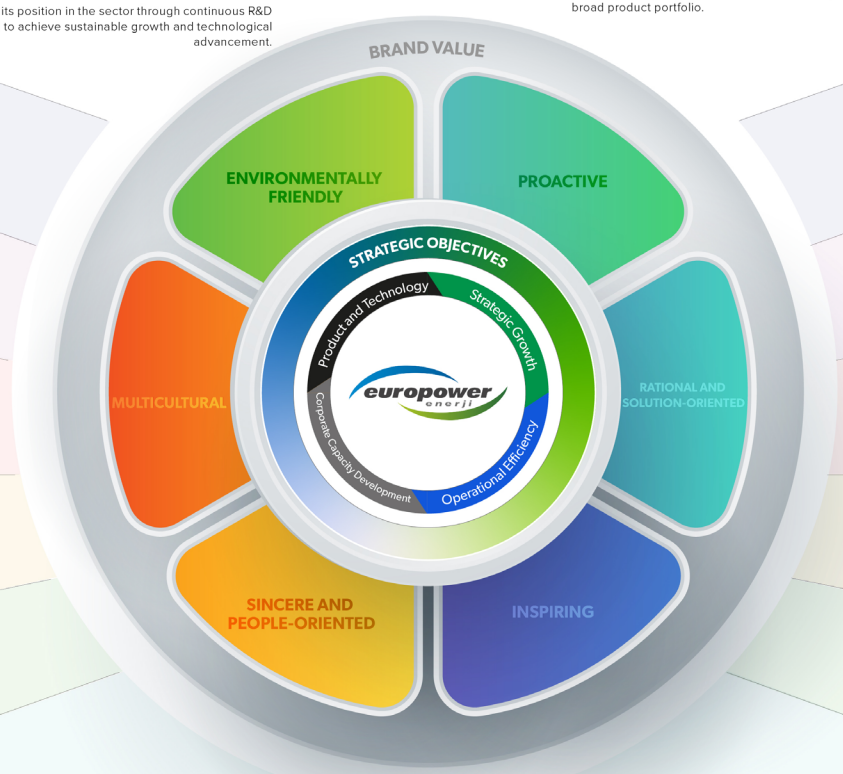
HUMAN CAPITAL
- Total number of employees: 2.106 people
- Employee benefits and provisions: TRY 182.2 million
- Employee wages and fringe benefits: TRY 507.7 million
- Occupational health and safety investments
- Performance and career development systems
- Equal opportunity and inclusive employment policies

SOCIAL & RELATIONAL CAPITAL
- Number of local suppliers: 1.082 suppliers
- Collaboration with educational institutions
- Partnerships and voluntary memberships with NGOs and non-profit organizations
- Strong cooperation and engagement with stakeholders
- Contributions to local communities
- Donations and sponsorships
- Strong communication channels and a well-established, trusted brand
- Ethical values and transparency
- Relations with local communities through affiliated companies

NATURAL CAPITAL
- Total electricity consumption (grid + solar power plants): 2,098.29 MWh
- Share of renewable energy in total electricity consumption: 13%
- Renewable energy capacity: 6,600+ MW
- Annual water consumption: 31,157 m^3
- Environmental investments: approximately TRY 900 thousand

MANUFACTURED CAPITAL
- Installation of 6,600+ MW of renewable energy capacity within customer projects
- Qualified engineering expertise
- Growing business volume in the solar energy sector
- Total production area of 180,000 m^2 across 10 manufacturing facilities
- National and international technical certifications
- Low-, medium-, and high-voltage manufacturing infrastructure
- Software, automation, and SCADA systems

INTELLECTUAL CAPITAL
- R&D and innovation investment: TRY 138.36 million
- 111 R&D and innovation employees
- 21 patent applications, 4 granted patents, and 3 international patent applications
- 30 trademark applications, 23 registrations
- 2 national design registrations
- Accredited testing and R&D laboratory (TÜRKAK)
- Software, automation, and SCADA infrastructure
- Digitalization and artificial intelligence investments
- Energy storage technologies and power plant licenses
- Data insight and analytics applications
- Export experience to 80+ countries with access to 120 international markets



R&D Structure

Brand Perception

Production Capacity

Industry Experience

OUTPUTS

- Revenue (Net sales): TRY 8.22 billion
- EBITDA: TRY 1,604.00 million
- Net profit for the period: TRY 223.00 million
- Operating profit: TRY 1.254 billion
- EBITDA margin: 19.51%
- New business and tender value: TRY 4,944.00 million

- Representation of women in STEM, management, and technical roles
- Share of female employees: ~10%
- Europower Academy
- High occupational safety awareness
- High employee engagement and low turnover rate
- Transparent and performance-oriented promotion system

- Collaboration with local suppliers
- Sustainable supply chain practices
- Improvement of stakeholder communication processes
- Awards and recognitions (index scores, sectoral acknowledgements)
- Social responsibility projects and donation activities

- Total greenhouse gas emissions: 82,318 tons CO_2e
- Amount of waste disposed of and recycled: 2,164 tons
- Renewable energy generation: 823 MWh
- Emissions avoided through the transition to electric vehicles: 36.9 tons CO_2e
- GHG emissions avoided through electricity generation from solar power plants (SPP): 515.57 tons CO_2e

- Low-, medium-, and high-voltage electrical and electromechanical products
- Distribution transformers and hybrid energy solutions
- Solar energy systems and EV charging stations
- Turnkey engineering and implementation projects
- Testing, commissioning, operation, and maintenance services
- 1,000+ different product types

- SCADA systems, automation software, and engineering solutions
- Product innovations based on next-generation electrical technologies
- Digitized energy infrastructure solutions
- Patented and registered product portfolio
- Licensed engineering applications for power plants
- Data-driven decision support systems

VALUE CREATED	RISKS AND OPPORTUNITIES		KEY PRIORITY TOPICS	RELEVANT SDGs
• Sustainable balance sheet • Financial flexibility • Investor confidence • Transparent reporting • Contribution to tax revenues and employment • Access to finance	**Risks:** • Cost increases due to carbon regulations (ETS, CBAM, etc.) • Production interruptions and higher insurance costs caused by extreme weather events • Difficulty accessing green financing due to ESG non-compliance • Increased OPEX and CAPEX burdens due to rising emission prices • Decline in investor confidence and challenges in securing credit	**Opportunities:** • Access to green bonds and sustainable financing through transparent ESG reporting • International market opportunities through low-carbon products • Value increase driven by rising investor demand for sustainability • Reduction of operational costs through digitalization investments	• Strong Economic Performance and Competitiveness • Responsible and Sustainable Financing • Corporate Governance and Ethical Conduct • Risk and Crisis Management • Climate Change Mitigation • Carbon, Emissions, and Air Quality Management	
• Qualified workforce • Opportunities for women and youth • Employee satisfaction • Healthy and safe work environment • Contribution of the human factor	**Risks:** • Occupational safety risks related to climate change (extreme heat, outdoor hazards, etc.) • Productivity decline in the workforce unable to adapt to transformation • Corporate reputation risks arising from shortcomings in social inclusivity	**Opportunities:** • Development of new skills (reskilling) through transition to digital and climate-resilient production processes • Increased talent attraction power through employee satisfaction and engagement • Enhanced diversity through inclusive employment policies • Improvement of operational competence through climate-aligned training programs	• Health, Occupational Safety, and Process Safety • Employee Rights, Engagement, and Development • Integration, Infrastructure, and Service Quality • Human Rights and Impact Assessment	
• Corporate trust • Local economic contribution • Reliable supplier relationships • Inclusivity and diversity • Social investment projects	**Risks:** • Public backlash due to environmental accidents and lack of social sensitivity • Loss of suppliers and customers due to ESG non-compliance • Erosion of social license in the community due to lack of transparency	**Opportunities:** • Strengthening stakeholder trust through sustainable supply chain practices • Enhancing corporate reputation through transparent communication with the community • Creating added value for the local economy through green public projects • Generating social impact through effective crisis management and volunteer initiatives	• Sustainable Supply Chain Management • Stakeholder Engagement and Corporate Reputation • Human Rights and Impact Assessment • Employee Rights, Engagement, and Development • Local Socioeconomic Impact and Participation • Corporate Governance and Ethical Conduct	
• Energy efficiency • Biodiversity conservation • Carbon & water management • Renewable infrastructure • Contribution of solar power plant (SPP) investments	**Risks:** • Impact of extreme weather events, drought, and sea-level rise on infrastructure • Deviations in production forecasts due to changes in wind patterns • Increased costs due to inefficiencies in natural resource usage	**Opportunities:** • Reducing environmental impact through renewable energy investments • Decreasing resource consumption through energy and water efficiency practices • Lowering carbon footprint through a sustainable product portfolio • Increasing climate resilience with IP68-rated systems	• Energy Efficiency and Management • Climate Change Mitigation • Carbon, Emissions, and Air Quality Management • Water Management • Responsible Waste and Natural Resource Management • Biodiversity and Ecosystem Protection • Life Cycle and Product Impacts • Risk and Crisis Management	
• Domestic production strength • Integrated technical solutions • Multi-location capacity • Export success • Low-carbon portfolio	**Risks:** • Infrastructure damage risk due to physical climate risks (e.g., lightning, flooding) • Logistics and production disruptions due to geopolitical risks • Exclusion from public and private projects due to ESG non-compliance	**Opportunities:** • Sustainable infrastructure solutions through smart grid and energy storage systems • Growth in new markets with hybrid and digital systems • Product-service integration through turnkey projects • Market advantage through solutions compliant with green tender specifications	• Digitalization and Technological Transformation • Integration, Infrastructure, and Service Quality • Strong Economic Performance and Competitiveness • Energy Efficiency and Management • Customer Satisfaction and Product Responsibility • Climate Change Mitigation	
• Knowledge & technology contribution • Technology exports • Innovation competence • R&D & digitalization • Value-added solutions • Sustainable competitive advantage	**Risks:** • Lack of digital infrastructure reducing data traceability and decision-making quality • Loss of investor interest due to perceived low ESG performance	**Opportunities:** • Increased competitiveness through R&D-focused, climate-friendly products • Enhanced operational efficiency through digitalization investments • Generation of new service revenues through testing and certification infrastructure • Sustainable technology exports through green innovation and patented solutions	• Digitalization and Technological Transformation • Integration, Infrastructure, and Service Quality • Energy Efficiency and Management • Climate Change Mitigation • Strong Economic Performance and Competitiveness • Responsible and Sustainable Financing • Data Security and Privacy	

europower enerji

2024 TSRS-Compliant Sustainability Report



Overview of TSRS Reporting

Europower Enerji has structured its sustainability reporting in accordance with the Turkish Sustainability Reporting Standards (TSRS). This structure addresses the company's management of climate-related risks and opportunities, sustainability strategy, governance system, and performance indicators through a holistic approach.

A TSRS Compliance Table has also been prepared within the report, demonstrating the sections that correspond to the disclosure requirements set out in TSRS 1 and TSRS 2. Accordingly, the report's overall structure has been designed to ensure complete alignment with TSRS in terms of both content and disclosure.

Under TSRS 1 – General Provisions on the Disclosure of Sustainability-related Financial Information and TSRS 2 – Climate-related Disclosures, the four key components are represented in Europower Enerji's integrated sustainability report as follows:

- **Governance:** The **"**Our Sustainability Governance Structure" section (page 47)addresses the oversight and guidance roles of the Board of Directors and senior management regarding the sustainability strategy, as well as the company's policy and responsibility frameworks, committee structure, and decision-making mechanisms, in line with TSRS 1 Articles 26–27.
- **Strategy:** The subsections under "Our Sustainability Strategy" (page 53) present the company's analysis of climate-related risks and opportunities, strategic objectives, impacts on the business model, and approaches to financial resilience, in alignment with TSRS 2 Articles B5–B9.
- **Risk Management:** The "Management of Sustainability and Climate-related Risks" section (page 68) explains the identification, measurement, prioritization, and integration of climate and environmental risks into management processes, as outlined in TSRS 2 Articles B10–B13.
- **Metrics and Targets:** The "Our Metrics and Targets" section (page 69) discloses environmental and social performance indicators—such as energy consumption, greenhouse gas emissions, water and waste management, and occupational health and safety—together with annual improvement goals, in accordance with TSRS 2 Articles B14–B19. These metrics have also been mapped to the GRI 2021 Standards, ensuring dual indexing between TSRS and GRI.

Through this structure, Europower Enerji's integrated sustainability report fully satisfies the disclosure requirements under TSRS 1 and TSRS 2 while remaining fully aligned with international reporting frameworks such as GRI, TCFD, and the GHG Protocol.

Purpose and Methodology of Reporting

Europower Enerji operates with an integrated management approach that balances sustainable growth, environmental responsibility, and social impact within the energy sector.

The purpose of this TSRS-compliant Sustainability Report is to transparently present Europower Enerji's sustainability strategy, management of climate-related risks and opportunities, energy and emissions performance, governance structure, and long-term value creation for stakeholders.

The reporting process has been conducted in accordance with TSRS 1 – General Provisions on the Disclosure of Sustainability-related Financial Information and TSRS 2 – Climate-related Disclosures, adhering to the content principles stipulated in these standards.

Data collection, analysis, and reporting processes have been implemented in alignment with the company's internal control mechanisms, information security protocols, and corporate sustainability management system. The data's reliability has been verified through internal audits and independent assurance processes.

During the preparation phase, GRI Standards, the Greenhouse Gas Protocol (GHG Protocol), and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations were considered, ensuring methodological consistency with TSRS. This approach aims to enhance the comparability of Europower Enerji's sustainability performance data at both national and international levels.

Scope Definition and Regulatory Compliance Framework

This report covers the period from 1 January to 31 December 2024, encompassing Europower Enerji ve Otomasyon Teknolojileri Sanayi Ticaret A.Ş.'s manufacturing, R&D, and engineering operations in Türkiye, along with its subsidiaries.

The reporting boundaries have been defined consistently with the company's financial reporting scope, while environmental performance indicators are based on facilities under direct operational control.

The report has been prepared in full compliance with the framework issued by the Public Oversight, Accounting and Auditing Standards Authority (KGK).

The relevant standards considered are:

- **TSRS 1:** General Provisions on Sustainability-related Financial Information
- **TSRS 2:** Climate-related Disclosures

The report's structure has been developed around the four key TSRS components—governance, strategy, risk management, and metrics & targets. The year 2024 marks Europower Enerji's first reporting period under TSRS, and transitional provisions have been applied accordingly.

Exemptions Granted During the Transitional Period

During its first year of TSRS implementation (2024), Europower Enerji conducted its reporting within the scope of the transitional provisions defined by KGK, making use of the following exemptions:

- **Non-presentation of Comparative Information:** In accordance with TSRS 1 paragraph E3 and TSRS 2 paragraph C3, the presentation of comparative data from previous periods is not mandatory in the initial year of application. Therefore, only 2024 data are presented in this report.
- **Focus on Climate-related Disclosures:** Pursuant to TSRS 1 paragraph E5, only disclosures under TSRS 2 regarding climate-related matters have been included in the first reporting period. The report is therefore limited to climate risks, greenhouse gas emissions, energy performance, and adaptation strategies.
- **Exclusion of Scope 3 Emissions:** Under TSRS Temporary Article 3, entities are exempt from disclosing Scope 3 greenhouse gas emissions during their first two reporting periods.

However, Europower Enerji, guided by principles of transparency, accountability, and comprehensive carbon management, chose not to exercise this exemption voluntarily. Since 2023, the company has calculated and reported its Scope 3 (supply chain-related indirect) emissions, prepared in line with GRI 305-3, and integrated them into TSRS 2 climate-related disclosures. This demonstrates Europower Enerji's advanced reporting approach, which addresses emissions management across its entire value chain through TSRS–GRI-aligned data presentation.

These practices represent a transitional phase aimed at enhancing data accuracy and integrity, developing a systematic reporting culture, and ensuring full TSRS compliance.

Integration with Financial Reporting and Presentation Currency

The sustainability information presented in this report has been prepared in alignment with Europower Enerji's consolidated financial statements as of 31 December 2024.

Sustainability indicators are integrated with the data systems, ERP infrastructure, and internal control mechanisms used in financial reporting. As with economic data, all sustainability indicators are presented in Turkish Lira (TL).

In cases where differences exist between the scope or measurement of financial and sustainability data, the reasons for such differences are explained in the relevant sections. This integration supports the integrated reporting approach envisioned by TSRS, enabling an assessment of Europower Enerji's financial resilience alongside its environmental and social performance.

Independent Assurance Audit

The sustainability data included in this TSRS-compliant report have been subject to an independent assurance process in accordance with the regulations of the Public Oversight Authority (KGK). The independent audit was conducted by SG Yeminli Mali Müşavirlik ve Bağımsız Denetim A.Ş. within the framework of the following assurance standards:

- **ISAE 3000:** Assurance Engagements Other Than Audits or Reviews of Historical Financial Information
- **ISAE 3410:** Assurance Engagements on Greenhouse Gas Statements

The audit was performed at a limited assurance level, and the verified data are clearly indicated in the relevant sections of the report.

This process strengthens Euopwer Enerji's commitment to the principles of accuracy, consistency, and transparency in sustainability reporting.

The Independent Assurance Statement is included in the Appendices section of the report.

Subsidiaries, Associates, and Scope of Consolidationı

Europower Enerji ve Otomasyon Teknolojileri Sanayi ve Ticaret A.Ş. ("Europower Enerji" or the "Company") has included the subsidiaries listed below in its financial statements using the full consolidation method as of 31 December 2024. The subsidiaries subject to consolidation are as follows:

- **Peak PV Solar Teknolojileri A.Ş.** ("Peak PV")
- **Euromek Elektrik Sanayi Taahhüt A.Ş.** ("Euromek")
- **Europower World Enerji A.Ş.** ("Europower World")

The subsidiaries are entities over which the Company has control and which operate in the fields of electricity, automation, energy equipment manufacturing, and renewable energy technologies. As the Group holds managerial and financial control over these companies, all of them have been included in the financial statements and sustainability disclosures using the full consolidation method.
Details of the Group's subsidiaries as of 31 December 2024 and 31 December 2023 are presented below (see Consolidated Financial Statements as of 31.12.2024, Note 2.2 – Basis of Consolidation).

Subsidiary	Group's Ownership Interest and Voting Rights (%)	
	31.12.2024	31.12.2023
Peak PV Solar Teknolojileri A.Ş.	%60	%60
Europower World Enerji A.Ş.	%100	%94
Euromek Elektrik Sanayi Taahhüt A.Ş.	%60	-

Developments after the Reporting Period

In cases where differences exist between the scope or measurement methods of financial and sustainability data, the underlying reasons for such differences are explained in the relevant sections of this report. This integration supports the integrated reporting approach envisaged by TSRS and enables the joint assessment of Europower Enerji's financial resilience alongside its environmental and social performance.

On 3 March 2025, pursuant to a resolution of the Board of Directors, Europower Enerji acquired a 49% stake in Euroes Teknoloji ve Taahhüt A.Ş. This transaction forms part of Europower's technology-oriented growth strategy and constitutes a strategic investment aligned with the company's sustainability objectives in the areas of energy efficiency, digitalization, and intelligent energy systems.

As of the 2024 reporting period, this investment had no direct impact on financial performance or sustainability indicators. Detailed disclosures regarding the economic implications of this transaction are presented in the "Events After the Balance Sheet Date (31.12.2024)" section of the Consolidated Financial Statements (see Note 33).

Critical Judgments, Estimates, and Measurement Uncertainty

The calculation of greenhouse gas (GHG) emissions is based on activity data derived from energy consumption records, purchased electricity and fuel invoices, and operational site reports. Emission factors have been applied in accordance with the National Electricity Grid Emission Coefficients, the GHG Protocol, and relevant international guidelines.

However, certain measurement uncertainties arise from variations in automation levels across sites, manual site-based reporting, and limited standardisation of supplier-specific emission factors.

As applicable regulations are clarified and data quality and monitoring systems are further strengthened, the company plans to quantitatively report the potential impacts of transition risks on its financial position, performance, and cash flows in future reporting periods.

Understanding of Sustainability

Sustainability Governance Structure 51

Sustainability Strategy 57

Management of Sustainability and Climate-Related Risks 72

Metrics and Targets 73



Sustainability Governance Structure

We aim to make sustainability an integral component of our governance structure and risk management processes. To ensure the effective management of sustainability matters, we have established a comprehensive and systematic framework under the supervision of the Board of Directors, with clearly defined roles and responsibilities.

Role of the Board of Directors and Senior Management

We shape our sustainability approach in line with our corporate purpose and values. In this context, while developing our sustainability strategies, policies, and objectives, we benefit from the guidance of our Board of Directors, and the Board also grants the final approval of the framework.

Our corporate purpose, vision, and mission statements are aligned with the principles of sustainable development and are updated with the approval of the Board of Directors in response to evolving global dynamics and stakeholder expectations.

Our senior executives contribute their technical expertise, particularly in setting environmental and social targets, while the Board ensures that these targets maintain strategic coherence. The integration of sustainability strategies into our business goals, the alignment of internal policies and practices with these strategies, and the allocation of necessary resources are all carried out under the direction of our Board of Directors.

Through this holistic approach, we embed sustainability into our corporate culture and realize our long-term value creation vision with the continuous support and oversight of our Board of Directors.

Role of Our Board of Directors

We manage the processes necessary for responsibly overseeing our economic, environmental, and social impacts under the supervision of our Board of Directors. Through our corporate risk management and internal control mechanisms, we identify, prioritize, and monitor ESG risks regularly. Within these processes, the Board assumes responsibility for strategic direction and decision-making.

Policies on priority issues such as climate change, occupational health and safety, ethical sourcing, human rights, and energy efficiency are developed and implemented with the approval of our Board of Directors. Progress toward sustainability goals, prepared and reported by senior management, is regularly presented to the Board. This allows for early detection of deviations and the implementation of timely strategic interventions when necessary.

Furthermore, we ensure coordination among our internal audit, compliance, and sustainability committees, reporting key insights from these units to the Board. This structure enables us to adopt a holistic sustainability approach that focuses not only on financial performance but also on social contribution and environmental impact.

1. Monitoring and Evaluation:

Our Board of Directors systematically monitors and evaluates the feasibility and effectiveness of sustainability strategies. It receives periodic performance reports, key performance indicators (KPIs), and risk and opportunity analyses from senior management. Using this data, the Board reviews progress toward ESG goals, identifies deviations, assesses realized risks, and evaluates the effectiveness of actions taken. It also requests additional measures, policy revisions, or strategic realignments when necessary.

At least once a year, the Board conducts comprehensive review meetings, considering feedback from the Sustainability Committee and functional managers. During these meetings, sustainability performance is compared against long-term strategic objectives, and areas for improvement are identified. In this way, sustainability performance is managed holistically — not merely as a reporting exercise, but as an integral part of corporate value creation, risk management, and stakeholder alignment.

These reviews are typically conducted during annual strategic planning meetings, supplemented with quarterly follow-up reports as needed. To ensure the reliability and accuracy of disclosed sustainability information, the Board reviews and approves all major topics included in the sustainability report. Draft versions of the report — including key ESG issues, risks and opportunities, performance indicators, and targets — are submitted to the Board for review, ensuring transparency, consistency, and strategic alignment.

2. Oversight Authority:

To effectively manage the company's economic, environmental, and social impacts, our Board of Directors delegates specific responsibilities to relevant executives and functional units in line with approved policies and objectives. After defining the overall strategy, key risks, and priorities, the Board delegates implementation responsibility to the General Manager, senior executives, and supporting departments — while maintaining ultimate oversight authority.

3. Engagement with Stakeholders:

Our Board of Directors upholds open, continuous, and constructive dialogue with stakeholders as a core principle for effective sustainability management. The Board maintains direct engagement through high-level meetings, general assemblies, investor relations activities, and consultations with industry representatives.

Feedback gathered from these interactions is integrated into strategic decision-making processes, helping to shape corporate priorities — particularly those addressing environmental and social expectations. The Board also receives stakeholder analysis reports prepared by sustainability committees and senior management, ensuring systematic information flow into decision-making. This approach strengthens stakeholder satisfaction and ensures responsible management of social and environmental impacts.

4. Sustainability Competencies of the Board of Directors:

We prioritize ensuring that our Board members possess the knowledge, skills, and experience necessary to lead the company's strategic decision-making processes effectively. With expertise in finance, law, risk management, corporate governance, and the energy sector, our Board members play a vital role in advancing the company's sustainable growth. We also encourage continuous learning and training programs to enhance Board capabilities.



Muhittin Behiç Harmanlı – Chairperson of the Board: His extensive experience in the energy sector and R&D-oriented background enable the integration of technology and innovation into sustainability strategies. His profound expertise in management and production contributes significantly to resource efficiency and reducing environmental impacts.

Ali Gökhan Öztürk – Vice Chairperson: With a foundation in electrical and electronics engineering and strong sales and marketing experience, he plays an active role in promoting sustainable products and engaging with sectoral stakeholders. His expertise supports sustainable value creation in corporate growth and strategic marketing.

Ramin Malek – Board Member: His background as Technical Director and General Manager provides strong competencies in operational efficiency and sustainable production technologies. His experience in managing R&D processes supports the integration of sustainable innovation into the corporate culture**.**

Mete Muzaffer Bıçaklıoğlu – Independent Board Member: His financial market experience is instrumental in developing sustainable financing and investment strategies. He contributes to risk management, resource allocation, and performance evaluation, reinforcing the economic dimension of corporate sustainability**.**

Savaş Atanur Kazaz – Independent Board Member: With long-standing experience in banking and audit committee roles, he enhances governance, accountability, and risk management processes with a sustainability perspective. His expertise in social responsibility and employee welfare also supports the company's social sustainability policies.

As part of our company's sustainable and integrated management approach, senior executives are appointed to oversee key sustainability-related functions. The Director of Operations and relevant Deputy General Managers are responsible for managing both environmental impacts—such as energy consumption, waste management, and emissions—and social impacts, including employee health, occupational safety, and community engagement. The Quality, Environment, and Occupational Health & Safety (OHS) departments operate directly under senior management, ensuring full compliance with legal regulations and management systems such as ISO 14001 and ISO 45001. These departments also regularly report developments and performance outcomes to senior management.

In addition, the Risk Management and Internal Audit Directorate plays an active role in monitoring corporate risks and assessing their economic and environmental implications. Senior executives provide regular updates to the Board of Directors and relevant committees, contributing to the adoption of preventive and corrective measures when necessary.

Through this proactive organizational structure aligned with sustainability principles, the company effectively manages its environmental and social impacts while ensuring continuous improvement across all operations.

Organizational Structure and Responsibilities

To manage our sustainability efforts through a practical and holistic approach, we have established a multidisciplinary Sustainability Committee operating under the supervision of the Board of Directors and composed of representatives from various departments. The Committee plays an active role in defining sustainability strategies, overseeing their implementation, and coordinating related activities across the organization.

The Sustainability Committee operates under the Quality Assurance Department, working in close collaboration with the Occupational Health and Safety, Human Resources, Finance, and Supply Chain units.

Through this organizational structure, Europower Enerji strengthens its sustainability initiatives, aiming to minimize environmental impacts and enhance its contributions to social responsibility projects.

EP Sustainability Community Structure

Department	Committee Role
Senior Management – COO	Chairperson
Deputy General Manager	Vice Chairperson
Quality Assurance Department	Member
Human Resources Department	Member
Finance Department	Member
Accounting Department	Member
Legal Department	Member
Investor Relations	Member
Procurement and Supply Chain Management	Member
Information Technologies Unit	Member
Environmental Unit	Member
Occupational Health and Safety (OHS) Unit	Member

Duties and Competencies of the Sustainability Committee Members:



Sustainability Committee Chairperson | **Sustainability Committee Vice Chairperson** | **Sustainability Committee Member**

Sustainability Committee Chairperson

Role: *Oversees the overall sustainability strategy at the executive level; coordinates the committee and working groups; ensures effective policy implementation and risk management; manages reporting and resource allocation processes.*

Competencies: *Bachelor's or Master's degree in Environmental Sciences, Business Administration, or Engineering; 7–10 years of experience; strong leadership and strategic planning skills; advanced proficiency in English.*

Sustainability Committee Vice Chairperson

Role: *Acts on behalf of the Chairperson in their absence; oversees strategy implementation, performance monitoring, and reporting; ensures coordination among stakeholders.*

Competencies: *Bachelor's/Master's degree; minimum 5 years of sustainability experience; project management skills; ISO certifications preferred; good command of English.*

Sustainability Committee Member

Role: *Supports the implementation of sustainability strategies; participates in meetings; promotes sustainability awareness across departments; contributes to reporting and internal communication.*

Competencies: *Bachelor's degree; experience in sustainability-related areas; strong communication and teamwork skills; professional certifications are an asset; English proficiency preferred.preferred.*

Sustainability Specialist

Role: *Plans, implements, and monitors sustainability strategies to enhance the company's Environmental, Social, and Governance (ESG) performance; reports key performance indicators; ensures legal compliance; manages stakeholder engagement, training, and awareness programs.*

Competencies: *Bachelor's/Master's degree in Environmental Engineering, Business Administration, or related field; 3–5 years of experience; knowledge of ISO 14001; proficiency in English; strong analytical, communication, and project management skills.*

Environmental Specialist

Role: *Manages environmental risks and ensures compliance with relevant legislation; implements ISO 14001 systems; oversees waste, emission, and energy management; supports reporting and training activities.*

Competencies: *Bachelor's degree in Environmental Engineering or related discipline; 3–5 years of experience; familiarity with ISO 14001 and environmental regulations; strong teamwork and communication abilities.*

Risk Specialist

Role: *Identifies, analyzes, and manages operational, strategic, environmental, and regulatory risks; applies procedures in line with ISO 31000 standards; conducts risk-related training and communication activities.*

Competencies: *Bachelor's degree in Industrial Engineering, Business Administration, Environmental Engineering, or related field; knowledge of ISO 31000; strong analytical and coordination skills; proficiency in English.*

Under the supervision of our Board of Directors, the Sustainability Committee is composed of members appointed for a maximum term of four years. The Committee is structured to include a Chairperson, a Vice Chairperson, and at least four members.

Members are required to have a minimum of two years of professional experience in relevant fields, along with managerial qualifications, decision-making, and problem-solving skills. The Committee is led by the Chairperson, and in their absence, the Vice Chairperson assumes these responsibilities. When necessary, representation and decision-making responsibilities are distributed among members to enhance operational efficiency.

Upon the expiration of a member's term, reappointment is evaluated, and in the event of a vacancy, a temporary member is appointed until formal approval at the next committee meeting. Senior management retains the authority to revise the composition of the Committee as needed.

The Committee convenes at least twice a year and as needed. Meetings are valid with the participation of more than half of the members, and decisions are made by majority vote. All discussions—including the meeting date, location, and participants—are documented, signed by all members, and archived. Decisions and progress reports are submitted to the Board of Directors through the Committee Chairperson.

- ✓ Provide advisory support to senior management in defining and implementing the company's corporate sustainability strategy,
- ✓ Promote the integration of sustainability awareness and culture throughout the organization,
- ✓ Develop and implement processes and projects that embed sustainability into business operations,
- ✓ Identify material sustainability topics and establish short-, medium-, and long-term goals, policies, and roadmaps,
- ✓ Monitor national and international sustainability developments to ensure alignment with global standards and best practices,
- ✓ Collaborate with relevant departments to establish, track, and evaluate sustainability performance metrics,
- ✓ Ensure that all corporate activities align with the company's sustainability policies and strategic objectives.

To strengthen corporate oversight, Europower Enerji has established several committees that actively contribute to the achievement of our sustainability objectives alongside the Sustainability Committee:

- ✓ The Risk Early Detection Committee,
- ✓ Corporate Governance Committee,
- ✓ Social Responsibility Committee,
- ✓ Product Development and Idea Management Committee are also playing an active role.

Early Risk Detection Committee: Defines and monitors risk management strategies and policies, reports findings to the Board of Directors, and ensures implementation.

Corporate Governance Committee: Oversees the application of corporate governance principles, identifies cases of non-compliance, and develops corrective recommendations.

Social Responsibility Committee: Designs and monitors social responsibility projects while benchmarking best practices in the sector.

Product Development and Idea Management Committee: Conducts market analyses, tracks technological advancements, and manages the identification of innovative ideas that support corporate growth.

Each of these committees contributes to Europower Enerji's sustainability goals within their specific areas of expertise. Through close collaboration with the Sustainability Committee, they help integrate Environmental, Social, and Governance (ESG) principles into all business processes, ensuring a holistic and responsible corporate management approach.

Three Lines of Defense Model and Committee Structure

At Europower Enerji, we have structured our corporate risk management, internal control, and internal audit systems in line with the "Three Lines of Defense Model." This model ensures that all our operations are conducted in an accountable, responsible, and systematic manner, guided by a sustainability-oriented, effective, and transparent governance approach.

Under the supervision of the Board of Directors, the Corporate Governance Committee, Early Detection of Risk Committee, Sustainability Committee, and Audit Committee play a strategic advisory role and guide the company's decision-making processes in alignment with Europower Enerji's long-term objectives.

1. The First Line of Defense consists of units directly involved in operational processes, responsible for identifying and managing risks during day-to-day activities. Within this scope:

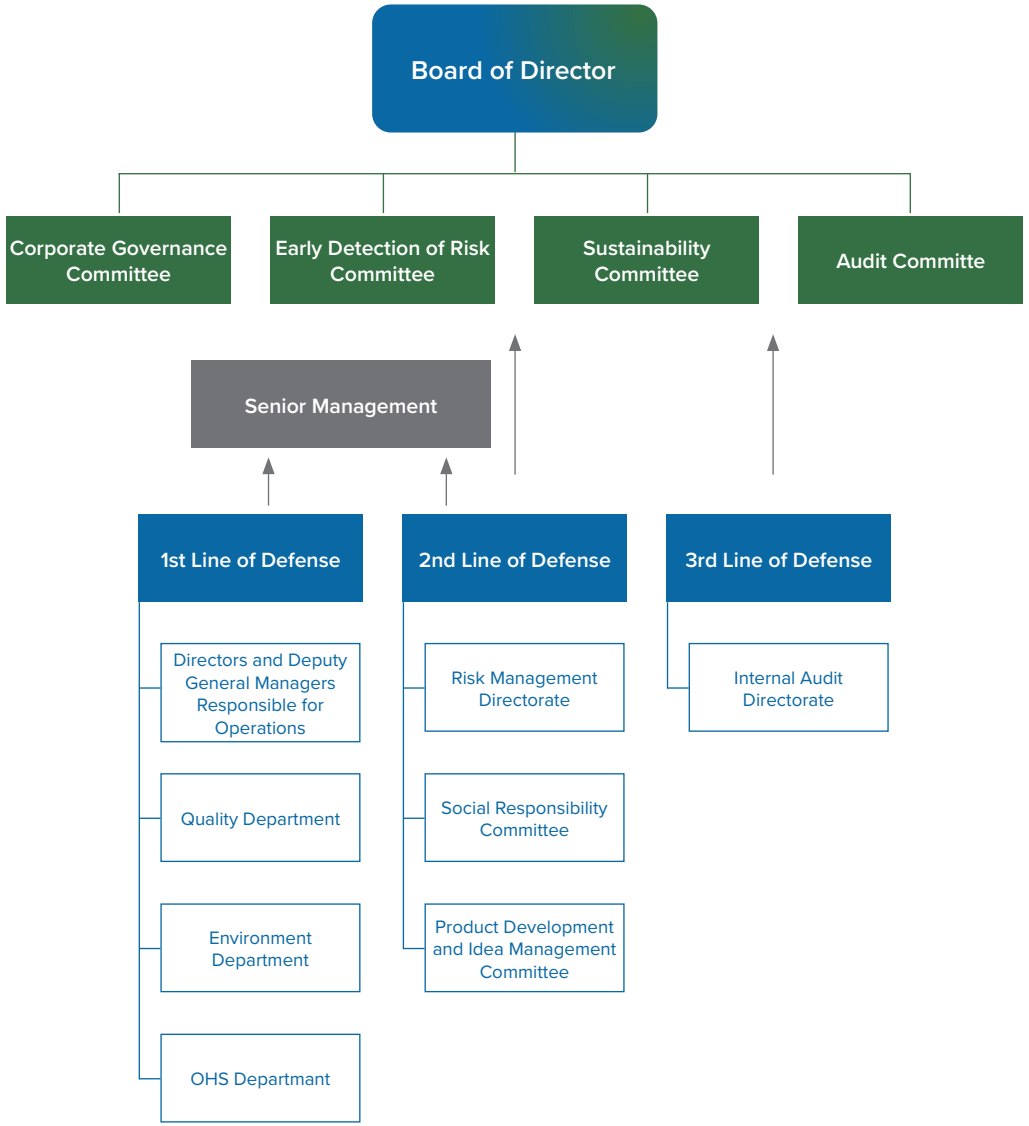
- Director of Operations and Deputy General Managers,
- Quality Management Team,
- Environmental Management Unit,
- Occupational Health and Safety (OHS) Department actively assume responsibility.

2. The Second Line of Defense encompasses supportive functions responsible for monitoring, analyzing, and managing risks across the organization. At this level:

- Risk Management Unit,
- Social Responsibility Committee,
- Product and Process Development Committee carry out their activities.

3. The Third Line of Defense is represented by the Internal Audit Directorate, which functions as an independent and impartial assurance mechanism. It audits the effectiveness of the first and second lines of defense and provides recommendations for improvement.

Our Executive Management ensures close collaboration among these three lines, forming a strategic bridge between committees and executive units. This structure provides a strong foundation of governance and oversight, supporting Europower Enerji's achievement of its corporate sustainability goals.



Sustainability Policy

At Europower Enerji ve Otomasyon Teknolojileri San. Tic. A.Ş., we define long-term success not solely by our economic performance but through a holistic value creation approach that also considers our environmental, social, and governance (ESG) impacts. In this context, we adopt a sustainability approach aligned with global standards—one that prioritizes the protection of natural resources and takes into account the needs of future generations.

With full awareness of the planet's limited natural resources, we shape our activities around the principles of combating climate change, resource efficiency, and zero waste. We develop our sustainability strategy by integrating the company's spheres of influence, stakeholder priorities, and corporate strategies.

Guided by our vision of "Clean Energy for a Sustainable Future," and driven by our commitment to environmental and social responsibility, we:

- ✓ Embed corporate sustainability as an integral part of our corporate culture, raising awareness among our employees and business partners. We define all activities and objectives by considering the economic, environmental, and social dimensions of sustainability, ensuring these dimensions are balanced in our strategic decision-making processes.
- ✓ Invest in renewable and clean energy sources to contribute to our country's energy supply security while aiming to reduce external dependency. Through effective portfolio management, we prioritize efficiency, continuity, and operational safety across our energy production processes.
- ✓ Conduct our activities in line with our ethical principles, adopting a responsible management approach that monitors our impact on natural, social, and cultural heritage. We develop occupational health and safety (OHS) policies in accordance with international standards and implement continuous improvement-oriented practices.
- ✓ Monitor our energy consumption and continuously enhance our energy performance to support operational sustainability. We measure, verify, and manage our emissions in line with reduction targets, and we develop projects to use water resources efficiently while raising awareness on this issue.
- ✓ Prioritize sustainability criteria in our supply chain, integrating our business partners into our sustainability strategy. We implement budgeting and efficiency systems to optimize resource use, support local employment, and contribute to regional development through local procurement practices.
- ✓ Foster a workplace that respects human rights and is free from discrimination, ensuring that our employment, remuneration, and performance management practices are based on the principle of equality. We implement policies to increase women's employment and promote diversity across the organization.
- ✓ Respect the cultural, structural, and individual diversity of all our stakeholders, ensuring full compliance with ethical principles and anti-corruption practices. We operate in line with international standards, particularly the UN Global Compact, and engage in awareness-raising activities focused on climate change and sustainable development goals.
- ✓ Communicate our sustainability policy transparently to all employees and the public, sharing implementation processes with our stakeholders in line with the principles of transparency and accountability. This policy serves as a cornerstone of our corporate sustainability vision, guiding all operational decisions.

Remuneration System

- ✓ We implement our remuneration policy as an integral part of our governance structure. Payments to members of the Board of Directors and executives with managerial responsibilities are determined fairly, transparently, and in alignment with our company's strategic objectives and performance criteria.
- ✓ When establishing our remuneration principles, we take into account each individual's contribution to decision-making processes, level of responsibility, and degree of knowledge and expertise. Our performance-based remuneration system is grounded in both corporate and individual performance, and bonuses are not guaranteed in advance, ensuring a fair and motivating structure. The Board of Directors is responsible for the implementation of the policy, while the Corporate Governance Committee oversees and monitors its execution.
- ✓ In line with our sustainability approach, we are enhancing our remuneration system to create stronger links with ESG objectives. In particular, we plan to introduce a bonus system based on sustainability performance criteria for senior executives, thereby adopting a proactive approach to environmental and social impact management.
- ✓ We are also focused on more visibly integrating our diversity and inclusion principles into our remuneration policy. In accordance with the principles of gender equality and equal pay for equal work, we regularly review our practices and make continuous improvements.
- ✓ Through this holistic approach, we aim to increase employee engagement and support long-term value creation

Sustainability Strategy

At Europower Enerji, we regard sustainability not merely as a guiding principle for our operations, but as one of the fundamental cornerstones of our corporate decision-making processes. This approach carries with it the responsibility to share knowledge, promote pioneering practices across our sector, and continuously raise the bar.

We believe that doing good business is directly linked to creating social and environmental value. Accordingly, we support our financial success with strong performance in environmental, social, and governance (ESG) areas, striving to generate long-term impact. This understanding not only strengthens our corporate resilience but also makes us an attractive business partner for investors, customers, and talented professionals alike.

Our sustainability strategy progresses in integration with the energy solutions we provide and supports a just transition in the fight against the climate crisis. We prioritize creating shared value in collaboration with all our stakeholders—from employees and suppliers to customers and the communities in which we operate.

Through our trust-based and decentralized governance structure, we achieve measurable and meaningful results both locally and globally. Our purpose-driven corporate culture fuels this process by empowering Europower employees to play an active role in building a sustainable and resilient future.

In this context, we embody our sustainability strategy not only through defined goals and policies but also through effective monitoring, evaluation, and continuous improvement mechanisms integrated across all operations.

Furthermore, to measure and transparently report our sustainability performance in line with international standards, we have begun engaging professional services to determine our Refinitiv score under the Borsa İstanbul (BIST) Sustainability Index. Using Refinitiv's advanced data analytics and rating methodologies, we evaluate our environmental, social, and governance performance based on objective criteria. The resulting score allows us to measure the effectiveness of our sustainability strategies, identify areas for improvement, and provide reliable, comparable performance indicators for our investors and stakeholders—thereby strengthening our sustainability practices.

We have designed our sustainability strategy by integrating our key corporate priorities—strategic growth, operational efficiency, institutional capacity development, and product-focused innovation—with environmental, social, and governance dimensions. In doing so, we are transforming our business model while maintaining full compliance with both national and international reporting standards, including the Turkish Sustainability Reporting Standards (TSRS).

Based on this approach, we have established a four-pillar sustainability strategy that is fully integrated with our company's strategic direction:

1. Responsible Growth and Brand Strategy

We approach sustainable growth in line with environmental and social responsibility principles. Our growth objectives in domestic and international markets are supported by practices that promote resource efficiency, compliance with ethical principles throughout the supply chain, and impact reduction across the entire product life cycle.

We place strong emphasis on sustainability values within our brand strategy, making environmental performance and ethical business conduct integral to our brand identity. Our goal is to expand the reach of our sustainable products and services both in Türkiye and abroad, strengthening our reputation as a "green brand."

When structuring our marketing activities by product, country, and channel, we adopt an approach that aligns with environmental and social impact considerations.

2. Efficiency and Environmental Performance Management

We conduct our operational efficiency initiatives with a focus on the sustainable use of natural resources and the reduction of environmental impacts. We systematically monitor and enhance our environmental performance across production processes, particularly in terms of energy and water consumption.

Through our ERP system, we ensure transparency and traceability of sustainability data, enabling more effective measurement of our carbon and water footprints via digitalization.

While increasing personnel and process efficiency, we remain attentive to environmental limits and prioritize compliance with occupational health and safety standards. Our objective is to expand our production capacity while maintaining a balance between quality and environmental responsibility.

3. Corporate Capacity and Governance Development

We are strengthening the infrastructure necessary to embed sustainability across the organization. Our human resources processes are designed not only to enhance technical competence but also to foster environmental and social awareness.

We integrate sustainability criteria into all corporate processes—from training and strategic planning to governance and cost management—thereby enhancing our capacity to achieve sustainability goals.

We are reconfiguring our organizational structure with the flexibility to manage environmental and social risks while adopting a transparent, accountable, and inclusive governance approach.

4. Product Innovation and Technology Management

We design our product and technology development activities to minimize environmental impacts while offering innovative solutions. As we expand our product diversity, we focus on criteria such as energy efficiency, use of environmentally friendly materials, and life cycle performance.

Through our digital transformation initiatives, we enhance traceability across production processes and sustain our quality management practices in close integration with environmental performance.

We continuously update our product portfolio strategy and technology roadmap to align with our climate-friendly solutions and sustainable innovation goals, restructuring our R&D processes accordingly.

Climate Risks, Opportunities and Impact Management

The Intergovernmental Panel on Climate Change (IPCC) reveals that the past decade has witnessed the highest temperatures of the last 125,000 years [3]. This rapid warming—manifested through rising sea levels, more frequent extreme weather events, melting sea ice, and significant losses in biodiversity and natural resources—is affecting the entire world, with the energy sector at the center of these changes. As Europower Enerji, we closely monitor the impacts of these global shifts on our energy production, distribution, and supply chain, and we continuously work to make our operations more resilient against climate change. While the ongoing global warming increases the risks to the sustainability of the energy sector, it also brings opportunities for developing innovative solutions and driving transformation.

Climate change affects not only the environment but also creates serious social consequences—reducing livelihoods, challenging businesses, increasing health problems, and triggering population movements. In line with our corporate responsibility, we have adopted a proactive approach to climate risks and integrated climate-related risk assessments into our decision-making processes to minimize potential adverse impacts and enhance our operational resilience.

Identification of Climate Risks and Opportunities

Under the leadership of the **Chair of the Risk Assessment Committee**, we convene our Risk Assessment Team to examine in detail the relationship between our company's activities and the climate in light of historical data, current operations, and potential emergencies. We conduct a comprehensive and holistic analysis of physical climate risks, transition-related risks and opportunities, and climate-related financial impacts in line with stakeholder expectations and sectoral/market trends.

We carried out our process for identifying climate-related risks and opportunities in accordance with the Turkish Sustainability Reporting Standards **TSRS-1 and TSRS-2**. In this process, we identified priority risk and opportunity areas by leveraging the frameworks of the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB), together with sector-specific national and international sources. As of 2024, we conducted preliminary analyses based on 1.5°C and above-2°C warming scenarios, assessing short-, medium-, and long-term impacts.

In our analysis process, we classify the identified risks and opportunities under two main headings—"physical risks" and "transition risks and opportunities"—and prepare a comprehensive impact analysis accordingly. We update our analysis when new projects or activities are launched, thereby maintaining a dynamic process.

- ✓ **Transition risks and opportunities:** Regulatory, technological, market, and reputational effects related to the transition to a low-carbon economy
- ✓ **Physical risks:** Reflections of extreme weather events and long-term climatic effects caused by climate change on our operations and value chain.

Our Physical Climate Risks:

1) Acute Risks:

- ✦ **Extreme Weather Events and Lightning Risk:** İk Due to the effects of climate change, the frequency and severity of extreme weather events are increasing. This renders transmission and distribution infrastructure particularly vulnerable to physical threats. Extreme weather conditions such as heavy rainfall, storms, hail, severe snowfall, and lightning increase the risk of malfunctions in critical equipment at renewable energy plants (wind power plants—WPP and solar power plants—SPP) such as inverters, transformers, concrete kiosks, and switchyards. Especially in YEKA-SPP hybrid projects, the simultaneous use of WPP and SPP generation may lead to technical constraints caused by extreme weather events, which can adversely affect production capacity and result in interruptions to energy supply.

  Europower Enerji's central campus in Ankara, as well as project sites in the Netherlands, Macedonia, and other global locations, are exposed to extreme weather events such as flooding, storms, hail, severe snowfall, and lightning. These events can cause equipment damage at production facilities, structural harm, and increased maintenance costs, while

[3] IPCC. 2022. Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Schneider Electric Panel on Climate Change.

also leading to delays and disruptions in supply chain processes.In addition, substations and other critical energy infrastructure may be left unprotected against extreme weather such as typhoons, hail, and storms, which can result in operational downtime and revenue losses. In this context, extreme weather conditions not only pose a risk of physical damage but also constitute significant threats to production continuity and financial sustainability.

- **Earthquake Risk:** Türkiye is a country with high seismic risk due to its geological structure. A large portion of the population and economic activity is located in first-degree earthquake zones. The province of Ankara, where Europower Enerji's production facilities are located, lies in a fourth-degree earthquake zone; however, a potential future earthquake in this region could lead to interruptions, stoppages, or disruptions in the company's production activities.

  Moreover, even without being directly affected by an earthquake, the impact on customers, suppliers, or the markets in which we operate could cause significant losses in company revenues. The broader effects of earthquakes on the national economy could also indirectly and adversely affect the company's operational and financial performance.

- **Fire Risk:** Fires that may occur in areas near power plants can start suddenly and unpredictably, spreading rapidly. This makes containment difficult and poses serious threats to life, property, and environmental safety. The spread of fires to plant sites can cause physical damage to equipment and operational interruptions. Particularly during the summer months, increasing drought and high temperatures further elevate fire risk.

2) Chronic Risks:

- **Global Temperature Increase and Drought Risk:** Global temperature increases and the resulting droughts have both direct and indirect impacts on energy infrastructure. For example, in regions with desert climates such as Algeria's High Plateaus, persistently high temperatures can reduce the performance of power plant equipment. In particular, overheating in components such as inverters, transformers, and outdoor panels may lead to equipment failures, efficiency losses, and increased maintenance costs.

  In addition, high temperatures cause thermal loading on electricity transmission lines, increasing the risk of expansion, sagging, and malfunction. Extreme heat also makes it difficult for maintenance and repair teams to work safely outdoors, posing health risks to the workforce and disrupting operational continuity.

- **Wind Pattern Change Risk:** Changes in wind patterns (speed, consistency, and direction) due to climate change can result in wind power plants operating below their projected generation capacity. Declines in wind speed or seasonal shifts can shorten turbine operation times, causing significant reductions in production.

  This reduces the predictability of energy generation; when actual production falls below estimated capacity factors, it directly leads to lower sales revenues and deviations in return-on-investment timelines. Such variability also creates uncertainty in grid planning, energy supply security, and load balancing.

- **Sea Level Rise Risk:** Rising sea levels caused by climate change directly threaten energy infrastructure located in coastal regions. Facilities situated below or near sea level—such as those in the Netherlands—face flood and inundation risks. This can lead to physical damage, operational disruptions, and production losses due to the flooding of underground cabling, substations, and energy storage systems. Moreover, the recurrence of such incidents threatens the long-term sustainability and value of facilities, creating uncertainty in investment planning.

Our Transition Climate Risks

1) Technology Risk:

- **Lack of Digital Infrastructure and Process Traceability:**Insufficient digital infrastructure for monitoring climate risks and measuring carbon footprints, combined with the manual or fragmented collection of sustainability data, reduces process traceability. This results in reporting deficiencies, regulatory noncompliance, and operational inefficiencies.

  For Europower, operating in the energy sector, this means both an inability to accurately monitor high-emission processes and a weakening of data-driven decision-making in next-generation energy projects. Considering the increasing regulatory pressure and investor demand for transparent data, the lack of digital infrastructure could negatively affect both the company's competitiveness and its potential for sustainable growth.

2) Reputational Risk:

- **Environmental Incidents and Social Sensitivity:** There is a risk of reputational damage among the public and stakeholders in the event of environmental accidents (e.g., waste leakage, plant accidents, environmental pollution) or adverse developments related to social sensitivity (e.g., occupational health and safety violations, public protests). Such incidents can spread rapidly through traditional and social media, causing long-term reputational harm.

- **ESG Non-Compliance and Loss of Investor Confidence:** Being unprepared for ESG rating agencies and investor expectations can result in the company's sustainability performance appearing inadequate. This may hinder access to financing, reduce institutional investor interest, and cause loss of credibility among export-oriented clients. A lack of transparency in ESG reporting may also lead to reputational damage.

3) Market Risk:

- **Changing Customer Behavior:** Corporate clients increasingly expect high performance from their suppliers not only in terms of cost and quality but also in sustainability and social responsibility. Failure to comply with ESG criteria may lead to disqualification in public tenders and private sector projects, resulting in customer loss. Furthermore, new market entrants offering ESG-compliant, technologically advanced products and low-carbon solutions are reshaping the competitive landscape. Falling behind these developments threatens the company's market share and sales revenues.

4) Political and Legal Risk:

- **High Emission and Carbon Regulation Risk:** Greenhouse gas emissions resulting from the company's production, logistics, and construction operations may lead to increased costs due to carbon taxes, emissions trading systems (ETS), and tightening environmental regulations in more than 70 countries, including Türkiye. This not only reduces operational efficiency but also challenges regulatory compliance.

  In regions with strict carbon regulations—such as the European Union—companies may become financially disadvantaged as carbon pricing rises. In addition to higher operational costs, noncompliance with regulations may result in penalties and restricted access to financing. This limits access to green financing sources, undermines investor confidence, and increases the risk of exclusion from sustainability-focused funds.

  Moreover, reduced preference for carbon-intensive products and services may lead to market share loss, weakened brand perception, and declining customer demand. Collectively, these impacts can cause long-term deviations in cash flow projections, necessitate revisions to financial plans, and weaken the company's competitiveness.

- **War-Related Geopolitical Risk:** Europower Enerji's renewable energy projects in Ukraine face significant transition and operational risks due to the ongoing war. The risk of physical damage to infrastructure, project suspension, workforce safety, and challenges in securing financing pose multiple threats. Additionally, tensions across the Iran–Israel–Palestine region, as well as disruptions to transit routes in the Black Sea and Caucasus, restrict logistical access to Ukrainian projects and create uncertainty in credit procurement processes.

  These developments extend investment return periods and pose profitability risks. Geopolitical tensions may also hinder access to project financing, negatively affecting long-term cash flows and capital planning.

Transition Opportunities

Resource and Energy Efficiency

- **Development of Energy-Efficient Products:** In line with global efforts to combat climate change and improve energy efficiency, there is a growing global demand for low-loss, high-performance medium- and low-voltage (MV/LV) electrical equipment. In this context, designing transformers, panels, circuit breakers, and other components used in power transmission and distribution systems to minimize energy losses plays a critical role in reducing environmental impact. As Europower, we are leading this transformation and reshaping our product portfolio with efficiency-oriented engineering solutions. This transformation not only helps our customers reduce their operating costs but also provides our company with long-term revenue growth and a competitive advantage in export markets.

- **Smart Grid and Digitalization Products:** The digitalization of energy systems enhances both grid security and energy efficiency. Digital products, including smart meters, remote monitoring and management systems, and data analytics-based forecasting solutions, form the building blocks of future energy infrastructure. At Europower, we are investing in these technologies, expanding our digital product portfolio, and offering innovative solutions for smart city projects. In doing so, we are taking another step toward achieving our goal of technological leadership.

Product and Service Opportunities

- **Development of Energy Storage Systems (ESS):** Due to the intermittent nature of renewable energy generation, the risk of imbalance in the grid is increasing. Energy storage systems play a central role in addressing this issue. The need for battery energy storage systems is skyrocketing to ensure production balance and manage sudden increases in demand. At Europower, we are developing a wide range of technologies in this field, from cell-based solutions to fully integrated systems. Through these investments, we aim to become a strong player not only in the national market but also in international markets leading the energy transition.

- **R&D Activities Based on Renewable Energy:** The rapid advancement of technologies based on renewable energy sources such as solar and wind is fundamentally reshaping competitive dynamics in the sector. At Europower, we are not merely observing this transformation—we are driving it. We develop cell-based field solutions for solar power plants, specialized cabling and protection systems for wind turbines, and create new product segments. With this R&D-driven approach, we are developing solutions not only for today's energy systems but also for the systems of the future.

- **Renewal of Existing Energy Systems:** A significant portion of the global energy infrastructure has reached the end of its economic and environmental life cycle. This creates a need to transition toward modern, digital, and sustainable infrastructure systems. The reconstruction of carbon-intensive power plants, distribution networks, and control systems in a more efficient and renewable-integrated manner presents a significant opportunity. Europower is taking an active role in this modernization process—not only as a product manufacturer but also as a turnkey engineering solutions partner. This approach positions our company not just as a producer, but also as a consultant and implementer

- **Testing and Certification Services:** The demand for testing and certification processes necessary to ensure product competitiveness in international markets is increasing every day. Particularly in green energy projects, certifying that products meet specific standards plays a critical role in project financing and approval processes. Europower's laboratory infrastructure and technical expertise directly address this need. In addition to testing our own products, we also provide testing and certification services to the broader sector, creating a new source of revenue.

Market Opportunities

- **Green Public Projects and Infrastructure Tenders:** With the transition to a low-carbon economy, financing and incentives for green infrastructure projects in the public sector are increasing significantly. In line with policies such as the European Green Deal and the Türkiye Green Finance Strategy, companies that develop ESG-compliant technical solutions for power transmission lines, substations, and switchyard projects are gaining a competitive advantage. As Europower, we are fully prepared for this transition; through the engineering solutions we provide to public institutions, we gain access to long-term projects and establish strong partnerships with the public sector to support sustainable growth.

- **Access to Green Financing Sources:** The financial dimension of the green transformation is becoming increasingly robust. Green bonds, loans, and grants offered by organizations such as the World Bank, the European Investment Bank, the Islamic Development Bank, and private funds provide significant financial advantages for companies with strong sustainability performance. At Europower, we finance our sustainable project portfolio through these sources, thereby reducing our borrowing costs and optimizing our investment return periods. In addition, our transparent ESG reporting and alignment with global standards enhance investor confidence and strengthen our corporate reputation.

- **Value Creation through Brand and Reputation Management:** Investors, customers, and skilled professionals are increasingly choosing brands with strong ESG performance. Through our transparent and integrated sustainability communication, Europower demonstrates a strong stance not only in environmental matters but also in social and governance areas. This approach positions us as both an attractive employer and a trusted business partner in the industry. Our brand reputation and corporate responsibility approach provide not only a competitive advantage but also foster long-term loyalty and trust.



Physical Climate Risks

Type of Risk	Risk Title	Impact Area in Value Chain and Business Model	Term	Probability	Violence (Impact)	Degree of Importance	Risk-affected Financial Item	Primary Financial Impact	Explanation of Financial Impact	Explanation of Financial Impact (SHORT)	Measures to be Taken
Acute Risk	Extreme Weather Events and Lightning Risk	Direct Operations Description: Structural damage in main production facilities is a maintenance risk. Production Facilities Project Areas Supply Chain	Short Term	Possible / Likely	Medium	Middle	CAPEX / Capital expenditures	Increase in CAPEX (capital expenditure)	Extreme weather events and lightning risk lead to equipment failures and structural damage in production facilities, increasing maintenance costs and creating a need for additional budget due to production disruptions and project delays. The primary financial impact of this risk is an increase in capital expenditures (CAPEX). Measures such as the installation of lightning protection systems, the choice of IP68 equipment, and infrastructure reinforcement raise the investment needs. Additionally, secondary effects such as increases in insurance premiums and revenue losses may also be observed. Extreme weather events and lightning risk pose a significant threat to Europower Enerji, particularly concerning production facilities, high-voltage testing laboratories, storage areas in open spaces, and energy transmission equipment. Lightning-induced voltage surges can lead to production line stoppages, failures of devices in testing laboratories, and damage to semi-finished and finished goods in stock. This situation results in production losses and disruptions in supply processes, leading to additional financial costs. Furthermore, if equipment damage occurs, there could also be increased repair and reinvestment costs along with higher insurance premiums. Therefore, properly managing lightning risk is critical for ensuring operational continuity and minimizing potential financial impacts.	Extreme weather events and lightning are causing equipment failures and structural damage in production facilities, leading to increased maintenance costs and production interruptions. This situation results in an increase in capital expenditures (CAPEX), rising insurance premiums, and revenue losses. For Europower Energy, production facilities, high-voltage testing laboratories, and power transmission lines are particularly at risk. Lightning-induced surges can cause production lines to halt, test equipment to fail, and damage semi-finished and finished products in stock. Thus, operational continuity is disrupted, and reinvestment costs become a matter of concern. Therefore, proper management of lightning risk is crucial for minimizing financial impacts and ensuring production safety.	• Redesign of lightning protection systems in all areas according to IEC 62305 standard. • Tip 1+2 parapharmaceutical systems establishment • Resilient infrastructure design for new facilities and equipment in accordance with climate projections. • Use of climate risk maps in site selection. • Providing financial risk transfer through comprehensive insurance policies against extreme weather events. * The roofs, facades, and infrastructures of factory buildings, warehouses, and testing laboratories should be regularly maintained to increase their resilience against storms, heavy rainfall, and snow load. * Strengthening rainwater drainage systems against the risk of saltwater and flooding. * Critical machines and stocks in production and storage areas should be positioned on elevated platforms, and protective measures against water should be taken. * Establishment of emergency action procedures for production and shipment activities under extreme weather conditions as part of business continuity plans. * Lightning protection systems (lightning rods, Faraday cages, etc.) suitable for factory buildings and testing laboratories should be regularly inspected and maintained. * Use of surge protection relays and surge protectors for electrical panels, production lines, CNC machines, and laboratory equipment. * The critical IT infrastructure and control systems must be protected with uninterruptible power supply (UPS) and backup systems. * The insurance coverage against lightning risk should be reviewed, and policies should be arranged to reduce potential financial losses.
	Earthquake risk	Direct Operations Description: An earthquake directly affects facility infrastructure and equipment. The production facility, assets such as production lines and transformers can be damaged. Production Facilities Supply Chain Customer Market	Long Term	Rare	High	Low	CAPEX (Tangible fixed assets), insurance expenses.	Loss of assets, reconstruction cost	Earthquake risk can lead to various direct and indirect financial impacts for Europower Energy. Reinforcement and new investments increase capital expenditures (CAPEX). Damage to fixed assets like production facilities and transformers incurs reconstruction costs. Insurance premiums may rise. Production interruptions can result in revenue loss. Disruptions in the supply chain can lead to indirect losses. Additionally, economic downturns and cost increases that may arise nationwide after an earthquake can adversely affect the company's financial performance. The earthquake risk can directly affect Europower Energy's fixed assets such as production facilities, factories, testing laboratories, transformer stations, panels, and inverter systems. CAPEX Impact (Tangible Fixed Assets): Structural damages that may occur in factory buildings and production lines, as well as damage to assets such as transformers, panels, circuit breakers, and disconnectors, lead to an increase in reconstruction and repair costs. This situation raises capital expenditures (CAPEX). Insurance Expenses: Due to the increased perception of risk after the earthquake, insurance premiums will rise. Additionally, damages that may fall outside the coverage could directly create extra costs. OPEX Impact (Operational Downtime Cost): Downtime in production facilities leads to production losses and disruption of business continuity, increasing operating expenses. Revenue Impact (Loss of Income): Disruptions in production due to the earthquake, delays in customer deliveries, and interruptions in the supply chain can lead to a decline in sales revenue. Cost of Financing: The increasing risk of earthquakes may lead to a rise in credit costs or a tightening of borrowing conditions. Capital Market Effect: Since Europower is a publicly traded company (BIST Star Market, EUPWR), there is a risk that damages caused by the earthquake could lead to fluctuations in stock value and a decline in investor confidence.	Earthquakes cause structural damage to production facilities and fixed assets, resulting in both direct and indirect financial impacts. Damages to assets such as factories, transformer stations, test laboratories, panels, and inverter systems increase reconstruction and repair costs (CAPEX). Additionally, increases in insurance premiums, extra costs from damages that may be excluded from coverage, and OPEX increases related to production downtime are observed. If production is disrupted due to an earthquake, there may be delays in customer deliveries, disruptions in the supply chain, and a decline in sales revenues. Furthermore, an increased perception of risk can raise financing costs and tighten borrowing conditions. Since Europower is a publicly traded company, earthquake-related damages pose a risk of fluctuations in stock value and a decline in investor confidence.	• It is anticipated that seismic relay circuit breaker systems will be activated at inverters and transformer centers to automatically cut off the energy flow during an earthquake, in order to reduce equipment damage and fire risk. • In order to increase employees' preparedness for disasters, it is planned to create emergency response plans and conduct regular drills. * The equipment produced by Europower, such as transformers, panels, circuit breakers, and isolators, undergoes earthquake resistance testing (shake table test) and is designed to comply with IEC 60068-3-3 and IEEE 693 (seismic qualification) standards. * The factory buildings plan to install rack systems, seismic anchoring, and automatic tipping prevention systems in areas with heavy transformers and storage sections. * It is anticipated that a "disaster emergency business continuity plan" will be prepared for critical component suppliers, and an alternative supplier pool will be established to minimize logistical disruptions after an earthquake. Also later; • As advanced applications, structural health monitoring (SHM) systems can be used in the fields to perform vibration and crack analyses. • Supply chain business continuity plans can be expanded to include not only the company's facilities but also the accessibility of critical part/product suppliers after an earthquake. • Reconstruction strategies and business interruption insurance can also be considered to accelerate post-crisis recovery.

Type of Risk	Risk Title	Impact Area in Value Chain and Business Model	Term	Probability	Violence (Impact)	Degree of Importance	Risk-affected Financial Item	Primary Financial Impact	Explanation of Financial Impact	Explanation of Financial Impact (SHORT)	Measures to be Taken
Acute Risk	Fire Risk	Direct Operations Description: Due to the risk of fire, additional financial burdens such as insurance costs, maintenance activities, and fire resistance investments are incurred. Production Facilities Supply Chain	Short Term	Possible / Likely	Middle	Middle	OPEX / Operating downtime cost, Tangible Fixed Assets	Physical damage, loss of income	Fire risk increases the company's operating expenses (OPEX) due to rising insurance premiums, maintenance costs, fire resistance investments, and potential operational disruptions, while also leading to direct financial consequences such as asset damage and loss of income. At Europower Enerji, the risk of fire poses a significant threat that could lead to serious financial impacts on production facilities, storage areas, and testing laboratories. In the event of a fire, production line shutdowns, damage to raw materials, semi-finished products, and finished goods in inventory, delays in customer deliveries, and disruptions in contractual obligations could result in revenue losses. Additionally, the costs of repair or reinvestment in facilities and equipment after a fire, along with temporary production losses, could decrease operational efficiency. The environmental effects of a fire and occupational health and safety risks could also generate indirect costs. Furthermore, rising insurance premiums and potential compensation liabilities could increase financial pressure. Therefore, controlling fire risk is critical not only for operational safety but also for financial sustainability.	Fire poses a serious threat to production facilities, storage areas, and testing laboratories. In the event of a fire, the stoppage of production lines, damage to raw materials and finished products in stock, and delays in customer deliveries lead to loss of revenue. Additionally, failure to meet contractual obligations places further pressure on the company. The repair or reinvestment of facilities and equipment after a fire increases CAPEX, while temporary production losses decrease operational efficiency. The environmental impacts of the fire and occupational health and safety risks also create indirect costs. Furthermore, rising insurance premiums and compensation liabilities increase financial pressure. Therefore, controlling fire risk with preventive measures is strategically important not only for operational safety but also for financial sustainability.	• Fire risk mapping studies will be conducted in all fields, and high-risk areas will be periodically updated. • The installation of automatic fire suppression systems in critical areas (such as NOVEC 1230 gas systems or aerosol extinguishers) will be evaluated. • Fire training and emergency drills will be conducted periodically to increase employees' preparedness level. • Protocols for coordination with local fire and emergency response teams will be developed. * Periodic checks of electrical panels, cables, and machines; use of protective relays against overloads and short circuits. * Flammable and explosive materials should be stored in suitable areas, in accordance with regulations, and in separate sections, while regular cleaning in production areas should be carried out to prevent the accumulation of flammable waste. * The factory must have an adequate number of fire extinguishers, hydrants, and emergency exit doors; the accessibility of this equipment should be continuously monitored. * Insurance policies should be kept up to date against fire risks, and additional coverage to compensate for potential production losses should be considered.
Chronic Risk	Global Temperature Rise and Drought Risk	Direct Operations Description: Rising temperatures are affecting the performance of production facilities, leading to reduced equipment efficiency in solar and biomass power plants. Production Facilities Transmission Infrastructure Labor and Care Processes	Medium Term	Very Often	Low	Middle	OPEX / maintenance and repair expenses, revenue, tangible fixed assets	Asset performance decline, increased maintenance costs, loss of revenue	High temperatures reduce equipment efficiency, leading to decreased production; they also increase the risks of failure and maintenance costs. Additionally, delays related to workforce health can negatively impact operational continuity. Since Europower Enerji does not use water directly in its production processes, the effects of global temperature increase and drought risk appear more indirectly. Key impacts that could create financial pressures for the company include increased energy costs due to potential declines in hydroelectric production, production disruptions caused by water-intensive sectors in the supply chain, efficiency losses due to high temperatures affecting employee health and safety, and tighter credit conditions and insurance premiums in the financial sector due to climate risks. Therefore, managing the indirect financial consequences of temperature increase and drought risks is important for Europower's long-term sustainability strategies.	Global temperature increases are reducing equipment efficiency, raising maintenance costs, and adversely affecting workforce health, thereby jeopardizing operational continuity. Although Europower Energy does not use water directly, the impact of drought on energy markets creates indirect cost pressures for the company. Specifically, declines in hydroelectric production can increase energy costs, and production disruptions in water-intensive sectors may affect the supply chain. Additionally, the effects of high temperatures on occupational health and safety lead to losses in workforce productivity. As a result of these risks, financial institutions may tighten credit conditions, increase insurance premiums, and the company's borrowing costs may rise. Therefore, effective management of temperature and drought risks emerges as a priority area for long-term financial sustainability strategies.	• Installation of active cooling systems (forced ventilation) and thermal shading systems on all outdoor boards. • In critical areas, the preference for heat-resistant cables and connection systems. • Shifting maintenance shifts to nighttime/cool hours in areas exposed to heat stress, improvements in team protective equipment. • Making temperature resilience analyses according to climate projections and shaping new facility investments based on this data. * In response to the potential increase in energy costs due to temperature fluctuations, measures to enhance energy efficiency in facilities should be implemented; the use of renewable energy sources such as rooftop solar systems and energy storage systems should be ensured to minimize cost fluctuations.
	Risk of Change in Wind Pattern	Upstream Value Chain Resource Procurement (Rooftop PV) Production Projections Financial Modeling	Long Term	Possible / Likely	Low	Low	CAPEX (Tangible fixed assets), insurance expenses	Increase in CAPEX (capital expenditure)	Changes in the wind pattern for Europower have a limited financial impact as they do not directly lead to production losses. Due to excessive wind, the roof solar panels or supporting infrastructure may be damaged; this creates repair or reinstallation costs (CAPEX) and leads to temporary production losses. Damages that may occur on factory roofs or in warehouses raise maintenance costs, increase insurance premiums, and can lead to potential production interruptions and revenue losses. Open field cranes can tip over in excessive winds; this situation leads to significant equipment loss and safety risks, increasing reinvestment and insurance costs. These risks create financial impacts directly through increased CAPEX, repair and reinvestment costs, and indirectly through increased OPEX and production loss. An increase in insurance premiums and disruptions in business continuity are also potential additional effects.	Changes in wind patterns may not directly cause production losses, but excessive wind can damage rooftop solar panels and infrastructure, leading to repair and reinstallation costs (CAPEX). Damages that can occur on factory roofs or in warehouses can increase maintenance costs and insurance premiums, resulting in production interruptions and revenue losses. The tipping of equipment, such as cranes used in open fields, poses serious safety risks and reinvestment costs. These effects can lead to increased CAPEX, indirectly raising OPEX and causing disruptions in production continuity. Additionally, rising insurance premiums and delays in supply processes exacerbate the financial burden.	* The installation of the panels and their supporting systems should be designed to withstand extreme wind; wind load calculations and connection points should be checked periodically. * Increasing wind resistance on factory and warehouse roofs, securing loose parts; performing regular maintenance and reinforcement work against potential storms and wind loads. * Updating the insurance coverage for damages related to excessive wind; reviewing the guarantees that will reduce potential financial losses. * Employees should be regularly trained on safe behavior and emergency response procedures during extreme wind and storm conditions.

Type of Risk	Risk Title	Impact Area in Value Chain and Business Model	Term	Probability	Violence (Effect)	Degree of Importance	Financial Item Affected by Risk	Primary Financial Impact	Explanation of Financial Impact	Explanation of Financial Impact (SHORT)	Measures to be Taken	Measures to be Taken
Technology Risk	Lack of Digital Infrastructure and Process Traceability	Operation Description: Data collection and reporting processes, operational efficiency, compliance and regulatory procedures, carbon footprint, and sustainability performance monitoring	Short Term	Possible / Likely	High	High	OPEX / Operational Downtime Cost CAPEX / Long-Term Liabilities (Tangible Fixed Assets)"	Increased operational expenses, and penal sanctions due to manual data processing and lack of compliance	A lack of digital infrastructure increases operational inefficiency and downtime costs by requiring manual processing of sustainability data and weakening process traceability. The risk of non-compliance with regulations may also result in additional burdens such as monetary penalties. The costs arising in this context are classified under OPEX / operational downtime expenses. On the other hand, solutions such as digital transformation and ERP integration require capital investment under CAPEX / long-term liabilities (tangible fixed assets). This risk brings both short-term cost impacts and long-term investment needs.	• Accelerating digital transformation projects • Updating and integrating ERP systems to include sustainability KPIs • Establishing automated data collection and monitoring systems • Utilizing advanced digital tools (e.g., IoT, cloud technologies) for process traceability • Organizing training programs to enhance employees' digital competencies • Establishing regular internal audit and performance tracking systems"	Data accuracy rate (%), Reporting period (days), ERP integration coverage (%)	Employees, Investors, Auditors
Reputational Risk	Environmental Accident and Social Sensitivity	Operation Description: Environmental accidents, violations of occupational health and safety, and negative developments regarding social sensitivity threaten the operational continuity of the company and stakeholder trust.	Short-Medium Term	Possible / Likely	High	High	Revenue, compensation expenses, legal penalties and sanctions, market loss due to reputation.	Loss of trust with customers and business partners, revenue decrease, additional compensation, and penalty costs.	Environmental or social adversities weaken the company's market position; they lead to a decrease in trust from customers, investors, and regulatory bodies. This can result in financial consequences in the form of both direct costs (fines, compensation) and indirect costs (loss of customers, damage to reputation).	• Proactive environmental risk management and regular audits to prevent potential accidents. • High-level implementation of occupational health and safety standards. • Continuous communication with the community and stakeholders, and having crisis management plans in place. • Rapid response to environmental events and transparent information sharing. • Strengthening positive perception through social responsibility projects.	ESG rating score, Green financing ratio (%)	Investors, Financial Institutions, Clients
	CSD Compliance Deficiency and Loss of Investor Confidence	Upward Value Chain Downstream Value Chain Description: Investor relations, exports, customer relations, and financial planning will be affected.	Medium-Long Term	Frequent/ Possible	High	High	Financing costs, borrowing conditions.	Difficulty accessing finance, increase in capital costs.	Companies with low ESG scores may have to resort to financing with higher interest rates. Additionally, exclusion from sustainable investment funds limits diversification and growth sources.	• Creation of a CSR strategy based on the company's sustainability vision, focused on long-term goals and priorities. • CSY performance indicators should be monitored regularly, supported by internal audit mechanisms, and reported in a transparent, comparable, and publicly accessible manner. • Sustainability reporting structured in accordance with international standards (such as GRI, TCFD, TSRS); providing comprehensive, up-to-date, and holistic data. • Establishing active and continuous relationships with credit rating agencies, ensuring alignment with internal processes by closely monitoring evaluation criteria. • Sustainability management systems should be institutionalized within the company, and environmental and social performance should be integrated into decision-making processes. • Evaluation of sustainable finance instruments such as green bonds and sustainability-linked loans to convert corporate social responsibility (CSR) performance into financial benefits.	Change in sales volume (%), Change in export volume (%), Number of customer losses.	Customers, Suppliers
Market Risk	Changing Customer Behaviors	Downstream Value Chain Description: It affects the processes of bringing the company's products to market, reaching customers, and making sales (Downward Value Chain).	Medium Term	Frequent/ Possible	Medium-High	Medium-High	Revenues, exports, customer portfolio.	Sales decline, decrease in exports.	Due to CSY non-compliance, customers may remove the company from the supply chain or exclude it from bidding, which can result in loss of revenue.	• Establishment of production and operation processes in accordance with CSY standards; investments in energy efficiency, waste management, and emissions reduction. • Structuring the supply chain according to environmental and social criteria; obtaining and ensuring traceability of CSR commitments from suppliers. • Making environmental and social performance visible in product documentation and marketing materials. • Preparing customized CSR performance reports to enhance trust in bidding and contracting processes. • A sustainable supply chain policy should be created, implemented, and regularly updated.	Change in sales volume (%), Change in export volume (%), Number of customer losses	Customers, Suppliers

Type of Risk	Risk Title	Impact Area in Value Chain and Business Model	Term	Probability	Violence (Effect)	Degree of Importance	Financial Item Affected by Risk	Primary Financial Impact	Explanation of Financial Impact	Explanation of Financial Impact (SHORT)	Measures to be Taken	Measures to be Taken
Political and Legal Risk	High Emission and Carbon Regulation Risk	Upward Value Chain, Operation, Downward Value Chain Description: The increase in product costs necessitates a transformation in supply chain and production processes. It affects the company's ability to bring products to market, reach customers, and achieve sales. Production, Supply Chain, Finance, Marketing	Medium Term	Very often	High	High	OPEX (Operational Expenses), Revenue, Equity	Cost increase, loss of revenue, loss of reputation.	High emissions lead to increased operational costs by raising carbon costs. This situation causes a decline in sales and negative perceptions among investors, making access to equity-based financing more difficult. Non-compliance with regulations may also result in punitive sanctions and a loss of financial flexibility. Additionally, loss of market share and decreased brand value threaten the company's long-term financial health.	• Carbon footprint reduction targets are set for all operations, and these are aligned with science-based targets (SBTi). • Implementing energy efficiency projects to reduce carbon intensity in production processes. • The use of low-emission generators, electrical equipment, and hybrid systems in construction and field operations. • Increasing the use of energy produced from PV modules by establishing Energy Storage Systems (ESS) and reducing dependency on diesel generators. • Adoption of green transportation methods in logistics activities. • Design of low carbon products and systems. • Preference for low carbon density materials and suppliers. • Waste reduction and energy efficiency enhancement in production processes. • Regular measurement of carbon emissions and reporting in accordance with international standards. • Investment in carbon credits and offset projects. • Providing employees with training on carbon management and sustainability. • Increasing R&D investments for low carbon technologies and innovation. • Integrating carbon pricing scenarios into business plans to ensure financial resilience against carbon regulations.	tCO_2/product, Energy efficiency (%), Carbon footprint reporting compliance (%)	Investors, Regulators, Customers
	War-related Geopolitical Risk	Operation, Downward Value Chain Description: Disruption of projects, damage to infrastructure, and risks to employee safety. Delays in project deliveries, deterioration in customer relationships, and decline in sales revenue.	Middle	Possible	Medium	Middle	CAPEX / Capital Expenditures	Decline in asset value, prolongation of investment return period.	Geopolitical risks stemming from war lead to the suspension of investments and damage to infrastructure, resulting in losses in the CAPEX category; furthermore, operational disruptions can lead to a decrease in revenue, and difficulties in accessing finance may result in increased costs.	• Conducting local security risk assessments in projects in Ukraine. • Creating emergency evacuation and crisis management plans for employees. • Preferential financing that provides political risk guarantees from multilateral development banks such as IFC and EBRD. • Geopolitical diversification in the project portfolio; using deferrable contracts and phased investment models in uncertain regions. • Determination of alternative transit routes (e.g., Poland, Baltic countries) and the development of strategic equipment stockpiling plans. • Flexibility in production and sales plans and directing towards alternative markets. • Revising periodic payment plans and contract provisions to maintain cash flow.	Project delivery delay (days), Infrastructure damage cost	Employees, Customers, Suppliers

Climate Change–Related Opportunities Table

Opportunity Type	Opportunity Area	Type of Financial Impact	Term	Potential Impacts	Response / Strategy	Measurable Indicator	Related TSRS Criterion
Product and Service	Energy-Efficient Products	Revenue increase, OPEX reduction	Medium Term	Competitive advantage, reduced operational costs, CO_2 savings	• R&D activities for efficient products • Energy efficiency labeling strategies • International energy efficiency certifications	• Energy savings (MWh/year) • Number of certified products	Opportunity and Risk Management, Innovative Products
Product and Service	Energy Storage Systems (ESS)	Revenue increase, strategic growth	Long Term	New markets, high added value, renewable energy integration	• Cell-based and integrated BESS solutions • R&D through international collaborations	• Installed capacity (MW) • Number of BESS projects	Sustainable Product and Service Development
Policy and Legal	Green Public Projects	Revenue increase, public credit	Medium Term	Long-term contracts, stable income	• ESG-compliant proposals • Technical engineering solutions • Relations with public institutions and development banks	• Revenue from public projects (TRY) • Number of completed projects	Policy and Legal Compliance
Market	Renewal of Energy Systems	Revenue increase, strategic growth	Medium–Long Term	Modernization projects, revenue growth	• Development of modern MV/LV products • Turnkey modern infrastructure projects • Proactive client consultancy	• Number of modernization projects • Revenue growth (%)	Market and Competitive Advantage
Finance	Access to Green Finance	Grants, reduced borrowing costs	Short–Medium Term	Reduced financial costs, enhanced reputation	• Employment of sustainability experts • Grant tracking system • GRI/SASB reporting • Demand for ESG ratings	• Amount of grants obtained (TRY) • ESG rating score	Financial Impact and Reputation
Product and Service	R&D Based on Renewable Energy	Revenue increase, new product segment	Long Term	Market expansion, product diversification, CO_2 reduction	• Cell-based field solutions • Dedicated production lines for innovative products	• Number of R&D projects • Number of new product launches	Sustainable Product Development
Market	Testing and Certification Services	New revenue channel	Medium Term	New customer acquisition, stronger brand, improved quality and reliability	• Marketing of laboratory infrastructure • Renewable-focused certification solutions	• Number of tested products • Certification projects	Market and Reputation Management
Product and Service	Smart Grid and Digitalization	Strategic growth	Medium Term	Technological leadership, market advantage	• Smart system integration • Development of digital product portfolio	• Number of digital products • Integrated system projects"	Innovation and Digitalization
Reputation / Finance	Brand and Reputation Management	Revenue increase, investor confidence	Ongoing	Industry leadership, attractive employer image	• Transparent sustainability reporting • Highlighting ESG strategy in communications	• Investor satisfaction scores • Media visibility and brand value	Corporate Reputation and ESG

Evaluation of Climate Effects:

In managing climate-related risks and opportunities, we align our time horizons directly with our strategic planning processes, operational risk management approach, and sustainability policies. As part of the review studies we conducted in 2024, we updated these time horizons to achieve full integration with the TSRS-1 and TSRS-2 standards.

This assessment model enables us to analyze the impacts of climate change in terms of their intensity, duration, and nature. Below, we share how we define these time horizons:

Short Term	0–3 years	Covers near-term risks and opportunities that are prioritized within our strategic planning cycle and have the potential to directly impact our operational activities. Since these risks often exhibit continuity, they are also taken into consideration in medium- and long-term planning.
Medium Term	3–7 years	Includes risks that currently have limited impact but are expected to gain significance within the next seven years due to regulatory developments, technological transformations, and market dynamics. These risks are subject to annual monitoring and reassessment processes.
Long Term	7 years and beyond	Encompasses periods in which the physical impacts of climate change (such as temperature increases and extreme weather events) are expected to intensify, despite a high level of uncertainty. Such risks are considered in business continuity and long-term transformation planning and are monitored during annual risk analysis workshops.

Within the scope of our impact analysis, we address the climate-related risks and opportunities we have identified through a structured and data-driven approach. This analysis, in alignment with the TSRS-2 framework, ensures the integration of climate risks into our financial planning processes. We view this process not merely as a regulatory compliance activity, but as a strategic tool that safeguards our business continuity and supports long-term value creation.

Each risk and opportunity is scored based on two key criteria: likelihood of occurrence and severity of impact. Likelihood is categorized as rare, possible, probable, and very frequent, while severity is classified on a scale from low to very high. By multiplying these two parameters, we obtain a total impact score, which allows us to determine the relative significance of each risk or opportunity clearly.

Likelihood Level	Score Range
Rare	1 – 1,5
Possible / Likely	1,5 – 2,5
Frequent / Probable	2,5 – 3,5
Very Frequent	3,5 – 4

Our financial impact analysis is conducted based on our 2024 revenue. We classify risks and opportunities according to their impact on revenue as low (0–1%), medium (1–5%), and high (5% and above). All factors exceeding the 5% threshold are considered “financially material” and are prioritized in our risk–opportunity matrix.

The significant risks and opportunities we identify are shared with our senior management and submitted for Board of Directors’ approval. In this way, we directly integrate critical climate-related developments into our strategic and investment decision-making processes. Through this approach, we view climate change not solely as a source of risk but also as an opportunity for business transformation, aiming to enhance both our competitiveness and resilience.

Financial Impact Level	Impact on Revenue	Description
Low	0% – 1%	Insignificant or limited financial impact
Medium	1% – 5%	Noticeable but manageable impact
High	5% and above	Considered a financially material impact

Impact of Climate and ESG Risks on Value Chain and Business Model

At Europower Enerji, we operate within an increasingly complex risk environment shaped by climate change and the evolving dimensions of environmental and social sustainability across our energy generation, transmission, and technological infrastructure operations. The impacts of both physical and transition risks extend beyond our direct operations, influencing every link of our value chain and shaping our stakeholder relationships.

Our production facilities, infrastructure projects, and technology development activities are exposed to environmental factors such as rising temperatures, drought, heavy rainfall, storms, lightning, earthquakes, and sea-level rise. These conditions can lead to multifaceted consequences, including disruptions in production continuity, reduced equipment efficiency, increased maintenance and repair costs, and the need to reassess new investment decisions. Chronic climate impacts such as drought particularly constrain our hydropower potential, while shifts in wind patterns necessitate a reevaluation of the feasibility of our wind energy investments. In this context, we are diversifying our energy production portfolio and investing in storage-based systems, hybrid plants, and next-generation technologies to maintain energy supply security.

Beyond the resilience of our operational infrastructure, the effects on our supply chain represent a major area of risk. External factors such as extreme weather events, geopolitical developments, or carbon regulations may cause delays in the procurement of equipment and materials, jeopardizing project delivery timelines and budget accuracy. The environmental and social performance of our suppliers also directly impacts our overall sustainability position. Therefore, we are strengthening traceability and ESG compliance processes within our supply chain and transforming our digital infrastructure accordingly.

Within this risk landscape, customer expectations have also evolved significantly. Competitive pricing and high-quality service are no longer sufficient—low carbon footprints, environmental responsibility, and social awareness have become key factors in decision-making processes. Strategic stakeholders such as public institutions, investors, and export markets are closely monitoring the sustainability levels of our products and services. Any deficiencies in ESG compliance can jeopardize our reputation, access to financing, and market share.

From a financial perspective, carbon costs resulting from high emissions, regulatory non-compliance, and operational losses due to climate events require us to reassess our revenue projections and budgeting framework. Accordingly, we treat all risks not merely as technical threats but as strategic issues that directly affect our financial sustainability, placing their management at the core of our governance systems.

Our stakeholder relationships are also influenced by this comprehensive risk environment. All our stakeholders—local communities, employees, investors, customers, regulatory authorities, and suppliers—are directly or indirectly affected by our activities. Environmental incidents, occupational health and safety violations, or insensitivity to social concerns could harm not only our operations but also our relationship of trust with society and our social license to operate. For this reason, we now approach crisis communication, transparent reporting, and stakeholder engagement processes with greater strategic focus than ever before.

Financial Status, Financial Performance and Cash Flows

When our company is exposed to acute and chronic physical risks, transition risks, or technology- and reputation-based risks related to climate change, these factors affect our financial position and future projections in multiple dimensions. Physical risks such as extreme weather events, fires, and earthquakes lead to malfunctions in our production infrastructure, equipment damage, and production interruptions. Consequently, both maintenance-repair costs and reinvestment needs increase, driving up our operating expenses (OpEx) and capital expenditures (CapEx). In parallel, reduced production results in a decline in our net sales revenues.

Drought, rising temperatures, and changes in wind patterns lower equipment performance and reduce production efficiency. This negatively impacts gross sales and profit margins on our income statement. At the same time, deficiencies in our ESG performance can lead to a contraction in our customer portfolio and exclusion from public and private sector tenders, thereby limiting our revenue diversification and export potential.

Shortcomings in our digital infrastructure and insufficient data traceability hinder timely compliance with regulations, reduce process efficiency, and increase costs. These issues undermine investor confidence and make access to green financing sources more difficult. Weak ESG compliance negatively affects the company's reputation and reduces investor interest, making it harder to secure equity-based financing while increasing borrowing costs.

Taken together, these impacts cause cash flow volatility in the short and medium term, increase capital requirements, and in some cases necessitate the restructuring of payment plans. Therefore, we conduct integrated analyses of climate risks, perform scenario-based assessments, and allocate resources in alignment with projected financial impacts. This approach directly aligns with our financial impact disclosure obligations under the TSRS framework.

Risk Type	Affected Financial Area	OpEx	CapEx	Revenue	Cash Flow	Other
Extreme Weather Events (Acute Risk)	Maintenance, production downtime	Increase	Increase	Decrease	Volatile	Higher insurance premiums, production loss
Drought & Temperature (Chronic Risk)	Production efficiency, equipment lifespan	Increase	Increase	Decrease	Decrease	Cooling inefficiency, revenue loss due to reduced efficiency
ESG Non-Compliance	Customer loss, investor interest	–	Increase	Decrease	Decrease	Disqualification from tenders, exclusion from investment funds
Changes in Wind Patterns	Production forecast deviations	–	–	Decrease	Decrease	Lower IRR, extended payback period
Carbon Regulations	Carbon-related costs	Increase	Increase	Decrease	Decrease	Rising emission prices, profitability pressure
Lack of Digital Infrastructure	Regulatory compliance, data management	Increase	Increase	Indirect	Indirect	Penalty risk in ESG reporting, reduced investor interest

Financial Impact Analysis

To more accurately assess the financial impacts of climate-related risks, we carried out a comprehensive analytical process that considered not only our current situation but also our future projections. Through the use of reliable sources, well-defined assumptions, and structured methodologies, our goal was to evaluate risks systematically and provide data-driven insights for managerial decision-making.

Sources and Assumptions Used:

Our analyses were based on nationally and internationally recognized policy and market frameworks. For emissions trading projections, we referred to the EU Emissions Trading System (EU ETS) and Türkiye's National ETS preparation documents. To assess the relationship between ESG criteria and investor behavior, we utilized the UN Principles for Responsible Investment (UN PRI) and the Morgan Stanley Capital International (MSCI) ESG rating methodologies.

Our financial modeling was conducted in line with the company's 2024 Annual and Management Reports, incorporating data on revenue, operating expenses (OpEx), capital expenditures (CapEx), and investment allocations. Risk classifications and time horizons were defined in accordance with TSRS-1, TSRS-2, and TCFD guidance. For scenario analyses, we drew on the International Energy Agency (IEA) Net Zero 2050 and NGFS climate scenarios.

We adopted a prudent scenario approach and established financial and operational assumptions accordingly.

In our financial projections, we used an illustrative revenue base of USD 100 million for 2024. Annual emissions were estimated at 150,000 tons, with a projected 2% yearly reduction rate. The wind capacity factor was assumed to be 30%, with a ±10% deviation expected to cause a 3–4% decline in net sales.

We plan to initiate work on carbon pricing mechanisms in the coming years to manage climate-related financial risks better. In addition, we considered up to 15% increases in insurance premiums due to extreme weather events and up to 25% increases in the case of natural disasters. Operationally, we projected up to a 5% rise in OpEx in case of ESG non-compliance. Anticipating that physical risks would increase infrastructure investments, we included an additional 10% CapEx requirement. We also assumed an average 10 days of production downtime per year due to extreme weather events.

Methodological Approach:

Our risk assessments were conducted using a dual-criteria matrix consistent with TSRS-1 and TCFD guidance. Each risk was scored on a 1–4 scale based on its likelihood of occurrence and severity of impact. Multiplying these two parameters yielded the total risk score for each category.

We classified financial materiality based on revenue impact: cases with a 1–5% revenue impact were labeled as medium financial impact, while those exceeding 5% were classified as high economic impact.

In our cash flow simulations, we integrated carbon costs, production losses, and revenue declines to estimate their combined impact on annual cash flow. We developed variations based on different climate scenarios and analysed the resulting deviations in cash inflows and debt repayment capacity.

Under the “Business As Usual (BAU)” scenario, we modeled a future in which the current carbon-intensive production structure and policy framework remain essentially unchanged. This scenario reflects a gradual increase in carbon prices and limited regulatory tightening.

In contrast, the “Non-Adaptation” scenario simulated a situation where necessary measures against climate change are not implemented on time, adaptation to carbon regulations remains weak, and market expectations are unmet. In this scenario, we projected rapidly rising carbon costs, increased operational inefficiencies, and significant revenue reductions.

By comparing these two scenarios, we identified the potential financial impacts of carbon risks on sustainability, pinpointing key sensitivities in debt repayment capacity, free cash flow, and investment requirements.

We also assessed how ESG performance affects access to financing. We acknowledged that lower ESG ratings could limit access to sustainable finance instruments (such as green bonds and sustainability-linked loans) and increase interest margins. We estimated that this differential could reach up to 1.5%.

Resilience of Strategy Agains Climate Scenarios

As Europower Enerji, we have initiated strategic, scenario-based climate analyses as of 2024, taking into account global policy frameworks such as the Paris Agreement and the European Green Deal. Within this scope, we have evaluated the technical and financial impacts of key factors — including energy costs, regulatory pressures, physical climate risks, and market transitions — under 1.5°C and 2°C global temperature increase scenarios.

Since the regional climate risks and regulatory frameworks differ across the countries where we operate — Türkiye, the Netherlands, North Macedonia, Algeria, Ukraine, and Azerbaijan — we apply our scenario-based analyses at the country and regional level, and we aim to enhance this approach through more comprehensive modeling and advanced assessments in the coming years.

Scenario-Based Strategic Orientations

1.5°C Scenario: In this scenario, which targets limiting global temperature rise to 1.5°C, the rapid increase in carbon prices and the pressure to transition to a low-carbon economy are key drivers. Accordingly, we are developing production plans to reduce the carbon footprint across the entire lifecycle of our products and prioritizing integration with low-carbon supply chains. We are expanding our medium- and low-voltage (MV/LV) system solutions that comply with environmental labeling and eco-design standards applicable in the European market and supporting the renewable energy transition through solar energy systems (PV plants), inverter stations, and hybrid battery solutions.

2°C Scenario: This scenario foresees an intensification of physical climate risks such as floods, storms, and heat waves. We aim to strengthen infrastructure resilience through IP68-protected panels, mobile systems, and power backup solutions. Furthermore, our key priorities include enhancing local production capacity to mitigate the cost impacts of carbon regulations, expanding energy efficiency projects, and increasing our strategic resilience through green financing partnerships.

1. Low-Carbon Production and Product Portfolio Transformation

Guided by the insights obtained from our scenario analyses, we focus on aligning our product portfolio with the low-carbon economy. We increase the use of high energy-efficiency, low-carbon components in our MV and LV systems and restructure our production processes according to sustainability criteria. Through our SCADA, RTU, and automation solutions, we enable customers to monitor and optimize their energy consumption in real time, thereby accelerating their transition to green infrastructure.

2. R&D and Digitalization

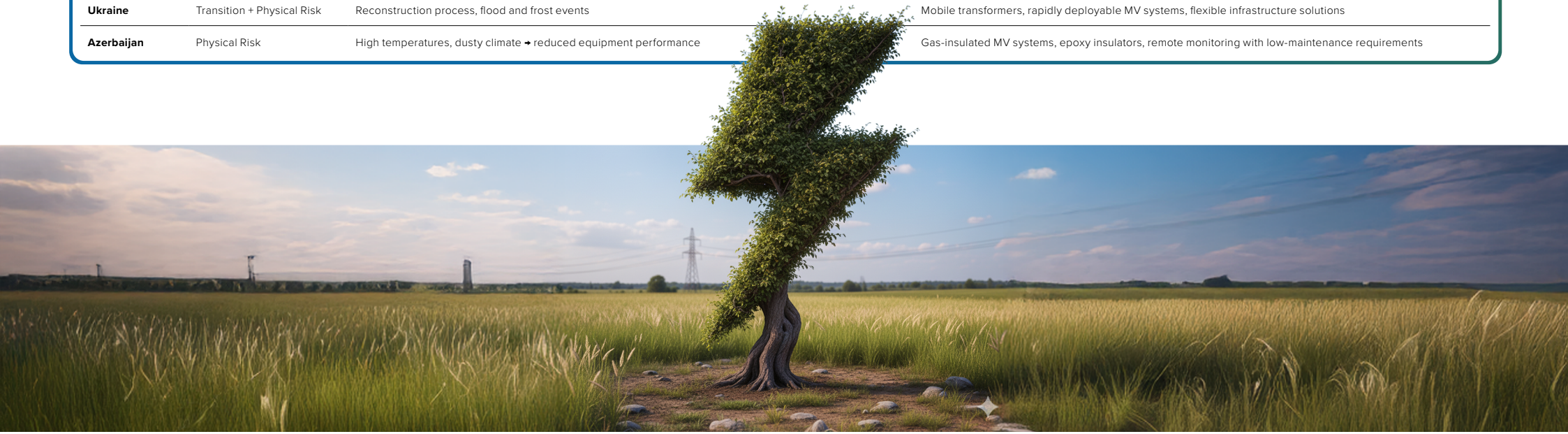
We prioritize R&D investments to support the development of climate-friendly technologies. With forward-looking solutions such as electric vehicle charging stations, smart grid systems, and battery storage technologies, we are adapting our product portfolio to align with climate scenarios. At the same time, we aim to reduce carbon intensity and enhance process efficiency in our energy-intensive production lines through digitalization.

3. Financial Resilience

To strengthen our corporate resilience against the financial impacts of climate change, we conduct scenario-based analyses that account for factors such as carbon taxes, raw material price increases, and insurance costs. Based on these analyses, we restructure our CapEx and OpEx planning to establish a flexible, climate-sensitive, and long-term financial management model. In addition, we develop product segmentation targeting customers who invest in low-carbon technologies and implement partnerships that facilitate their access to green financing and sustainability-linked credit channels.

Regional Risk Assessment and Adaptation Strategies

Country	Risk Type	Description	Response / Strategy
Türkiye	Transition Risk	ETS preparation process, carbon pricing, green transformation incentives	Efficiency through MV/LV systems, energy continuity via SCADA, climate adaptation of HV testing laboratory
	Physical Risk	Extreme heat, floods, hail	IP68 panels, mobile transformers, backup systems
Netherlands	Transition Risk	€100/ton carbon price under the EU ETS, eco-design and LCA requirements	Low-carbon-footprint products, sustainable supply chain, energy-efficient MV switchgear
North Macedonia	Physical Risk	Rising temperatures and drought → grid load and equipment stress	SF_6 gas-insulated MV circuit breakers, heat-resistant infrastructure, PV + SCADA integration
Algeria	Physical Risk	Sandstorms, extreme heat, water stress	High-temperature-resistant transformers, IP68 field equipment, hybrid solar systems
Ukraine	Transition + Physical Risk	Reconstruction process, flood and frost events	Mobile transformers, rapidly deployable MV systems, flexible infrastructure solutions
Azerbaijan	Physical Risk	High temperatures, dusty climate → reduced equipment performance	Gas-insulated MV systems, epoxy insulators, remote monitoring with low-maintenance requirements



Management of Sustainability and Climate-Related Risks

Management of Climate-Related Risks

At Europower Enerji, we position risk and opportunity management as a strategic lever in achieving our corporate objectives. By integrating this approach into our planning, control, and reporting processes, we aim to strengthen organizational risk awareness and proactively manage potential environmental, social, and governance (ESG) impacts. In doing so, we enhance our capacity for sustainability-oriented decision-making.

Issues such as climate change, carbon regulations, physical risks, social impacts, and market transitions are prioritized through materiality analyses and evaluated in both technical and financial dimensions. We regularly monitor the environmental and social impacts of our operations through supplier assessments, operational performance data, and thematic analyses.

In response to rapidly evolving regulatory frameworks such as carbon pricing, emissions trading systems (ETS), energy efficiency requirements, and environmental labeling, we continuously enhance the technical infrastructure of our products and services. We also strengthen our operational and managerial adaptation mechanisms to align with the European Green Deal, the Carbon Border Adjustment Mechanism (CBAM), and Türkiye's ETS preparation process.

Although we have not yet set a formal carbon neutrality target, we are implementing transformation initiatives in areas such as low-carbon technologies, production efficiency, environmentally friendly product development, and digitalization. In this context, we prioritize building the strategic infrastructure necessary to respond to climate risks and opportunities, supporting our sustainability vision through concrete actions.

Our workforce lies at the heart of our corporate transformation goals. We recognize that the ongoing technological and regulatory transformation in the energy sector represents not only an operational shift but also a social transformation. As part of our new production restructuring initiated in 2024, we have accelerated the transition in our field operations toward digitalization, renewable energy systems, and automation technologies, supported by joint planning mechanisms developed in collaboration with employee representatives. During the transition to climate-aligned production processes, we prioritize workforce skill development and job security, implementing this approach through technical training, reskilling programs, and local employment strategies.

Our specialized teams across procurement, production, R&D, sales, and environmental management conduct comprehensive sustainability-focused risk analyses. These studies form the foundation for developing future corporate targets and commitments within our organization. At the same time, we strengthen our decision-support processes and aim to increase corporate resilience through scenario analyses and risk simulations.

We continue to enhance sustainability practices across our supply chain. Aligning with ISO 14001 environmental management systems, we implement development plans for high-risk suppliers and aim to make our entire value chain climate-resilient in the long term.

Integration of Sustainability and Climate Change into Corporate Risk and Opportunity Management

At Europower Enerji, we integrate both transition and physical risks arising from climate change into our corporate risk management processes. Our comprehensive framework takes into account the short-, medium-, and long-term impacts on our operations, supply chain, and value creation models. In this process, our sustainability experts work in close coordination with our Risk Management and Internal Audit departments, monitoring not only acute and chronic physical risks but also those stemming from regulatory and legislative changes. We also closely analyze market, technology, and reputation-related risks and opportunities emerging from shifts in customer demand.

We classify climate-related risks within our corporate risk management system under four primary categories, ensuring their effective management:

Systematic Risks:

Include global and unavoidable factors such as physical climate risks (extreme weather events, global temperature rise, drought, and sea-level increase), as well as transition risks related to carbon emissions regulations, carbon pricing, and changing customer behavior. Technology-related risks, including digital infrastructure gaps and process traceability, are also included in this category.

Unsystematic Risks:

Comprise company-specific and manageable risks, such as reputational risks arising from environmental incidents or social sensitivity issues, and loss of investor confidence due to ESG non-compliance. We mitigate these risks by strengthening our internal processes.

Sector-Specific Risks:

Cover the dynamic factors of the energy sector, including competition, regulatory changes, and technological transformation. We continuously update our strategies to adapt to rapid industry shifts and to gain competitive advantage through innovative solutions.

Other Risks:

Encompass natural disasters such as earthquakes and fires, as well as geopolitical developments. We take the necessary measures to enhance our operational security and preparedness against these risks.

Through this comprehensive and structured approach, Europower Enerji effectively manages the risks posed by climate change while advancing toward sustainable and resilient growth.

Metrics and Targets

In line with our sustainability strategies, we set company-wide sustainability goals, plan the necessary steps to achieve these goals, and place continuous improvement at the core of our approach. Throughout this process, we aim to increase awareness among all employees and encourage their active participation in sustainability efforts.

Performance Monitoring Mechanisms

When determining our sustainability goals, we take into account our environmental, social, and governance (ESG) principles, the company's existing policies, and the assessment of risks and opportunities for the upcoming period. By analyzing data collected from all departments, we draft our annual sustainability target plan. This draft is reviewed jointly with the Sustainability Committee and updated based on received feedback. The final plan is then submitted for approval by senior management, and once approved, the relevant objectives are integrated into the budget as needed.

During implementation, we work in close collaboration with all relevant departments. The Sustainability Specialist and the Committee coordinate the execution of planned actions and regularly monitor the progress of the process. The plan is reviewed annually, and any areas requiring updates are revised and shared with the relevant managers.

All these practices form the foundation of our sustainability management system. In this way, we systematically monitor our environmental and social impacts and progress toward measurable, improvable goals that align with our corporate strategy.

At Europower Enerji, we act with a strong awareness of our responsibility in combating climate change, focusing on reducing our carbon footprint, increasing energy efficiency, and systematically minimizing our environmental impacts. The sustainability goals we set are aligned with national strategies, grounded in scientific principles, and based on international best practices.

Carbon Footprint Accounting Methodology

When preparing our greenhouse gas inventory, we rely on internationally recognized standards and guidelines. In this context, we base our calculations on key references such as the Greenhouse Gas Protocol, IPCC Guidelines, and TS EN ISO 14064-1:2019 Standard. These frameworks are essential to ensure consistency, accuracy, and comparability in the calculation of our greenhouse gas emissions.

We also consider national sources such as the Turkish Energy Efficiency Regulation and the Electricity Generation and Consumption Point Emission Factors Information Form to obtain accurate data regarding local fuel characteristics and energy use.



Global Warming Potential (GWP) values are taken from the IPCC Sixth Assessment Report (AR6). For the calculation of direct emissions from fuel consumption, we use emission factors provided in the IPCC 2006 Guidelines. Emission factors for indirect emissions are derived from internationally recognized and up-to-date datasets, such as the UK Department for Environment, Food and Rural Affairs (DEFRA) 2024.

Determination of Emission Factors

Scope 1 and Scope 2 emissions were calculated using the conversion factors and reference values described below.

Density

Fuel Type	Value	Unit	Reference
Gasoline	0,735	kg / L	Regulation on Increasing Efficiency in the Use of Energy Sources and Energy, Appendix 2: "Lower Heating Values of Energy Sources and Conversion Factors to Petroleum Equivalent."
Diesel	0,83	kg / L	
LPG	0,545	g / cm^3	Safety Data Sheet Liquefied Petroleum Gas (LPG) page 6, Information on Basic Physical and Chemical Properties.

Alternative Thermal Values

Fuel Type	Value	Unit	Reference
Gasoline	10.400.000	kcal / ton	Regulation on Increasing Efficiency in the Use of Energy Resources and Energy, Annex 2: "Lower Heating Values of Energy Resources and Conversion Coefficients to Tonnes of Oil Equivalent."
Diesel	10.200.000	kcal / ton	
Natural Gas	8.250.000	kcal / 1000 m3 natural gas	
LPG	27.000.000	kcal / 1000 m3 LPG	

Default Emission Factors (kg emission / TJ)

	Fuel Type	CO2	CH4	N2O	Reference
Mobile Combustion	Operational Vehicle-Diesel	74.100	4,15	28,6	2006 IPCC Guidelines for National Greenhouse Gas Inventories Chapter 3: Mobile Combustion
	Gasoline	69.300	3,8	5,7	
	Diesel[4]	74.100	3,9	3,9	
Stationary Combustion	Natural Gas	56.100	5	0,1	2006 IPCC Guidelines for National Greenhouse Gas Inventories Chapter 2: Stationary Combustion
	LPG	63.100	1	0,1	
	Diesel	74.100	10	0,6	

Global Warming Potential (GWP)

Chemical Formula	GWP Values for a 100-year Time Horizon	Reference
CO_2	1	PCC Global Warming Potential Values AR6
CH_4 - fossil	29,8	
N_2O	273	
SF_6	24.300	
R410A	1.924	UK Government GHG Conversion Factors for Company Reporting, DEFRA 2024

For Scope 2 emissions, we **used the activity-based marginal emission factor specified in the Turkey Electricit**y Generation and Electricity Consumption Point Emission Factors Information Form.

Grid Electricity	Value	Unit	Reference
National Electricity Generation Emission Factor (Grid Electricity)	0,442	tCO_2/ MWh	Türkiye Electricity Generation and Electricity Consumption Point Emission Factor Information Form 06.12.2024
Combined margin emission factor (solar and wind)	0,626	tCO_2/ MWh	Türkiye National Electricity Grid Emission Factor Information Form 26.11.2024

For our Scope 3 emissions, we considered both international databases and literature sources. The primary references used are as follows:

- DEFRA (UK Department for Environment, Food and Rural Affairs)
- Ecoinvent Emission Factors Database
- ADEME (French Environment and Energy Management Agency)
- GEMIS (Global Emission Model for Integrated Systems)
- ÖKOBAUDAT (Sustainable Construction Information Portal)
- ICAO (International Civil Aviation Organization)
- Scientific publications, sectoral reports, and literature reviews

[4] AdBlue fuel additive is used in company vehicles. The use of AdBlue in diesel vehicles has resulted in an 80% reduction in N_2O emissions. (https://www.vda.de/en/topics/innovations/emission-reduction/adblue)

Emission Reductions:

To evaluate the impact of our greenhouse gas emission reduction practices, we conducted two analyses. In these analyses, we calculated the emission reductions achieved through the renewable energy generated by our rooftop solar power plant (SPP) and the use of electric vehicles within our fleet.

1. Emission Reduction from Renewable Energy Use:

In our first analysis, we calculated the amount of emissions avoided due to the electricity not drawn from the grid thanks to our rooftop solar power plant (SPP). For this calculation, we used the Combined Margin Emission Factor (solar and wind) specified in the Turkish National Electricity Grid Emission Factor Information Form. This allowed us to clearly demonstrate the positive impact of our renewable energy generation on our total emissions.

2.Emission Reduction from Electric Vehicle Use:

At Europower Enerji, we comprehensively monitor our sustainability performance using both key indicators that enable cross-sector comparison and sector-specific metrics tailored to the energy industry.[5] In doing so, we not only track our environmental impacts but also integrate these insights directly nto our strategic decision-making processes.

Carbon Management and Performance Monitoring

Europower Enerji, we comprehensively monitor our sustainability performance using both key indicators that enable cross-sector comparison and sector-specific metrics tailored to the energy industry.5 In doing so, we not only track our environmental impacts but also integrate these insights directly into our strategic decision-making processes.

Emission Management (tons CO2e)

Scope	2024
Direct Greenhouse Gas Emissions (Scope 1)	2.509,36
Energy-Related Indirect Greenhouse Gas Emissions (Scope 2)	4.856,50
Other Indirect Greenhouse Gas Emissions (Scope 3)	77.689,54
Total Emissions	84.785,40

We are strengthening our data collection and measurement capacity for Scope 3 emissions by focusing on priority areas. Indicators such as fuel types, electricity consumption, carbon intensity, and renewable energy share, defined in line with the TSRS Sector-Based Guide, not only reflect our sectoral performance but are also directly linked to our operational risks and opportunities. By regularly reviewing these indicators, we enhance the comparability and reliability of our reports.

We monitor our climate-related performance through the following metrics:

- **Emission Intensity (tCO_2e / product):** Indicator of carbon performance
- **Energy Intensity (GJ / product):** Indicator of energy performance per unit of production

Climate Finance and Capital Allocation

At Europower Enerji, we strategically direct our financial resources toward combating climate change and ensuring environmental sustainability. Our capital allocation priorities include transitioning to low-carbon technologies, strengthening renewable energy infrastructure, investing in energy efficiency, and developing systems resilient to environmental risks.

In 2024, aligned with this vision, we invested approximately TRY 34 million in R&D for the development of clean energy solutions and environmentally sustainable products and services. These investments aim to reduce environmental impacts and foster innovation in next-generation technologies based on sustainability.

Additionally, we allocated approximately TRY 900,000 for environmental consultancy, ecosystem restoration, Environmental Impact Assessment (EIA) studies, and regulatory compliance processes. Beyond fulfilling our environmental responsibilities, these expenditures allowed us to integrate long-term climate risks into our financial structure. By developing stress test scenarios for physical and transition risks, we regularly review our capital allocation decisions in light of these findings.

Carbon Markets and Internal Pricing Studies

As carbon pricing becomes an increasingly critical tool in the fight against climate change, Europower Enerji closely monitors developments in this area and integrates them into its corporate strategy. As of 2024, we are evaluating carbon credit purchasing options to offset emissions beyond our value chain and support our future net-zero targets, although we currently do not have active transactions in the voluntary carbon market. In this context, we are interested in carbon credit projects that are high-quality, additional, and based on internationally recognized standards.

In parallel, we are continuing our work on internal carbon pricing and shadow carbon price mechanisms to prepare for compliance with the forthcoming EU Emissions Trading System (EU ETS) and Türkiye's anticipated Climate Law, which will introduce mandatory market mechanisms. These practices aim to make emission costs visible in investment decisions, drive the transition away from carbon-intensive activities, and establish a long-term, climate-aligned financial perspective.

[5] The greenhouse gas emission data of other subsidiaries will be included in the inventory starting from the next reporting period.

As the first step in shadow pricing, we have started conducting scenario analyses that include the unit cost of carbon in high-emission projects. These analyses serve as a strategic transformation tool in our company's efforts to combat climate change.

Governance and Incentive Mechanisms

To ensure that climate performance is embedded at the organizational level, we are preparing to integrate climate-related metrics into our management-level performance evaluation system. In the medium term, we aim to establish a remuneration model that rewards climate performance.

Although we have regularly accounted for greenhouse gas emissions in previous reporting periods, as of 2024, we have updated our base year and target years. This decision was driven by changes in our operational scope, improvements in data collection and verification processes, and the restructuring of our sustainability objectives. The updated base year enables more accurate comparisons and ensures that emission reduction targets are realistic, trackable, and achievable.

Within the framework of TSRS 1 and 2, we address both transition and physical risks, establishing measurable goals under the themes of carbon management, adaptation, and resilience. In the short term (by 2025) and the medium to long term (2030 and beyond), we have set clear targets in areas such as carbon reduction, energy efficiency, and water management.

Focus Area	Priority Topic	Target[6]	Performance Indicator	Unit	Base Year	Target Year	Realization		
							2023	2024	% Change
Greenhouse Gas Emissions	Energy Efficiency and Management; Climate Change Mitigation; Carbon, Emission, and Air Quality Management	Reduce carbon intensity by 50% by 2030 compared to 2024	Carbon intensity (Scope 1+2 / Production Quantity)	ton CO_2e / unit	2024	2030	0,325	0,239	-39,5
GHG Emissions & Energy	Energy Efficiency and Management; Climate Change Mitigation; Carbon, Emission, and Air Quality Management	Increase electric vehicle usage OR increase share of electric vehicles in fleet by 40% by 2030 compared to 2024	Share of electric vehicles in company fleet	%	2024	2030	-	12	-
			Emission reduction achieved through use of electric vehicles	ton CO_2e	2024	2030	-	15,9	-
Energy	Energy Efficiency and Management	Reduce energy intensity by 15% by 2030 compared to 2024	Energy intensity	MWh / unit	2024	2030	0,126	0,244	93,76
Product & Technology	Digitalization and Technological Transformation	Develop SH1.4. Electric Vehicle Charging Station product line	Number of prototypes developed / products commercialized	Units	2024	2024	0	3	%300
Product & Technology	Digitalization and Technological Transformation	SH1.4.1. Launch production of EV charging station type	Number of charging station types in production	Type / Units	2023	2024	0	32	%3200
			Number of pilot productions	Units	2023	2024	000	32	%3200
Product & Technology	Digitalization and Technological Transformation	Expand smart grid and digitalization product portfolio	Number of new digital products	Units	2024	2030	1	2	%100
			Share of digital products in total sales	%	2024	2030	-	-	-
Product & Technology	Digitalization and Technological Transformation	Expand R&D budget and infrastructure capacity	R&D Expenditures	TRY	2023	2027	147.655.5 14,00	138.463.89 9,23	
Strategic Growth	Strong Economic Performance and Competitiveness	Increase distribution transformer production capacity by 100% by 2026 compared to 2024	Annual production capacity	Units	2023	2026	10.000	15.000	50%

[6] Subsidiaries have not been included.

Focus Area	Priority Topic	Target[6]	Performance Indicator	Unit	Base Year	Target Year	Realization		
							2023	2024	% Change
Operational Efficiency	Sustainable Supply and Logistics	Increase proportion of climate-resilient suppliers and build a sustainable supply chain	Number of suppliers evaluated based on ESG criteria	Number	2024	2030	-	25	-
			Percentage of suppliers evaluated based on ESG criteria						
Operational Efficiency	Sustainable Supply and Logistics	SH3.5. Improve procurement processes; establish strategic supplier network (SH3.5.4, SH3.5.5)	Number of strategic suppliers identified	Number	2024	2025	-	907	-
			Number of critical suppliers identified	Number	2024	2025		35	-
			Number of key suppliers identified	Number	2024	2025		35	-
Safety and Healthy Workplace	Occupational Health, Safety, and Process Management	Zero fatal accidents	Number of fatal accidents	Number	2023	2030	0	0	100%
		Reduce Lost Time Injury Frequency Rate (LTIFR) by 100%	LTIFR (%)	%	2023	2030	115,11	63,94	-44%
		Reduce Lost Time Injury Severity Rate by 100%	LTISR (%)	%	2023	2030	254,61	205,97	-19%
Equality and Diversity	Employee Rights, Engagement, and Development	Increase proportion of permanent female employees by 40%	Percentage of permanent female employees	%	2023	2030	8	10	25%
Corporate Capacity Development	Employee Rights, Engagement, and Development	SH4.1. Strengthen human resources and develop new leaders — increase share of female leaders to 40%	Share of female leaders	%	2023	2030	25,7	27,8	8%
Corporate Capacity Development	Employee Rights, Engagement, and Development	SH4.1. Strengthen human resources and develop new leaders — increase share of women in STEM positions by 30%	Share of women in STEM positions	%	2024	2030	-	16	-

*The climate scenario analyses and stress tests we will conduct in the upcoming period will enable us to assess the accuracy and adequacy of these metrics. Accordingly, these indicators may be updated and revised in future years in light of new insights and market developments.

Low-Carbon Future Vision

Our top priority is to reduce direct emissions through renewable energy projects (particularly rooftop solar power plants), electric vehicles, energy-efficient equipment, and low-carbon production solutions. In addition, through a sustainable supply chain approach, we prioritize the use of local resources and lead transformation in waste management by adopting circular economy principles. We also enhance corporate awareness by organizing sustainability training programs for our employees and suppliers.

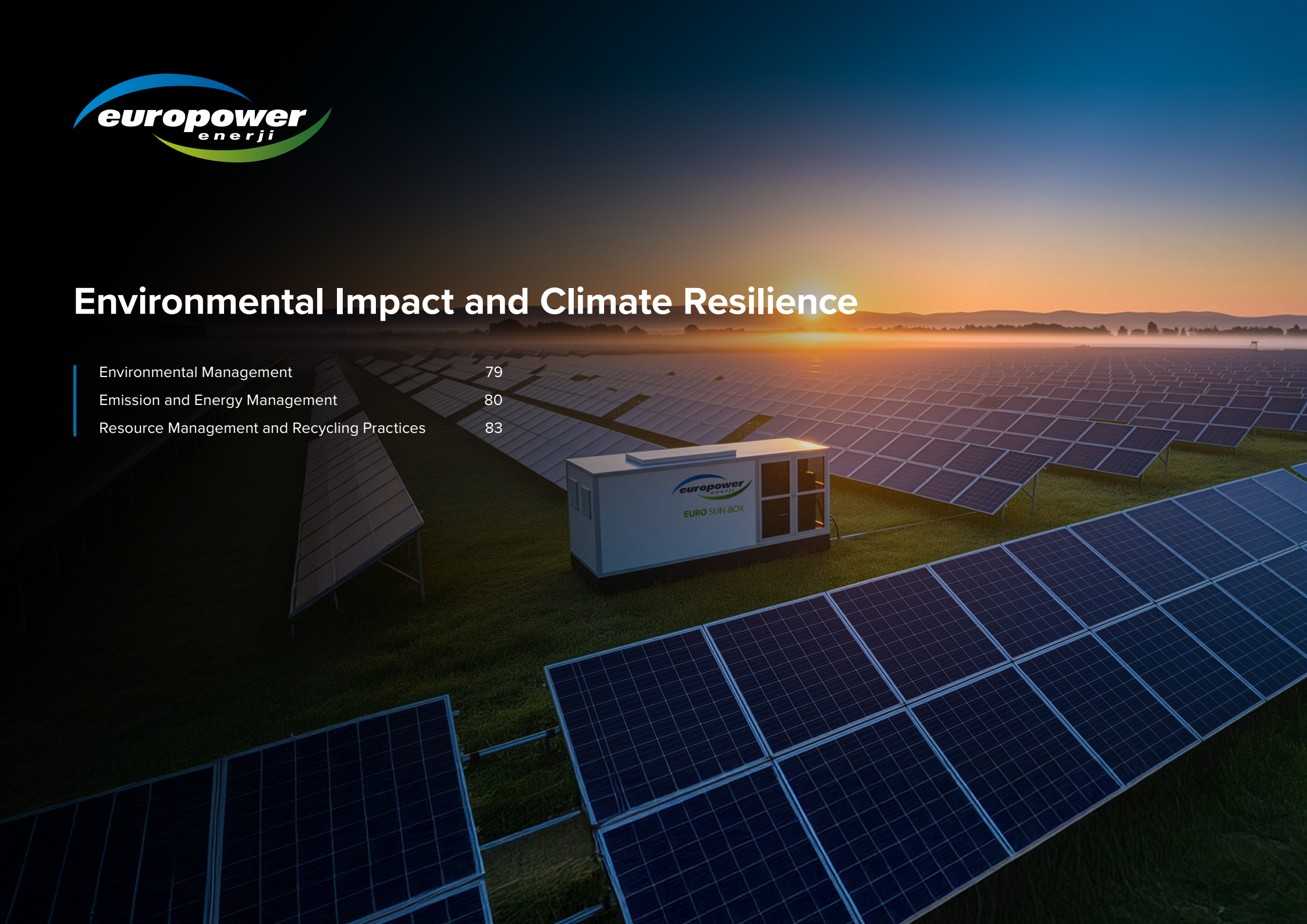
While continuing our R&D investments to develop low-carbon products and technologies, we view the fight against climate change not only as a responsibility but also as a strategic element that creates a competitive advantage.

Environmental Impact and Climate Resilience

Environmental Management 79

Emission and Energy Management 80

Resource Management and Recycling Practices 83



Environmental Management

Climate change, ecosystem degradation, and the rapid depletion of natural resources pose not only environmental but also serious economic and social sustainability risks. In this context, Europower Enerji places environmental responsibility at the core of its strategic priorities, focusing on building a resilient and sustainable business model that can withstand the challenges of the climate crisis.

We prioritize environmentally friendly practices at every stage of our value chain and adopt a systematic and integrated management approach to minimize the environmental impact of our operations. Within the framework of our Environmental Management System (EMS), structured in accordance with the ISO 14001:2015 standard, we identify ecological aspects, analyze related risks, and implement necessary precautions through a risk-based approach.

We integrate our environmental sustainability approach into all operations as an inseparable part of our corporate value chain. This approach, aimed at reducing environmental impacts, is implemented through a comprehensive and systematic management model. Through our ISO 14001:2015–compliant EMS, we define environmental aspects, evaluate impacts, and control them using a risk-based methodology.

Under our environmental policy, we use resources efficiently, reduce waste, adopt environmentally responsible production methods, and collaborate with stakeholders to enhance environmental awareness. We design our production and service processes to minimize environmental impact and strengthen a culture of sustainability by providing regular employee training. In this context, we provided our employees with 2 hours of ecological awareness training — consisting of 1 hour of Basic Environmental Training and 1 hour of Zero Waste Training.

The following table presents our environmental training data from the past three years:

Environmental Training Data	2022	2023	2024
Number of Participants	626	1,251	813
Training Duration (Hours/Person)	2	2	2
Total Training Hours	1,252	2,502	1,626

Within our EMS framework, we identify environmental aspects and risks for each operational unit, analyze their impacts, and prioritize them accordingly. Pre- and post-activity controls, inspections, and measurement systems support our process-based risk assessments. Based on the data obtained, we set environmental targets and ensure the traceability of performance indicators. All these activities are carried out under the EMS Planning and Risk Assessment Procedure, and the system is regularly reviewed through internal audits and compliance checks.

As of 2024, we implemented our Environmental Risk and Opportunity Management System, which enables real-time monitoring of the environmental impact of each production activity and dynamic identification of improvement areas. In line with our Environmental Audit Procedure, we conduct at least two systematic internal facility inspections per year.

We regularly assess the effectiveness of our environmental management system through internal and external audits and make improvement decisions during management review meetings in line with our strategic goals. Priorities such as natural resource conservation, waste minimization at the source, chemical management, emission control, and biodiversity protection are regarded not merely as legal obligations but as core components of our environmental leadership vision. We act with the responsibility of leaving a livable planet to future generations and reaffirm our commitment to sustainability in every step we take.

In 2024, through digital transformation–focused projects, we aimed to make our production processes more efficient, safer, and environmentally responsible. These initiatives have contributed to both operational excellence and sustainability across various areas, from production to occupational health and safety.

MES Digital Production System Project: We aimed to enhance efficiency, reduce waste, and achieve energy savings by digitalizing our production processes. By minimizing forklift usage, we reduced carbon emissions, and through digital tracking in production, we improved quality by preventing errors. Conducted in collaboration with our production teams, IT department, and technology suppliers, this project significantly reduced energy and resource losses. After a three-year implementation process, we achieved a measurable reduction in waste and energy losses.

Image Processing and AI-Based Monitoring Project: We began using AI-powered camera systems to detect environmental and occupational safety risks in real time at our facilities. This enabled the development of early warning systems and proactive preventive measures. Carried out in cooperation with our IT, occupational health and safety teams, and technology partners, the project aims to enhance safety, prevent environmental violations, and minimize risks. Initiated in 2023, the project is still ongoing and has already led to a significant increase in on-site visibility and safety.

Emission and Energy Management

To mitigate the impacts of climate change and advance toward our carbon neutrality goal, Europower Enerji monitors its greenhouse gas (GHG) emissions through a comprehensive, science-based management system. We systematically calculate our corporate carbon footprint in accordance with the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard using the financial control approach, across three main scopes (Scope 1: direct emissions, Scope 2: energy-related indirect emissions, Scope 3: other indirect emissions)[7]. This methodological framework ensures that our sustainability policies are structured in accordance with the principles of transparency and accountability.

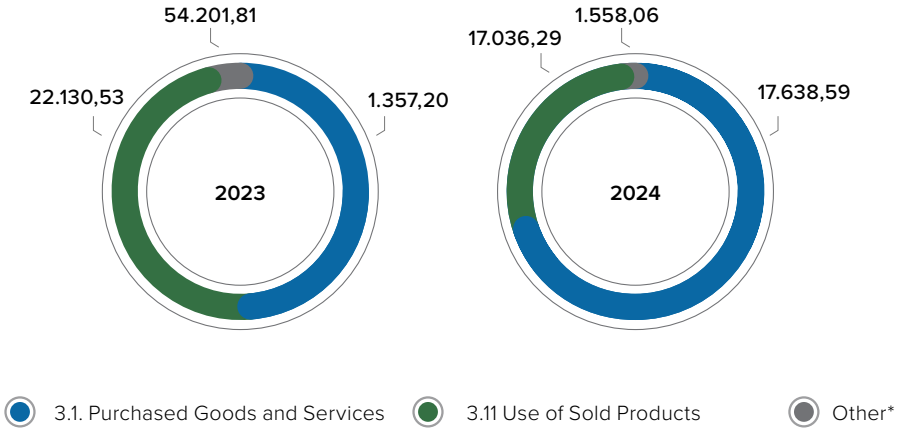
The table and chart below present our greenhouse gas emission data for the past two years

Emission Management (tonnes CO_2e)

Scope	2023	2024
Direct Greenhouse Gas Emissions (Scope 1)	2,083.09	2,509.36
Energy-Related Indirect Greenhouse Gas Emissions (Scope 2)	2,020.25	4,586.50
Other Indirect Greenhouse Gas Emissions (Scope 3)	36,232.94	77,689.54
Total Emission	40,336.28	84,785.40

In 2024, an increase was observed in our Scope 1 and Scope 2 emissions compared to 2023. Our Scope 1 emissions rose from 2,083.09 tCO_2e to 2,509.36 tCO_2e, while our Scope 2 emissions increased from 2,020.25 tCO_2e to 4,586.50 tCO_2e. This rise was mainly driven by the expansion of our production capacity (with the commencement of Peak PV's operations), the increase in energy demand, and particularly the growth in electricity consumption. In the upcoming period, we aim to reverse this upward trend by enhancing energy efficiency projects, investing in renewable energy, and increasing the use of low-carbon technologies.

Below is a summary of our GHG emissions data for the past two years:



Our Scope 3 emissions increased significantly from 36,232.94 tCO_2e in 2023 to 77,689.54 tCO_2e in 2024[8] .

The main reason for this considerable rise was the expansion of our emission inventory in 2024, which included a broader range of activities across our supply chain. Approximately 70% of our 2024 indirect emissions originated from raw material and product procurement activities (Scope 3.1).

Our total corporate carbon footprint for 2024, covering all scopes, was calculated at 82,318.93 tCO_2e.

This figure represents a comprehensive assessment of the total environmental impact arising from both our operational activities and our supply chain.

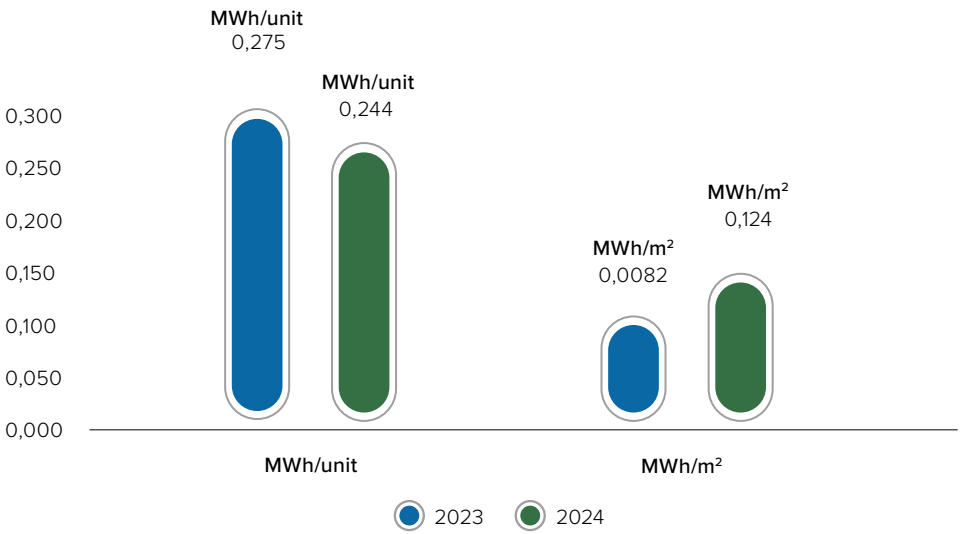
To reduce our carbon footprint, we aim to expand low-carbon practices across all stages of our operations — from production to logistics — and to lower our emission intensity over time gradually.

Detailed breakdowns of Scope 1, Scope 2, and Scope 3 emissions are presented in the "Performance Indicators" section.[9]

[7] The greenhouse gas emission data of other affiliated companies will be included in the inventory starting from the upcoming reporting period.

[8] Other: 3.7. Employee Transportation, 3.8. Upward-Leased Assets, 3.2. Capital Goods, 3.3. Fuel and Energy Related Other Activities, 3.5. Waste Management, 3.12. End-of-Life Disposal of Products, 3.6. Business Travel, 3.4. Upward Transportation and Distribution

[9] Subsidiaries have not been included.



In 2024, both our energy intensity per product (MWh/unit) and energy intensity per covered area (MWh/m²) increased compared to 2023[10]. This rise was mainly driven by higher production volumes, expanded facility space, and increased operational energy demand.

Energy efficiency remains one of the core priorities of our environmental strategy.

Our ISO 50001:2018 Energy Management System supports this goal through concrete projects aimed at reducing energy consumption and integrating renewable energy sources into our operations.

This system enables the regular monitoring, measurement, and improvement of our energy performance, delivering measurable results in reducing energy intensity.

We manage all our operations in full compliance with national and international energy regulations, guided by our Energy Policy, and ensure the continuity of our ISO 50001-compliant energy management framework.

Our Energy Management Approach Includes:

- ✓ Ensuring efficient use of energy, raw materials, and natural resources across all products and operational stages.
- ✓ Prioritizing high-efficiency products and technologies in design, procurement, and production, and extending these criteria to our service supply chain.
- ✓ Systematically identifying and implementing energy performance improvement opportunities in product and process design.
- ✓ Conducting awareness and training programs to enhance knowledge on energy and resource efficiency among employees, stakeholders, and the wider community.
- ✓ Integrating competitive, innovative, and digital technologies into our processes to continuously improve energy performance.
- ✓ Setting energy objectives based on continuous improvement, analyzing risks and opportunities through an energy perspective, and developing proactive solutions.

Through these practices, we view energy efficiency not only as an operational necessity but as an essential component of our environmental sustainability and corporate responsibility.

Approximately 13% of our total energy demand is met through renewable sources, thanks to our 2.30 MW rooftop solar power system. The electricity generated from the rooftop solar PV system is mainly used for self-consumption; where generation exceeds on-site consumption, partial electricity sales are carried out through netting/offsetting mechanisms. In 2024, total rooftop PV electricity generation amounted to 885,245.64 kWh, of which 58,482.04 kWh was subject to netting/offsetting, corresponding to 3,186.88 GJ (1 kWh = 0.0036 GJ). The Company does not purchase renewable energy.

This investment reduces our greenhouse gas emissions, strengthens our resilience against climate change, and simultaneously lowers operational costs, creating a sustainable competitive advantage. As of 2024, the electricity generated from our solar power plant helped us avoid 515.57 tons of CO_2e emissions that would have otherwise resulted from grid electricity use — a significant contribution to our climate goals.

[10] Subsidiaries have not been included.

As of 2024, the electricity generated from our solar power plant helped us avoid 515.57 tons of CO_2e emissions that would have otherwise resulted from grid electricity use — a significant contribution to our climate goals: [11]

Operational Metrics

Metric	2023	2024
Electricity Consumed from Solar Power (MWh)	689,782	826,764[12]
Purchased Electricity Amount (MWh)	4.570,701	5.514,992
Emission Intensity (tCO_2e / unit)	0,247	0,178
Energy Density (GJ / unit)	2,093	1,841
Energy Density (GJ / m2)	0,624	0,933

As part of our energy efficiency initiatives, we focus on reducing system losses in production processes, optimizing lighting and HVAC infrastructure, and upgrading our equipment with energy-efficient technologies. These steps directly contribute to reducing our carbon footprint while enabling the establishment of a traceable, reportable, and continuously improvable emission management system.

Through the implementation of our MES Digital Production System, we have reduced forklift usage, prevented energy losses caused by operational errors, and promoted the sustainable use of resources. Moreover, our Energy Efficiency Improvement Projects delivered up to 15% energy savings in 2023.

Solar Power Capacity Expansion Project: We installed new solar panels on factory roofs and increased the capacity of existing systems, strengthening our renewable energy utilization and successfully reducing carbon emissions. By expanding our solar power systems, we aimed to further promote clean energy generation. This project, carried out in collaboration with factory employees, suppliers, and local authorities, resulted in a 30% increase in solar energy production within one year and a significant reduction in carbon emissions.

Energy Efficiency Improvement Project: We enhanced energy efficiency by optimizing lighting, heating, and cooling systems across our facilities. Developed jointly by our facilities management, energy suppliers, and technical teams, this project was designed to reduce energy consumption and minimize carbon emissions, directly contributing to operational sustainability.

Carbon Footprint Calculation and Reduction Project: We began analyzing our carbon emissions across all operations and developed strategic reduction measures. Implemented with the participation of our suppliers, employees, managers, and environmental consultants, this project established annual carbon footprint reporting and defined measurable reduction targets.

ESS and PCS Integration for Renewable Energy Enhancement: By integrating Energy Storage Systems (ESS) and Power Conversion Systems (PCS), we improved the reliability of our grid-connected renewable energy systems. This integration allows us to store energy from intermittent sources such as solar power and use it when needed. Developed collaboratively by our R&D and system engineering teams, suppliers, and users, the project enhanced system efficiency and increased the share of renewable energy within two years.

SunJunior Distributed Energy and Storage Project: We developed SunJunior, a next-generation product that enables individuals and small businesses to produce and store their own energy.

This project promotes distributed renewable energy generation and facilitates broader access to clean energy.

Led by our R&D, product development, and sales teams in collaboration with customers and technology suppliers, this initiative has supported the widespread adoption of individual sustainable energy solutions since 2023.

Electric Vehicle Expansion Project: We transitioned our fleet to electric vehicles, reducing carbon emissions and fuel costs while promoting sustainable transportation.

Through collaboration among our logistics teams, fleet managers, and suppliers, 12% of our vehicle fleet has been converted to electric models, significantly reducing fossil fuel consumption.

As of 2024, this transition resulted in a 36.9-ton CO_2e emission reduction, directly contributing to the mitigation of transport-related carbon emissions.

Laser Welding Implementation in Transformer Manufacturing: We replaced traditional welding methods with laser welding technology, achieving significant energy savings and improving occupational health and safety performance. This project, developed by our production engineers, welding operators, safety experts, and technology partners, successfully reduced waste and harmful gas emissions from welding processes. Within a year, we increased the share of laser welding operations, boosting both efficiency and worker safety.

As a result of this transformation, we achieved a 98% reduction in acetylene use, minimizing environmental impact while creating substantial cost savings and advancing our clean production capabilities.

[11] Subsidiaries have not been included.

[12] The electricity consumed from solar power represents on-site self-consumption only and excludes electricity subject to netting/offsetting.

Resource Management and Recycling Practices

At Europower Enerji, we are restructuring our resource management processes in line with the principles of the circular economy, to ensure the sustainable use of natural resources and reduce environmental impacts. Our key priorities include enhancing resource efficiency, minimizing raw material consumption, and diverting production-related waste to recovery and recycling.

We integrate reuse and recycling practices into every stage of our production processes.

Through the implementation of our Environmental Management Procedure, Environmental Aspects Procedure, and Waste Shipment Procedure, we systematically analyze the environmental impacts associated with material use and adopt source prevention strategies to reduce waste generation.

By applying preventive and corrective actions in our operations, we minimize material losses and ensure the systematic and efficient management of recyclable waste.

As of 2024, our performance data indicates that we have achieved a recovery rate of over 95% in the non-hazardous waste category. While continuing to invest in expanding our recycling capacity, we also promote employee awareness and training programs to embed this mindset into our corporate culture.

At our facilities, we are developing specialized projects to enhance the effectiveness of waste segregation systems, recover process waste, and reduce material losses.

Within this scope, our Epoxy Casting Optimization Project has led to significant progress in reducing material waste rates. In addition, we plan to commission the Hubers System in 2025, which is expected to increase process efficiency further.

According to our 2024 MOTAT record, we directed 151,037 kg of epoxy waste to recovery processes, compared to 197,900 kg declared in 2023. As part of our electronic waste (e-waste) management program, we collected and safely recycled 200 kg of e-waste in 2024 through dedicated collection areas established within our facilities.

These initiatives not only help reduce total waste generation, but also contribute to continuous improvements in product quality and environmental performance.

Furthermore, under our “Recycling and Waste Reduction” projects, we actively explore industrial symbiosis opportunities—creating economic value while reducing environmental impact through cross-process resource optimization.

All these initiatives are implemented in complete alignment with our environmental sustainability goals. They are integrated into our company’s overall sustainability management system, ensuring that resource efficiency and circularity remain core components of our corporate strategy.

Water Management

The conservation of water resources is one of the most critical components of environmental sustainability, particularly for industries that rely heavily on water in their production processes.

At Europower Enerji, we implement an integrated management approach aligned with our environmental policy and sustainability objectives, focusing on reducing water consumption and promoting water reuse across our operations.

Through infrastructure improvement projects at our facilities, we have introduced water-saving systems and developed a data-driven management model supported by real-time monitoring meters and control mechanisms. We have also implemented awareness programs and training campaigns aimed at transforming employees’ water consumption habits. Efficiency-enhancing technologies such as sensor-activated faucets have been deployed across our facilities. Additionally, rainwater harvesting systems designed to collect water from rooftop surfaces for reuse in production processes are being prioritized.

Our circular approach not only supports the preservation of natural resources, but also strengthens our corporate resilience against drought and water scarcity risks driven by climate change.

In wastewater management, full compliance with environmental regulations is a fundamental principle.

All our water management processes are integrated into our corporate sustainability system, ensuring continuous measurement, reporting, and improvement.

Water Management and Conservation Project: We installed monitoring systems to track water consumption, implemented water-saving practices, and conducted training programs to raise awareness among employees. This project—carried out in collaboration with facility employees, environmental experts, and local water authorities—was designed to ensure the sustainable use of water resources, resulting in measurable improvements in water efficiency.

Employee Awareness for Water Conservation Project: We successfully fostered individual behavioral change and awareness on responsible water use among our employees.

Educational materials and visual content were shared across facility notice boards and internal communication bulletins. The Human Resources and Sustainability teams played a leading role in implementing and expanding this initiative.



Waste Management

At Europower Enerji, we view waste management not merely as a disposal process but as a comprehensive, circular system that extends from waste prevention to recovery.

This approach aligns with our Zero Waste goal and is grounded in the principles of the circular economy, aiming to reduce environmental impacts across all operations systematically. We monitor, manage, and regularly report all waste types generated within our company — including hazardous, non-hazardous, electronic, liquid, and solid waste — under our structured environmental management systems. Our top priorities are to achieve our ecological performance targets and to comply with regulatory requirements fully.

Although our total waste volume increased between 2022 and 2024, we made significant progress in recovery practices, particularly in redirecting non-hazardous waste toward recycling processes. Hazardous waste is handled in full compliance with environmental regulations and sent to licensed disposal facilities. Through segregation systems implemented in production areas and employee awareness initiatives, we have made source-level waste separation increasingly effective. All stages of waste handling — segregation, transport, temporary storage, and disposal — are carried out in line with corporate procedures, ensuring traceability, transparency, and auditability.



Moreover, the segregation and safe disposal of electronic waste (e-waste) help us minimize environmental risks associated with digital transformation. These multidimensional efforts implemented across our facilities not only ensure compliance with legal regulations but also reflect our vision of environmental leadership. Our corporate priority is to build a resource-efficient, low-carbon, and climate-resilient production ecosystem, continuously increase our waste recovery rate, and ultimately transition to a Zero Waste management model.

Waste Management and Recycling Project: We established waste segregation systems across our facilities, launched comprehensive employee training programs, and strengthened our recycling infrastructure.The project aimed to reduce total waste generation, increase recycling rates, and directly lower greenhouse gas emissions from waste-related activities. It was implemented with the active participation of facility employees, local municipalities, and environmental NGOs, resulting in measurable improvements in waste reduction and recovery performance.

Wagner System – Electrostatic Painting Unit Project: To reduce the environmental impact of our painting operations, we integrated the Wagner electrostatic coating system into our production line. Through this investment, we increased paint transfer efficiency, reduced paint waste and VOC emissions, and achieved improvements in both energy and raw material efficiency, alongside enhanced product quality. The implementation was carried out in collaboration with our employees, suppliers and production teams, in alignment with our objectives on resource efficiency and hazardous waste reduction.

At present, we do not operate a structured, company-wide reporting process for particulate matter (PM10) emissions. Nevertheless, technical investment aimed at controlling emissions has been planned for 2025. Within this scope, we are transitioning to a conveyor-based silo system to prevent dust generation from silica sand used in the epoxy casting area, and installing local exhaust ventilation systems in the polishing section of the busbar manufacturing area. Through these actions, we aim to reduce particulate matter emissions and further improve our environmental performance as well as occupational health and safety conditions.

Regeneration and Recovery of Insulating Oils Project: We chemically reprocessed insulating oils used in transformers, returning them to operational use.This initiative both prevented the generation of hazardous waste and significantly reduced the need for new oil resources. Throughout the project, we focused on reducing natural resource consumption and strengthening waste management performance. The project was carried out in collaboration with our production, maintenance, environmental management, and quality teams, as well as external service providers. As a result, we increased the reuse rate of insulating oils and significantly reduced hazardous waste volumes, contributing meaningfully to our circular resource use and waste reduction objectives.

Biodiversity

Our company does not operate in or near protected areas or regions with high biodiversity value; therefore, we have no operational impact or specific management practices related to such zones.

During land use and site preparation activities for our production facilities and energy infrastructure projects, limited impacts on natural habitats may occur. To minimize these, we ensure full compliance with applicable environmental regulations and Environmental Impact Assessment (EIA) procedures. Our current operations fall outside the scope of EIA requirements, and all potential impacts remain below regulatory threshold limits.

We actively mitigate both direct and indirect environmental impacts related to pollution and waste management by implementing filtration systems, licensed waste disposal, and environmental training programs. Furthermore, by optimizing material sourcing and logistics operations within our supply chain, we strive to reduce habitat degradation, greenhouse gas emissions, and natural resource consumption.To minimize the risk of spreading invasive species, pests, and pathogens, we apply on-site equipment disinfection, use ISPM 15-compliant packaging, and conduct awareness training for our employees.

We continuously monitor potential biodiversity impacts, follow a minimum intervention principle to prevent habitat disturbance, and implement reforestation or temporary protection zones when necessary. Our field teams receive awareness training on the protection of local species, and expert consultation is sought when needed.Our operations do not cause adverse effects on natural processes, habitat transformation, or sensitive species. No impact has been identified on species listed in the IUCN Red List or national conservation lists. We have no direct interventions or third-party partnerships involving protected or restored areas.

In our environmental risk assessments, we rely on ISO 14001:2015 Environmental Management System, EIA reports, field surveys, flora-fauna assessments, and official permit procedures.In habitat restoration activities, we prioritize the use of native plant species to maintain ecological balance.Through our renewable energy projects, we contribute to the reduction of fossil fuel use, helping to mitigate climate change and prevent indirect biodiversity losses.



Innovation and Digitalization

R&D, Product and Technology-Oriented Investments 87

Digitalization and Data Management 90



R&D, Product and Technology-Oriented Investments

To achieve a carbon-free energy future, we are identifying and implementing next-generation technologies capable of delivering 24/7 carbon-free, uninterrupted power generation.

Advanced nuclear energy, long-duration energy storage systems, next-generation heat pumps, hydrogen technologies, and geothermal systems play a critical role in this transition.

While maintaining a focus on cost-effectiveness, we are establishing strong partnerships, sharing resources, and collaborating closely with all stakeholders to advance these solutions. By integrating cutting-edge technologies into our existing energy infrastructure, we are strategically modernizing our energy systems for long-term sustainability and resilience.

Through this approach, we continue to provide our communities and customers with safe, reliable, affordable, and increasingly clean energy solutions, thereby strengthening the foundations of a sustainable energy supply for both today and the future.

Within the framework of our 2023–2027 Strategic Business Plan, one of our key operational priorities is the implementation of our R&D Strategy. This strategy aims to position us as a sectoral leader by developing high-quality, innovative, environmentally friendly, and advanced products across all areas of our operations.

In line with our R&D strategy, we not only deliver effective solutions to current market needs but also shape the technologies of the future. This ensures that our product development processes address both today's requirements and tomorrow's expectations, enabling sustainable innovation and adaptability.

We are committed to developing high-efficiency, durable, and high-quality products that position us as a market leader domestically and a globally competitive brand internationally. Accordingly, we embrace an R&D philosophy based on sustainable growth and global competitiveness.

Strategic and Periodic Objectives

Aligned with our R&D strategies, our goals are to increase the number of innovative and eco-friendly products, expand product diversity, and continuously improve our R&D and product management processes.

We closely follow technological advancements and focus on developing products that prioritize sustainability, efficiency, and quality — strengthening our market leadership both in Turkey and abroad.

We structure our objectives across short-, medium-, and long-term horizons:



Short-Term Goals:

- ✓ Successfully complete ongoing projects,
- ✓ Develop new product and technology initiatives,
- ✓ Implement training programs to enhance the technical competence of our R&D team

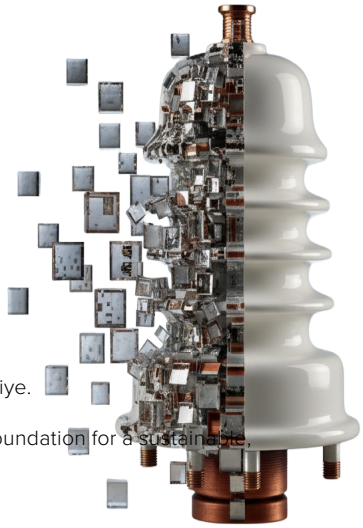
Medium-Term Goals:

- ✓ Expand our pool of qualified talent and strengthen university–industry collaborations,
- ✓ Increase our R&D budget and infrastructure capacity,
- ✓ File patent applications for commercially viable innovations.

Long-Term Goals:

- ✓ Develop innovative products that can compete on a global scale,
- ✓ Foster a company-wide R&D culture,
- ✓ Design and produce critical products domestically that are not yet manufactured in Türkiye.

Through these strategic objectives, we are not only shaping the present but also building thfoundation for a sustainable, technology-driven future.



STRATEGIC OBJECTIVES	CORE TARGETS OF THE VISION			
	Enhancing the efficiency of R&D and product management processes	Strengthening the product range	Achieving longer product life cycles	Improving the new product development process
Identification of Strategic and Systemic Development Needs	+	+		+
Implementation of Development Actions and Requirements	+	+	+	+
Performance Management and Monitoring	+	+	+	+

Established in 2019, our R&D Center carries out a wide range of innovative activities, from the idea stage to product development. With our qualified team of 103 R&D professionals, we develop cutting-edge solutions that drive the technological transformation of power systems.

Our R&D efforts primarily focus on sustainability-oriented products, as well as next-generation solutions designed to enhance efficiency in energy systems. We are actively engaged in the development of compensation systems, circuit breaker and disconnector mechanisms, medium-voltage systems, and power electronics, contributing to the advancement of cleaner, more innovative, and more efficient energy infrastructures.

Europower R&D Center – Turkey Ranking		
Year	R&D Investment (Million TL)	Turkey R&D Center Ranking
2021	21,18	125
2022	80,3	58
2023	147,65	58
2024	138,46	110

As of today, our R&D Center is actively conducting 19 projects simultaneously, aiming to develop high value-added technologies within the industry. To ensure the commercialization of our R&D outputs, we actively engage in intellectual and industrial property rights processes. To date, we have filed 21 patent applications (4 registered), 3 international pending patent applications, 2 design registrations, 1 utility model application, and 33 trademark applications, 23 of which have been registered — continuously strengthening our expertise in this field.

Intellectual and Industrial Property Rights:

As a company, we conduct our R&D activities in parallel with our new investments, prioritizing high-voltage, current, and power transformers. We also focus on software and hardware systems for energy storage, while improving the software and efficiency of Sunjunior, our compact energy solution developed for households and small enterprises.

In line with the Paris Climate Agreement, the use of SF_6 gas as an insulating material will be banned in Europe as of 2026. Accordingly, Europower Enerji is accelerating its R&D efforts on alternative and environmentally friendly insulation materials. As of 2025, we are focusing on dry air and solid insulation technologies to become the first company in Türkiye to commence mass production in this field.

Additionally, we have completed our R&D activities for electric vehicle charging station equipment and are transitioning to mass production. We supply the AC and DC charging units we manufacture to various facilities such as homes, residential complexes, factories, and schools, while also providing installation services.

Euro Test

We established Europower Enerji Test Laboratories in 2010. Initially designed to support our internal R&D operations, our laboratories have since evolved to provide services to other companies in response to increasing demand. Electrical testing—particularly high-voltage testing—requires a high level of expertise and precision. In Türkiye, international accreditation audits in this area are conducted by TÜRKAK.

With our highly qualified technical team and state-of-the-art testing infrastructure, we obtained the ISO/IEC 17025 Quality Management Certificate from TÜRKAK in 2012. Since then, we have successfully maintained accreditation through periodic revisions and audits, demonstrating the consistency and reliability of our quality standards.

Our laboratory capabilities include:

- ✓ High-voltage testing: lightning impulse voltage, power frequency dielectric tests, temperature rise, and main circuit resistance measurements
- ✓ Mechanical and environmental durability tests, including IP class verification.
- ✓ Protective relay and control system testing: current and voltage injection, dissipation factor (tan δ), capacitance, turns ratio, winding resistance, and partial discharge measurements.
- ✓ Harmonic current and voltage measurements, and dielectric testing of insulating oils.

In field testing, we perform comprehensive assessments of insulating oils, current and potential transformers, power transformers, surge arresters, insulators, circuit breakers, and underground cables. We also conduct busbar, fuse, and up to 63 kV electrical machine tests, as well as capacitor, grounding, step and touch potential, thermal imaging, protection relay, and control system tests.

- ✓ In power measurement, analysis, and reporting, we monitor parameters such as harmonics, reactive power/energy, voltage quality (sags, swells, interruptions), and flicker, ensuring system reliability and performance optimization.
- ✓ Our engineering and commissioning services include relay coordination and settings, voltage regulation, feasibility studies, fault analysis, corrective and preventive actions, as well as participation in inspection, acceptance, and control processes.
- ✓ We also support technical training and workshops to enhance expertise in relay coordination, voltage regulation, feasibility, and fault analysis

Partnerships and Collaborations

We maintain broad collaborations with universities, national and international institutions for testing, analysis, design, prototype development, technical consultancy, and R&D projects. Through TÜBİTAK-supported initiatives, we receive academic consultancy and develop innovative solutions in key areas such as electric vehicle charging systems, voltage stability, energy storage, and compensation systems.

In Türkiye, we collaborate with institutions including TÜBİTAK UME, SGS, Arçelik, and Boğaziçi University; internationally, we partner with Siemens, CESI, KEMA, Jeanmuller, and several China-based companies for joint design, testing, and consultancy activities. We also cooperate with institutions such as OSTİM OSB Technology College to support the development of technical talent.

Through these partnerships, we continuously enhance the quality of our products and services, ensure full compliance with international standards, and strengthen our position as an innovative leader in the sector.

Further details on this topic are provided in the Annex section of our report under “**Memberships and Partnerships**.”



Digitalization and Data Management

Recognizing the power of data, Europower Enerji shapes its digitalization strategy around sustainability and effective data management. We manage our entire database infrastructure in accordance with high security standards based on operational and technical controls, meticulously monitoring the entire lifecycle of data. Throughout our digital transformation journey, we implement regular maintenance, updates, and audits to ensure the uninterrupted, efficient, and secure operation of our information systems. At the same time, we promote the efficient and compliant use of information technology resources to enhance our corporate productivity and proactively strengthen our sustainable digital infrastructure. All these processes are managed in line with our General IT Usage, IT Maintenance, and Database Security Policies.

Information Technology Usage Principles

To ensure the secure, efficient, and sustainable operation of our IT infrastructure, we adhere to specific principles governing the use of corporate resources. Company data is strictly designated for business use, while personal usage is limited. We conduct regular audits to maintain and continuously improve network and system security.

We prohibit entertainment or gaming software on corporate devices, allowing only authorized IT personnel to make system parameter changes. The use of unlicensed software is strictly forbidden, and we encourage efficient use of computer and network resources. Strong encryption methods are mandatory on mobile devices, and up-to-date antivirus software is standard. In the event of device loss or theft, notification procedures are immediately activated.

We enhance email security through warning mechanisms and foster a digital security culture across the organization with password policies and regular awareness training.

Secure Database Management

Database security is managed through a clearly defined structure where responsibilities are assigned, procedures are documented, and processes are systematically monitored. All database assets are inventoried, and every access to critical data is logged. Data classification, backup, and disaster recovery plans are documented and periodically tested.

Backup data is stored securely (e.g., on magnetic cartridges, DVDs, etc.) for designated retention periods under the supervision of authorized system administrators. Access rights are integrated into identity authentication processes, and secure connection protocols such as SSH, RDP, and SSL are used, while high-risk connections like FTP and Telnet are disabled.

Database servers are hosted in physically secured environments. Privileges such as root and admin are restricted to authorized users only. Encryption, user definitions, access limitations, and activity logs are systematically managed, and user access credentials are encrypted at the interface level. Direct database queries are restricted to maintain system integrity.

IT Maintenance and Operational Continuity Practices

To ensure the uninterrupted and secure operation of our IT infrastructure, we carry out planned and regular maintenance of hardware, operating systems, and software components. All actions are performed in accordance with the technical documentation provided by manufacturers, and system records are updated after each maintenance activity to preserve the continuity of information management.

We adhere to national and international information security standards in all maintenance operations and conduct periodic security tests to validate system protection. Any potential vulnerabilities are promptly communicated to relevant departments, and proactive measures are implemented to mitigate risks.

In maintenance and repair activities involving only authorized personnel, we record any instances of data storage devices being removed from company premises and, when necessary, apply confidentiality agreements. Through these measures, we ensure both operational continuity and the security of information assets simultaneously.



People- and Society-Centered Practices

Human Resources Management 92
Gender Equality, Diversity and Inclusion 93
Continuous Learning, Development and Performance Culture 94
Employee Feedback Mechanism 95
Occupational Health and Safety 96
Supply Chain Management 98
Customer Feedback Mechanism and Quality Management Practices 101
Contribution to Social Welfare and Understanding of Social Responsibility 102

Human Resources Management

At Europower Enerji, we regard our human capital as one of the core pillars of our sustainable growth strategy and shape our human resources management through scientifically grounded policies. We adopt a holistic approach that enhances employee satisfaction and engagement, supports talent development, and ensures long-term organizational efficiency.

Our core HR functions — including recruitment, career management, compensation, performance evaluation, training and development, and recognition — are executed within an integrated structure. Through a fair, transparent, and equal opportunity-based recruitment policy, we provide all employees with equal access to opportunities while ensuring complete protection of legal rights.

In the field of occupational health and safety, we operate under the ISO 45001:2018 Occupational Health and Safety Management System, continuously improving our processes to achieve zero workplace accidents.

Beyond ensuring the physical safety of our employees, we foster their mental, social, and professional well-being, forming the foundation of our corporate culture. We prioritize ethical values, learning opportunities, fair compensation, and participatory management, all of which contribute to enhanced motivation, development, and job satisfaction.

In line with our Training Management Procedure, we organize technical, mandatory, and voluntary training programs, along with onboarding sessions for new hires, to continuously improve the professional competencies of our workforce. Through our Career Management Procedure, we define clear career paths based on knowledge and skills, applying transparent criteria for title progression and internal mobility.

Our Compensation Procedure and Policy ensure fair and competitive remuneration based on job roles, experience, and performance. We also implement a performance-based bonus system, approved by the Board of Directors. Additionally, our Leave Procedure defines various types of leave and, together with flexible working arrangements, childcare support and employee well-being programmes, supports our employees in maintaining a healthy work–life balance.”

To strengthen our participatory corporate culture, we provide both digital and physical communication channels for the free expression of suggestions, opinions, and complaints, maintaining an ethical and safe work environment in accordance with our Personnel Security Policy.

We manage our HR processes through comprehensive frameworks, including Critical Position Management, Orientation, Competency and Performance Evaluation, Corporate Performance Management, Suggestion and Complaint Evaluation, and OHS Committee Procedures. These processes are regularly monitored and improved through internal audit mechanisms, ensuring their effectiveness and alignment with our organizational goals.



Gender Equality, Diversity and Inclusion

We build our corporate culture on the principles of gender equality, diversity, and inclusion. By placing these principles at the core of our human resources strategy, we aim to create a fair and equitable workplace for all employees. Our management philosophy is based on competence, merit, and performance, and we conduct all decision-making processes transparently, without any form of discrimination.

To support women's employment and increase female representation, particularly in management positions, we have developed specific policies and action plans. As of 2024, women represent 10% of our total workforce of 2,106 employees. We are committed to improving this ratio by integrating gender-based targets into our workforce planning and regularly monitoring progress. This data also highlights the key development areas needed to increase women's participation in our production-intensive sector.

We structure our organization as a multivoiced and inclusive workplace where individuals from different age groups, cultural backgrounds, and social experiences can collaborate and create value together. In recruitment and promotion processes, we uphold objectivity and equality, prioritizing initiatives that enhance diversity across all departments.

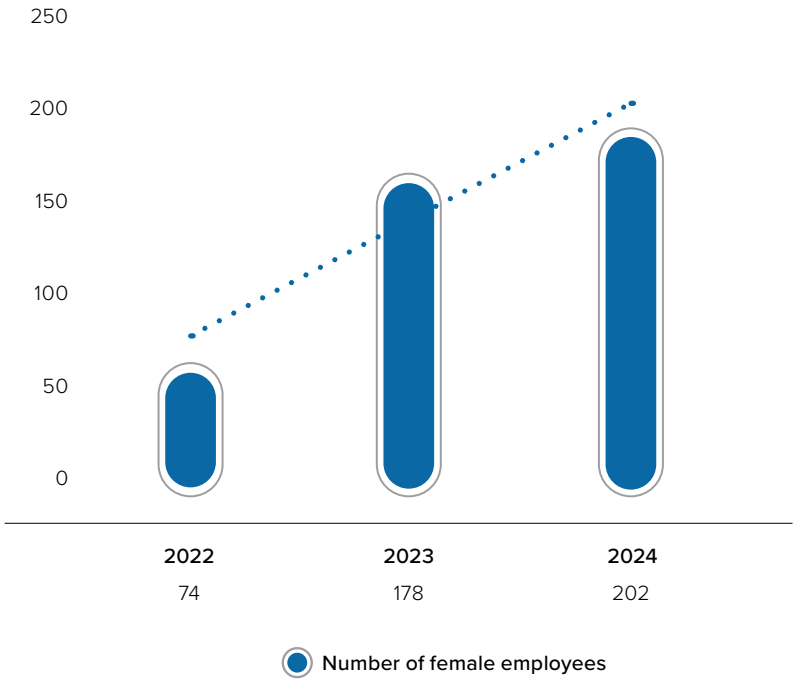
We consider gender equality an integral part of our governance structure and aim to strengthen women's representation in decision-making. When upper- and senior-level management positions are included, the proportion of female executives is 22%. In this context, we maintain an inclusive leadership structure and implement policies and practices to support the representation of women in management.

Starting with senior management and across all departments, we develop strategies to enable our female employees to play an active role in decision-making. We ensure that female and male employees work under equal conditions through equal pay policies and fair promotion opportunities. In addition, we carefully avoid language in job postings that may lead to gender-based discrimination and use unbiased, inclusive wording.

Guided by the principle of equal pay for equal work, we commit to fair and non-discriminatory remuneration practices under our PT-041 Human Rights Policy. Within this framework, we assess the gender pay gap by comparing the average monthly wages of female and male employees in equivalent roles. In 2024, the average monthly wage ratio of female to male employees was reported as 1.044.

Our Equal Opportunity Policy addresses diversity in a broad context, extending beyond gender to include age, disability, and ethnic origin, ensuring an environment that values every individual's unique contribution.

Through our Code of Conduct and Ethics Policy, we institutionalize our commitment to diversity and inclusion. We work to foster a respectful, participatory, and empowering workplace where every employee feels valued and has the opportunity to reach their full potential



Continuous Learning, Development and Performance Culture

We believe that continuous learning and development form the foundation of sustainable corporate success. Guided by this belief, we implement a comprehensive training and development system designed to enhance the individual and professional competencies of our employees. From orientation programs for new hires to technical training and leadership development initiatives, we offer a wide range of structured and planned learning opportunities.

Our performance management system is built on a foundation of management by objectives, competency-based evaluations, and continuous feedback mechanisms. This framework not only measures each employee's contribution to overall company performance but also serves as the basis for career planning, identifying development needs, and reward processes.

To assess long-term potential and manage succession planning for key roles, we apply critical position management and career mapping practices. This systematic approach provides a strategic foundation for the sustainability of our human capital.

As of 2024, we implemented structured training programs across three key categories — technical, managerial, and personal development. Our training content focused primarily on Occupational Health and Safety (OHS), quality management systems, leadership development, project management, and sustainability. Through these programs, we aim to strengthen both the technical and managerial competencies of our workforce. In this context, we incurred a total expenditure of TRY 469,882.58 in 2024 for training activities provided to all our employees.

Our Competency and Performance Evaluation Procedure standardizes our system across the organization, ensuring that evaluations are conducted annually and supported by regular feedback. Compensation policies are not based solely on seniority or position but also incorporate individual performance, competency growth, and corporate contribution as multidimensional criteria.

In 2024, the total financial benefits provided to Members of the Board of Directors and Senior Executives amounted to ₺23,991,596.

Additionally, through our Corporate Performance Management Procedure, we define annual performance criteria for each department and process. Regular monitoring, evaluation, and reporting based on these criteria help us embed a culture of continuous improvement across all levels of the organization.

Corporate Training Center: Europower Academy Launched

With the establishment of Europower Academy, we aim to enhance employee knowledge, skills, and competencies while supporting overall corporate development. The platform offers both online and in-person learning programs, developed through in-house content creation efforts. Led by our Human Resources Department, the Academy ensures that all employees have access to relevant training opportunities.

This initiative focuses on workforce development and corporate learning, resulting in measurable improvements in training hours, employee capabilities, and performance outcomes. Our efforts under Europower Academy align with the UN Sustainable Development Goals (SDGs) — specifically Goal 4: Quality Education and Goal 8: Decent Work and Economic Growth.



Employee Feedback Mechanism

We shape our corporate development through the feedback, ideas, and suggestions of our employees. Each piece of feedback is viewed as a valuable opportunity to strengthen our corporate culture and improve our processes. To support our commitment to employee engagement and satisfaction, we conduct regular surveys aimed at improving diversity and inclusion within our organization. These surveys allow us to systematically gather employees' opinions and suggestions, identify their workplace-related needs, and incorporate these insights into our management processes. According to surveys conducted in 2024, our employee satisfaction rate was 59.60%. With this understanding, we have established open, accessible, and secure feedback mechanisms that enable employees to express their opinions freely. Structured systems, including our Suggestion System, Internal Communication Channels, and Suggestion and Complaint Procedure, provide a transparent communication environment where employees can share their requests, ideas, and concerns confidently.

Our feedback systems go beyond passive reporting — they are designed to encourage employee participation in continuous improvement processes actively. Relevant department managers and senior management carefully review every suggestion or report submitted by employees. Based on these evaluations, corrective and improvement actions are implemented to continuously enhance operational efficiency and workplace performance.

These mechanisms play a particularly critical role in occupational health and safety (OHS). Through these systems, we can efficiently manage near-miss reporting, nonconformity tracking, and OHS improvement activities, ensuring rapid and effective follow-up across all facilities.

Providing employees with safe, transparent, and easily accessible communication channels for submitting suggestions and complaints is among our key corporate priorities. Through the Suggestion System Procedure, we offer employees a structured and systematic way to propose ideas; under the Suggestion and Complaint Procedure, every submission is formally recorded, ensuring traceability and accountability throughout the process.

We also make effective use of digital infrastructure in our internal communication workflows. Via corporate software systems such as Eurosoft, M-Files, and QDMS, employees can quickly and efficiently submit incident reports, improvement suggestions, and near-miss notifications. These digital platforms not only encourage direct employee participation in corporate development but also strengthen our culture of engagement and shared responsibility.

In addition, through our OHS Committee and other internal committees, employee representatives are regularly included in decision-making meetings. These platforms provide our workforce with opportunities to contribute directly to topics such as occupational safety, workplace improvement, and operational enhancement, reinforcing a participatory and collaborative work environment.



Occupational Health and Safety

At Europower Enerji, we conduct all Occupational Health and Safety (OHS) activities in full alignment with the ISO 45001:2018 Occupational Health and Safety Management System. Guided by our “Zero Accident” target, we take all necessary preventive measures to safeguard the health and safety of our employees, maintaining a systematic approach across awareness, training, organization, and technical infrastructure.

Our OHS management system is structured to cover all employees, contractors, and external service providers. Both white- and blue-collar employees comply fully with OHS rules and procedures. The system encompasses production, maintenance, repair, warehousing, logistics, emergency drills, OHS training, risk analysis, and personal protective equipment (PPE) management. While independent supplier operations outside our facilities fall beyond the direct scope of the system, we expect all third parties to comply with our safety standards.

- ✓ **Risk Management and Preventive Measures:** Risk assessments are conducted by multidisciplinary teams consisting of OHS experts, department managers, environmental engineers, R&D representatives, occupational physicians, and employee representatives. Identified risks are prioritized using a risk matrix, and measures are developed according to the hierarchy of controls to eliminate or minimize them. Whenever operational layouts or processes change, the system is updated through formal revision procedures.
- ✓ **Reporting Channels and Employee Participation:** Employees can report hazards and near-miss events through multiple, easily accessible channels, including:
  - ✓ Physical suggestion boxesıNear-miss reporting forms
  - ✓ Near-miss reporting forms
  - ✓ QR code–based digital notification system

  These mechanisms allow employees to submit feedback anonymously, with confidentiality safeguards in place to protect against retaliation. The right of employees to withdraw from unsafe work conditions is explicitly defined, communicated during training, and can be exercised through direct contact with the OHS unit, Human Resources, or their supervisors.
- ✓ **Incident, Accident, and Near-Miss Management:** All incidents, near misses, and process-related accidents are documented with both written and visual records. Root cause analyses are performed, and corrective and preventive actions (CAPA) are implemented accordingly. Using our digital systems (Eurosoft, QDMS, M-Files), incident forms (DIFs) are logged, corrective measures are uploaded with photographic documentation, and performance data are tracked digitally — enabling continuous monitoring and improvement of OHS performance.
- ✓ **Audits and Continuous Improvement:**Field inspections are considered a cornerstone of our zero-accident objective. Internal audit teams perform at least one full system audit annually. Observations, employee suggestions, and event records are systematically reviewed, and improvement recommendations are escalated to the OHS Committee for action.
- ✓ **OHS Committee and Representation:**Our OHS Committee, comprising management and employee representatives, meets monthly to review risks, evaluate feedback, and determine preventive measures. Employee representatives are selected voluntarily and actively participate in decision-making. The committee ensures swift response actions in cases of emergencies or high-risk situations.
- ✓ **Training and Awareness:**To strengthen our OHS culture, we conduct regular and mandatory training programs for all employees, covering:
  - ✓ General OHS awareness
  - ✓ Task-specific hazard and risk training
  - ✓ Emergency response and evacuation procedures
  - ✓ PPE usage
  - ✓ Machinery and equipment safety
  - ✓ Near-miss prevention and accident avoidance techniques

  These sessions aim to raise hazard awareness and reinforce a sense of personal responsibility among all staff.
- ✓ **Health Services and Access:**Through our on-site health unit, we provide employees with periodic medical check-ups, risk-based health screenings, and emergency response services, ensuring quality through certified healthcare staff and regular inspections. While we currently do not offer private health insurance, employee requests in this area are under consideration.
- ✓ **Performance Monitoring and Continuous Improvement** :We regularly measure the effectiveness of our OHS management system through systematic indicators and performance metrics. As of 2024, we track the total number of employees under OHS system coverage through HR records, using this data actively in impact assessments and continuous improvement analyses. Through these comprehensive practices, Europower Enerji ensures a safe, healthy, and resilient working environment, aligning occupational safety performance with our broader sustainability and operational excellence goals.

Occupational Safety and Health Indicators	Unit / Definition	Company Employees	
		2023	2024
Total Number of Accidents (regardless of lost time)	Number of all recorded incidents	376	621
Accidents Resulting in More Than 3 Days Lost Time	Number	N/A	159
Lost Time Injuries (LTI)	Number	N/A	303
Lost Time Injury Frequency Rate (LTIFR)	(Number of LTIs × 1,000,000) / Total Working Hours	115,11	63,94
Lost Time Injury Severity Rate (LTISR)	(Total Lost Days × 1,000,000) / Total Working Hours	254,61	205,97
Accident Frequency Rate	(Total Number of Accidents × 1,000,000) / Total Working Hours	115,11	63,94
Total Number of Recorded Injuries	Number	N/A	621
Injury Rate	(Total Injuries × 1,000,000) / Total Working Hours	N/A	131,05
Fatality Rate	(Number of Fatalities × 1,000,000) / Total Working Hours	0	0
Occupational Disease Rate	(Number of Occupational Diseases × 1,000,000) / Total Working Hours	0	0

We calculate our occupational accident rates in line with international best practices, based on 1,000,000 working hours. This approach ensures that our data is both comparable and highly precise, enabling accurate benchmarking and performance evaluation.

In all our Occupational Health and Safety (OHS) reporting and calculations, we adopt a comprehensive and inclusive methodology. Our analysis covers not only permanent white- and blue-collar employees but also contractor personnel, subcontractors, and interns working under our operational control. No employee group is excluded from our monitoring scope.

Throughout the 2024 reporting period, no fatal workplace accidents occurred among individuals working under our supervision but not directly employed by Europower Enerji.

We identify high-risk activities based on field accident data, the types of equipment used, and the specific operational risks of our work environments. The most common hazards encountered include: Hand injuries, Falling objects and foot injuries, Trips, slips, and falls.

Following every incident, we conduct root cause analyses and immediately implement corrective and preventive actions (CAPA). Within this framework, we focus on three key priorities:

- ✓ Organizing targeted OHS training programs for employees,
- ✓ Ensuring the effective and consistent use of personal protective equipment (PPE),
- ✓ Conducting on-site inspections to monitor the implementation and effectiveness of preventive measures.

The table below presents our OHS training data for 2024, demonstrating our commitment to continuous improvement in workplace safety and employee well-being.

Training Type	
Total Training Duration	24,266 hours
Orientation / Induction Training	16 hours
Post-Accident Training	2 hours
OHS Refresher Training	16 hours

We identify occupational health risks through on-site observations, pre-employment medical examinations, and periodic health checks carried out by our full-time occupational physician. The medical fitness of each employee for their specific role is assessed through both clinical screenings and observational evaluations, ensuring that all personnel are assigned to workstations aligned with their health status.

For employees working in dusty environments, handling chemicals, or performing physically demanding tasks, we conduct personal exposure measurements and support these with regular health monitoring. Frequent on-site inspections complement these preventive medical practices to ensure the continuous management of workplace health risks.

In calculating our OHS performance indicators, we adopt an inclusive approach that covers all employee categories—including permanent staff, contractors, and interns—without exception.

All data are compiled, updated, and analyzed in strict accordance with:

- ISO 45001:2018 Occupational Health and Safety Management System,
- Law No. 6331 on Occupational Health and Safety (Türkiye), and
- Social Security Institution (SGK) regulations.

Through this integrated and preventive approach, Europower Enerji ensures that occupational health management is data-driven, regulatory-compliant, and fully aligned with our “Zero Accident” and employee well-being objectives.



Supply Chain Management

At Europower Enerji, we prioritize conducting all supply chain operations in line with ethical principles, sustainability commitments, and regulatory compliance. Our activities are guided by the Supply Management Policy, which is built on transparency, fair competition, sustainability, and legal integrity. In line with our commitment to responsible business conduct, we uphold the principles of the United Nations Universal Declaration of Human Rights and the International Labour Organization's Core Labour Standards.

We view our supply chain as a critical pillar of both product quality and corporate sustainability performance. Our sourcing activities span a broad range — from raw materials and semi-finished components to logistics and service procurement. We maintain close collaborations with both domestic and international suppliers in sectors such as electrical equipment, metal processing, electronic components, surface treatment, and logistics.

Across all operational regions, local suppliers are defined as legally registered and actively operating firms within the relevant area. This localization strategy is consistently implemented across five continents and more than 70 countries. In Türkiye, we prioritize partnerships with domestic manufacturers to enhance our local procurement ratio and strengthen competitiveness in tenders requiring "Domestic Goods Certificates.''

Below are our supplier data for the past three years, reflecting the steady growth and diversification of our supply chain network:

Supplier Data Indicator	2022	2023	2024
Indirect Product and Service Suppliers	194	357	907
Local Suppliers	258	441	1082

At Europower Enerji, we evaluate our supplier partnerships not only on financial and technical capabilities, but also on ethical compliance, environmental responsibility, quality assurance, and social performance criteria. To ensure a structured and transparent approach, all these processes are governed by our Procurement and Supplier Evaluation Procedure, which is implemented company-wide.

This procedure defines clear standards for every stage of supplier engagement — from selection and contracting to performance monitoring and periodic audits. When deviations are identified, we take corrective and preventive actions to maintain alignment with our corporate quality and sustainability management systems.

Our supply chain management approach is rooted in the principle of sustainable quality management. We assess suppliers using objective performance indicators, conduct audits where necessary, and closely monitor compliance with environmental, ethical, and social standards.

In addition, we actively support our business partners' development by offering training and capacity-building programs in areas such as sustainability, occupational safety, and process optimization. Through this collaborative approach, we aim to build a resilient, responsible, and continuously improving supply chain that contributes to both our operational excellence and shared sustainability goals.

Direct Raw Material and Product Suppliers	2022	2023	2024
Direct (Tier 1) Suppliers	20	25	53
Critical Suppliers	13	17	35
Critical & Direct (Tier 1) Suppliers	10	13	26
Key Suppliers	13	17	35

We share the data regarding our evaluated suppliers in the table below:

Supplier Evaluation Data	2023	2024
Total Suppliers Evaluated	32	45
Evaluated Supplier Ratio (%)	7,26%	4,16%
Suppliers Evaluated by Environmental Criteria	32	45
Newly Screened Suppliers by Environmental Criteria (%)	7,26%	4,16%
New Suppliers Evaluated by Environmental Criteria	32	45
Suppliers Evaluated by Social Criteria	32	45
Newly Screened Suppliers by Social Criteria (%)	7,26	4,16
New Suppliers Evaluated by Social Criteria	32	45

Environmental Impact Arising from Supply Chain

We carry out various initiatives to reduce environmental impacts across our supply chain. We regularly review our processes to minimize environmental degradation arising from raw material sourcing and operate in line with the principle of sustainable resource use. Within our logistics operations, we restructure transport routes, vehicle load rates, and shipment frequency to reduce fossil fuel consumption and CO_2 emissions. In our production processes, we ensure that hazardous and packaging wastes are disposed of safely and continuously improve our waste management policies. Through these actions, we both reduce our environmental footprint and strengthen sustainable supply chain practices.

At the same time, we expect our suppliers to fully comply with the laws and regulations of the countries in which they operate and to meet their obligations in areas such as environmental protection, occupational health and safety, employment, and product quality. We place great importance on their compliance with local and national environmental legislation, as well as their responsibility to protect natural resources and minimize environmental impacts.

Human Rights and Supply Chain Practices

Throughout the 2024 reporting period, no violations of the rights of indigenous peoples occurred in our areas of operation. Our activities are carried out entirely within the Republic of Türkiye, and we ensure full compliance with both national legislation and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). Upholding respect for human rights as a core principle, we make every effort to protect the property, living spaces, cultural values, and participation rights of local communities in all regions where we operate.

During the reporting period, no cases related to indigenous peoples were reviewed internally. Therefore, no corrective action plans were required or implemented. Likewise, our routine internal audits identified no incidents related to this issue. There are also no outstanding or previously unresolved cases from prior years.

In this context, we reaffirm our commitment to protecting the rights of indigenous peoples and continue to apply our zero-tolerance policy in this regard.

1) Our Approach to Combating Child Labor

Preventing child labor in our supply chain is a fundamental principle of Europower Enerji. Accordingly, we refrain from engaging with companies operating in regions where there is a risk of child labor. In our international operations, we work exclusively with organizations that demonstrate compliance with international ethical standards and labor rights obligations, and that act with corporate responsibility awareness.

When evaluating our business partners, we prioritize criteria such as respect for human rights, fair working conditions, and ethical compliance. Within the scope of our Supply Chain Management Policy, this issue is addressed as a distinct focus area, and we expect all stakeholders involved in the process to uphold the same sensitivity and commitment.

Additionally, in alignment with the United Nations Global Compact (UNGC), we maintain continuous awareness and control mechanisms to ensure adherence to principles against child labor. In this framework, we implement preventive practices in our supplier relations and prioritize building a sustainable and ethically responsible supply structure.

2) Prevention of Forced or Compulsory Labor

Our organization maintains a clear stance against forced or compulsory labor. This issue is explicitly addressed in our Supply Chain Management Policy, and we expect all our business partners to adhere to the same standards.

Through our Occupational Health and Safety (OHS) training programs, we emphasize that all working conditions are based on voluntariness and that employees have fundamental rights, such as the “right to refrain from unsafe work.” Our recruitment and employment processes are conducted in full compliance with both national regulations and international human rights standards.

We take great care not to collaborate with suppliers operating in regions with a high risk of forced labor, and we base our supplier selection on ethical principles and respect for human rights. Our processes are regularly reviewed, and effective monitoring and audit mechanisms are maintained to ensure all stakeholders adhere to responsible labor practices.

Furthermore, our Supplier Evaluation Procedure includes specific criteria designed to minimize the risk of forced labor within our supply chain.

Strategy of Supply Chain

As part of our 2023–2027 Strategic Business Plan, one of the key focus areas we have prioritized in line with our operational plan is our Supply Chain Strategy. Through this strategy, we aim to continuously develop and sustain a supply chain that delivers the highest quality and optimal value to our customers and all stakeholders.

To maintain our strength amid global supply chain competition, we are building a flexible and dynamic supply chain structure capable of quickly adapting to our customers’ evolving expectations, internationally recognized policies, and new business models. In doing so, we strive to ensure the highest level of customer satisfaction.

Our Strategic Objectives:

- ✓ Enhancing the traceability of supply chain processes
- ✓ Increasing production capacity and process efficiency
- ✓ Improving product quality while reducing quality-related costs

STRATEGIC OBJECTIVES	CORE GOALS OF THE VISION			
	Operational efficiency	Improvement of supply chain infrastructure	Effective supplier management	Target management and performance measurement
Establishment of automation and data monitoring infrastructure	+	+		
Implementation of total quality management	+	+	+	+
Development of strategic supplier management infrastructure			+	+
Enhancement of ERP process efficiency	+	+	+	+

In our supply chain operations, we have defined our strategic objectives as enhancing process traceability, increasing production capacity and process efficiency, and reducing quality-related costs. To achieve these goals, we are establishing automation and data monitoring infrastructure, implementing total quality management, developing our strategic supplier management system, and improving the effectiveness of ERP processes. These practices collectively enhance operational efficiency, strengthen our supply chain infrastructure, ensure effective supplier management, and improve our performance measurement systems.

The commitment and guidance of our senior management play a crucial role in supporting this development process. With our customer-oriented production capabilities, high manufacturing capacity, diverse product range, and experienced workforce, we continue to maintain a strong position in the market. The adequate flow of information to suppliers and our long-term collaborations form the foundation of this structure.

At the same time, we clearly define our areas for improvement and continuously implement enhancement initiatives accordingly. We are executing process optimization projects to improve production efficiency and continuing investments in digitalization to strengthen our infrastructure. Our focus areas include more effective use of the ERP system, reducing standardization challenges in order-based production, and reinforcing quality assurance processes. We also analyse production flow bottlenecks and implement improvements in factory layout planning to enhance efficiency.

We proactively evaluate macroeconomic opportunities to strengthen our market position. Exchange rate advantages enable us to offer competitive costs, and we plan strategic investments to capitalise on potential opportunities arising from weaker competitors exiting the market. We leverage government support mechanisms to promote supplier development and systematically evaluate digitalization opportunities in production planning. Furthermore, we are working on alternative scenarios for our international sales and distribution operations.

At the same time, we remain mindful of the risks and challenges inherent in supply chain management. Political and economic fluctuations, stringent industry quality standards, dependence on key suppliers—particularly those operating in multiple sectors—are among the critical factors we address by developing alternative sourcing models. Global logistics disruptions and the high cost of digital transformation investments necessitate long-term and flexible planning approaches. To address the high turnover rates among blue-collar workers, we are enhancing our human resources management and employee engagement strategies.

Through all these efforts, we position our supply chain not merely as an operational function but as a core pillar of our company's sustainable growth strategy. In doing so, we focus on building a resilient, agile, and integrated supply structure capable of withstanding future challenges.



Customer Feedback Mechanism and Quality Management Practices

As Europower Enerji, we adopt a customer-oriented approach as one of our core strategies and act with a commitment to the continuous improvement of service quality. We believe that customer satisfaction begins with employee satisfaction, and by supporting the development of our teams, we foster a service culture that grows from the inside out.

We systematically collect all customer feedback — including satisfaction, complaints, suggestions, and information requests — and classify them based on their content and urgency to initiate the resolution process promptly. Complaints that pose an emergency or involve health, safety, or high financial risk are addressed within 24 hours, while other inquiries are resolved within 5 to 10 business days.

All complaint records and resolution processes are managed by our Customer Services Department. Feedback can be received via phone, email, website, fax, or post, as well as through our field teams and sales representatives, and is promptly integrated into the system. Relevant departments and managers assess the issues, and the process is actively monitored until a solution is achieved.

For critical cases, corrective and preventive actions are implemented, supported by root cause analyses to prevent recurrence. The performance of complaint management is monitored through predefined metrics, and dealer satisfaction data is reviewed during biannual meetings.

We view feedback not merely as an issue-resolution mechanism but as a strategic development tool. Through improvement projects initiated within our Quality Management System, we continuously enhance service processes, strengthen customer relations with effective communication, transparent process management, and digital systems support. At Europower, we apply Lean Manufacturing and Continuous Improvement (Kaizen) approaches in our production processes. In this context, we have established a Lean Transformation Office and systematically carry out lean practices and process improvement initiatives across departments.

We address these practices in an integrated manner within our process management approach and implement them in alignment with our ISO 9001 Quality Management System. Through this approach, we aim to enhance operational efficiency and strengthen a culture of continuous improvement at the corporate level.

All processes are tracked through M-Files and Cloudoffix CRM platforms, ensuring transparency, traceability, and rapid action. These digital systems enable centralized, real-time monitoring and enhance our data-driven decision-making capacity. Regular satisfaction surveys measure both stakeholder perceptions and the effectiveness of the complaint management process, turning insights into concrete improvements.

We view digitalization not only as a tool but as a key driver of corporate transformation. Our Quality Management System is structured in accordance with ISO 9001:2015 standards, ensuring all operations are measurable, traceable, and continuously improvable. The sustainability of this system requires not only management commitment but also the active participation of all employees, forming a culture of collective responsibility. We strive to embed our quality policy across the organization, fostering a mindset of continuous improvement as a shared institutional value.

Customer Contact Channels

Europower Enerji A.Ş. Customer Service Line	+90 (312) 815 48 80	Service hours: Weekdays, 08:30–18:30
Web Site	www.europowerenerji.com.tr	
Fax	+90 (312) 815 48 81	
Mailing Address	Saray Mahallesi, Atom Caddesi No:17, Kahramankazan / Ankara – Türkiye	



Contribution to Social Welfare and Understanding of Social Responsibility

We aim to create social value through our corporate social responsibility (CSR) projects, using our resources efficiently while maintaining financial discipline and accountability in all our social initiatives. We encourage our employees to actively participate in these projects, helping to strengthen their social awareness and engagement.

We design and implement projects that contribute to the preservation of our ecosystem and cultural heritage, while supporting disadvantaged groups — including women, children, youth, and individuals with disabilities — in becoming healthy, educated, and culturally enriched members of society. In addition, we carry out initiatives that focus on local development and community empowerment.

Taking into account our social and environmental impacts, we have established transparent and accessible grievance mechanisms through which stakeholders can share feedback.

To support vocational education programs in technical high schools, we provide electrical and mechanical equipment donations and take part in awareness activities as part of our social responsibility efforts. Our employees also participate in corporate sports tournaments, which we sponsor to promote social consciousness and teamwork.

We offer scholarships to support the social development and well-being of employees' children based on specific eligibility criteria.

Guided by our belief that "Every Living Being Matters", we carry out regular pet food distribution activities to meet the nutritional needs of stray animals. As part of our commitment to social responsibility, we donated a total of TRY 1,814,000.00 in 2024.

TED College Basketball Team Sponsorship

We support young people's participation in sports to encourage social development and promote a culture of athleticism. Through our sponsorship agreement with TED College, we provide sports equipment, organize joint events, and conduct promotional activities. This initiative helps strengthen youth engagement in sports while enhancing our brand visibility and reinforcing our commitment to social responsibility. Students, employees, and sports clubs are all actively involved in this project.



Stray Animal Support and Protection Project

We enhance community awareness and compassion by addressing the feeding, shelter, and healthcare needs of stray animals in the vicinity of our facilities. Within this project, we have established feeding points, regularly supply food and water, install shelters, and collaborate with veterinarians. The initiative is carried out with the voluntary participation of our employees and in cooperation with local municipalities and NGOs, improving the living conditions of animals, boosting employee engagement, and strengthening our corporate reputation.



Kazan Municipality Social Market Food Donation

In collaboration with Kazan Municipality, we support low-income families by donating essential food products to the local social market. Alongside these donations, we also provide logistical support and organize awareness campaigns to encourage community involvement. Through the contributions of both our employees and local residents, this project enhances food accessibility and promotes social solidarity within the community.



Contribution to the Local Economy and Employment Creation

In the regions where we operate, we see our role not only as a creator of economic value but also as a contributor to social well-being. Through our local employment-oriented human resources policies, we support the active participation of local communities in the economy, aiming to promote social development and improve quality of life through job creation.

We prioritize sourcing qualified labor from local talent pools and strive to generate long-term, sustainable social impact. By establishing partnerships with local suppliers, we help strengthen the capacity of small and medium-sized enterprises (SMEs), while giving preference to local labor in our production processes to reinforce regional development and sustainability. With this community-centered approach, we not only create employment opportunities but also promote social inclusion, equal opportunity, and long-term local growth.

University Internship and Career Support Program

We organize internship programs and participate in university career events to help students prepare for professional life and support the employment of talented young individuals. Coordinated by our Human Resources Department, this project is carried out in close collaboration with universities and students. Through the program, we aim to increase the number of interns, attract skilled young talent to our organization, and facilitate their adaptation to the business world.

Women's Workforce Participation Support Program

We support the empowerment of women in our region through vocational training and encourage their active participation in the workforce. This project includes professional courses, mentorship programs, and entrepreneurship support, carried out in collaboration with local women's associations, municipalities, and educational institutions. These efforts help increase women's employment rates and contribute to their economic independence and social empowerment.



Annexes

Performance Indicators	105
Memberships and Collaborations	110
Policies	111
GRI Content Index	112
TSRS 1 and 2 Compliance Table	117
Limited Assurance Statement	124



Performance Indicators

Environmental Performance Indicators [13]

Greenhouse Gas Protocol

Grrenhouse Gas Emissions (tCO2e)	2023	2024
Scope 1 [14,15,16]	2.083,09	2.191,76
Scope 2 [17]	2.020,25	2.437,63
Scope 1+2	4.103,34	4.629,39
Scope 3	36.232,94	77.689,54
Scope 1+2+3 (toplam)	40.336,28	82.318,93

Scope 3 Category Breakdowns (tCO2e)	2023	2024
3.1. Purchased Goods and Services [18]	17.640,68	54.201,81
3.2. Capital Goods	7,76	25,27
3.3. Fuel- and Energy-Related Activities	479	656,42
3.4. Upstream Transportation and Distribution	719,96	60,84
3.5. Waste Generated in Operations	13,59	226,82
3.6.Business Travel	113,38	93,87
3.7. Employee Commuting [19]	0,6	49,68
3.8. Upstream Leased Assets	0	35,45
3.9. Downstream Transportation and Distribution	0	0
3.10. Processing of Sold Products	0	0
3.11.Use of Sold Products [20,21]	17.036,29	22.130,53
3.12. End-of-Life Treatment of Sold Products [22]	223,77	208,85
3.13. Downstream Leased Assets	0	0
3.14. Franchises	0	0
3.15. Investments	0	0
Toplam	36.232,94	77.689,54

ISO 14064-1:2018

Greenhouse Gas Emissions (tonne CO2e)	2023	2024
Category 1	2.083,09	2.191,76
Category 2	2.020,25	2.437,63
Category 1+ Category 2	4.103,34	4.629,39
Category 3	833,94	240,84
Category 4	17.659,94	54.453,91
Category 5	17.260,06	22.339,38
Kategori 6 [23]	479,00	656,42
Total	40.336,28	82.318,93

Emission Intensity [24]	2023	2024
Emission intensity per product (tCO_2e/unit)	0,247	0,178

Energy Management		Unit	2023	2024
Stationary Combustion	Natural gas	Cubic metre	415.485,32	416.311,19
	Diesel	Litre	2.069,00	1.557,00
	LNG	Kilogram	4.666,16	20.295,50
Mobile Combustion	Diesel [25]	Litre	307.376,41	213.662,63
	Petrol	Litre	25.383,02	127.828,39
	Operational Vehicle - Diesel	Litre	29.759,50	32.759,17

[13] Subsidiaries have not been included.

[14] In 2023, the substances ARCO08, CO_2, and Acetylene, which were reported under Stationary Combustion (Category 1.1), have been reclassified to Category 1.3, and the 2023 Category 1.1 data have been updated accordingly

[15] In 2023, SF_6, which was reported under Category 1.4, has been moved to Category 1.3, and the 2023 Category 1.4 data have been revised.

[16] The SF_6 data reported for 2023 have been recalculated using the 2024 emission factors.

[17] The electricity data for 2023 have been recalculated.

[18] The 2024 inventory has been expanded.

[19] Service vehicles are jointly used by Europower and Girişim. Since the 2024 data could not be separated, emissions were allocated proportionally based on the number of employees. The SF_6 GWP (Global Warming Potential) value used in 2023 has been replaced with the GWP value applied in 2024.

[20] The SF_6 GWP value used in 2023 has been replaced with the GWP value used in 2024.

[21] In the analysis, only SF_6 was considered, while other potential emission sources were excluded. The permitted SF_6 leakage rate during the products' lifetime was included in the calculations, and the 2023 data were updated using the same methodology.

[22] Finally, the 2023 data have been revised using updated reference sources from 2024.

[23] WTT emissions have been presented under Category 6.

[24] Only Scope 1 and Scope 2 emissions have been included when calculating the emission intensity parameter.

[25] AdBlue fuel additive is used in transportation vehicles.

Energy Management – Electricity		Unit (kWh)		Unit (GJ)	
		2023	2024	2023	2024
Electricity Supply	Electricity – Grid (Location-Based)	4.570.701,58	5.514.992,41	16.454,53	19.853,97
	Electricity – Grid (Market-Based)	0	0	0	0
Electricity Generation	Renewable Energy Generation (SPP, BIO, WPP, etc.)[26]	0	826,763.60	0	2,976.35
	Energy Generation from Fuel (Fossil Fuel)	0	0	0	0
Total Electricity Generation (Supply + Generation)		4.570.701,58	6,341,756.01	16.454,53	22,830.32

Energy Consumption by Year (GJ)	2023	2024
Stationary Combustion	14.517	15.100
Mobile Combustion	12.762	12.826
Electricity	16.455	19.854
Total	34.833	47.779

Energy Intensity	2023	2024
(Total Energy Consumed / Total Energy Produced)	2,093	1,841
Energy Intensity per Unit Surface Area (GJ / m^2)	0,624	0,933

Water Management (m^3)		2023	2024
Water Withdrawal	Well Water	14,15[27]	7.623,00
	Mains Water		23.534,00[28]
	Rainwater Harvesting[29]	0	0
	Total	14,15	31.157,00
Water Discharge	Sewage	11.265,00	26.483,45[30]
Water Consumption (Withdrawal – Discharge)		-11.250,85	-4.673,55

Type of Waste	Method of Disposal	2023		2024	
		Quantity (tonne)	Ratio (%)	Quantity (tonne)	Ratio (%)
Recyclable Waste	Recycling	1.452,69	85%	1.916,73	89%
Non-Recyclable Waste	Landfilling, Incineration, etc.	0	0%	0	0%
Hazardous Waste	Disposal / Licensed Facility	247,15	15%	247,68	11%
Non-Hazardous Waste	Recycling / Disposal	0	0%	0	0%
Total		1.698,745	100%	2.164,404	100%

By Waste Content (tonne)	2023	2024
Paper	0	0
Metal	1.422,09	1.652,72
Plastic	0	0
Mixed Packaging	29,60	51,16
Electronic Waste	0	0
Waste Oils	0	1,42
Chemical Waste	0	0
Medical Waste	0,09	0
Contaminated and Hazardous Waste	247,06	246,26
Domestic Waste	0	0
Wood Waste	0	92,38
Other (if any)[31]	0	120,47
Total Waste Amount	1.698,84	2.164,40

Air Emissions	
Pollutant (tonne CO2e)	**2024**
CO_2	1.790,77
CH_4	3,84
N_2O	19,89
SOx	0
VOC	0
PM10	0
Total	1.814,51

[26] Represents the amount of electricity generated from the solar power plant (SPP) and consumed internally.

[27] In 2023, only well water was used. Since the meters were not regularly monitored by ASKİ, the water consumption data used in the report were obtained from invoice-based measurements.

[28] 90% of the water consumption in Block C has been allocated to Europower Enerji, and 10% to Girişim Elektrik.

[29] The project has not yet been commissioned.

[30] While calculating the 2024 data, it was assumed—based on the 2022 Water and Wastewater Statistics published by TÜİK—that 85% of the drinking and utility water supplied from the mains was discharged into the sewage system.

[31] Aluminium, iron, and copper waste have been grouped under the "Other" category.

Social Performance Indicators

Annual Average Number of Employees [32]	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Number of Employees by Gender	50	824	93	1.156	140	1.224
Total Number of Employees	874		1.249		1.364	
Employee Turnover Rates	969		1.334		1.349	

Distribution by Employee Qualification [33]	2022	2023	2024
White-Collar Employees	184	323	314
Blue-Collar Employees	785	1.011	1.035

Unless otherwise stated, the performance data presented in the table below do not include the Board of Directors, interns, or subcontractors:

Permanent Employees	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Number of Employees by Gender	74	1.325	178	1.963	202	1.904
Total Number of Employees	1.399		2.141		2.106	
Gender Ratio (%)	5	95	8	92	10	90

Distribution by Type of Employment	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Full-Time	68	1.323	164	1.961	185	1.901
Part-Time[34]	6	2	14	2	17	3

Employees by Age Distribution		2022		2023		2024	
		Female	Male	Female	Male	Female	Male
Above 50 Years	by Gender	5	69	8	131	11	161
	Total	74		139		172	
Between 30 and 50 Years	by Gender	27	485	83	623	106	649
	Total	512		706		755	
Under 30 Years	by Gender	42	771	87	1.209	85	1.094
	Total	813		1.296		1.179	

Total Number of Female Employees by Age Distribution	2022	2023	2024
Above 50 Years	5	8	11
Between 30 and 50 Years	33	88	113
Under 30 Years	36	82	78
Total:	74	178	202

Employees with Disabilities	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Number of Employees with Disabilities by Gender	0	18	0	21	0	23
Total Number of Employees with Disabilities	18		21		23	

[32] The data in the Annual Average Number of Employees table (including employee turnover figures) are identical to those in the independent audit records.

[33] The data presented in the Distribution by Employee Qualification table reflect figures as of 31 December for the past three years.

[34] Part-time employees: Part-time employees are specified. (Occupational Health and Safety, infirmary, cleaning)

Distribution of Employees by Education[35] Level		2022		2023		2024	
		Female	Male	Female	Male	Female	Male
Average Length of Service of Employees	by Gender	1,71	1,58	1,39	1,04	1,72	1,42
	Total	1,64		1,21		1,57	
Education Level – High School and Below	by Gender	981	22	1480	101	1394	128
	Total	1003		1581		1522	
Education Level – Bachelor's Degree	by Gender	330	51	465	74	491	70
	Total	381		539		561	
Education Level – Postgraduate Degree	by Gender	14	1	18	3	19	4
	Total	15		21		23	

Employees in STEM Positions	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
by Gender	28	139	41	188	37	195
Total	167		229		232	

Internship Position	2022	2023	2024
Number of Long-Term Interns	111	207	131
Blue Collar	785	1.011	1.035

New Hires	2022		2023		2024	
	Female	Male	Female	Erkek	Female	Male
Number of Employees by Gender	31	595	123	1.128	77	736
Total Number of Employees	626		1.251		813	

New Hires by Age Distribution		2022		2023		2024	
		Female	Male	Female	Male	Female	Male
Above 50 Years	by Gender	3	25	3	79	2	62
	Total	28		82		64	
Between 30 and 50 Years	by Gender	7	163	58	279	38	202
	Total	170		337		240	
Under 30 Years	by Gender	21	407	62	770	37	472
	Total	428		832		509	

[35] The Board of Directors is included in the table showing the distribution of employees by education level.

Employees Who Have Resigned	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Total Number of Employees by Gender	15	429	55	831	66	732
Total Number of Employees	444		886		798	
Number of Employees Who Left Within Their First Year	10	297	42	629	46	511
Total Employees Who Left Within the First Year	307		671		557	
Number of Voluntary Leavers	14	395	54	784	65	672
Total Voluntary Leavers	409		838		737	

Employee Turnover Rate by Gender (%)[36]	2022	2023	2024
Female	20,3	30,9	32,7
Male	32,4	42,3	38,4

Pay Rates (%)	2022	2023	2024
Ratio of Minimum Starting Wage to Minimum Wage[37]	1,00	1,06	1,09
Pay Ratio by Gender[38]	1,20	1,12	1,04

Managers by Seniority Level		2022		2023		2024	
		Female	Male	Female	Male	Female	Male
Number of Senior Executives	by Gender	1	1	1	1	1	1
	Total	2		2		2	
Number of Mid-Level Managers	by Gender	53	1.127	161	1.588	196	1.520
	Total	1.180		1.749		1.716	
Number of First-Level Managers	by Gender	0	0	0	0	0	0
	Total	0		0		0	

[36] Employee Turnover Rate by Gender (%): (Number of Employees × Number of Employees Who Left) / 100

[37] Ratio of Minimum Starting Pay to Minimum Wage: Lowest pay / Minimum wage

[38] Pay Ratio by Gender : Average female pay / Average male pay

Training Data for 2024

Training Title	Number of Participants in Training	Total Training Hours
Logo Tiger Enterprise Training	252	156
Sustainability Training	17	34
M-Files Training	252	252
Basic Orientation Training	813	406,5
Welding Manufacturing Methods Training	13	208
141 TIG Welding Process Training	8	128
141 TIG Welding Theory and Practice Training	5	80
135 MAG Welding Theory Training	26	104
522 LASER/141 TIG/135 MAG Welding Process Training	5	120
Welding Robot Process Training	11	176
135 MAG Welding Application Training	11	264
135 MAG Welding Process Training	11	176
ISO 2553 Welding Symbols Training	18	90
ISO 5817 Acceptance Levels for Welding Imperfections Training	12	60
Interview Techniques Training	8	8
TÜBİTAK Progress Report Preparation Training	6	6
TÜBİTAK Supports Training	7	7
PDM Training	15	120
Beckhoff PC-Based Automation Training	20	160
Brodersen RTU32 Training	8	64
EPLAN Training	9	72
Strategic Planning and SWOT Analysis Training and Implementation	95	237,5
Barner Company Meeting and Sensor Group Training	15	30
Desoutter Company Meeting and Drilling Training	15	30
Keyence Company Meeting and Vision and Sensor Training	20	40
LV Department Lean Production Training	45	33,8
Electrical Training	5	5
Eight Major Wastes Training	5	5
One-Piece Flow and Yamazumi Training	5	5
Kanban Training	5	5
Desoutter Company Drilling and Torque Training	45	33,8
FMEA (Failure Modes and Effects Analysis) Training	5	5
Digital Transformation and Digitalisation Training	7	7

Working Time	2022	2023	2024
Total Number of Employee Working Days	873,912	1,067,886	1,301,232
Total Number of Employee Working Hours	6,554,340	8,009,145	9,759,240

OHS Indicators	2024
Number of Accidents (Regardless of Lost Time)	17
Number of Accidents Resulting in More Than 3 Days of Lost Time	1
Lost Time Injury (LTI) Count	10
Lost Time Injury Frequency Rate (LTI Frequency)	5,85
Lost Time Injury Severity Rate (LTI Severity)	9,94
Accident Frequency Rate	9,9
Total Recordable Injuries	17
Injury Rate	9,94
Fatality Rate	0
Occupational Disease Rate	0
Near-Miss Count	32
Number of Hazardous Situations	76
Number of Health, Safety and Environmental Site Inspections	Continuous
HSE Observation Closure Rate (%)	N/A
Employee Observation Rate (%)	It is being communicated through the employee representative.
Employee Reward Rate (%)	0
Number of Drills Conducted	10

Memberships and Collaborations

As an organization operating in the energy and electromechanical sectors, we prioritize active participation in decision-making processes, sectoral knowledge sharing, and contribution to sustainable development goals. Our corporate sustainability approach is not limited to internal processes; we also embrace being part of multi-stakeholder governance networks that aim to create shared value with industry partners.

Accordingly, we are represented in and actively engage with various national and international chambers of industry and commerce, export unions, professional associations, and sectoral organizations.

The main representative bodies and platforms of which our organization is a member include

Aligned with our goal of developing sustainable production technologies and integrating innovative solutions into our corporate structure, we conduct comprehensive and strategic collaborations under the coordination of our R&D Center. These partnerships are structured along the public–university–industry axis, fostering innovation and aiming to reduce environmental impacts.

Our initiatives are shaped by the principles of technology-driven growth, data-based decision-making, and environmental responsibility. Within this framework, we collaborate with public institutions, universities, research centers, private sector representatives, and international technology providers.

Through these partnerships—covering R&D, testing and analysis services, consultancy, certification, training, technical procurement, and technology transfer—we enhance product safety, promote energy efficiency, expand circular economy practices, and continuously improve our sustainable production processes.

Our key collaborations can be grouped under the following categories:

- ✓ **Academic and Research Institutions:** Collaborations with universities such as Gazi University, Middle East Technical University (METU), and TOBB University of Economics and Technology (TOBB ETÜ) include academic consultancy, joint R&D projects, and testing/analysis services. These partnerships focus on developing advanced engineering solutions and next-generation technologies.
- ✓ **Testing and Analysis Organizations:** Joint work with TSE, TÜBİTAK UME, ITU, and KOSGEB includes product testing, quality control analyses, electrical safety testing, and environmental compliance audits to ensure continuous improvement of products and processes.
- ✓ **Consultancy and Certification Services:** Collaborations with environmental consultancy firms, TSRS sustainability consultants, and independent verification bodies cover carbon footprint assessments, greenhouse gas inventories in line with ISO 14064, sustainability reporting, and management system implementation.
- ✓ **Industrial and Technological Partnerships:** Cooperations with Siemens, Henrich, Sincotron, Haas, and Beka Makina focus on production automation, machinery procurement, and efficiency-enhancing applications.
- ✓ **Energy and Electrical Systems:** Partnerships with Danfoss, Phoenix Contact, and Delta Electronics support sustainable energy solutions, smart systems, and energy efficiency initiatives.
- ✓ **Training and Awareness Activities:** Together with organizations such as SGreen and TSRS, we organize sustainability-focused training programs for employees to strengthen internal capacity and awareness.

This extensive and multi-stakeholder collaboration network enables the development of sustainable solutions that address not only today's needs but also those of the future.

Policies

At Europower, we conduct all our operations in full compliance with ethical values, transparency, and the principles of sustainable governance. Our management approach, which holistically addresses both corporate performance and our environmental and social impacts, is built upon the principles of accountability, open communication, and stakeholder orientation.

All of our business processes are governed not only by internal regulations but also by national legislation and international standards. We are committed to operating in accordance with the United Nations Global Compact (UNGC), the International Labour Organization (ILO) Core Conventions, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

In this context:

- **Transparency and Accountability:** We ensure openness across all operations and financial processes and regularly share updates on our company's performance with the public.
- **Ethical Values and Compliance Culture:** Our business conduct is guided by honesty and integrity. All practices are continuously audited through internal control mechanisms, and a culture of compliance is embedded across the organization.
- **Stakeholder Engagement:** We maintain open, trust-based communication with all stakeholders — from employees and investors to customers and business partners — and integrate their feedback into our strategic decision-making processes.
- **Integrated Management System:** We operate in alignment with internationally recognized standards — ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety), ISO 27001 (Information Security), and SA 8000 (Social Accountability). These systems enable us to continuously review, monitor, and improve our performance.
- **Impact and Risk Management:** We identify and mitigate risks related to human rights, environmental impact, anti-corruption, and occupational health and safety — both within our operations and throughout our supply chain — and take preventive and corrective actions when necessary.
- **Social and Environmental Responsibility:** We develop initiatives focused on efficient resource use, environmental impact reduction, and social value creation. With this awareness, we not only pursue business outcomes but also manage our long-term impacts responsibly.

By integrating these multidimensional approaches into international management systems, we not only meet compliance obligations but also build a reliable, effective, and continuously improvinbsustainability management structure.

Policies	
1	Quality Policy
2	Environmental Policy
3	Code of Conduct and Ethics Policy
4	Donation and Aid Policy
5	Sustainability Policy
6	Energy Policy
7	Supply Chain Policy
8	Occupational Health and Safety Policy
9	Information Security Policy
10	Corporate Social Responsibility Policy
11	Remuneration Policy
12	Disclosure Policy
13	Dividend Distribution Policy
14	Public Relations Policy
15	Board Diversity Policy
16	Human Rights Policy

GRI Content Index

GRI STANDARD	DISCLOSURES	RELATED SECTION/STATEMENT
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	2-1 Organizational details	Corporate Profile
	2-2 Entities included in the organization's sustainability reporting	About the Report
	2-3 Reporting period, frequency and contact point	About the Report
	2-4 Restatements of information	About the Report
	2-5 External assurance	Limited Assurance Statement
	2-6 Activities, value chain and other business relationships	Corporate Profile
	2-7 Employees	Product and Services
	2-8 Workers who are not employees	Value Chain
	2-9 Governance structure and composition	Social Performance Indicators
	2-10 Nomination and selection of the highest governance body	Social Performance Indicators
	2-11 Chairperson of the highest governance body	Governance Structure and Committees
	2-12 The role of the highest governing body in managing the effects arising from the activities of the organization.	Sustainability Governance Structure
	2-13 The will of responsibility in managing the effects arising from activities.	Sustainability Governance Structure
	2-14 The role of the highest governance body in sustainability reporting.	Sustainability Governance Structure
	2-15 Conflicts of interest	Climate Risks, Opportunities and Impact Management
	2-16 Communication of critical concerns	Sustainability Governance Structure
	2-17 Collective knowledge of the highest governance body	Ethical Principles and Compliance
	2-18 Evaluation of the performance of the highest governance body	Value Creation Model
	2-19 Remuneration policies	Sustainability Strategy
	2-20 Process to determine remuneration	Governance Structure and Committees
	2-21 Annual total compensation ratio	Sustainability Governance Structure
	2-22 Statement on sustainable development strategy	Sustainability Strategy
	2-23 Policy commitments	Management Structure and Committees Sustainability Governance Structure Policies
	2-24 Embedding policy commitments	Management Structure and Committees Sustainability Governance Structure Policies
	2-25 Processes to remediate negative impacts	Sustainability Governance Structure Sustainability Strategy Management of Sustainability and Climate-Related Risks
	2-26 Mechanisms for seeking advice and raising concerns	Ethical Principles and Compliance
	2-27 Compliance with laws and regulations	Ethical Principles and Compliance
	2-28 Membership associations	Membership and Collaborations
	2-29 Approach to stakeholder engagement	Stakeholder Relations
	2-30 Collective bargaining agreements	Human Resources Management

GRI STANDARD	DISCLOSURES	RELATED SECTION/STATEMENT
PRIORITY ISSUES		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics
	3-2 List of material topics	Material Topics
HEALTH AND SAFETY & PROCESS SAFETY		
GRI 3: Priority Issues 2021	3-3 Management of material topics	Material Topics Occupational Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Social Performance Indicators
	403-3 Occupational health services	Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Occupational Health and Safety
	403-6 Promotion of worker health	Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety	Occupational Health and Safety
	403-9 Work-related injuries	Occupational Health and Safety
	403-10 Work-related illness cases	Occupational Health and Safety Social Performance Indicators
HUMAN RIGHTS		
GRI 3: Priority Issues 2021	3-3 Management of Priority Issues	Priorities Ethical Principles and Compliance Human Resources Management Human Rights and Supply Chain Practices
GRI 406: Prevention of Discrimination 2016	406-1 Total number of discrimination cases and corrective measures taken.	Ethical Principles and Compliance Human Rights and Our Supply Chain Practices
GRI 407: Right to Organize and Collective Bargaining 2016	407-1 Activities and suppliers where the freedom of assembly and collective bargaining may be at risk.	Human Resources Management Human Rights and Supply Chain Practices
GRI 408: Child Labor 2016	408-1 Activities and suppliers with significant risk regarding child labor incidents.	Ethical Principles and Compliance Human Rights and Supply Chain Practices
GRI 409: Forced or Coerced Labor 2016	409-1 Activities and suppliers identified as having a significant risk in cases of forced or compulsory labor, along with the measures taken.	Ethical Principles and Compliance Human Rights and Our Supply Chain Practices
GRI 411: Rights of Local People 2016	411-1 Cases of violations concerning the rights of indigenous peoples.	Ethical Principles and Compliance Human Rights and Supply Chain Practices
BRAND REPUTATION		
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Priority Issues Responsible Supply Chain Management
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and measures taken.	Human Rights and Our Supply Chain Practices

GRI STANDARD	DISCLOSURES	RELATED SECTION/STATEMENT
FIGHTING AGAINST CLIMATE CHANGE		
GRI 3: Priority Topics 2021	3-3 Management of Priority Issues	Our Priority Issues Resource Management and Our Recycling Practices
GRI 303: Water and Wastewater 2018	303-1 Interaction with shared resource water	Resource Management and Recycling Practices Water Management
	303-2 Management of effects related to water discharge.	Resource Management and Recycling Practices Water Management
	303-3 Water drawn from the source.	Water Management / Environmental Performance Indicators
	303-4 Water discharge	Water Management / Environmental Performance Indicators
	303-5 Water consumption	Water Management / Environmental Performance Indicators
GRI 306: Waste 2020	306-1 Waste production and significant effects from waste sources	Resource Management and Our Recycling Practices Waste Management
	306-2 Management of significant impacts from waste sources	Resource Management and Recycling Practices Waste Management
	306-3 Waste production	Waste Management / Environmental Performance Indicators
	306-4 Waste removed from the landfill.	Waste Management / Environmental Performance Indicators
	306-5 Disposed waste	Waste Management / Environmental Performance Indicators
STRONG ECONOMIC PERFORMANCE		
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Priority Topics Economic Performance
GRI 201: Economic Performance 2016	201-1 Economic value produced and distributed	Value Creation Model Economic Performance
	201-2 Financial consequences of climate change along with other risks and opportunities.	Sustainability Strategy - Financial Position, Financial Performance, and Cash Flows
	201-3 Defined social assistance plan obligations and other retirement plans.	Human Resources Management
	201-4 Financial support obtained from the government.	Investments R&D, Product Development, and Technology-Focused Investments
GRI 203: Indirect Economic Effects 2016	203-1 Infrastructure investments and supported services	Investments R&D, Product Development, and Technology-Focused Investments
	203-2 Significant indirect economic effects	Value Creation Model Economic Performance
RESPONSIBLE AND SUSTAINABLE FINANCE		
GRI 3: Priority Issues 2021	3-3 Management of the primary issue	Priority Issues Ethical Principles and Compliance Responsible Supply Chain Management

GRI STANDARD	DISCLOSURES	RELATED SECTION/STATEMENT
GRI 204: Supply Applications 2016	204-1 The proportion of expenses incurred to local suppliers.	Responsible Supply Chain Management
GRI 205: Fight Against Corruption2016	205-1 Activities assessed in terms of risks related to corruption.	Ethical Principles and Compliance Human Rights and Supply Chain Practices
	205-2 Communication and training related to anti-corruption policies and procedures.	Ethical Principles and Compliance Human Rights and Our Supply Chain Practices
	205-3 Confirmed corruption incidents and measures taken	Ethical Principles and Compliance Human Rights and Our Supply Chain Practices
GRI 206: Rekabete Aykırı Davranış 2016	206-1 Total number of cases and outcomes related to actions and activities contrary to regulations.	Ethical Principles and Compliance Human Rights and Our Supply Chain Practices
GRI 207: Tax 2019	207-1 Approach to the scale.	Ethical Principles and Compliance
	207-2 Tax management, control, and risk management.	Ethical Principles and Compliance
TRANSITION TO LOW CARBON TECHNOLOGIES & ENERGY EFFICIENCY		
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Priority Issues Environmental Management Emission and Energy Management
GRI 302: Energy 2016	302-1 Internal energy consumption	Environmental Performance Indicators
	302-2 External energy consumption	Environmental Performance Indicators
	302-3 Energy density	Environmental Performance Indicators
	302-4 Reduction of energy consumption	Emission and Energy Management Environmental Performance Indicators
	302-5 Reductions in the energy requirements of products and services.	Emission and Energy Management R&D, Product Development, and Technology-Focused Investments
GRI 305: Emissions 2016	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)	Emission and Energy Management Environmental Performance Indicators
	305-2Indirect energy greenhouse gas (GHG) emissions (Scope 2)	Emission and Energy Management Environmental Performance Indicators
	305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)	Emission and Energy Management Environmental Performance Indicators
	305-4 Greenhouse gas emission density	Environmental Performance Indicators
	305-5 Reduction of greenhouse gas (GHG) emissions	Emission and Energy Management Environmental Performance Indicators
	305-6 Emissions of substances that harm the ozone layer (ODS)	Environmental Performance Indicators
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions.	Environmental Performance Indicators
BIODIVERSITY LOSS AND DEFORESTATION		
GRI 3: Priority Issues 2021	3-3 Management of the primary issue	Priority Issues Resource Management and Recycling Practices
GRI 304: Biodiversity 2016	304-1 Activities with high biodiversity value	
	304-2 The effects of activities, products, and services on biodiversity.	
	304-3 Protected or restored habitats	
	304-4 IUCN Red List species and national conservation list species.	

GRI STANDARD	DISCLOSURES	RELATED SECTION/STATEMENT
EMPLOYEE RIGHTS AND HAPPINESS		
GRI 3: Priority Issues 2021	3-3 Management of the priority issue.	Priority Issues Human Resources Management
GRI 401: Employment 2016	401-1 Newly hired employees and employee turnover.	Social Performance Indicators
	401-2 Benefits provided to full-time employees that are not offered to temporary/part-time workers.	Human Resources Management
	401-3 Maternity/Parental Leave	Human Resources Management Social Performance Indicators
GRI 404: Education and Teaching 2016	404-1 Annual average training hours per employee	Social Performance Indicators
	404-2 Talent management and lifelong learning programs.	Continuous Education, Development, and Performance Culture Social Performance Indicators
	404-3 Percentage of employees undergoing regular performance development evaluations.	Social Performance Indicators
CORPORATE GOVERNANCE AND BEHAVIOR		
GRI 3: Priority Issues 2021	3-3 Management of the priority issue	Priority Topics
GRI 402: Management Employee Relations 2016	402-1 Minimum notification periods for operational changes.	Corporate Governance Structure / Governance Structure and Committees
INCLUSION, EQUALITY, DIVERSITY		
GRI 3: Priority Issues 2021	3-3 Management of the primary issue	Priority Issues Gender Equality, Diversity, and Inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governing bodies and employees	Gender Equality, Diversity and Inclusion Social Performance Indicators
	405-2 Minimum wage rate and the ratio of women's wages to men's.	Gender Equality, Diversity, and Inclusion Social Performance Indicators
DIGITALISATION AND TECHNOLOGY		
GRI 3: Priority Issues 2021	3-3 Management of the primary issue.	Key Issues R&D, Product Development, and Technology-Focused Investments Digitalization and Data Management
CLIMATE RISKS		
GRI 3: Priority Issues 2021	3-3 Management of priority issues	Priority Topics Sustainability Governance Structure Sustainability Strategy Management of Sustainability and Climate-Related Risks

TSRS 1 and 2 Compliance Table

TSRS 1 PROVISIONS		RELEVANT SOURCE / SECTION
MANAGEMENT		
a) Governance body/bodies (may include a board, committee, or equivalent body responsible for overseeing senior management) or the person(s) responsible for the oversight of sustainability-related risks and opportunities	TSRS-1 27.a.i	Sustainability Governance Structure > Role of the Board of Directors and Senior Executives Sustainability Governance Structure > Organizational Structure and Responsibilities
	TSRS-1 27.a.ii	Sustainability Governance Structure > Role of the Board of Directors and Senior Executives Sustainability Governance Structure > Organizational Structure and Responsibilities
	TSRS-1 27.a.iii	Sustainability Governance Structure > Role of the Board of Directors and Senior Executives Sustainability Governance Structure > Organizational Structure and Responsibilities
	TSRS-1 27.a.iv	Sustainability Governance Structure > Organizational Structure and Responsibilities
	TSRS-1 27.a.v	Sustainability Governance Structure > Remuneration System
b) Management's role in the governance processes, controls, and procedures used to monitor, manage, and oversee sustainability-related risks and opportunities	TSRS-1 27.b.i	Sustainability Governance Structure > Organizational Structure and Responsibilities
	TSRS-1 27.b.ii	Sustainability Governance Structure > Organizational Structure and Responsibilities
STRATEGY		
a) Sustainability-related risks and opportunities	TSRS-1 30.a	Sustainability Strategy Sustainability Strategy > Climate Risks, Opportunities and Impact Management Management of Sustainability and Climate-Related Risks
	TSRS-1 30.b	Sustainability Strategy Sustainability Strategy > Climate Risks, Opportunities and Impact Management Management of Sustainability and Climate-Related Risks
	TSRS-1 30.c	Sustainability Strategy Sustainability Strategy > Climate Risks, Opportunities and Impact Management Management of Sustainability and Climate-Related Risks
b) Business model and value chain	TSRS-1 32.a	Sustainability Strategy > Impact of Climate and ESG Risks on Our Value Chain and Business Model
	TSRS-1 32.b	Sustainability Strategy > Impact of Climate and ESG Risks on Our Value Chain and Business Model
c) Strategy and decision-making	TSRS-1 33.a	Sustainability Strategy
	TSRS-1 33.b	Sustainability Strategy
	TSRS-1 33.c	Sustainability Strategy

TSRS 1 PROVISIONS		RELEVANT SOURCE / SECTION
d) Financial position, financial performance, and cash flows	TSRS-1 34.a	Sustainability Strategy > Financial Status, Financial Performance and Cash Flows
	TSRS-1 34.b	Sustainability Strategy > Financial Status, Financial Performance and Cash Flows
	TSRS-1 35.a	Sustainability Strategy > Financial Status, Financial Performance and Cash Flows
	TSRS-1 35.b	Sustainability Strategy > Financial Status, Financial Performance and Cash Flows
	TSRS-1 35.c.i	Sustainability Strategy > Financial Status, Financial Performance and Cash Flows
	TSRS-1 35.c.ii	Sustainability Strategy > Financial Status, Financial Performance and Cash Flows
	TSRS-1 35.d	Sustainability Strategy > Financial Status, Financial Performance and Cash Flows
e) Resilience	TSRS-1 41	Sustainability Strategy > Resilience of Strategy Against Climate Scenarios
RISK MANAGEMENT		
a) Processes and related policies used to identify, assess, prioritize, and monitor sustainability-related risks	TSRS-1 44.a.i	Sustainability Strategy Management of Sustainability and Climate-Related Risks Metrics and Targets
	TSRS-1 44.a.ii	Sustainability Strategy > Climate Risks, Opportunities and Impact Management Sustainability Strategy > Resilience of Strategy Against Climate Scenarios Metrics and Targets
	TSRS-1 44.a.iii	Sustainability Strategy > Identification of Climate Risks and Opportunities Sustainability Strategy > Assessment of Climate Impacts
	TSRS-1 44.a.iv	Material Topics Sustainability Strategy > Assessment of Climate Impacts
	TSRS-1 44.a.v	Sustainability Strategy > Climate Risks, Opportunities and Impact Management Management of Sustainability and Climate-Related Risks
	TSRS-1 44.a.vi	About the Report Business Model and Value Creation Process > Material Topics
b) Processes used by the entity to identify, assess, prioritize, and monitor sustainability-related opportunities	TSRS-1 44.b	Sustainability Strategy > Climate Risks, Opportunities and Impact Management Sustainability Strategy > Resilience of Strategy Against Climate Scenarios Management of Sustainability and Climate-Related Risks
c) The extent to which and how the processes for identifying, assessing, prioritizing, and monitoring sustainability-related risks and opportunities are integrated into the entity's overall risk management processes and how they inform those processes	TSRS-1 44.c	Management of Sustainability and Climate-Related Risksi
METRICS AND GOALS		
a) Metrics mandated by the relevant TSRS	TSRS-1 46.a	Metrics and Targets > Carbon Management and Performance Monitoring
b) Metrics used by the entity to measure and monitor sustainability-related risks and opportunities	TSRS-1 49	Metrics and Targets > Climate Risk Metrics and Targets
	TSRS-1 50.a	Metrics and Targets > Climate Risk Metrics and Targets
	TSRS-1 50.b	Metrics and Targets > Climate Risk Metrics and Targets
	TSRS-1 50.c	Metrics and Targets > Climate Risk Metrics and Targets
	TSRS-1 50.d	Metrics and Targets > Climate Risk Metrics and Targets

TSRS 1 PROVISIONS		RELEVANT SOURCE / SECTION
c) The entity's performance in relation to sustainability-related risks and opportunities, including progress toward its own targets and those required by legislation	TSRS-1 51.a	Metrics and Targets Annexes > Performance Indicators
	TSRS-1 51.b	Metrics and Targets Annexes > Performance Indicators
	TSRS-1 51.c	Metrics and Targets Annexes > Performance Indicators
	TSRS-1 51.d	Metrics and Targets Annexes > Performance Indicators
	TSRS-1 51.e	Metrics and Targets Annexes > Performance Indicators
	TSRS-1 51.f	Metrics and Targets Annexes > Performance Indicators
	TSRS-1 51.g	Metrics and Targets Annexes > Performance Indicators
	TSRS-1 53	Metrics and Targets Annexes > Performance Indicators

TSRS 2 PROVISIONS		RELEVANT SOURCE / SECTION
GOVERNANCE		
a) Governance body/bodies (may include a board, committee, or equivalent body responsible for overseeing senior management) or the person(s) responsible for the oversight of climate-related risks and opportunities	TSRS-2 6.a.i	Sustainability Governance Structure > Role of the Board of Directors and Senior Executives Sustainability Governance Structure > Organizational Structure and Responsibilities
	TSRS-2 6.a.ii	Sustainability Governance Structure > Role of the Board of Directors and Senior Executives
	TSRS-2 6.a.iii	Sustainability Governance Structure
	TSRS-2 6.a.iv	Sustainability Governance Structure
	TSRS-2 6.a.v	Sustainability Governance Structure > Remuneration System
b) Management's role in the processes, controls, and procedures used to monitor, manage, and oversee climate-related risks and opportunities	TSRS-2 6.b.i	Sustainability Governance Structure > Organizational Structure and Responsibilities
	TSRS-2 6.b.ii	Sustainability Governance Structure > Organizational Structure and Responsibilities
STRATEGY		
a) Climate-related risks and opportunities.	TSRS-2 10.a	Sustainability Strategy > Climate Risks, Opportunities and Impact Management Sustainability Strategy > Identification of Climate Risks and Opportunities
	TSRS-2 10.b	Sustainability Strategy > Climate Risks, Opportunities and Impact Management Sustainability Strategy > Identification of Climate Risks and Opportunities
	TSRS-2 10.c	Sustainability Strategy > Climate Risks, Opportunities and Impact Management Sustainability Strategy > Identification of Climate Risks and Opportunities
	TSRS-2 10.d	Sustainability Strategy > Climate Risks, Opportunities and Impact Management Sustainability Strategy > Assessment of Climate Impacts
b) Business model and value chain	TSRS-2 13.a	Sustainability Strategy > Impacts of Climate and ESG Risks on Our Value Chain and Business Model
c) Strategy and decision making	TSRS-2 13.b	Sustainability Strategy > Impacts of Climate and ESG Risks on Our Value Chain and Business Model
	TSRS-2 14.a.i	Sustainability Strategy Sustainability Strategy > Climate Risks, Opportunities and Impact Management Sustainability Strategy > Financial Position, Financial Performance and Cash Flows Sustainability Strategy > Resilience of Strategy Against Climate Scenarios
	TSRS-2 14.a.ii	Sustainability Strategy Sustainability Strategy > Identification of Climate Risks and Opportunities Sustainability Strategy > Resilience of Strategy Against Climate Scenarios Metrics and Targets
	TSRS-2 14.a.iii	Sustainability Strategy > Identification of Climate Risks and Opportunities Sustainability Strategy > Resilience of Strategy Against Climate Scenarios Metrics and Targets
	TSRS-2 14.a.iv	Sustainability Strategy > Financial Status, Financial Performance and Cash Flows Sustainability Strategy > Resilience of Strategy Against Climate Scenarios Metrics and Targets
	TSRS-2 14.a.v	Metrics and Targets
	TSRS-2 14.b	Sustainability Strategy > Identification of Climate Risks and Opportunities
	TSRS-2 14.c	Metrics and Targets

TSRS 2 PROVISIONS		RELEVANT SOURCE / SECTION
d) Financial condition, financial performance, and cash flows.	TSRS-2 15.a	Sustainability Strategy > Assessment of Climate Impact Sustainability Strategy > Financial Status, Financial Performance and Cash Flows
	TSRS-2 15.b	Sustainability Strategy > Assessment of Climate Impact Sustainability Strategy > Financial Status, Financial Performance and Cash Flows
	TSRS-2 16.a	Sustainability Strategy > Assessment of Climate Impact Sustainability Strategy > Financial Status, Financial Performance and Cash Flows
	TSRS-2 16.b	Sustainability Strategy > Financial Status, Financial Performance and Cash Flows
	TSRS-2 16.c.i	Sustainability Strategy > Resilience of Strategy Against Climate Scenarios
	TSRS-2 16.c.ii	Sustainability Strategy > Financial Status, Financial Performance and Cash Flows Sustainability Strategy > Resilience of Strategy Against Climate Scenarios
	TSRS-2 16.d	Sustainability Strategy > Financial Status, Financial Performance and Cash Flows
e) Climate resilience	TSRS-2 21	Sustainability Strategy > Financial Status, Financial Performance and Cash Flows
	TSRS-2 22.a.i	Sustainability Strategy > Assessment of Climate Impacts Sustainability Strategy > Impacts of Climate and ESG Risks on Our Value Chain and Business Model Sustainability Strategy > Financial Status, Financial Performance and Cash Flows Sustainability Strategy > Resilience of Strategy Against Climate Scenarios
	TSRS-2 22.a.ii	
	TSRS-2 22.a.iii.(1)	Sustainability Strategy > Financial Status, Financial Performance and Cash Flows Sustainability Strategy > Resilience of Strategy Against Climate Scenarios
	TSRS-2 22.a.iii.(2)	Sustainability Strategy > The Resilience of Our Strategy Against Climate Scenarios
	TSRS-2 22.a.iii.(3)	Sustainability Strategy > Resilience of Our Strategy Against Climate Scenarios Metrics and Targets > Our Capital Allocation and Climate Finance Approach Metrics and Targets > Towards a Low-Carbon Future
	TSRS-2 22.b.i.(1)	Sustainability Strategy > Climate Risks, Opportunities, and Impact Management Sustainability Strategy > Resilience of Our Strategy Against Climate Scenarios
	TSRS-2 22.b.i.(2)	Sustainability Strategy > Climate Risks, Opportunities, and Impact Management Sustainability Strategy > Resilience of Our Strategy Against Climate Scenarios
	TSRS-2 22.b.i.(3)	Sustainability Strategy > Management of Climate Risks, Opportunities, and Impacts Sustainability Strategy > Resilience of Our Strategy Against Climate Scenarios
	TSRS-2 22.b.i.(4)	Sustainability Strategy > Climate Risks, Opportunities, and Impact Management Sustainability Strategy > The Resilience of Our Strategy Against Climate Scenarios
	TSRS-2 22.b.i.(5)	Sustainability Strategy > Climate Risks, Opportunities, and Impact Management Sustainability Strategy > The Resilience of Our Strategy Against Climate Scenarios
	TSRS-2 22.b.i.(6)	Sustainability Strategy > Assessment of Climate Impacts
	TSRS-2 22.b.i.(7)	Sustainability Strategy > Climate Risks, Opportunities, and Impact Management Metrics and Targets
	TSRS-2 22.b.ii.(1)	Sustainability Strategy > Climate Risks, Opportunities and Impact Management Sustainability Strategy > Resilience of Strategy Against Climate Scenariosı
	TSRS-2 22.b.ii.(2)	Sustainability Strategy > Climate Risks, Opportunities and Impact Management Sustainability Strategy > Resilience of Strategy Against Climate Scenarios
	TSRS-2 22.b.ii.(3)	Sustainability Strategy > Climate Risks, Opportunities and Impact Management Sustainability Strategy > Resilience of Strategy Against Climate Scenarios
	TSRS-2 22.b.ii.(4)	Sustainability Strategy > Climate Risks, Opportunities and Impact Management Sustainability Strategy > Resilience of Strategy Against Climate Scenariosı
	TSRS-2 22.b.ii.(5)	Sustainability Strategy > Climate Risks, Opportunities and Impact Management Sustainability Strategy > Resilience of Strategy Against Climate Scenarios
	TSRS-2 22.b.iii	Sustainability Strategy > Climate Risks, Opportunities and Impact Management Sustainability Strategy > Resilience of Strategy Against Climate Scenarios

TSRS 2 PROVISIONS		RELEVANT SOURCE / SECTION
RISK MANAGEMENT		
a) Processes and related policies used to identify, assess, prioritize, and monitor climate-related risks.	TSRS-2 25.a.i	Sustainability Strategy Management of Sustainability and Climate-Related Risks Metrics and Goals
	TSRS-2 25.a.ii	Sustainability Strategy > Climate Risks, Opportunities, and Impact Management Sustainability Strategy > The Resilience of Our Strategy Against Climate Scenarios Metrics and Targets
	TSRS-2 25.a.iii	Sustainability Strategy > Identification of Climate Risks and Opportunities Sustainability Strategy > Assessment of Climate Impacts
	TSRS-2 25.a.iv	Priority Topics Sustainability Strategy > Assessment of Climate Impacts
	TSRS-2 25.a.v	Sustainability Strategy > Climate Risks, Opportunities, and Impact Management Management of Sustainability and Climate-Related Risks
	TSRS-2 25.a.vi	About the Report Our Business Model and Value Creation Process > Our Priority Issues
b) Processes used by the business to identify, assess, prioritize, and monitor climate-related opportunities, including information on whether and how scenario analysis related to climate is used.	TSRS-2 25.b	Sustainability Strategy > Management of Climate Risks, Opportunities, and Impacts Sustainability Strategy > Resilience of Our Strategy Against Climate Scenarios Management of Sustainability and Climate-Related Risks
c) Processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities; how these are integrated into the overall risk management process of the business and how the overall risk management process is informed by them.	TSRS-2 25.c	Management of Sustainability and Climate-Related Risks
METRICS AND GOALS		
a) Climate-related metrics	TSRS-2 29.a	Metrics and Goals Metrics and Goals > Carbon Management and Climate Performance Appendices > Environmental Performance Indicators
	TSRS-2 29.b	Metrics and Objectives
	TSRS-2 29.c	Metrics and Objectives
	TSRS-2 29.d	Metrics and Objectives
	TSRS-2 29.e	Metrics and Goals > Approach to Capital Distribution and Climate Financing
	TSRS-2 29.f	Metrics and Targets > Capital Allocation and Climate Finance Approach
	TSRS-2 29.g	Metrics and Goals > Approach to Capital Allocation and Climate Financing
b) Sector-based metrics related to specific business models, activities, or other common characteristics that characterize participation in a sector (Guidance on Sector-Based Application of TSRS-2).	TSRS-2 32	Metrics and Goals > Carbon Management and Climate Performance

TSRS 2 PROVISIONS		RELEVANT SOURCE / SECTION
c) Climate-related goals	TSRS-2 33.a	Metrics and Goals Metrics and Goals > Climate Risks Metrics and Goals
	TSRS-2 33.b	Metrics and Objectives Metrics and Objectives > Climate Risk Metrics and Objectives
	TSRS-2 33.c	Metrics and Targets Metrics and Targets > Climate Risks Metrics and Targets
	TSRS-2 33.d	Metrics and Goals Metrics and Goals > Climate Risks Metrics and Goals
	TSRS-2 33.e	Metrics and Goals Metrics and Goals > Climate Risks Metrics and Goals
	TSRS-2 33.f	Metrics and Goals Metrics and Goals > Climate Risks Metrics and Goals
	TSRS-2 33.g	Metrics and Objectives Metrics and Objectives > Climate Risk Metrics and Objectives
	TSRS-2 33.h	Metrics and Goals Metrics and Goals > Climate Risk Metrics and Goals
	TSRS-2 34.a	Metrics and Goals
	TSRS-2 34.b	Metrics and Goals
	TSRS-2 34.c	Metrics and Goals
	TSRS-2 34.d	Metrics and Goals
	TSRS-2 35	Metrics and Goals
	TSRS-2 36.a	Metrics and Goals
	TSRS-2 36.b	Metrics and Goals
	TSRS-2 36.c	Metrics and Goals
	TSRS-2 36.d	Metrics and Goals
	TSRS-2 36.e.i	Metrics and Goals
	TSRS-2 36.e.ii	Metrics and Goals
	TSRS-2 36.e.iii	Metrics and Goals
	TSRS-2 36.e.iv	Metrics and Goals

SG Yeminli Mali Müşavirlik ve Bağımsız Denetim A.Ş.

AUDITOR'S LIMITED ASSURANCE REPORT ON THE INFORMATION OF EUROPOWER ENERJİ VE OTOMASYON TEKNOLOJİLERİ SANAYİ TİCARET A.Ş. AND ITS SUBSIDIARIES PRESENTED IN ACCORDANCE WITH THE TURKIYE SUSTAINABILITY REPORTING STANDARDS- 2024

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE INFORMATION OF EUROPOWER ENERJİ VE OTOMASYON TEKNOLOJİLERİ SANAYİ TİCARET A.Ş. AND ITS SUBSIDIARIES PRESENTED IN ACCORDANCE WITH THE TURKIYE SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Europower Enerji ve Otomasyon Teknolojileri Sanayi Ticaret A.Ş.

We have been assigned to perform limited assurance on the information ('Sustainability Information') presented in accordance with the Türkiye Sustainability Reporting Standards 1 'General Requirements for Disclosure of Sustainability-related Financial Information' and Türkiye Sustainability Reporting Standards 2 'Climate-Related Disclosures' of the Sustainability Report of **Europower Enerji ve Otomasyon Teknolojileri Sanayi Ticaret A.Ş.** for the year ended 31 December 2024.
Our assurance review does not cover information relating to prior periods, other information included in the 2024 Sustainability Report, or other information associated with the Sustainability Information or the 2024 Sustainability Report (including any images, audio files, documents linked to websites, or embedded videos).

Limited Assurance Conclusion

Based on the procedures we have performed as described under 'Summary of the work we performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information of the Group's Sustainability Report for the year ended 31 December 2024, has not been prepared, in all material respects, in accordance with the Türkiye Sustainability Reporting Standards ('TSRS'), as published by the Public Oversight Accounting and Auditing Standards Authority of Türkiye ('KGK') in the Official Gazette dated 29 December 2023 and numbered 32414(M).
Information relating to previous periods and the 2024 Sustainability Report or Sustainability Information, or any other information associated with the 2024 Sustainability Report (including any images, audio files, documents linked to websites, or embedded or embedded videos), we do not make any representations or warranties.

Structural Constraints in Preparing Sustainability Information

The Sustainability Information included in the Sustainability Report is subject to structural uncertainties arising from scientific and economic information gaps. Inadequate scientific knowledge in calculating greenhouse gas emissions leads to uncertainty. Furthermore, due to a lack of data on the likelihood, timing, and impacts of potential future physical and transitional climate risks, Sustainability Information contains uncertainties based on climate-related scenarios.

Responsibilities of Management and Those Charged with Governance Regarding Sustainability Information

The Group's Management is responsible for:

- Preparing the Sustainability Information in accordance with the principles of Türkiye Sustainability Reporting Standards;

- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;
- Additionally, the Group Management is responsible for selecting and implementing appropriate sustainability reporting methodologies as well as making reasonable assumptions and suitable estimates. Those charged with Governance is responsible for overseeing the Group's sustainability reporting process.

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

We are responsible for the following:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained and inform the Group management of the conclusion we have reached.
- Performing risk assessment procedures to understand the Group's internal control structure and to identify and assess the risks of material misstatement of sustainability information, whether due to fraud or error, and not for the purpose of expressing an assurance conclusion on the effectiveness of the Group's internal control.
- Designing and implementing procedures to identify and address areas of the Sustainability Information that may contain material misstatements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusive transactions, forgery, willful failure to record transactions or intentional misstatements to the auditor, or a violation of internal control. Misstatements may arise from fraud or error.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of Sustainability Information.

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

Professional Standards Applied

We performed a limited assurance engagement in accordance with the Standard on Assurance Engagements ('GDS') 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information and in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements ('GDS') 3410 Assurance Engagements on Greenhouse Gas Statements, issued by the Public Oversight Accounting and Auditing Standards Authority of Türkiye ('KGK')

Independence and Quality

Control We have complied with the independence and other ethical requirements of the Code of Ethics for Independent Auditors (including International Independence Standards) (Code of Ethics) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior, issued by the Public Oversight Accounting and Auditing Standards Authority of Türkiye ('KGK')

Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team of auditors. We have used the work of our expert team to assess the reliability of the information and assumptions related to the Group's climate and sustainability-related risks and opportunities. We remain solely responsible for our assurance conclusion.

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

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

- Face to face interviews were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period;
- The Group's internal documentation was used to assess and review sustainability-related information;
- The disclosure and presentation of sustainability-related information was evaluated.
- Through inquiries, an understanding of Group's control environment, processes and information systems relevant to the preparation of the Sustainability Information was obtained. However, the design of particular control activities was not evaluated and evidence about their implementation was not obtained or their operating effectiveness was not tested.
- It was evaluated whether Group's methods for developing estimates are appropriate and had been consistently applied. However our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group's estimates.
- The Group's sustainability reporting processes and the processes for identifying risks and opportunities that are identified as financially material are understood. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Muhammed SAHİN
Independent Auditor
ANKARA, 28 October 2025

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