

ELSAN

Together with Nature for Humanity



2025 Sustainability Report



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Abbreviations

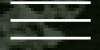
abbreviation	explanation
CDP	Carbon Transparency Project (Carbon Disclosure Project)
ESG	Environmental, Social and Governance
GJ	Gigajoule (Energy unit)
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
ISSB	International Standards Board for Sustainability
GHG	Greenhouse Gas Emissions
ESRS	European Sustainability Reporting Standards
S&P	Standard & Poor's
MSCI	Morgan Stanley Capital International
KGK	Public Oversight, Accounting and Auditing Standards Institution
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SDG (SDG)	Sustainable Development Goals
SKDM (CBAM)	Carbon Border Adjustment Mechanism
tCO ₂ e	Tonne Equivalent of Carbon Dioxide
TCFD	Task Force on Climate-related Financial Disclosures
TFRS	Turkish Financial Reporting Standards
TSR (THG)	Total Shareholder Return
TSRS	Turkey Sustainability Reporting Standards

abbreviation	explanation
USA	United States
TSRS	Turkey Sustainability Reporting Standards
USA	United States
NDC	National Contribution Declaration
CTC	Continuous Transpose Conductor
LACP	American Communication Professionals League
EU	European Union
OSH	Occupational Health and Safety
ILO	International Labour Organization
OECD	Organization for Economic Development and Cooperation
NGFS	Network for Greening the Financial System
CDBS	Climate Description Standards Board
EnPI	Energy Performance Indicators
VOC	Volatile Organic Compound
Environmental Impact Assessment	Environmental Impact Assessment
IMF	International Monetary Fund
DESK	Denizli Metropolitan Municipality Water and Sewerage Administration
KKD	Personal Protective Equipment
KPI	Key Performance Indicators
EYS	Integrated Management System

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About the Report

Elsan Elektrik Gereçleri Sanayi ve Ticaret Anonim Şirketi (Elsan) 2025 Sustainability Report aims to share the company's sustainability approach and performance, as well as its governance, strategy and goals regarding climate change risks and opportunities, with the public.

The report covers all activities of the company without any subsidiaries between 01.01.2025 and 31.12.2025.

The expressions "Elsan", "Company", "we", "us" and "our" in the report cover Elsan Elektrik Gereçleri Sanayi ve Ticaret Anonim Şirketi unless otherwise stated or unless the context requires otherwise.

The report has been prepared in accordance with the requirements of the Global Reporting Initiative Standards (Global Reporting Initiative - GRI) and the United Nations Principles for Progress Report. In addition, Elsan's work in line with the United Nations Sustainable Development Goals (UN SDGs) is presented in the report.

All stakeholders can express their questions, opinions and evaluations regarding this report. surdurulebilirlik@aydemenerji.com.tr and sustainability@elsan-tr.com It can be shared with the company via its address.





Message from the General Manager

We Are Building a Future That Produces Sustainable Value Together



Mehmet Akif Gül
Elsan Chairman of the Board of Directors and General Manager*

** In 2026, Emin Alparslan became the General Manager of the company.*

Dear Stakeholders,

2025 has become an important turning point in which the sustainability approach of the global economy and industry has been reshaped. Wars, energy security, the increasing physical effects of climate change, critical raw material security, pressures on water resources and changing trade dynamics have become fundamental elements that determine not only the financial performance of companies but also their long-term resilience. While changing conditions have become the most important issue for companies, sustainability has become not only an element of competitiveness and a necessity of long-term strategy, but also for compliance with regulations.

Operating with a 45-year production culture, engineering competence and quality understanding, Elsan is one of Turkey's leading industrial organizations in the production of enamel coil wires, which are the basic input of many critical technologies, from electric motors to transformers, from generators to renewable energy systems. With our annual production capacity of 50,000 tons, our export rate of 35% and our global sales network reaching 40 countries, we do not only export products; we also bring our knowledge, engineering capabilities and high quality standards to the world markets.

In today's world, where the speed of energy transformation is accelerating, we contribute to the construction of a more sustainable future with our products used in the development of many strategic areas such as electric transportation, renewable energy investments, energy storage technologies and high-efficiency electric motors. Therefore, as Elsan, we see every coil wire we produce not only as an industrial product; but as a strategic value that supports energy transformation, increases industrial efficiency and contributes to a low-carbon economy.

At Elsan, we believe that financial success will only be permanent when evaluated together with environmental, social and governance performance; We are preparing for the future with a management model that increases resource efficiency, reduces carbon emissions, supports the development of our employees and is based on a strong corporate governance understanding.

In line with this understanding, we continue our efforts to reduce the environmental impact of our production processes with determination. Within the scope of our studies conducted in line with the United Nations Sustainable Development Goal 12 - Responsible Consumption and Production, we made an important contribution to our low-carbon production target by supplying 70% of our aluminum supply from green aluminum in 2025. Thanks to our process improvement and efficiency-focused practices, we reduced our targeted scrap rate by 4%, while reducing our scope 1 and 2 greenhouse gas emissions by 4.82% compared to the previous year.

Within the scope of energy efficiency projects, we made an investment of TL 670 thousand and achieved an annual energy savings of 223 thousand kWh. In addition, thanks to the SCADA system we have implemented in our production processes, we can monitor our operations in real time and continuously improve our level of efficiency and traceability by strengthening our data-driven decision-making mechanisms.

Our studies in resource efficiency have not only been limited to reducing carbon emissions. We have ensured more efficient use of water resources by reducing our water intensity by 20.11%.

Our work in the field of sustainability has continued to gain recognition on national and international platforms. In 2025, while qualifying to use the Responsible label within the scope of the Green Transformation Program carried out by the Turkish Ministry of Trade, we achieved the A (Leadership) score for the third consecutive time in the CDP Climate Change Program.

Without a doubt, our colleagues are at the center of all this transformation. The experience of our employees, who have an average of 13 years of experience, is the most important power of Elsan's quality understanding and corporate memory. We see our human resources as the most valuable investment we make for the future; With the 7,316 hours of training we carried out throughout 2025, we continued to develop the technical competencies, occupational health and safety culture and leadership skills of our employees.

In the coming period, we will continue to create value for our country and stakeholders by combining our production capacity with our engineering competence, innovative approach and sustainability vision. We will continue our work with the responsibility of leaving a more livable world for future generations with our lower carbon production, more efficient resource use and strong corporate governance understanding.

I would like to express my sincere thanks to our customers who trusted us on this journey, our business partners, our shareholders and all my colleagues who made Elsan's success possible.

Sincerely,
Mehmet Akif Gül
Elsan General Manager



About Elsan

A Elsan, the first and founding company of ydem Energy with a 46-year history, is among the largest copper enamel coil wire producers in Turkey and the largest aluminum enamel coil wire producers in Europe. Elsan has been providing pioneering solutions in the industry with quality and innovative products tailored to the needs of its customers since its founding.

Elsan, which produces critical components that facilitate human life, serves a wide range of industries with coil wires. The coil wires produced by the company are used in many fields, from washing machines and dishwashers to refrigerators and air conditioners, from starter and wiper motors in vehicles to transformers. Elsan's products have a high brand value with their reliability and sustainable quality in the electronics sector, as an indispensable part of daily life.

The company produces in two locations in Denizli, with a total of 42,000 m² of open and 22,000 m² of covered area. Today, Elsan, which produces round and flat enamel wire, CTC and paper-coated wires, has an annual production capacity of 50,000 tons. Its annual exports account for 35% of its total sales. With the experience gained over the years and its strong R&D infrastructure, the company continues to increase its competitiveness in the global market

by offering innovative solutions. Increasing its production capacity and market share steadily, the company exports to a total of 40 countries, including Europe, the Middle East, North America and Africa.

In 2014, Elsan acquired a 50% stake in Heermann GmbH, which has successfully continued its activities in the enamel coil wire industry since 1900. The company also has a R&D Center at Pamukkale University Technology Park.

Focusing on providing the best solutions to its customers, the company is focused on designing and developing products that support energy efficiency, are safe and long-lasting. The company provides added value to the industry with its high-tech-based production processes and strengthens its leading position in the sector.

Elsan, which adapts to the changing dynamics of the sector, aims to provide solutions to its customers at the highest quality standards while ensuring green transformation. Within this scope, the company, which continues its twin transformation studies, continues its efforts to support innovation in production and develop sustainable business models. The company aims to expand its customer portfolio worldwide and to be a brand that drives the industry.

Heermann Factory

Istanbul Office

Factory 1

Factory 2

Products

 Copper EBT			
CU		 Measurement Weight	 Tone - Year
	 round	0,30 - 0,10	200
		0,10 - 0,25	700
		0,25 - 1,25	11.000
		1,25 - 6,00	2.500
	 flat	6 - 100 mm ²	5.000
	 Covered with Paper	6 - 100 mm ²	3.000
	 CTC	7 - 63 Wire	5.000

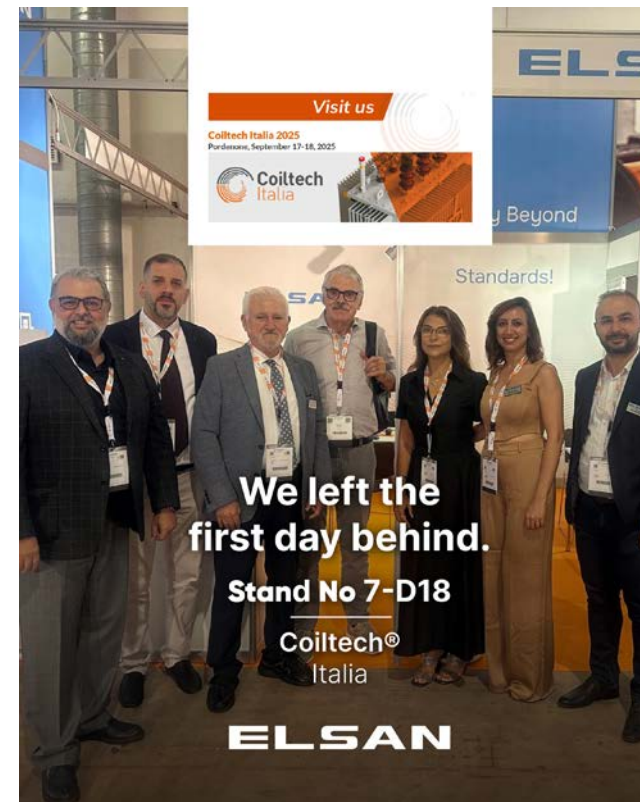
 Aluminum EBT			
AL		 Measurement Weight	 Tone - Year
	 round	0,30 - 1,00	700
		1,00 - 1,60	750
		1,60 - 5,50	4.000
	 flat	10 - 100 mm ²	1.800
	 Covered with Paper	10 - 100 mm ²	1.000
	 CTC	—	—



Expo's Participated in 2025

During the 2025 reporting period, Elsan participated in many activities to monitor sectoral developments, strengthen collaborations, and invest in human resources. Within this scope, the company has been involved in various organizations such as career days, engineering summits, technology and industry fairs.

- 26-27 March 2025 Coiltech Augsburg Fair
- 11-12 June 2025 Coiltech North America 2025
- 17-18 September 2025 Coiltech Italy Fair
- 08-10 October 2025 4th Logistech-Logistics, Storage and Technologies Fair
- October 10, 2025 İsaf 2025 –International Information & Cybersecurity Fair
- October 16, 2025 Delta Industrial Automation Days



Vision, Mission and Values



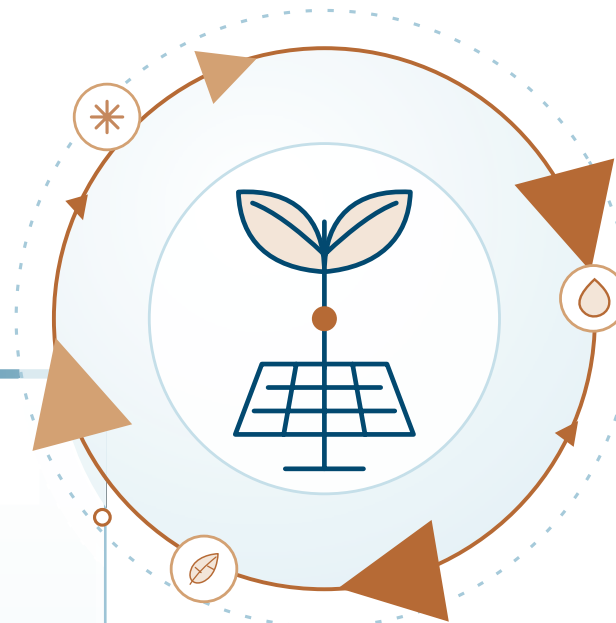
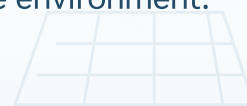
Vision

To create happy stakeholders who take pride in our presence, which makes every moment of life easier.



Mission

To produce electromagnetic wire for organizations seeking to add value to life through their products, using advanced-technology machinery, innovative management systems and a competent workforce, while being sensitive to society and the environment.



Values



Happy, highly committed employees who constantly generate new ideas and take initiative when needed



A fair, encouraging management approach that makes quick solution-oriented decisions and shares them



Adding value to society through environmentally friendly operations



Seeking innovation in every task; working efficiently and effectively with a team spirit while prioritizing employee health and ethical principles

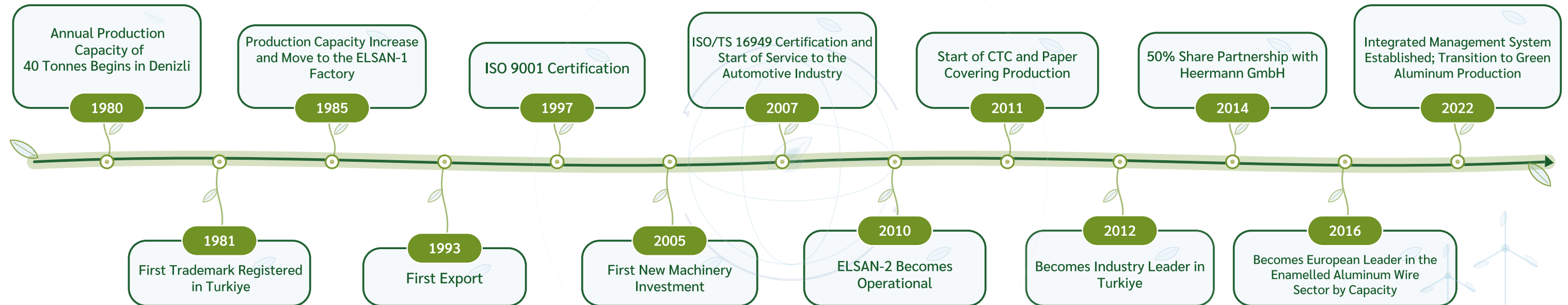


Our end customers' trust is our reliability.





ELSAN Milestones



2023

- Increased flat wire and CTC capacity
- Great Place to Work® Institute survey: 'Great Workplace' certificate and award in the 250-499 employee category
- Electrical and Electronics Exporters' Association 'Export Honor Award'
- CDP Climate Change category A List score award
- Turkish Exporters Assembly: ranked 837th among Türkiye's top 1,000 exporters
- Denizli Chamber of Commerce '100 Achievements in 100 Years Awards': award for operating for more than 40 years



2024

- Ranked 62nd by the Electrical and Electronics Exporters' Association (Honor Award),
- Received an "A" Leadership score in the CDP (Carbon Disclosure Project) Climate Change category for the second time,
- Ranked 11th in the ISO 2500 list,
- Received awards in four categories at the League of American Communications Professionals (LACP) 2023 Vision Awards:
 - LACP Platinum Winner Worldwide Award
 - LACP Top 50 Reports – EMEA Region; awards for Strategy, Environmental Performance, R&D and Innovation, Social Performance, and Appendices
 - LACP Top 20 Reports – Türkiye
 - LACP Regional Most Improved Report – Gold
- Ranked 281st on *Economist* magazine's Anadolu 500 list



2025

- CDP Climate Change category: A List score award for the third time
- DESIAD Anatolia 500: ranked 38th in Türkiye
- DESIAD Anatolia 500: ranked 18th in Denizli
- Admitted to the Responsible Program
- Earned the right to use the Responsible Label

Developments in 2025

Global Perspective

In 2025, the continuation of the slowdown observed in the US economy in the last quarter of 2024 in global growth will be decisive, while the increase in domestic demand due to incentives in the Chinese economy and the continued strong growth momentum in the Indian economy emerged as balancing factors. In this context, global growth in the first half of the year was 3.4% and was close to the levels recorded in 2024.

The most significant development shaping the global economy during this period was the change in the U.S.'s foreign trade policies. Tariffs targeting a limited group of countries and sectors in the first months of the year soon expanded their scope and became a decisive factor in the global trade system. As a result of the retaliatory measures taken by its main trading partners, protectionist tendencies intensified, although trade volume remained buoyant with forward-loaded purchases, there was a downward pressure on investment expectations along with the trade volume. The partial postponement of tariff plans and the reduction of rates in the coming months provided a temporary relief in trade and financial conditions; however, the ongoing uncertainties have kept the risks to the global trade outlook alive. Increasing tariff tensions have increased volatility in financial markets, while expected normalization steps in monetary policy have been postponed in some developed countries, while temporary shifts in capital flows directed towards developing countries have been observed.

According to the International Monetary Fund (IMF)'s October 2025 World Economic Outlook (WEO) Report forecasts, the global economy is expected to grow by 3.2% in 2025 and 3.1% in 2026, following a 3.3% growth in 2024.

The Turkish economy has shown strong growth performance compared to the global economy, which is trying to recover in 2025. Thus, in the period 2024-2026, global growth will continue to follow a low but stable path compared to pre-pandemic averages.

According to the OECD's September Interim Economic Outlook Report for 2025, global growth will be 3.2% in 2025 and 2.9% in 2026, following a 3.3% growth in 2024, due to increasing tariffs and ongoing policy uncertainty.

According to the IMF's estimates, the growth rate of 1.8% in developed economies in 2024 is expected to be 1.6% in 2025 and 2026 due to tariff-related uncertainties. The US economy is expected to grow by 2% in 2025 and 2.1% in 2026, while the Eurozone is expected to grow by 1.2% in 2025 and 1.1% in 2026.

Turkish Economy

In the first half of 2025, the balanced growth composition, which continued due to the impact of policies prioritizing price stability, was maintained; despite the slowdown in the growth rate of private consumption and the decline in public spending, the strong increase in fixed capital investments supported growth. On the other hand, ongoing global uncertainties and protectionist tendencies have led to a negative contri-

bution to growth in net exports of goods and services. While growth is expected to reach 3.3% throughout 2025 within the framework of the Medium-Term Program (2026-2028), it is estimated that the economy will grow by 3.8% in 2026.

The determined monetary policy towards price stability within the scope of the applied economic program, the macro-prudential measures supporting policy interest rates and the continued increase in reserves have ensured that the economy shows resilience against global uncertainties, slowing external demand and volatile global risk appetite. As Turkey's credit default swap (CDS) has fallen to 250 basis point levels, approaching its level at the beginning of 2020, the positive outlook for the rising country's credit rating has supported it.

The exchange rate volatility has continued to converge towards the average of developing countries (DDCs). Along with geopolitical and external uncertainties, financial risk indicators are being closely monitored and necessary measures are being taken.

Global Sustainability Agenda

Globally, the energy sector is going through a period in which the delicate balance between energy security, energy access and environmental sustainability is being restored, known as the "Energy Trilemma". While the effects of climate

change are becoming increasingly evident, it is seen that the green transformation needs to be accelerated. Production models need to be redesigned. However, very slow progress is being made regarding the financing that needs to be transferred to developing countries for green transformation. On the other hand, while geopolitical developments threaten energy security, it is the developing countries that are most affected by this situation.





Turkey's sustainability agenda, in addition to compliance with the Paris Agreement, is the EU, which is the most important export market. **Green Agreement** Developments regarding it are also shaping it. The regulations within the scope of the Green Agreement also indirectly and directly affect exporters. Especially, the Carbon Regulation Mechanism at the border directly affects the operational financial of exporters. a regulation that will affect its capacity and profitability.

Although **omnibus** although there has been a partial softening in the arrangements of the Green Agreement with **Border Carbon Dioxide Reduction Mechanism (SKDM)** it was not affected by this. This situation, which may be an important advantage for sectors that are prepared for SKDM, may mean a decrease in profitability rates and even market loss for sectors and companies that have not yet taken action in green transformation.

Another factor shaping Turkey's sustainability agenda is the ESG criteria in the access process to international funds. The "green financing" focused approaches of international financial institutions make the reduction of emission intensity in energy production processes and the use of innovative technologies (carbon capture, biomass integration, etc.) critical.

COP 30 and COP 31The agenda

One of the most decisive organizations within the scope of the global sustainability agenda is the United Nations Conference of the Parties (COP), which is held every year.

The main agenda of COP30, held in Belém, Brazil in 2025, was mainly the implementation of countries' national contribution declarations (NDCs), the increase in climate financing and the strengthening of adaptation (adaptation) targets with concrete indicators. Increasing the flow of financing and supporting "fair transition"

mechanisms were among the priority topics, especially for developing countries.

Within the scope of COP30, thematic areas such as adaptation, cities, infrastructure, circular economy and bioeconomy also emerged; the connections between climate change and biodiversity, deforestation and the rights of local communities were addressed more strongly. However, the inability to reach a binding agreement on phasing out fossil fuels has been one of the most important weaknesses of the summit. Although progress has been made in terms of financing, loss and damage mechanisms and global emission reduction targets, concrete and binding commitments have remained limited.

An important outcome of the summit for Turkey was the decision to hold COP31 in Antalya. In November 2026.COP31, which will be held, is positioned as an "implementation COP" that focuses on the implementation of decisions taken at previous summits. Energy transformation,

the promotion of adaptation policies, loss and damage financing and the support of vulnerable countries are among the prominent topics. Current discussions focus on the need to accelerate the transition from fossil fuels, close the climate finance gap and turn countries' commitments into concrete actions. It is expected that this summit will accelerate the "transition from commitment to implementation" process in global climate governance.

The evaluation of the new generation of national contribution declarations (NDC 3.0), the closure of the emission reduction gap in line with the goal of limiting global temperature increase to 1.5°C and the concretization of climate financing targets will be addressed. In particular, the consensus reached at COP30 will be discussed.The operationalization of the new climate finance targets (NCQG) and the increase in resource mobilization for developing countries are of critical importance.

Turkey Sustainability Agenda

2025 has been an important turning point in terms of the institutionalization of the sustainability agenda in Turkey. In particular, various regulations on sustainability reporting, climate policies and corporate compliance obligations came into force or the implementation framework was clarified in 2025.

One of the most critical developments in terms of climate policies is the Climate Law numbered 7552, which came into force on July 9, 2025. Together with its attached regulations, this law has established a comprehensive framework in areas such as the reduction of greenhouse gas emis-

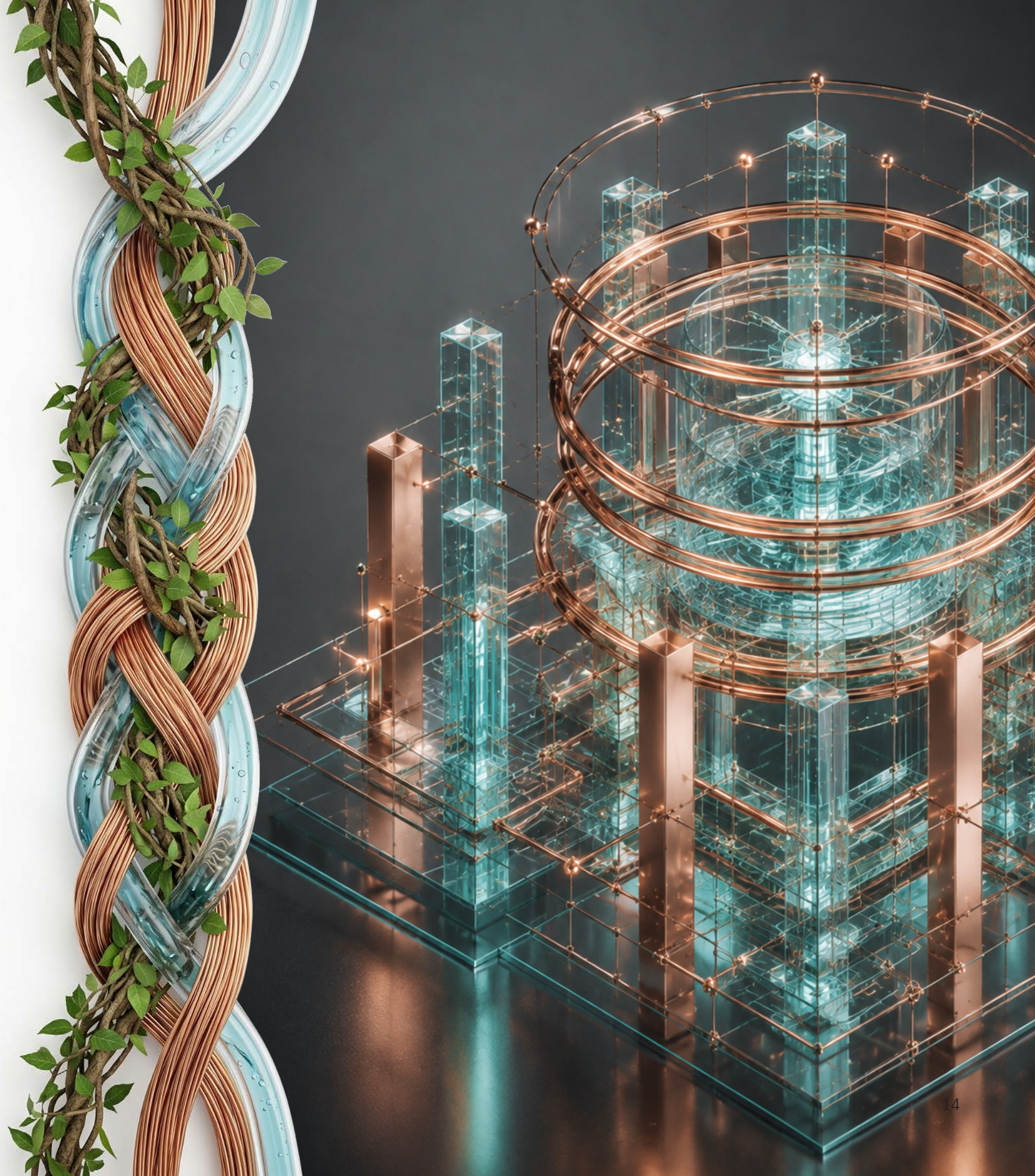
sions, the emission trading system (ETS), carbon credits and offsetting mechanisms. The draft ETS Regulation published within this scope is shaping the application principles of the system, and it is expected that the relevant regulations will come into force gradually in 2026.

Effective as of 2024 **Turkey Sustainability Reporting Standards to'(TSRS)** the first reports prepared accordingly were published in 2025. Standards require the reporting of the impact of climate change-related risks and opportunities on the financials of companies during the first two application periods. As of 2026, the scope will expand to include sustainability-related risks.



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Board of Directors Board Members

The highest governing body at Elsan is the Board of Directors. The Board plays a central role in determining strategic goals, managing risks and monitoring company performance. The Board, with its rational and prudent risk management approach, ensures that the alignment of the company's short-term interests with the company's and all stakeholders' priorities, as well as the establishment of the necessary mechanisms to align the company's medium and long-term interests.

The company regularly reviews its governance practices and focuses on sustainable growth by monitoring the needs of its stakeholders.

The participation rate in the Board of Directors meeting within 2025 was 100%.



Mehmet Akif Gül / Chairman of the Board of Directors

He is a graduate of the Department of Metallurgy Engineering of Orta Doğu Teknik University. Starting his career at Elsan Elektrik Gereçleri A.Ş., where he was a shareholder in its establishment, Gül has held various positions within the company since 1980 and is currently serving as the Chairman of the Board of Directors of Elsan Elektrik Ger. San. Tic. A.Ş.

Mehmet Akif Gül, who has more than 40 years of experience in the sector, serves as Vice Chairman of the Board of Directors of Adm Elektrik Dağıtım A.Ş. and Gdz Elektrik Dağıtım A.Ş., which are group companies of the Aydem Enerji group, in addition to his duties at Elsan. He serves as Chairman of the Board of Directors on behalf of Aydem Holding A.Ş. at Çates Elektrik Üretim A.Ş. He is also a member of the Board of Directors of Tümaş Mermer A.Ş. and Parla Solar Hücre ve Panel Üretim A.Ş. In addition to his membership on the Board of Directors of Parla Solar Hücre ve Panel Üretim A.Ş., he also holds the position of General Manager.



Serdar Carpenter/ Board Member

He graduated from the Department of Electrical-Electronic Engineering at ODTÜ. With approximately 20 years of experience in the energy sector, Marangoz began his career at Siemens AG in 2006. Since 2009, he has held senior management positions in various companies under the umbrella of Aydem Enerji. In this context, he has served as Executive Board Member at Aydem Electricity Market and Regulation Manager, Adm Elektrik Dağıtım and Gdz Elektrik Dağıtım companies, respectively. In 2019, he was appointed as the Chairman of Aydem Enerji Trade Group (CCO) and a Member of the Aydem Yenilenebilir Enerji Board of Directors.

In addition to his board membership in Aydem Retail and Gediz Retail companies, he has held the position of general manager since 2021.

Marangoz, who has held the position of General Manager of retail group companies until 2023, is currently serving as the General Manager of Aydem Yenilenebilir Enerji and Deputy Chairman of the Board of Directors as of October 25, 2023. As of November 1, 2024, he has been appointed as the CEO of Aydem Enerji.

Sustainability Competencies of the Board of Directors and Senior Management

Board members regularly receive information on global and local developments related to sustainability, as well as the company's sustainability-related risks and opportunities and the agenda of the CSR Board. For this purpose;

- In order to develop the strategic perspective on risks and opportunities related to climate change and sustainability, a special "Sustainability Master Class" training was organized for senior management and Board of Directors members in 2024. In this training, topics such as corporate risk management, resilience planning and strategic scenario analysis were covered.
- In 2025, an information meeting was held for the Board of Directors members regarding sustainability trends, current developments, updates within the scope of the EU Green Deal and the effects of the Turkish Climate Law.
- In December 2025, in preparation for the strategies of the coming period, information was provided to the Board of Directors members about the company's sustainability and climate change-related risks and opportunities, CSR ratings and current developments.

Sustainability, Environment, Occupational Health and Safety Committee

The Committee, which reports directly to the Board of Directors, operates within the framework defined in the Working Principles document of the Sustainability, Environment, Occupational Health and Safety Committee.

Committee members are determined by the Board of Directors. The Committee consists of the Chairman of the Board of Directors and General Manager, Aydem Enerji HSE and Sustainability Group Director, and Integrated Management System Manager. The position of Committee Chairman is held by Aydem Enerji HSE and Sustainability Group Director. If issues related to stakeholder participation and social impact are on the meeting agenda, the Human Resources Manager and Corporate Communication Senior Specialist are also invited to the meetings. The Committee may invite experts and consultants from within and outside the group to its meetings and receive their opinions when it deems necessary.

The Director of the Integrated Management System or a member appointed by the committee is responsible for the Secretariat of the Com-

mittee under the authority of the Chairman of the Committee. Decisions taken at meetings are shared in writing with the relevant departments and reported to the Board of Directors. The administrative organization of meetings, the transmission of meeting minutes to the members and the preservation of decisions in the minutes book are the responsibility of the Secretariat of the Committee. The Chairman of the Committee is responsible for ensuring coordination among the Committee members and carrying out the monitoring of the work.

The Committee will meet three times a year in accordance with the Board of Directors meetings.¹; it is mostly held by a simple majority and makes decisions with the majority of the members attending the meeting. All four meetings planned for 2025 have been held.

At the four Committee meetings held during the reporting period; the effectiveness of actions towards sustainability strategy and climate change-related risks and opportunities, IOSH performance, and projects developed to improve environmental and social impact were evaluated.



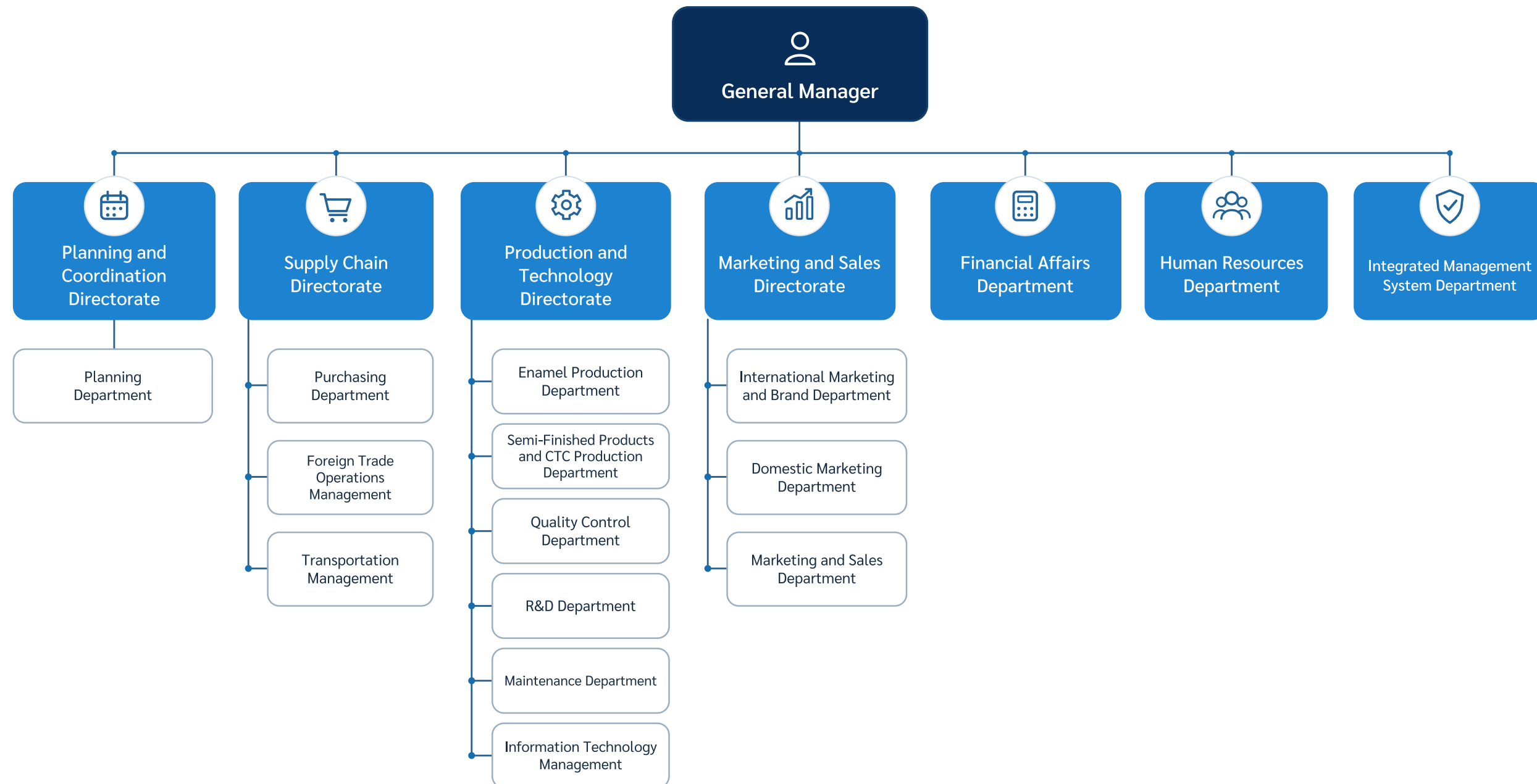
..... The duties and responsibilities defined in the Working Principles of the Committee are as follows:

- Ensuring the integration of the sustainability strategy into the business strategy, tracking target and KPI performance,
- To examine and guide the progress in all areas, especially policies, activities and processes related to sustainability,
- Monitoring the performance of the mechanisms established to manage the risks and opportunities arising from climate change,
- Ensuring the establishment and operation of mechanisms for the understanding of stakeholder expectations,
- Ensuring the establishment of the mechanism necessary to determine, measure, monitor, record, control and report the environmental and social risks and impact dimensions of the company's activities,
- Evaluating the performance in the environmental and social fields, energy consumption, waste management, development and feedback related to environmental and social impact,
- Evaluating plans and making decisions to implement the suggestions that will ensure continuous improvement and development in environmental activities,
- To guide the continuous improvement of HSE performance, including proactive risk prevention, regulatory preventive activities, loss prevention, unsafe situations and behavior, and LTI,
- Providing the necessary support for the dissemination of health, safety and environment (HSE) awareness, monitoring HSE performance,

Among the tools used by the committee in the process of monitoring and reporting sustainability risks, the data sets prepared for GRI and TSRS reports, carbon and water footprint reports, internal and external audit reports, and emergency/hazardous situation reports are included. Audit findings and corrective actions are monitored and tracked through the QDMS platform. Whether the intended results and targets have been achieved on the specified dates is regularly evaluated. The identified problems are communicated to the relevant units through the QDMS system, and the status of each action is recorded and tracked in the system.



Organizational Structure





Corporate Governance Approach

Elsan has established its organizational structure in line with corporate management principles. Within the framework of transparency, traceability and accountability principles, it regularly shares its policies, activities and performance with the public.

The company has separated its audit and enforcement activities from each other in line with corporate governance principles. Integrating risk management into its decision-making mechanisms, the company operates by evaluating financial, legal, operational and sustainability-related risks and opportunities in its short, medium and long-term strategies.

Elsan has established an Integrated Management System in order to ensure that its operational activities are carried out in accordance with national and international standards. The ISO 14001:2015 Environmental Management System, ISO 9001:2015 Quality Management System, ISO 45001:2018 Occupational Health and Safety Management System, ISO 50001:2018 Energy Management System and ISO/IEC 27001:2022 Information Security Management System, IATF- 16949 Automotive Quality Management System standards are applied with a holistic approach.

Management Systems Certificates



Transparency and Accountability

In order to meet the expectations of its local and international stakeholders, Elsan has been publishing sustainability reports regularly since 2022, going beyond legal requirements.

The company, which adopts a transparent communication policy, offers its policies to the public through its website. All of the company's policies are enacted with the approval of the Board of Directors.

By clicking on the tabs in the image next to it you can reach our policies.

Quality Policy

Environmental Policy

Occupational Health and Safety Policy

Energy Policy

Human Resources Policy

Human Rights Policy

Code of Ethics and Working Principles

Sustainability Policy

Information Security Policy

Code of Ethics and Working Principles

Elsan aims to create sustainable value for its stakeholders by carrying out all its operations in line with the principles of transparency, traceability, accountability and fair management. The company considers its business ethics understanding as a fundamental element of its corporate culture.

The company has shared its ethical rules and working principles, its stance on discrimination, its commitments in the fields of human rights, diversity, fair management and inclusiveness; with the public in the **Human Rights Policy** and **Ethical Rules and Working Principles** documents, which will cover the governing bodies, employees and business partners.

In line with the aforementioned policies, Elsan undertakes to fully comply with the universal

human rights principles arising from the Constitution of the Republic of Turkey and the international treaties to which Turkey is a party in all its activities. It adopts a zero tolerance approach to all forms of discrimination, harassment and mistreatment. The company aims to spread a respectful working culture towards human beings and society throughout the entire value chain.

The Internal Audit and Control Group Directorate, which reports directly to the Board of Directors, regularly supervises compliance with the Ethical Rules and Working Principles defined within the company; it monitors the effectiveness of control processes with a risk-oriented understanding. In case of detection of violations of the Ethical Rules and Working Principles, the relevant disciplinary processes are carried out.



Ethics Board and Ethics Hotline

All internal and external stakeholders of the company can notify the Ethics Line using digital forms, email, phone number and postal delivery methods. All notifications expressed, including violations of Ethical Rules and Working Principles, as well as human rights violations such as situations contrary to current legislation, discrimination, bullying, harassment, are recorded, and all investigations into allegations are carried out as soon as possible after the notification is received.

Implementation regarding the company's ethical line **Code of Ethics and Working Principles** in your document has been defined. To the ethics line from <https://www.aydemenerji.com.tr/etik-hat>, from the email address etik@aydemenerji.com.tr or 0 (850) 575 0 575 It can be reached from the phone number. The structure of the Ethics Board is defined in the Ethics Board and Discipline Committee Structure and Working Arrangement Procedure.

Notifications made to the Ethics Committee are communicated to the Ethics Committee by the Ethics Committee Representative. After the Ethics Committee completes the preliminary examination, the investigation process is carried out by the Internal Audit and Control Group Directorate teams if deemed necessary. The confidentiality and anonymity of the persons who make the notification are protected; necessary measures are taken to prevent the person who made the notification from being concerned that they will be negatively affected because of the notification.

All notifications sent via the ethics line in 2025 have been carefully evaluated and no major violations have been detected. In order to strengthen the ethical culture and increase awareness, all employees are regularly trained on Ethical Rules and Work Principles through Aydem Academy every year.

“

To the ethical line
<https://www.aydemenerji.com.tr/etik-hat>
etik@aydemenerji.com.tr from the address or
0 (850) 575 0 575 can be reached from the
phone number.

”

Anti-competitive Behavior and Compliance

The company operates its activities within the framework of principles of honesty, transparency, accountability and compliance with legislation; compliance with competition law is considered not only as a legal obligation, but also as one of the basic elements of a sustainable corporate governance understanding. The company operates with the awareness that the protection of fair competition is one of the basic conditions for market confidence, corporate reputation, stakeholder relations and long-term value creation. In this context, competition law compliance processes are carried out in coordination with the Group Legal Directorate, and the company's activities are addressed with an approach that aims to prevent, detect and effectively manage risks that may arise from competition law.

In accordance with the Group's Compliance Activities and Compliance Risk Implementation Policy, the Company has integrated compliance and risk management processes into strategic decision-making mechanisms. The Company's competition law compliance approach has been structured within a comprehensive framework supported by relevant internal policies, procedures, and control mechanisms. Within this framework, new business models, strategic projects, commercial practices, supply and sales relationships, collaborations with third parties, sectoral contacts, and business development processes are evaluated in terms of current competition legislation and relevant sectoral regulations. The primary purpose of these evaluations is to preemptively identify transactions and practices that may pose legal and adminis-

trative risks, to activate the necessary consultation and approval mechanisms, and to ensure that business processes are carried out in accordance with the Company's ethical business practices.

A preventive approach is based on the effectiveness of the harmonization processes. All new business, projects and activities are evaluated by the Group Legal Directorate in terms of Competition Law and energy market regulations. Thus, before transactions, decisions and communications that may pose a risk in terms of competition law are formed. It is intended to be reviewed and revised if necessary.

The aim is for employees working with education and awareness studies to be able to recognize situations that may pose risks in terms of competition law, to effectively use the necessary consultation and approval mechanisms and to reflect the understanding of ethical business practices in daily practices.

The company evaluates its compliance approach in the field of competition law as part of its sustainability and corporate governance vision. From the company's point of view, compliance with competition law is among the indispensable components of being a reliable actor in the market, building long-term relationships with stakeholders and growing responsibly.

There are no administrative and/or judicial sanctions and fines imposed in 2025 due to violations of Competition Law regulations.



Anti-Bribery and Anti-Corruption

The company adopts a zero tolerance approach against all types of bribery and corruption. The company openly rejects all unethical or illegal behaviors such as bribery, corruption, improper benefit provision, facilitation payments, irregular commissions, abuse of influence, gift and hospitality practices aimed at achieving benefits. This approach reflects not only the company's willingness to comply with legislation, but also its culture of doing business ethically, its corporate reliability, and its understanding of responsibility towards stakeholders.

Employees are obliged to take all necessary measures to avoid conflicts of interest that may harm their neutrality, benefit themselves or their relatives, or create such an impression. The Company has established strict rules and limits regarding gifts that can be given

and received within the scope of the Group's Anti-Bribery and Corruption Policy. These rules apply to the entire management, employees and business partners of the Company.

In the donation and sponsorship activities carried out by the company; the basic purpose of donations and aid is to fulfill social responsibilities, meet social needs, support the public interest and develop corporate responsibility awareness. In this direction, projects that contribute to social development are supported. However, the effective use of company resources is ensured and donations and aid that are not compatible with corporate interests are avoided.

When evaluating the risks of bribery and corruption; the level of

awareness of the management, the sectors in which it operates, the structure of products and services, the competitive conditions, legal requirements, gift-giving and hospitality practices, processes carried out with public institutions, voluntary contributions and the effectiveness of accounting and financial control mechanisms are taken into account.

All internal and external stakeholders of the company can transmit their suspicions, detections and reports regarding bribery and corruption through the ethical hotline.

As of 2025, there are no administrative, judicial sanctions or fines related to bribery and corruption against the company and its Board of Directors members.

Tax Approach

Elsan fully complies with the current tax and relevant regulatory legislation, thus fully fulfilling its tax obligations. The company aims to evaluate and effectively manage tax risks while carrying out its activities in accordance with tax legislation.

The Tax and Finance Group Directorate has a wide range of responsibilities, such as the formulation of tax strategy, the management of tax audits and the answer to questions from stakeholders. In all its activities, it operates within the framework of full compliance with ethical principles and legal regulations.

The company's tax processes are regularly evaluated by the certified public accountants who provide services and tax returns are audited. In addition, the company's financial statements are subject to independent audit every year.

All internal and external stakeholders may transmit their possible opinions, concerns and notifications regarding the company's tax policies or practices to the company's ethics hotline. In 2025, no administrative and/or criminal penalties were imposed on the company regarding tax legislation.



Corporate Risk Management

Elsan's plans and policies regarding risk management are directly under the responsibility of the Board of Directors. In line with the Group's Risk Management Policy, Elsan applies the risk management strategy, general principles and management principles in business processes. Risk management has been integrated into daily operations and strategic planning in order to adapt quickly to changing market conditions.

The company's risk management approach ensures that it not only reduces the threats it may face to a minimum level, but also evaluates opportunities in strategic planning and investment processes. The company's risk management processes are regularly reviewed to adapt to today's changing business conditions and competitive market dynamics.

Elsan identifies and effectively manages its financial and non-financial risks throughout the value chain in order to protect its assets and competitiveness in the long term, ensure sustainable financial success and meet stakeholder expectations.

Elsan's integrated management approach has made risk awareness a part of the corporate culture. In this way, operational activities and strategic decision-making processes are carried out in line with the company's appetite for risk; the protection of financial performance, corporate reputation and other critical value elements is aimed.

Risk Appetite

Risk appetite is defined as the acceptable and approved maximum risk level. The acceptable risk appetite level is determined by the Board of Directors and is reviewed at least once a year, or more frequently if deemed necessary. Risk appetite is operationalized through the following elements:

- Risk matrix and risk levels,
- Determined limits and/or obligations,
- Key risk indicators (KRI) tolerance levels.

Risk Management Strategy

Within the scope of Elsan Risk Management Methodology, risks are classified into six basic risk types.

1. Strategic Risks
2. Operational Risks
3. Employment/Safety/Business Continuity and Environmental Risks
4. Legislative Risks
5. Market Risks
6. Credit Risks

Within the scope of the risk management approach consisting of eight components, existing and possible risks that may affect the company's performance are identified, evaluated and monitored. Actions are determined in accordance with risk-taking profiles and are taken into account in decision-making processes. The processes are managed with continuous information sharing and integrated work with relevant units and/or committees.

The risk management approach not only minimizes the threats that the company may face, but also provides the opportunity to produce innovative solutions by evaluating opportunities in strategic planning and investment processes.

Elsan implements an eight-stage comprehensive risk management strategy:

1. **Governance:** Risk management policies and procedures are determined.
2. **Goals:** Company goals are clarified and compliance with risk management activities is ensured.
3. **Event Identification:** Potential risks are proactively identified.
4. **Risk Assessment:** The size and probability of risks are evaluated and prioritized.
5. **Action:** Effective strategies for risks are developed and implemented.
6. **Control:** The effectiveness of risk management strategies is monitored with regular audits and evaluations.
7. **Information and Communication:** Risk management information is shared accurately and in a timely manner, and a transparent information flow is provided with internal and external stakeholders.
8. **Risk Monitoring:** The effectiveness of risk management processes is regularly reviewed and necessary adjustments are made. All risk management processes are regularly monitored with performance indicators and key risk indicators.

Risk Assessment

Prioritizing risks is one of the basic steps of the integrated risk and opportunity identification, evaluation and management system. Each identified risk and opportunity is evaluated in two basic dimensions: probability of occurrence and impact intensity.

Probability Evaluation Criteria (1-5):

- 1- Even rarer once every five years.
- 2- Once or more often every five years; less often than once a year
- 3- Once or more often a year; rarely once every three months
- 4- Once every three months or more often; once a month or rarely
- 5-Once or more often a month

Impact (Violence) Evaluation Criteria (1–5):

- 1- **Very Light:** It has no effect on the environment and health.
- 2- **Light:** The impact on the environment is limited and obvious.
- 3- **Medium:** Environmental damage occurs, but it can be compensated with on-site intervention.
- 4- **Serious:** The impact may be long-term and environmental effects are important.
- 5- **Very Serious:** Causes extensive, permanent environmental damage. Expert intervention is required.

The risk scores obtained as a result of the impact and probability evaluations of the risks are classified as "acceptable" or "unacceptable" in accordance with the risk appetite and tolerance levels determined by the company. The risk impact is classified as follows:

- **Critical**
These are risks that exceed the tolerance level and have a high level of impact on the elements that support the Company's goals and/or values. Management is obliged to develop a program that has been agreed upon without delay to ensure that any situation encountered is immediately brought under control and aims to reduce the risk urgently and permanently.
- **High**
They are risks that exceed the tolerance level. The necessary resources for the prevention or reduction of these risks within a suitable time frame should be determined and allocated.

- **Medium**
These are risks that affect the elements supporting the company's goals and/or values and must be managed. Management develops action plans to reduce these risks in a timely manner and provides an effective monitoring process to prevent the situation from worsening.
- **Low**
These are risks that have a limited impact on the elements supporting the company's objectives and/or values. However, management should monitor these risks and take appropriate actions to prevent the risk level from increasing if deemed necessary.

The risk score is calculated by multiplying the probability and impact scores.

Risks are measured and monitored in accordance with international standards and legal legislation. They are classified as follows.

Acceptable Risks: They are risks that can be managed and minimized with the company's operational strategies and controllable mechanisms. These risks are integrated into daily workflows and continuously monitored.

Unacceptable Risks: It expresses situations that exceed the company's risk tolerance and require more serious management strategies. Three main management strategies are applied for these risks:

- **Control:** It involves the implementation of appropriate risk reduction measures to minimize unacceptable risks. Elsan implements this strategy by developing internal control systems, procedures and policies. These controls are applied by intervening in the causes of risk or mitigating its effects.
- **Risk Transfer:** Insurance policies ensure the transfer of risks through contracts or agreements with third parties. This method allows the reduction of financial risks and the distribution of damage costs.

• **Avoidance:** It aims to avoid the source of the risk or eliminate it completely by stopping risky activities. This approach is usually preferred for high-cost or reputation-risky activities.

Management of Risks and Opportunities Linked to Sustainability

The management of the company's sustainability and climate change-related risks and opportunities is the responsibility of the Group. **Risk Policy** and the company's **Sustainability Policy** is included. The management of sustainability and climate change-related risks and opportunities is carried out with the coordinated activities of risk management, compliance, sustainability and teams responsible for company operations.

Under the management of the Sustainability, Environment, Occupational Health and Safety Committee, legislative changes related to sustainability, natural disasters, changing economic balances, emerging new markets, technological developments, digitization and all other risks related to sustainability are classified and managed within six main risk categories. In addition to the Risk Management Methodologies applied to these risks, special studies on climate change and sustainability are carried out and subjected to stress tests, and this monitoring mechanism is taken to the next level and actions are determined for the elimination of risks.

In addition to Risk Management activities, these risks are integrated into general risk management processes by the creation of the sustainability and climate change-related risk and opportunity inventory by the Sustainability, Environment, Occupational Health and Safety Committee.

Internal Audit System

The internal audit and control activities carried out within Elsan provide reasonable assurance regarding the functionality of the mechanisms necessary for the effective, sufficient, efficient and compliance of all company activities, including operational processes, information systems, risk management and financial reporting, with the existing legal and internal regulations.

Internal control activities, the Group's **Internal Audit Procedure** it is carried out within the framework of coordination with the Directorate of Internal Audit and Control Group. The Directorate of Internal Audit and Control Group reports to the Board of Directors. This unit, which obtains its authority from the Aydem Enerji Board of Directors, performs its duties independently and objectively from execution. The Internal Audit Function ensures that the goals related to compliance with the ethical rules and working principles defined within the company are properly defined and effectively implemented, and performs its activities within its scope of responsibility.

Within the scope of the 2025 audit plan, four central and on-site internal audits were carried out. It was determined that the audit and control activities are of a quality that can provide a reasonable level of assurance to the risk management, internal control and governance processes. Action plans were developed to ensure the improvement of the individual control deficiencies determined during the audits. The timely implementation of these plans is periodically monitored, and they are reported to the Board of Directors three times a month through the Audit Committee.



Information Security

In order to ensure information security and protect against cyber threats, Elsan applies the latest security protocols within the scope of the ISO 27001 Information Security Management System and raises awareness of its employees in this field.

The company manages data privacy, integrity and accessibility within the scope of standards and continuously improves its technical and administrative measures to ensure information security. A strong protection infrastructure against cyber threats is created by applying appropriate technical and administrative controls in the processes of obtaining, processing, transmitting and storing information.

While bringing together Information Technologies Management with its corporate hardware and solutions units, it provides 24/7 technical support services to ensure the uninterrupted continuation of user processes. The Information Technologies team continued its cyber security, business continuity and digital transformation-focused work in 2025; by analyzing its technology needs, it supported the implementation of innovative solutions.

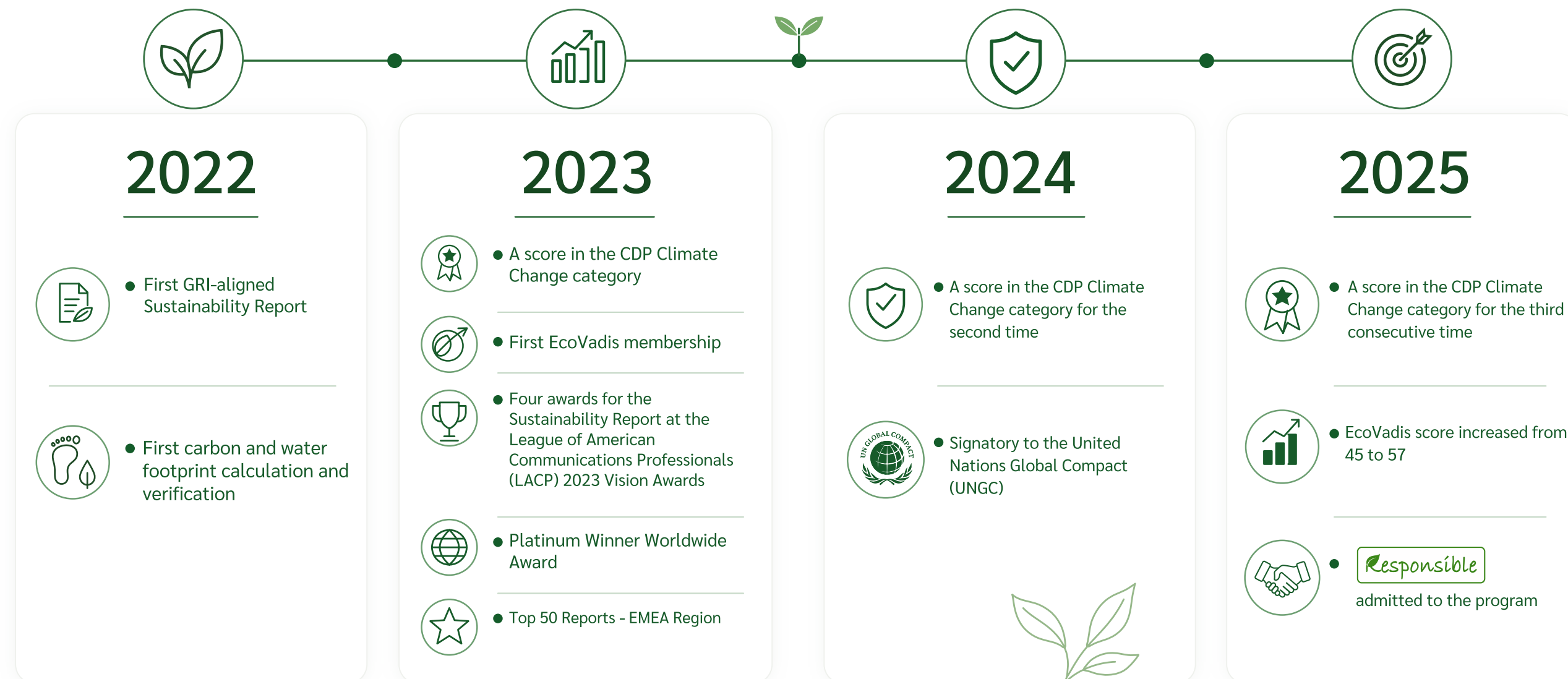


Sustainability

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Sustainability Milestones at Elsan





Sustainability Governance

The company explains its sustainability approach and commitments in the Sustainability Policy. Adopting a holistic sustainability approach, the company has also implemented the Environmental, Occupational Health and Safety (OSH) Policy and Human Rights Policies as complementary to the Sustainability Policy.

The improvement of the company's environmental and social performance by acting according to the sustainability approach in the decision-making processes of the company is monitored by the Sustainability, Environment, Occupational Health and Safety Committee appointed by the Board of Directors.

Issues such as the implementation of the sustainability strategy, the evaluation of sustainability risks and opportunities, carbon and water footprint reporting, the preparation of sustainability reports, the monitoring and improvement of IOSH performance are followed by the Integrated Management System team. The team, which works under the General Manager, also performs the secretarial duties of the Sustainability, Environment, Occupational Health and Safety Committee.

The team is responsible for reporting sustainability performance, managing risks and opportunities related to sustainability, evaluating the company's environmental and social impacts, determining actions that will reduce negative impacts and increase positive impacts, and coordinating the determination of sustainability goals. The team prepares weekly and monthly reports to the General Manager and the HSE and Sustainability Group Directorate regarding sustainability and IOSH activities.



Sustainability, Environment, Occupational Health and Safety Committee for detailed information about the relationship, this report Board of Directors from the section you can reach it.

Elsan has made the following commitments in its Sustainability Policy.

- Adopting a management approach that integrates the corporate sustainability approach, accepting the fight against climate change and reducing environmental impact with the economic and social development of societies as its basic responsibility,
- To make the corporate sustainability perspective a company culture and to ensure that awareness is created both among employees and stakeholders in this field,
- In all company activities, in the process of determining business goals, to take into account the economic, environmental and social dimensions of sustainability,
- Compliance with the 10 Principles of the United Nations Global Principles Convention,
- To combat climate change; to implement by developing and implementing practices that will reduce energy and water consumption,
- Transition to 100% renewable energy,
- Not investing in the expansion of fossil fuels,
- Tracking environmental data such as energy consumption, greenhouse gas emissions, and water usage and sharing it transparently with the public,
- By adhering to ethical rules in company activities and investments, taking into account the effects on the environmental, social, natural and cultural heritage, measuring and evaluating,
- By adopting a sustainable supply chain approach, guiding its suppliers to comply with Elsan's sustainability strategy and expectations; reducing sustainability risks by adding CYS criteria to supplier audit processes,
- Developing and implementing applications that will provide improvement in the field of occupational health and safety, following the international performance criteria in this field,
- Adopting ethical values, combating corruption and bribery and other Corporate Governance Principles as company culture and encouraging stakeholders in this regard,
- Adopting an inclusive and respectful approach to differences; showing zero tolerance for discrimination

Sustainability Approach

Elsan owes its 45-year-long established history and achievements to its ability to manage its business model in a balanced manner considering economic, social and environmental factors. Being part of Turkey's industrial success story, Elsan aims to take this success further. In this regard, the company considers financial returns as well as quality, resource efficiency, innovation and social impact as performance criteria. It aligns short-term financial success with the long-term interests and expectations of all its stakeholders; and conducts its activities while taking into account the environmental and social rights of future generations.

The foundation of Elsan's sustainability approach is constituted by corporate governance principles. Without a solid governance mechanism, it is impossible to implement economic, social and environmental sustainability. Within this scope, Elsan has established a transparent, accountable and traceable organization fully compliant with laws and regulations. The company has further strengthened this approach by participating in the United Nations Global Principles Agreement (UNG) in 2024.

Thanks to its strong governance structure, the company aims to balance economic sustainability with long-term social and environmental impacts. In this context, short-term and long-term social and environmental impacts are analyzed in decision-making processes; business and investment decisions are evaluated within this framework.



Sustainability Strategy

Elsan's sustainability strategy focuses on effectively managing sustainability-related risks, reducing environmental impacts parallel to taking advantage of opportunities and strengthening positive social impact.

The company lays the foundation of its sustainability strategy **Double Materiality Analysis** it was built on four main focus areas determined as a result:

1. Energy Efficiency
2. Electrification and Transition to Renewable Energy
3. Resource Efficiency
4. Low Carbon Raw Material

1. Energy Efficiency: It is one of the basic elements of Elsan's sustainability strategy and contributes to both the support of economic sustainability and the fight against climate change. Energy efficiency studies, established in 2013 and **ISO 50001:2018 Energy Management System** it is carried out within the scope of the energy management approach carried out in accordance with the standard.

The following studies are being carried out in order to reduce energy density;

Increasing efficiency with process and business model optimizations,

Renovations that will ensure energy and resource efficiency in the machine and equipment track,

Recycling of heat generated in production processes

Within this scope, for the year 2025 **0.093 TEP/ton** performance was achieved above the specified energy consumption target determined as and the spe-

cific energy consumption **0.089 TEP/ton** has been reduced to the level.

2. Electrification and Transition to Renewable Energy: Elsan, which has completed electrification in its production processes, is planning investments to increase the share of renewable energy sources in electricity consumption within the scope of energy transformation.

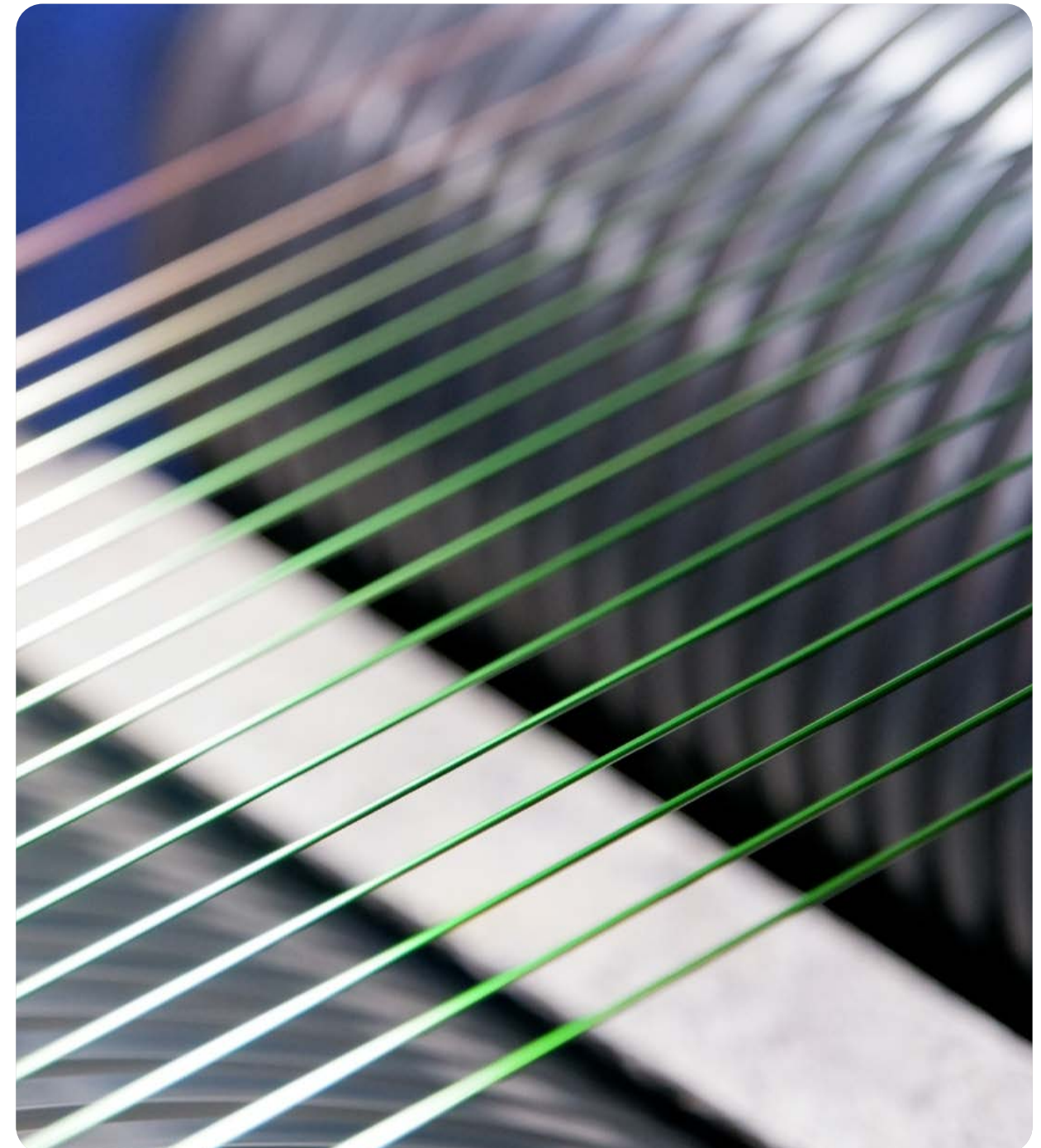
In the process of switching to 100% renewable energy in electricity consumption, in order to reduce and neutralize Scope 2 emissions caused by electricity supplied from the grid. **Green tariff and I-REC** mechanisms are used.

3. Resource Efficiency: Within the scope of resource efficiency, Elsan, especially **raw material and water usage** it focuses on the efficient use of resources used in production processes. In this direction, the reduction of resource consumption, the reduction of production losses and the increase of the efficiency of production processes are aimed.

Water used in machine, equipment and emulsion cooling systems is continuously circulated through closed-loop systems to ensure the reduction of fresh water consumption and the formation of wastewater.

4. Low Carbon Raw Material: In addition to raw material efficiency, low-carbon raw materials are preferred. Within this scope, green aluminum is preferred in aluminum purchases, which is a raw material with high carbon emission intensity.

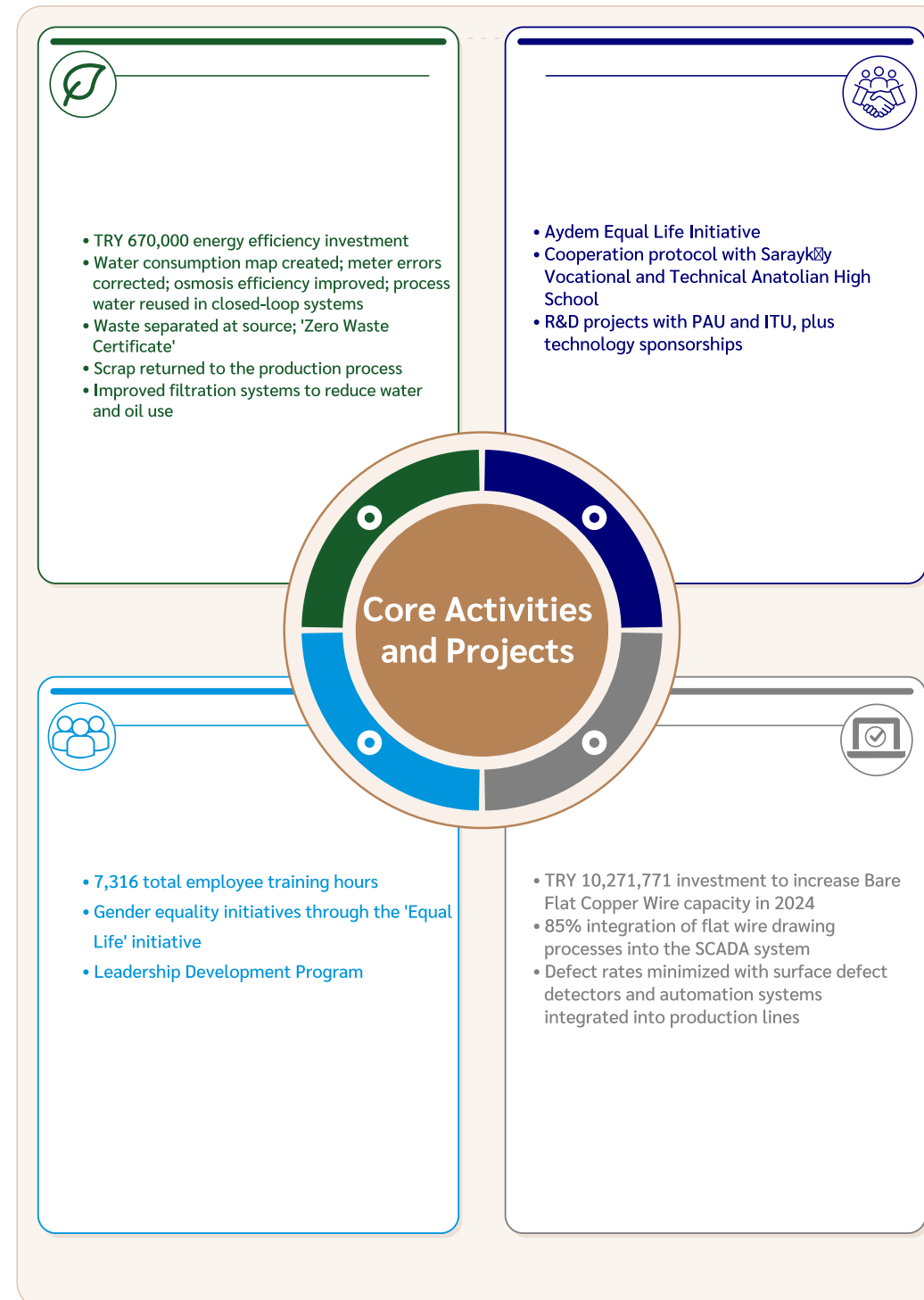
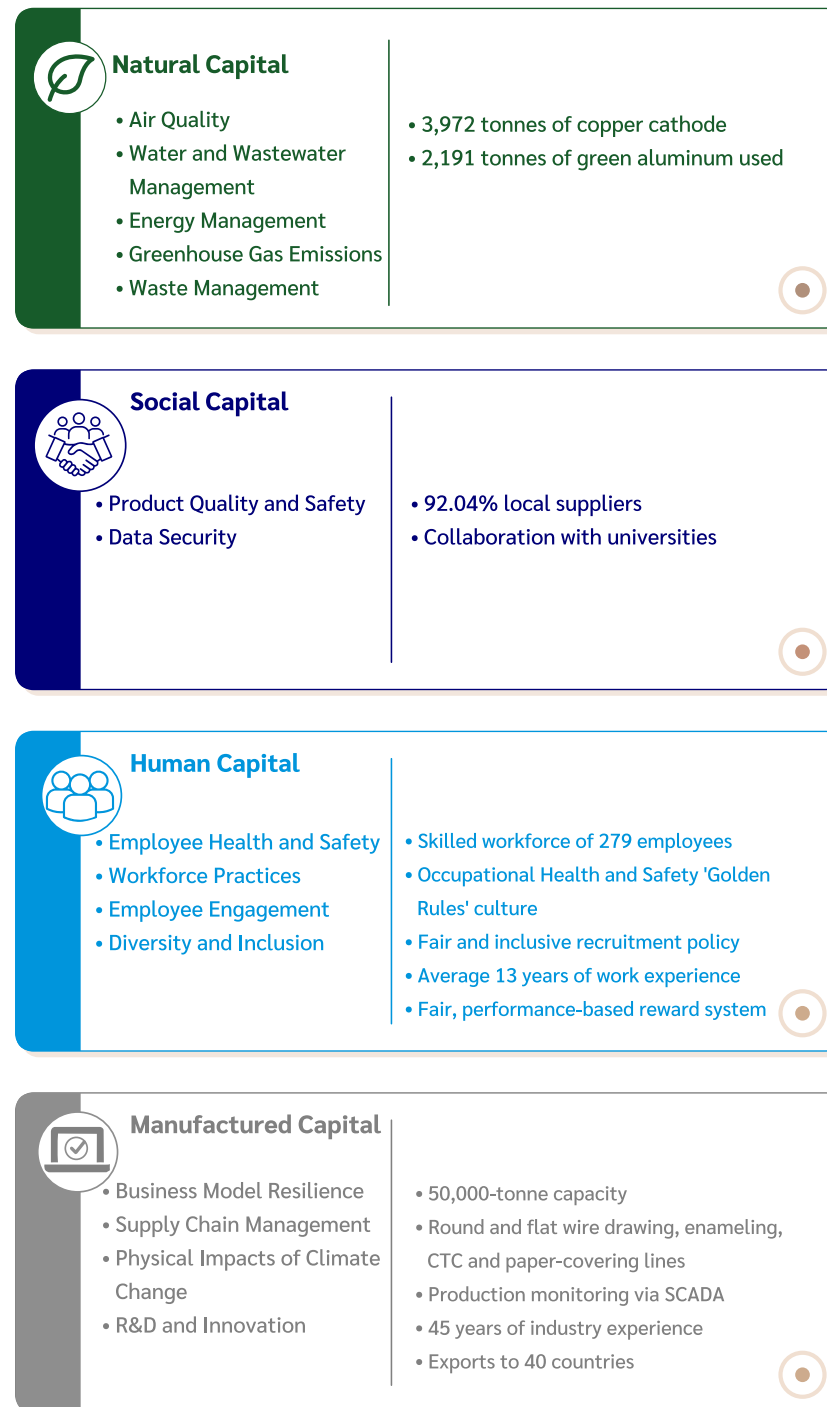
In 2025, 70% of aluminum wire production was carried out using green aluminum.





Value Creation Model

Input



Value Created and Outputs

UN SDGs



Double Materiality

While developing its business strategy, Elsan evaluates the sustainability risks and opportunities with its environmental and social impact in the value chain. In this direction, the company **Double Materiality Analysis** uses ni (Double Materiality).

Double materiality is one of the basic concepts of the European Sustainability Reporting Standards (ESRS), developed by the EFRAG (European Financial Reporting Advisory Group), which expresses the evaluation of companies' sustainability issues from a two-sided impact perspective. According to EFRAG, double materiality requires the simultaneous evaluation of a sustainability issue in terms of impact importance and financial importance.

1. Impact Materiality

It evaluates the important positive or negative effects that the company's activities have or can have on the environment and society.

2. Financial Materiality

It evaluates the risks and opportunities that sustainability issues can create on the company's financial situation, performance and cash flows towards the future.

Within the scope of the Double Materiality Analysis, it has followed the following steps:

- Definition of value chain
- Identification of stakeholders and stakeholder participation
- Determination of important issues
- Environmental and social impact analysis
- Evaluation of sustainability risks and opportunities, detection of those above the threshold of financial importance



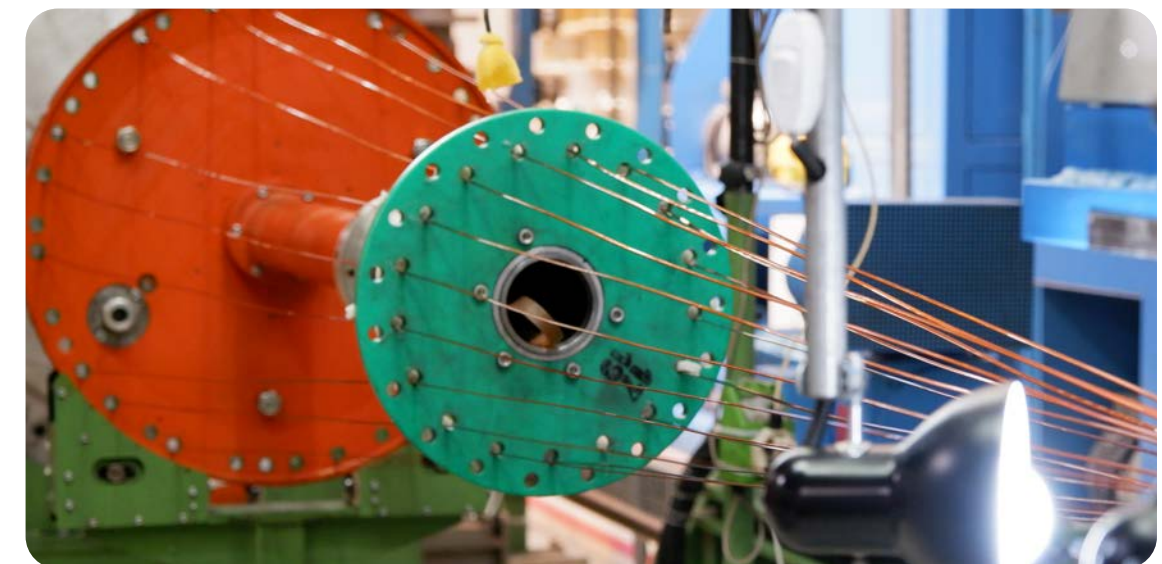
Determination of the Context of the Company and Value Chain Mapping

The environmental and social impacts of companies and the sustainability risks and opportunities can also affect the company's finances by changing the supply chain and/or market conditions, in addition to directly affecting its operations. For an in-depth and comprehensive analysis of the event and risks and opportunities, the first step is to define the company's value chain, evaluate how the value chain elements are affected by the company's activities and how they affect the company in

terms of sustainability.

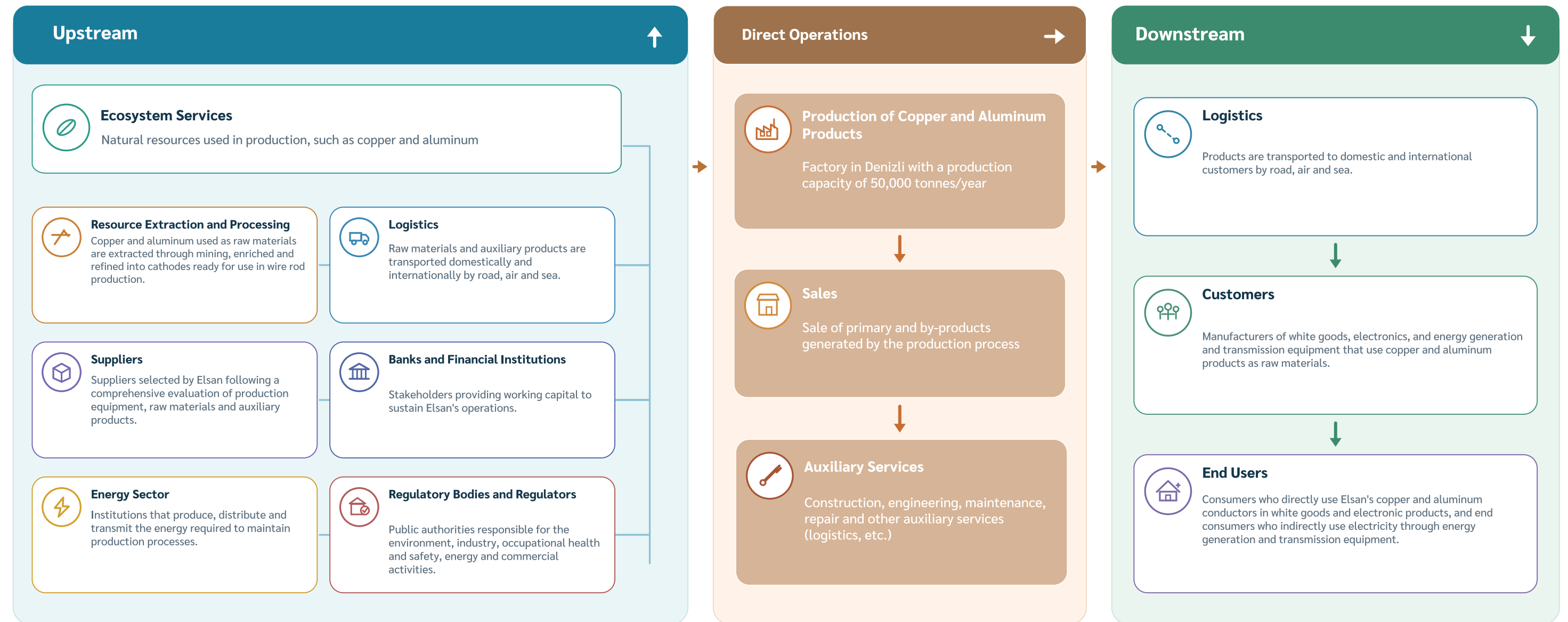
Operational limits were defined in the first stage to evaluate the realized and potential effects of Elsan. The following elements were taken into account in the study:

- Direct operations,
- Business sectors to be added as a result of new investments,
- Upward and downward value chain elements,
- Preparation of a stakeholder map and determination of stakeholder groups.





Value Chain





Stakeholder Participation and Management

Elsan operates a continuous, dynamic, and integrated stakeholder communication mechanism in order to effectively respond to the needs and expectations of its stakeholders, adapt to changing conditions, and create a transparent communication environment. After creating the stakeholder map, the company determined the most suitable and effective communication methods by taking into account the characteristics of each stakeholder group. This structure contributes to strengthening the relationships established with stakeholders while supporting the integration of the feedback obtained into decision-making processes and sustainability management. The stakeholder communication mechanism is regularly reviewed and updated.

As one of its most important stakeholder groups, Elsan continues its interaction with its employees through versatile communication tools. Direct contact with employees is maintained within the scope of management walks held twice a month. The union representative also serves as an employee representative; by attending the Occupational Health and Safety Board meetings twice a month, he contributes to the transfer of employees' opinions and expectations regarding occupational health and safety to management. Issues other than occupational health and safety are addressed through direct consultations with the Human Resources unit and the General Manager. Employee satisfaction and suggestions are regularly evaluated in these consultations. Through the Enport Intranet Platform, employees can follow developments within the company and group, and be informed about social events and announcements. Email communications and social events also support the continuity of interaction with employees.

Beyond its legal obligations, the company has been publishing sustainability reports since 2022 in line with its understanding of transparency and regularly sharing information about its activities through its corporate website. Corporate statements are made available to local and

international stakeholders through the corporate website.

It is important to maintain open and accessible communication with local communities directly affected by its activities. Within this scope, local stakeholders are given the opportunity to have direct meetings with the power plant management, and relationships with the local population are strengthened through social investment projects and cooperation initiatives carried out.

Communication with public institutions and local governments is carried out through official correspondence, permission processes and regular reporting. The company also actively participates in industry associations and platforms, contributing to the legislative development processes and supporting the strengthening of public-sector cooperation with its opinions and suggestions.

Relationships with suppliers and subcontractors are managed in line with Elsan Sustainable Supply Chain Principles. In addition to procurement processes, information sharing and mutual development support are supported through individual meetings, meetings, and supplier evaluation surveys.

Collaborations carried out with universities, research institutions and consultants are focused on information sharing, technical development and innovation. While relations with financial institutions are maintained with regular meetings and a transparent reporting approach; the work carried out with non-governmental organizations, unions and industry associations contributes to creating social benefit and creating common values.

Communication activities carried out through annual sustainability reports, press releases, industry meetings and congresses strengthen the trust relationship established with the company's stakeholders and support the goal of creating long-term value.

Stakeholders	Communication Channels	Communication Frequency
Employees	Management walks, employee trainings, Enport Intranet, e-mail, social events	regular
Holding and Group Companies	Board of Directors meetings, General Assembly Meetings	regular
Public Institutions and Local Governments	Sustainability Report, Online and face-to-face meetings, E-mail, phone and meetings, audits	regular
Customers	Online and face-to-face meetings, E-mail, phone and meetings, Exhibitions, Sustainability Report, Stakeholder Participation Surveys	regular
Supplier and Subcontractors	Sustainability Report, Email, phone, Online and face-to-face meetings	regular
Banks and Financial Institutions	Sustainability Report, Email, phone, Online and face-to-face meetings, Reports	regular
Universities and Research Institutions and Advisors	Online and face-to-face meetings, congresses	regular
Trade Unions, Non-Governmental Organizations and Sector Associations	Sustainability Report, Online and face-to-face meetings	regular
Local Communities	Sustainability Report, Website, Online and face-to-face meetings, Reports	regular
Media, Public Opinion	Sustainability Report, Press releases, Press conferences and face-to-face meetings, social media,	regular

Stakeholders Firstliked Thread Analysis Results

Elsan conducted an internal and external stakeholder analysis in order to shape the sustainability strategy in line with the expectations and priorities of the stakeholders. Within the scope of the study, the sustainability issues determined under the headings of environmental, social and governance (ESG) were evaluated with a 5-point Likert scale. 131 internal stakeholders and 18 external stakeholders participated in the study on behalf of different stakeholder groups; the obtained data were analyzed using the weighted average method and the priority levels of the sustainability issues were determined.

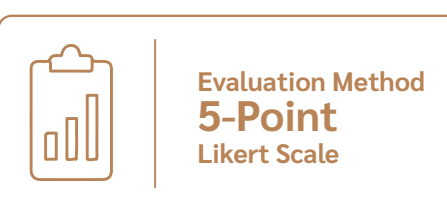
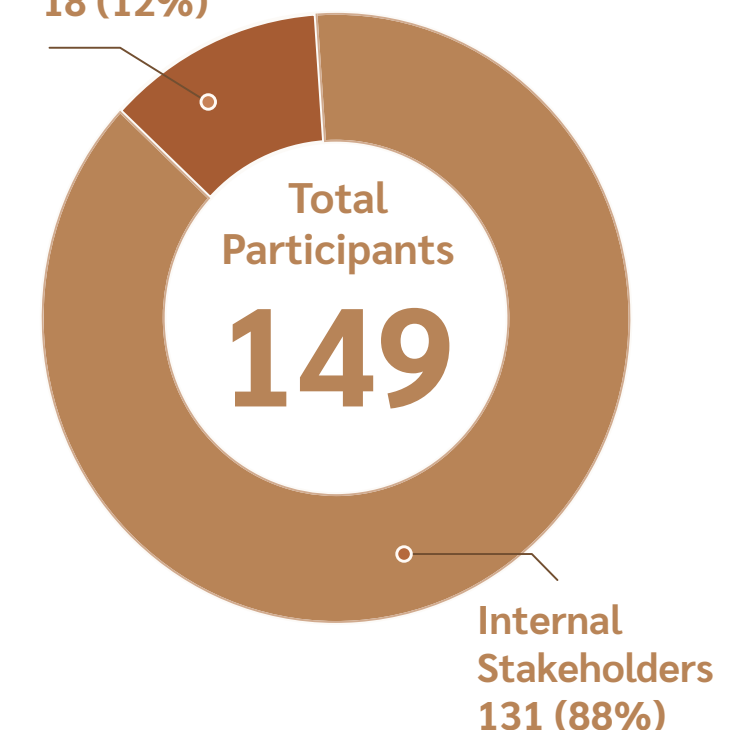
The fact that the average scores of all the evaluated headings range between 4.45 and 4.69 indicates that sustainability should be addressed with a holistic approach in terms of Elsan's activities.

The results of stakeholder analysis have been one of the basic inputs in determining Elsan's priority sustainability issues; they have been taken into account in the processes of developing the sustainability strategy, determining the goals and carrying out the Double materiality assessment.

PRIORITY RANKING		INTERNAL AND EXTERNAL STAKEHOLDER AVERAGE
1		Employee health and occupational safety practices 4.69
2		Ethical business conduct, transparency and anti-corruption 4.68
3		Application of sustainability criteria in the supply chain 4.58
4		Technological improvements to reduce carbon emissions 4.58
5		Energy efficiency 4.57
6		Corporate governance, risk management and compliance 4.57
7		Water use and water efficiency management 4.56
8		Employee rights, diversity and inclusion 4.55
9		Waste management and recycling practices 4.51
10		Contribution to society and social responsibility projects 4.45

Indicator/Result

External Stakeholders
18 (12%)





Determination of Important Topics

Elsan evaluates sustainability and climate change-related risk factors (drivers), impacts and dependencies in an integrated and broad context. Within this scope, the company considers its realized and potential, positive and negative impacts on the economy, environment and people throughout the value chain, including impacts on human rights, in a broad context.

The company determines important issues in the value chain by analyzing past events, the work of global and local sector players, **SASB Sector Guides, ESRS, GRI, S&P, MSCI and TSRS 2 Sector-Based Implementation Guide** it benefited from sources and expert opinions such as; it evaluated the results of peer analysis. As an additional layer, it also took into account the conditions specific to Turkey and the risks associated with sustainability.

Determination of Valleys

The effects of climate change and dependencies on the ecosystem cause companies to face different risks in the short, medium and long term. Therefore, risks and opportunities need to be evaluated in the short, medium and long term.

Within the scope of Elsan's SWOT risk and opportunity analysis, it is defined as short term 0-3 years, medium term 4-10 years, long term 10 years and above, directly related to the planning periods used in the company's strategic decision-making processes.

The short-term period focuses on determining operational priorities and improving existing processes, while the medium-term period covers the planning of investment projects, the adoption of new technologies, and the implementation of strategies towards sustainability goals. The long-term period covers the implementation of transformation projects along the value chain and the realization of the strategic vision in line with the company's sustainable growth goals.

Impact Materiality Assessment

The possible positive and negative effects that Elsan can create in the short, medium and long term along its value chain for the identified important issues have been qualitatively defined. The potential and current effects have been evaluated taking into account their qualitative nature (positive, negative or both), the possibility of occurrence in the short, medium and long term and/or continuing to occur, and the severity of the effect that may occur on the environment and/or society.

In evaluating the effects in the specified areas, SASB Sector Guides, ESRS, GRI, in addition to the metrics recommended in the SASB Sector Guides, ESRS, and GRI, also benefited from local and global, environmental and social standards, the Universal Declaration of Human Rights, ILO Conventions, OECD Guidelines for Business and Human Rights, and the UN Global Compact and Human Rights Guidelines. In addition, the results of the consultations with stakeholders and stakeholder evaluations on important issues were taken into account.

The results measured with metrics and the evaluations of stakeholders were evaluated in line with expert opinions, and the issues that remained above the threshold of impact importance defined by the median impact score were prioritized.





Sustainability- and Climate-related Risk and Opportunity Assessment

Risk factors (drivers), impacts and dependencies related to sustainability and climate change cause companies to face different risks and opportunities in the short, medium and long term. While evaluating the sustainability and climate change related risks and opportunities, the short, medium and long-term impacts and financial importance during the reporting period were taken into account.

Risks and opportunities related to sustainability are evaluated in three main steps.



Step 1: Determination of scenarios

The scenarios to be used in the evaluation of risks and opportunities must be selected in a way that represents the possible risks and uncertainties as comprehensively as possible. In this regard, it was deemed appropriate to evaluate scenarios that highlight both possible transition risks and possible physical climate risks, including a scenario that is compatible with the Paris Agreement, taking into account the expectations and guidelines of the TSRS Standards and the CDP framework. In addition, whether accessible model data are available was also considered in the evaluation. The scenarios included in the final evaluation were selected as a result of the evaluations of the Sustainability and Risk Management departments.

The RCP2.6 and NGFS Below 2°C, RCP3.4 and NGFS NDCs, and RCP6.0 and NGFS Current Policies scenarios evaluated risks and opportunities under three global warming levels and six scenarios, namely “Low Emission”, “Normal”, and “High Emission”, respectively. The NGFS scenarios were mapped to the RCP scenarios based on the November 2024 document “NGFS Climate Scenarios Technical Documentation v5.0” (“NGFS Climate Scenarios Technical Documentation v5.0”) to diversify third-party data sources. In addition to these scenarios, the IEA's Net Zero Emissions by 2050, Announced Pledges and Current Policies scenarios were also taken into account in the evaluation of certain risks and opportunities due to data quality and accessibility.

The NGFS NDCs scenario, due to its basis on the official commitments of the countries and the current policy reality, provides a reasonable middle ground between the most optimistic and the most pessimistic scenarios and is therefore used as the default scenario.

1

In the NGFS Below 2°C (RCP 2.6) scenario early, strong and coordinated policy interventions are foreseen in order to keep the global temperature increase below 2°C. Within this framework, carbon pricing and regulatory instruments are rapidly becoming widespread, the share of fossil fuels in the energy system is decreasing rapidly, and low-carbon solutions such as renewable energy, energy efficiency, storage technologies and green hydrogen are gaining priority. In this scenario, the transition risks are high in the short and medium term, while the physical climate risks remain relatively limited in the long term; despite the initially increasing investment and adaptation costs from a macroeconomic perspective, a more stable and sustainable growth path is emerging in the long term.

2

NGFS NDCs (RCP 3.4) scenario it is based on the assumption of a world where the existing National Contribution Declarations submitted by countries within the scope of the Paris Agreement are fully implemented. In this scenario, climate and energy policies are gradually strengthening, the share of renewable energy is increasing, and emission intensity is decreasing; however, the rate of transformation remains more limited compared to the Below 2°C scenario. This situation leads to the continued presence of fossil fuels in the energy mix for a longer period, while physical climate risks become more pronounced, especially in the medium and long term. While technological developments continue to progress around low-carbon solutions, countries are differentiating; macroeconomically, transition costs remain at more manageable levels, while increasing physical risks and uncertainties are exerting pressure on the long-term economic outlook.

3

In the NGFS Current Policies (RCP 6.0) scenario it is assumed that only the policies already in force continue, and no additional climate policy tightening occurs. On this path, emissions continue to remain at high levels, energy systems are largely dependent on fossil fuels, and the spread of low-carbon technologies is limited. As a result, physical climate risks reach their highest level in this scenario; extreme weather events, droughts and temperature increases have serious negative effects on economic activities and infrastructures.

2. Step: Determination of risks and opportunities

In the process of determining potential risks and opportunities that may affect the company's financial performance, financial position and/or cash flows; past risk and opportunity inventories, SASB sector guides, frameworks for its organizations such as S&P and MSCI, and peer risk and opportunity statements with the EU Taxonomy Regulation for physical climate risks were examined.

The determined risk and opportunity factors, the potential transmission channels through which these factors can turn into financial effects, the possible changes that may occur on a scenario basis in the risk and opportunity factors, and the possible financial effects that these changes may create on a short, medium and long-term basis throughout Elsan's value chain have been qualitatively defined.

3. Step: Evaluation of risks and opportunities

A feasibility analysis was carried out to evaluate the suitability of qualitative or quantitative scenario analysis methodologies for each identified risk and opportunity factor. Within this scope, the cost of internal data and third-party data, modeling approaches, and the maturity of modeling competence for the company were considered, and the opinions of the relevant departments and subject experts were taken in this direction. Internal and third-party data were collected for each risk and opportunity, and the suitability of replacement (proxy) data was evaluated when the necessary data were not available.

For risk and opportunity factors deemed appropriate for quantitative evaluation, the approach has been shaped according to the channels of approach transfer. In this regard, the models established evaluated the potential financial effects of net risks against their absolute monetary values and the ratios of the relevant financial indicator. The results of these modeling should be used as an evaluation of potential futures, not as prediction or forecasting. Within this framework, it should be borne in mind that the effects of all actions taken and/or that may be taken to manage risks cannot be captured.

The company has benefited from past events, the work of global and local sector players, sector guides, scenario analyses, the SASB sector guide, the Climate Disclosure Standards Board (CDSB) Framework Implementation Guide and the Guide on Sectoral Implementation of TSRS 2 in determining the risks and opportunities that may reasonably affect its financial viability in the future.

For risks and opportunities that cannot be evaluated quantitatively due to insufficient data and/or high uncertainty, a qualitative evaluation was carried out using desktop research results based on consultations with relevant subject experts and sectoral and thematic reports.





Double Materiality

Subject	Category	Realized / Potential	Upward Value Chain							Operations			Downward Value Chain			Time interval
			Ecosystem Services	Resource Extraction and Processing	Logistics	Suppliers	Banks and Financial Institutions	Energy Sector	Regulatory Institutions and Regulators	manufacture	Sales and Marketing	Auxiliary Services	Logistics	Customers	End Users	
Climate change	⊖	Realized		Greenhouse gas emissions						Greenhouse gas emissions			Greenhouse gas emissions			○○○
	⊕	Realized		Sustainable supply chain and low carbon raw material use												○○○
	⚠	potential		Carbon pricing mechanisms				Carbon pricing mechanisms						Carbon pricing mechanisms		○○
	⚠ ✓	Realized												Changing customer and consumer expectations		○○○
	✓	Realized				Low carbon products								Low carbon products		○○○
Water	⊖	Realized								Water consumption						○○○
energy	✓	potential								Electricification and renewable energy consumption						○○○
	⊖	Realized								Energy consumption						○○○

⊕ Positive Impact ⊖ Negative Impact ✓ Opportunity ⚠ Risk

○ Short Term ○ Medium Term ○ Long Term

Environmental Performance

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Environmental performance at Elsan is managed within the framework of the Environmental Policy and Sustainability Policy, with full compliance with legal legislation and the principle of continuous improvement. The company applies the ISO 14001:2015 Environmental Management System, ISO 50001:2018 Energy Management System, ISO 14046 Water Footprint Standard, and ISO 14064 Greenhouse Gas Calculation and Verification standards with a holistic approach. This management system covers the areas of air quality protection, energy and resource efficiency, water and wastewater management, waste management, and biodiversity.

Operational activities related to reducing, managing and reporting environmental impact **Integrated Management System Directorate** is carried out by. The team is responsible for the coordination of sustainability goals and prepares weekly and monthly reports to the General Manager and the HSE and Sustainability Group Directorate. At the strategic level, appointed by the Board of Directors. **Sustainability, Environment, Occupational Health and Safety Committee**, it evaluates the projects developed to improve environmental performance every three months. In addition, in order to monitor energy performance and identify opportunities for improvement **Energy Committee** it plays an active role.





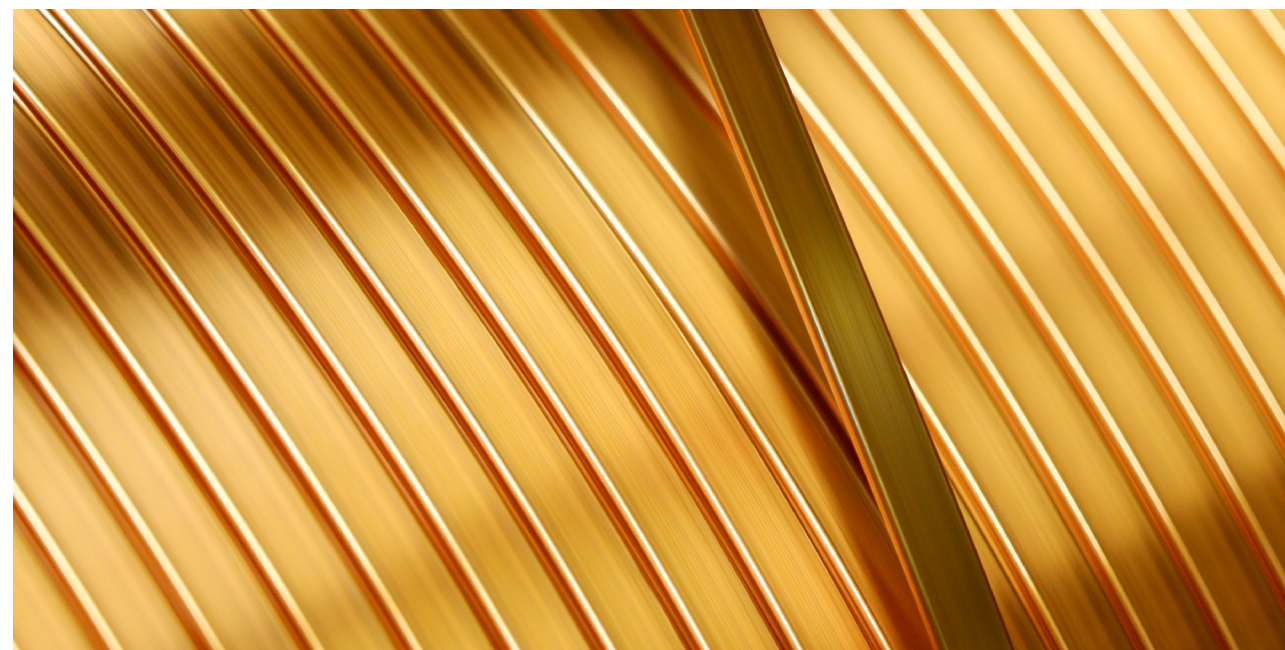
Energy Management

Elsan applies the ISO 50001:2018 Energy Management System standard in energy management processes. These processes are based on the regular measurement, monitoring and analysis of energy consumption; all important energy uses are determined and tracked in comparison to targets through Energy Performance Indicators (EnPI).

The coordination and supervision of energy management processes are carried out by the Energy Committee. This committee periodically evaluates energy performance, identifies improvement opportunities and implements action plans. The committee consists of the production, human resources, integrated management system, planning, procurement and automation departments and the energy manager. At the operational level, all activities are carried out in accordance with the Energy Management Instructions prepared to increase employee awareness.

Continuous improvement studies are carried out in energy-intensive equipment and processes. Within this scope,

- Energy-efficient technologies are preferred in new investments,
- Modernization of equipment with low energy performance is provided,
- Energy consumption is tracked instantly with digital monitoring systems.



Energy Efficiency Projects

- In 2024, investments were made to increase the capacity of the naked flat copper wire. A machine investment of 271,000 USD was made.
- Within the scope of energy efficiency studies in 2025, various optimizations and efficiency-increasing projects were implemented in production processes, and 223,000 kWh of energy savings were achieved annually as a result of an investment of 670,000 TL.
- Within the scope of the design and optimization studies to be implemented in wire drying systems in 2026, a reduction of 40% in the consumption of compressed air in the production of bare flat copper wire is aimed, with an annual energy saving of 90,000 kWh, and within the scope of the project to replace the existing compressors in compressed air systems with inverter-driven compressors, an annual energy saving of 47,500 kWh is aimed.



GHG Emissions Management

Within the framework of its Environmental Policy and Sustainability Policy, Elsan aims to reduce greenhouse gas emissions from its activities within the axes of energy and resource efficiency, electrification and renewable energy transformation. The company calculates greenhouse gas emissions annually within the framework of the ISO 14064-1 standard and the GHG Protocol, verifies them with independent accredited organizations and shares them with the public. Greenhouse gas emissions are monitored by the Sustainability, Environment, Occupational Health and Safety Committee with its energy and resource efficiency targets.

The operational monitoring of emission management activities, carbon footprint calculations and reporting processes are carried out by the Integrated Management System Directorate and the Sustainability Group Directorate of Aydem Holding HSE.

Within the scope of its sustainability and decarbonization strategy, Elsan focuses on energy and resource efficiency. At the same time, it carries out electrification projects in conjunction with renewable energy transformation.

Studies to Reduce Scope 1 and 2 Emissions

Within the scope of the decarbonization roadmap, Elsan has ensured electrification in all production processes. 546,247 kWh of electricity was produced annually from the roof-type solar energy system (GES). Thanks to the studies carried out within the scope of energy efficiency, the scope 2 emissions are also reduced. In addition, I-REC certified renewable energy is preferred for all the electricity consumed from the grid.

Thanks to energy efficiency projects, electrification and machine modernizations, as well as renewable energy investments, a 5% reduction in scope 1 emissions and a 19% reduction in location-based scope 2 emissions were achieved between 2022-2025. A 36.8% reduction in total carbon emission intensity was achieved between 2022-2025.

Studies planned within the scope of the transition to renewable energy:

- Projects are being developed to increase the proportion of renewable energy directly instead of the grid in electricity consumption,
- Roof-type solar energy systems and alternative clean energy solutions are being evaluated,
- Efforts are being made to take advantage of waste heat,
- Approaches that encourage low-carbon energy use in the supply chain are being adopted.



Management of Other Pollutants

Elsan, due to the sector in which it operates, is Industrial Source. **Regulation on the Control of Air Pollution** and is subject to the relevant regulations. The company has developed its processes to fully comply with the legislation in this context. The main pollutants formed within the scope of production activities consist of volatile organic compounds (VOC) and particulate matter.

VOC emissions caused by painting processes are measured by authorized laboratories every 2 years and kept below legal limit values.

Scope 3 Studies to Reduce Emissions

Within the scope of reducing Scope 3 emissions, focus is being placed on the supply of low-carbon raw materials. In this context, green aluminum was started to be supplied as a raw material in 2022. In 2025, 70% of aluminum purchases will be provided by green aluminum. Companies with EPD certificates in cathode and copper purchases are given priority. In this way, the aim is to reduce emissions from purchased raw materials, which constitute the majority of Scope 3 emissions.

The rolls of packaging used to wrap the products sent to customers for the reduction of scope 3 emissions caused by transportation, waste reduction and for the circular economy are recycled for reuse.

As a result of the studies, the scope 3 emission intensity was reduced by 0.38% between 2022-2025.



Projects aimed at being implemented in the future in order to further reduce the emission load:

• Research and Development Focused Reduction

With the periodic flue gas measurements to be carried out on the enamel production lines, the determination of catalyst efficiency is aimed at reducing emissions by providing energy savings thanks to process optimization.

• Direct Reduction Priority

In line with greenhouse gas emission reduction targets, technical investments aimed at reducing emissions at their source through the optimization of energy efficiency and resource use will be prioritized.

• Digital Tracking

The scope of Energy SCADA Automation, which is integrated into production lines for more accurate tracking of emission data, is planned to be expanded.

Carbon Footprint Data Verified According to ISO 14064-3 Standard for the Years 2022-2025

Greenhouse Gas Emissions	unit	2022	2023	2024	2025
Scope 1	tCO ₂ e	1,120.00	1,045.99	1,077.95	1,058.78
Scope 2 (location-based)	tCO ₂ e	13,243.92	12,466.61	11,310.17	10,732.92
Scope 2 (market-based)	tCO ₂ e	13,243.92	0.00	0.00	0.00
Scope 3*	tCO ₂ e	142,992.96	100,938.41	85,539.74	88,778.90
Total CO ₂ Emissions**	tCO ₂ e	157,356.88	114,451.01	97,927.86	100,570.42
density	tCO ₂ e/ ton production	8.34	8.33	5.07	5.27

*The scope includes goods and services purchased for 3 emission allowances, fuel and energy activities, up and down transportation, waste generated in operations, business trips, employees' commuting to and from work.

**Calculations with CO₂, CH₄, N₂O, SF₆, HFCs gases are included. Processes based on biomass combustion or biological degradation in our activities since it is not present, there is no biogenic CO₂ emission. Therefore, biogenic CO₂ emissions were not reported during the reporting period.

Water and Wastewater Management

Water management processes are carried out within the framework of full compliance with the ISO 14046 Water Footprint Standard and the Water Pollution Control Regulation. Instead of using groundwater or surface waters in production processes, the company meets all its needs from the municipal network. The network water converts it into pure and soft water through two-stage osmosis systems.

Water used in machine - equipment and emulsion cooling systems is operated with closed-loop systems. In this way, process water is continuously circulated to reduce the need for freshwater; the amount of wastewater is kept at the lowest level. In addition, the water obtained from these processes is reused in garden irrigation and social facilities.

Wastewaters are analyzed every 3 months in terms of water quality index, pH and metal parameters and discharged into the sewage system

within the legal limit values.is discharged. Water consumption is monitored monthly and annually by the Integrated Management System Directorate and possible inefficiencies are tracked in real time.

Thanks to the design, filtration and infrastructure improvements carried out in emulsion systems, as well as the training and standardization studies carried out, operational efficiency has been increased and energy and resource consumption has been optimized. With the revisions in heating and pump systems, processes have been systematized and operational costs have been reduced. As a concrete indicator of these studies, the emulsion consumption has decreased by 51.96% compared to the average of the past five years at the end of 2025. With the implementation of SCADA-supported monitoring systems, emulsion process parameters have been managed more accurately and reliably, and continuity has been ensured in production processes.

Planned Projects

Elsan aims to further reduce water consumption per ton and minimize the pressure on the ecosystem due to its operation in an area with high water stress.

In line with its continuous improvement vision, Elsan has created a comprehensive digital water consumption map throughout the facility; providing operational optimization by eliminating meter errors and increasing the efficiency of osmosis systems.

In the future period; evaluation of new R&D opportunities in terms of water recovery and reuse, development of a digital water consumption map throughout the facility and widespread implementation of water efficiency training for employees. is planned.

Water Footprint

In order to determine its effects on water, it adopts a systematic evaluation approach. Within this scope, the use of water in operational activities, the formation of wastewater and the potential risks of water pollution are analyzed.

During the evaluation process, environmental dimension and impact analysis are carried out for the production processes, and water consumption is monitored daily. These evaluations are reviewed annually and updated at interim periods if there are significant changes.

The company performs its calculations within the scope of the ISO 14046 Water Footprint Standard in order to base the management of water resources on scientific data and validates the obtained data through independent verification organizations.

2022-2025 Water Footprint

Water Footprint	unit	2022	2023	2024	2025
blue	m ³ /year	36,262	34,235	31,644	26,567
green	m ³ /year	11,795	11,795	11,830	11,768
grey	m ³ /year	22,831	23,965	26,654	1,913
density	Network water m ³ /ton production	1.92	1.71	1.74	1.39

Implemented in 2025 **Water Systems Optimization project** in;

- Improvement of Reverse Osmosis (Reverse Osmosis) water purification systems,
- Tracking of water production and consumption data throughout the facility via a central monitoring-control system (SCADA),
- Updating of on-site water supply line schematics,
- The aim is to establish waste water control mechanisms.

As a result of these efficiency studies,it saved a total of 7,400 tons (%29) of water in 2025.



Waste Management

Waste management, full compliance with relevant legal regulations and **ISO 14001:2015 Environmental Management System** it is carried out within the framework of the standard. The company has been approved by the Ministry of Environment, Urbanization and Climate Change since 2020. **Zero Waste Certificate** what does it have.

It is based on full compliance with national legal regulations such as the "Regulation on the Control of Industrial-Related Air Pollution".

The operational monitoring of waste management activities and the management of Zero Waste targets are carried out by the Integrated Management System Directorate. The reduction of pro-

duction process waste is reduced as basic performance indicators (KPIs) every year and The amounts of recycled waste are regularly monitored and reports the data to the upper management in relation to efficiency performance.

Waste management at Elsan is carried out according to the waste hierarchy and principles of circularity. In this context, the first step is **prevention of waste formation** although copper and aluminum are 100% recyclable, recycling processes also increase water, energy and resource consumption. When waste formation cannot be prevented, reuse options are evaluated. When these are not possible, recycling processes are activated.

The company prevents waste formation and identifies opportunities

for circularity.the entire process from raw material input to final product output for the purpose of making **life cycle**It follows with analysis schemes. Within the scope of these schemes, all processes are analyzed and the types of waste generated at each stage are defined. In order to reduce the effects, it carries out studies aimed at the efficient use of inputs, the optimization of processes and the reduction of waste generation at its source.

Within the scope of operational activities, production processes are optimized to reduce scrap rates and chemical usage amounts are kept under control. In order to minimize waste formation, process improvement and maintenance activities are regularly carried out. As a result of the studies in 2025, the targeted scrap rate in production was reduced by 4%.

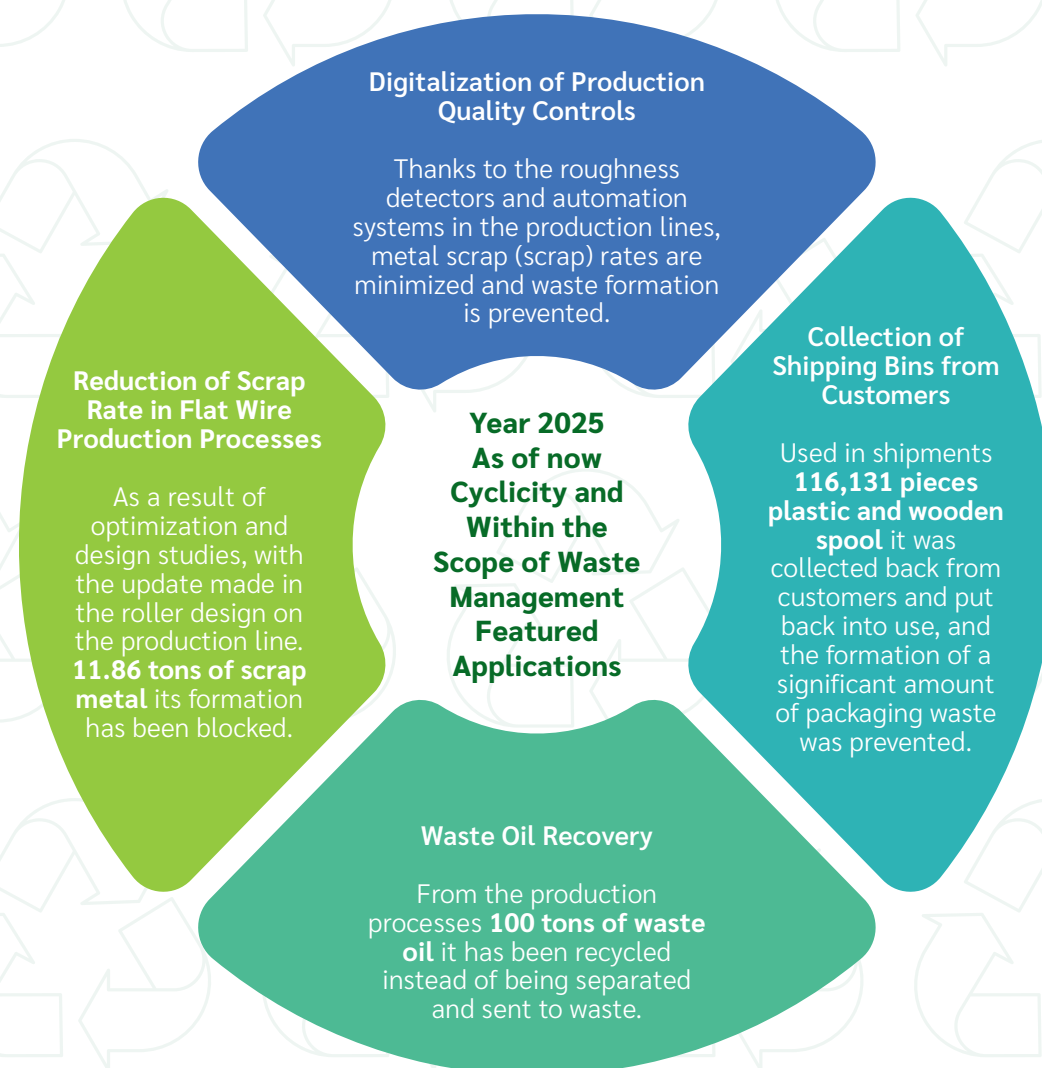
- Within the framework of material selection and product approach, the use of recyclable raw materials is encouraged, and it is supported that products can be recovered at the end of their useful life.
- Within the scope of supply chain management, it is encouraged to work with suppliers with high environmental performance and it is aimed to obtain raw materials from sustainable production processes.
- The reduction of scrap rates in production processes and the development areas for resource efficiency are regularly reviewed; improvement projects supported by digital tracking mechanisms are implemented.
- The last stage of the value chain, which is the effects after customers, are related to the waste and packaging waste that may occur after the use of the products. The use life of enamel coil wires can be included in recycling processes at the end of their life cycle, and this situation contributes to reducing the effects of waste.
- Alternative solutions are being developed for waste formation points outside the production processes; especially solutions are being developed for the reuse of packaging and transportation equipment.



Waste Management Processes

Dangerous and non-hazardous waste, which is separated according to color codes at its source, is collected in separate categories and stored in leak-proof temporary storage areas designed not to harm the environment and human health.

All companies that receive waste transportation and disposal services have valid licenses issued by the Ministry of Environment, Urbanization and Climate Change. The license documents of the companies are regularly checked. All processes related to the transportation and disposal of waste are monitored through the national waste transportation system and the relevant transportation and disposal/recovery records are made through the relevant transportation and disposal/recovery registration system.



In 2025, 1,219 tons of non-hazardous waste and 119 tons of hazardous waste were recycled. The only type of waste that was incinerated was medical waste, with only 11 kg.

With the scrap reduction target given every year, both process production efficiency is ensured and energy and water consumption are reduced.

Planned Projects

Elsan, in order to take waste management to a higher level in the coming period is planning these projects:

Increasing Recycling Rates

The goal is to systematically increase the recycling rates with the individual and corporate targets determined every year.

Product Lifecycle

In order to support the fact that products can be completely recovered at the end of their useful life, it is planned to increase the share of recyclable materials in the selection of raw materials.

Supply Chain Integration

Within the scope of sustainable supply chain management, it will be encouraged for suppliers to adopt similar waste management standards and these criteria will be more intensively included in the control processes.

Digital Traceability

New automation solutions are being studied for more accurate digital tracking of waste data and downtime rates in an integrated manner with production lines.

Noise Management

Elsan is exempt from noise effects within the scope of the current Environmental Impact Assessment (EIA) legislation. However, in line with the environmental responsibility and employee health approach, equipment maintenance activities are carried out for the control of noise sources, not limited to legal requirements, technical improvements are made when necessary, and the effects on the environment are minimized.



Biodiversity Management

Elsan carries out biodiversity management with the responsibility of minimizing its effects on the environment and supporting the sustainability of natural life. The company's effects on biodiversity are systematically evaluated under the headings of land use, emission management, waste management and water consumption.

The facilities owned or operated by Elsan are not located in protected areas; they are not located in areas of high biodiversity value or adjacent areas to these areas. However, Elsan considers the biodiversity impact in a broad perspective that includes ecosystem impacts in the supply chain beyond its direct operations.

The management, monitoring and reporting activities of environmental impacts related to biodiversity are carried out by the Integrated Management System Directorate. This unit monitors emission and waste data within the framework of the environmental management system and controls the indirect effects on the ecosystem. At the strategic level, the development of biodiversity-supporting policies and the determination of targets are coordinated in line with the sustainability vision of the senior management.

Basic studies carried out within the scope of biodiversity as of the reporting period:

Supply Chain Impact Analysis: The effects of the supply of raw materials for copper, aluminum and varnish on biodiversity have been examined; it has been determined that the highest risk originates from mining activities in the supply chain (habitat loss, deforestation, water pollution). These effects are concentrated in regions with high biodiversity values such as South America and West Africa. Elsan's activities in the supply chain are mainly carried out in countries such as the Arabian Peninsula, Europe and Asia; purchases are not made from West Africa and South America, where the biodiversity impact is high.

Responsible Supplier Selection: In order to reduce the local effects of mining and chemical production processes, a working principle has been adopted to work with suppliers with low product carbon footprint and sustainable certifications.

Pollution and Emission Control: The pressure on the ecosystem is minimized through the regular monitoring of emission scopes 1, 2 and 3 and waste management carried out in accordance with the principles of cyclicity.

Sensitive Ecosystem Assessment: As a result of the analyses, it was determined that the company does not have a direct and significant impact on sensitive ecosystems, but that the control of indirect effects is critical.

Planned Projects

In line with its future vision, Elsan has planned projects to strengthen its biodiversity performance:

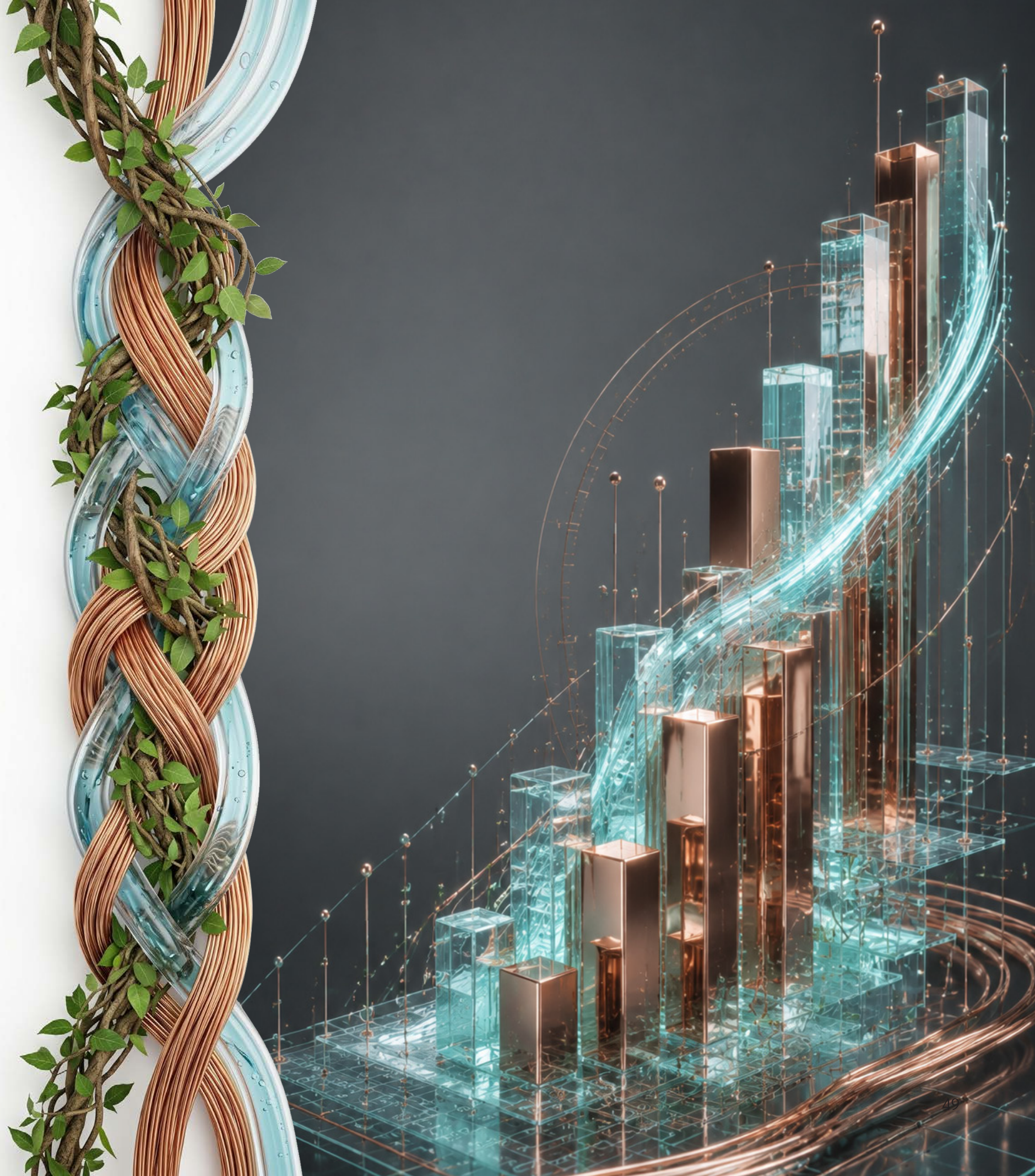
Biodiversity Plan: Studies are being carried out on the development of a specific Biodiversity Strategy and Action Plan for the protection of biodiversity.

Expansion of Application Areas: In line with the goals of reducing water and energy consumption, it is aimed to disseminate directly supportive practices for biodiversity throughout the facility.

Continuous Improvement: It is planned to systematically reduce the environmental footprint on natural life every year through projects to reduce carbon emissions and resource efficiency.

Economic Performance

Direct Economic Value Produced and Distributed	50
Compliance Support with the Green Agreement: Responsible	52
R&D	53
Digitalization	55
Sustainable Supply Chain Management	56

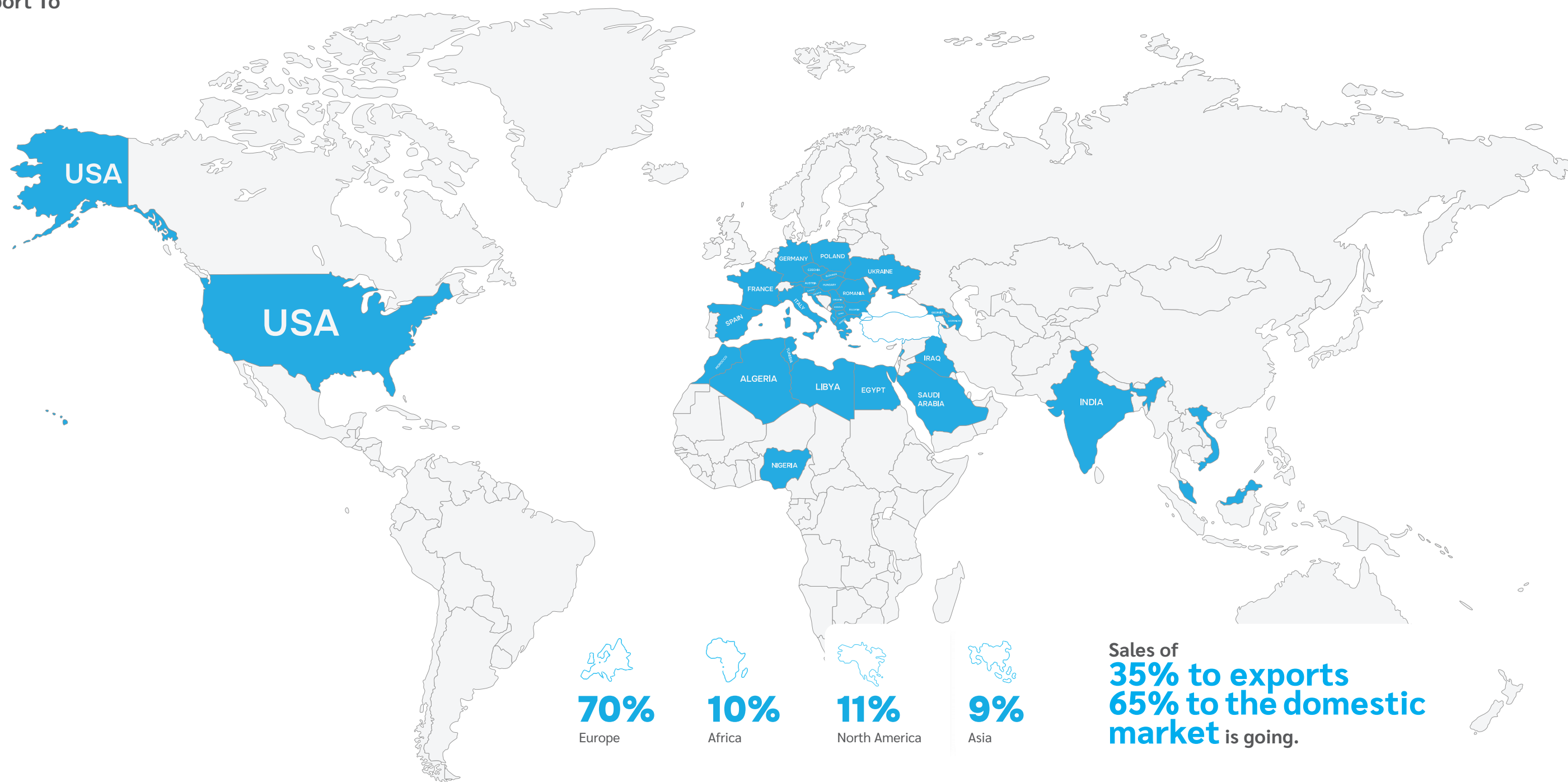


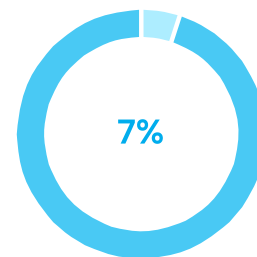
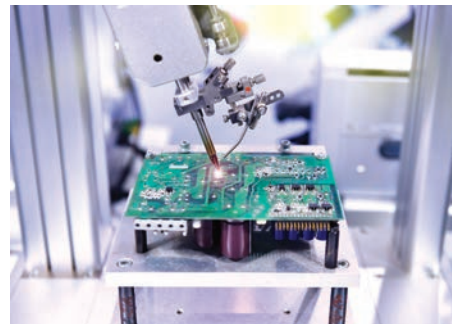


Direct Economic Value Generated and Distributed

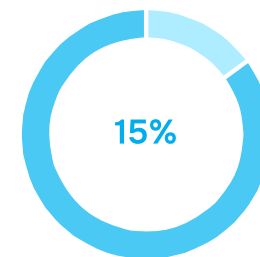
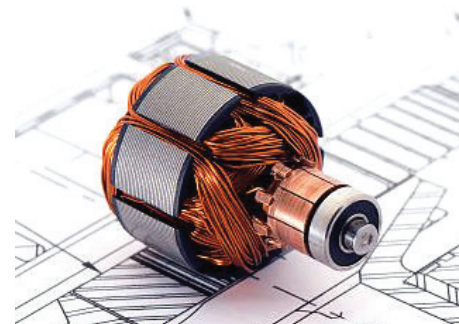
Countries We Export To

- Egypt
- Poland
- Serbia
- Italy
- Slovakia
- India
- Bulgaria
- Slovenia
- Czech Republic
- Romania
- Albania
- Libya
- Germany
- United States
- Nigeria
- Kosovo
- Azerbaijan
- Croatia
- Morocco
- Spain
- Tunisia
- Hungary
- Georgia
- Austria
- Lebanon
- Ukraine
- Greece
- Saudi Arabia

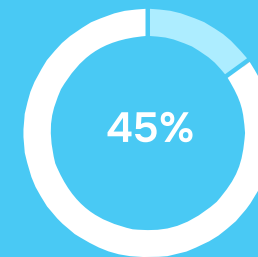




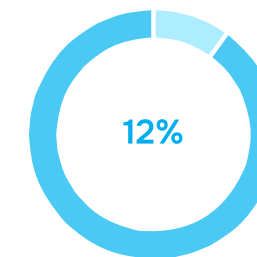
Electrical and Electronic Machinery



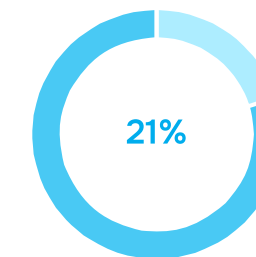
Electric Motors



Transformers



Automotive



Other

Elsan manages its economic performance not only with financial returns; but as a whole with quality, resource efficiency and social benefit criteria. The company has established a transparent, accountable and traceable financial structure in line with corporate governance principles; aligned short-term financial success with the long-term expectations of its stakeholders. The tax strategy and financial processes are designed to effectively manage tax risks and fairly distribute the economic value to the entire value chain in full compliance with national legislation and international standards.

As of 2025, the basic data regarding the direct economic value and distribution created by Elsan are as follows:

- **Financial Volume:** The company achieved a net sales revenue of 4.6 billion TL in 2025.
- **Green Transformation:** In 2026, the right to use the label was acquired within the scope of the Responsible® program.
- **Contribution to the Local Economy:** As one of the oldest and most established companies in Denizli, Elsan supports regional development through local employment and local procurement. The company allocates approximately 21.5% of its purchasing budget to local suppliers.

Green Deal Compliance Support: Responsible

Elsan, a 45-year-old established exporter, was implemented by the Turkish Ministry of Trade. **Responsible® (Green Agreement Compliance Project Support)** in line with the evaluations carried out within the scope of the program, it has been entitled to use the Responsible® label from 2026 onwards.

Within the scope of the program, the company's current situation in the areas of environmental, social and governance (ESG) was analyzed, a development roadmap was created and the right to benefit from state support and incentive mechanisms for the projects prepared in this direction was granted.

The processes of making applications within the scope of the Responsible® program, determining areas of development and creating project cards are coordinated by the Integrated Management System Directorate, Aydem Enerji HSE and Sustainability Group Directorate.



R&D

Although Elsan has not reported any separate Research and Development (R&D) activities on an enterprise basis as of the reporting period, it integrates innovative technologies into production processes in order to increase operational efficiency and minimize environmental impact.

The strategic studies carried out throughout 2025 have made significant gains in the fields of digitization, operational efficiency, raising quality standards, energy and water savings, and occupational health and safety.

In this process, it was not limited to the protection of existing competencies, but significant developments were also made in the product portfolio. In line with the advances in production technologies, operational limits were imposed to expand the diameter range, and product diversity was increased in accordance with the dynamic needs of the market. Thanks to the technology-oriented approach and the discipline of continuous improvement, progress continues in line with the goals of environmentally friendly and sustainable production. Years of sectoral expertise are integrated with an innovative vision, expanding technical capabilities, and strengthening competitiveness on a global scale day by day.

Elsan positions its technological transformation and innovation activities focused on product and process improvement as a basic priority in line with its sustainable growth strategy. In this context, the aim is to increase operational efficiency, modernize production processes, and adopt advanced technologies that will contribute to environmental and economic sustainability. The company is increasing its competitiveness by developing innovative solutions; these efforts also contribute to achieving a strong position at the global level by expanding customer and product diversity.

Occupational health and safety within the framework of the projects carried out within the scope of, in order to reduce the risks in the production environment, the noise levels in the Con-form extrusion process were reduced and noise exposure was controlled. Work comfort was increased and an ergonomic and sustainable production environment was provided. These studies directly contribute to both the protection of worker health and production efficiency.

In line with the understanding of environmental sustainability **water and energy management** it was among the priority areas of study. In order to effectively use water resources, efficiency was increased in RO and drinking water systems, consumption data was regularly monitored and analyzed. Monitoring and control processes are strengthened with SCADA integration. As a result of the improvements made, 7,400 tons of water savings were achieved annually and the set targets were exceeded with the studies carried out in the osmosis systems, DESKİ line and wastewater infrastructure.

These studies in the field of water management are also being disseminated in ELSAN-1 in line with the 2026 Sustainability Strategy and are planned to be implemented within the current year. With these steps to be taken, it is aimed to create a standardized and traceable water management infrastructure in all facilities; to increase resource efficiency in the long term and to minimize environmental impacts.

Within the scope of energy efficiency studies in 2025, various optimizations and efficiency-increasing projects were implemented in production processes, and as a result of these applications, an annual energy saving of 223,000 kWh was achieved.

Within the scope of the design and optimization studies to be

implemented in wire drying systems in 2026, a reduction of 40% in the consumption of compressed air in the production of bare flat copper wire is aimed, with an annual energy saving of 90,000 kWh, and within the scope of the project to replace our existing compressors in our compressed air systems with inverter-driven compressors, an annual energy saving of 47,500 kWh is aimed. These projects will both significantly reduce our operating costs and directly contribute to reducing our carbon footprint.





Efficiency and Operational Excellence

Comprehensive improvement studies are being carried out in the existing systems in order to support the sustainability of the production infrastructure.

Thanks to the design, filtration and infrastructure improvements carried out in emulsion systems, as well as the training and standardization studies carried out, operational efficiency has been increased and energy and resource consumption has been optimized. With the revisions in heating and pump systems, processes have been systematized and operational costs have been reduced. As a concrete indicator of these studies, the emulsion consumption has decreased by 51.96% compared to the average of the past five years at the end of 2025. With the implementation of SCADA-supported monitoring systems, emulsion process parameters have been managed more accurately and reliably, and continuity has been ensured in production processes.

With the efficiency projects carried out throughout the facility, the scrap rates of the final products have been reduced, resource use has been optimized and important contributions have been made to the sustainable production goals.

In 2026, the implementation of the following strategic studies is planned within the scope of Efficiency and Operational Excellence:

- The aim is to implement online surface and dimensional error detection systems in the production processes of aluminum and copper bare flat wire. Thanks to these systems, it is aimed to reduce scrap rates, reduce production costs and increase overall production efficiency by providing instant quality control in the production process.

- The efficiency gains obtained in emulsion systems and the applied improvement methodology will also be widely implemented in other production processes in 2026. Optimizing resource use and reducing operational costs are expected.

- With the capacity optimization studies to be carried out in the production processes, it is aimed to meet part of the need for incoming wire purchased externally by using the existing casting process capacity. Thus, the aim is to reduce supply costs, reduce external dependence and strengthen vertical integration in production processes.

Quality Management

The digitization and automation studies carried out in quality control processes have increased the reliability of the test processes. In this way, full compliance with customer specifications has been ensured, quality continuity in production has been strengthened and process stability has been increased.

The improvements made in the quality control processes of emulsion systems have brought stability to product quality and ensured that the performance of the final product is ensured in a sustainable manner.

Customer Satisfaction and Market Focus

In order to be able to respond quickly and effectively to customer expectations, product and process development studies are carried out with a customer-oriented approach. The implementation processes of new product requests from foreign and domestic customers have been completed; all these products have been successfully transferred to mass production. The productions and technical

improvements carried out have directly contributed to increasing customer satisfaction and supporting the company's competitiveness in the market.

New Product Development and R&D Activities

The company continues its efforts to develop its product portfolio in line with its R&D and innovation-oriented approach.

In line with the newly emerging needs in the sector, production trials were carried out for the use of paint with a 240°C heat class; process parameters were established and an operational infrastructure was gained that can respond to the demands for advanced technology products requiring high temperature resistance. This study increased the company's innovative material usage capability and prepared the organizational processes for the demands for advanced technology products.

Thanks to the process improvements carried out on enamel-coated flat sectioned copper wires, the required Rp0.2 220 N/mm² mechanical strength value requested in customer specifications has been achieved. Quality continuity and process stability have been ensured in the production process, and customer requests have been fully met.

With the development studies carried out in the production of enamel-coated round-section aluminum wire, the production diameter range has been successfully expanded to 0.23 mm; the studies in this field are continuing with the aim of reaching finer diameters. Thus, the product portfolio has been enriched and the technical infrastructure has been strengthened to be able to respond to customer demands.





Digitalization

Elsan aims to increase energy production efficiency with its digitization and automation investments and to provide cost savings by using resources more effectively. Automation systems enable the instant monitoring of the condition of equipment and the prevention of possible failures to ensure business continuity. Minimizing operational risks and ensuring business safety at the highest level are among the priorities with the data analytics tools offered by digitization.

Within the scope of the digitization plan, the modernization project carried out in a porcelain machine selected as a pilot, with its control infrastructure, was completely renewed with a new generation PLC, HMI, driver, sensor, and modern communication protocols. This has created a strong foundation in terms of process and recipe control, process analysis, quality management, and sustainability. The SCADA system integrated into the machine offers a flexible and modular structure developed according to the company's specific process needs beyond standard software. Maintenance and fault management in the pilot line have been incorporated into the institution; a more economical and sustainable structure has been achieved by reducing foreign dependency and supply times. This project was carried out within the framework of industry-academia cooperation and contributed to strengthening the sustainable and innovative production infrastructure.

Within the scope of modern and highly traceable production, SCADA modernization has been carried out in Conform extrusion machines, and production processes have been made traceable from end to end. Within this scope, machine downtime causes, energy consumption and production parameters have been recorded, and job order tracking and product labeling processes

have been transferred to the digital environment. In addition, data-based decision-making processes have been strengthened by creating infrastructure that enables the traceability of environmental systems.

Digitalization Goals

As a continuation of digitization and technological infrastructure modernization, the development of the energy measurement infrastructure with advanced technology solutions is aimed. Data accuracy and integrity will be increased using advanced communication protocols, and the reliability of the obtained analysis outputs will be ensured. With the integration of next-generation energy analyzers into the field, a flexible and scalable infrastructure capable of adapting to future technological developments will be created. Thanks to the modern measurement systems to be established, high-precision energy data will be obtained to create an efficient and sustainable data management network. In this way, a more detailed analysis of energy consumption will become possible, and sustainability goals will be contributed to by increasing resource efficiency.

Within the scope of SCADA software integration, data collected from the field will be combined on a central platform, and the quality of analysis will be increased with data validation and filtering mechanisms. Thanks to the structure to be developed, instant monitoring, analysis for the past and comparative reporting will be possible through user-friendly interfaces. In addition, a reporting infrastructure compliant with national and international energy and environmental legislation will be created, and alarm and early warning systems will be activated for critical parameters to support a proactive management approach.

Digital Education and Competency Development

In order to ensure its integration into the digital transformation process and support its continuous development, a learning management system infrastructure has been developed in cooperation with Aydem Academy.

- Employees can access more than 8,000 trainings online from anywhere and at any time they want.
- The established system supports individual development while contributing to the transformation of the organization into an innovative and dynamic structure.





Sustainable Supply Chain Management

Elsan adopts a sustainable and responsible production approach in order to increase the durability of its business model and supply chain. The company applies an effective supply chain management to maximize the efficiency of its operations and support sustainable production processes.

Two main elements are prioritized in the company's supply chain management:

- Increasing the resilience of the supply chain, especially diversity in raw material supply,
- Integrating the company's sustainability approach with the quality standards into the supply chain.

Planning of raw material flow, optimization of logistics costs and effective management of production processes are among the strategic priorities. Potential risks in the supply chain are systematically analyzed; proactive solutions are developed against demand changes, supplier performance and disruptions that may occur in logistics processes. The impact of climate change-related physical risks and transition risks on the supply chain, the effects on cost increases and business continuity are analyzed every year; logistics management, supplier diversity and stock management processes are optimized in line with business continuity and efficiency strategies. Thus, the competitive advantage in the sector is maintained.

Elsan cooperates and considers mutual benefit in supply chain management. In order to reduce the burden on suppliers, open and clear communication

is established regarding payment terms and payment conditions are explained to suppliers during the offer stage. Delivery times, order routines and order change processes granted to suppliers are clearly specified in the contract and order forms. Weekly delivery tracking reports are created.

In order to ensure the traceability of the supply chain and to meet expected demands such as the Digital Product Passport in export processes, a system and process that provides traceability through supplier information, product certificates and shipment documents has been designed, especially for critical raw materials such as copper, aluminum and varnish.

In order to monitor the source, origin and production conditions of the purchased inputs, an ERP system is used and batch number traceability mechanisms are applied. In addition, product test reports are obtained for the control of the sources of the inputs.

Each material is recorded with batch numbers based on the supplier and is associated with production processes. In the traceability process; supplier declarations, quality certificates, technical data sheets (TDS), safety information forms (SDS) and origin information if necessary are taken into account. This way, information about the production conditions of raw materials and their environmental/social impacts is obtained. In addition, the purchase and production processes are tracked through the ERP system, and with batch/batch-based tracking, it can be determined which raw materials products were produced from in the past.

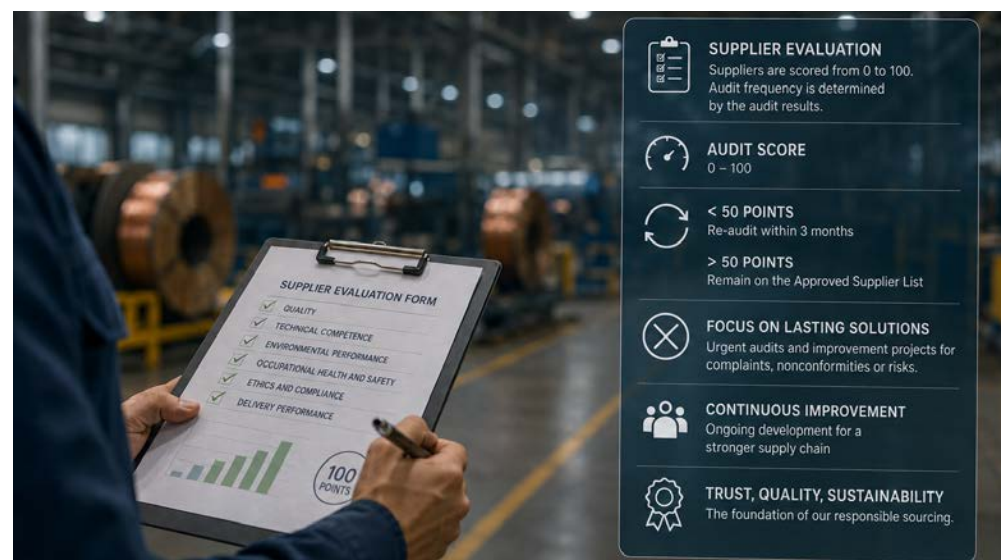


Sustainability Performance of the Supply Chain

In addition to the continuity of the supply chain, Elsan aims to integrate the sustainability approach and high quality standards into the supply chain. It does not compromise on the implementation of its high standards regarding the environment and occupational health and safety (OSH) by its suppliers. Within this scope, the OSH-Environment Terms and Conditions is one of the basic contracts in purchasing. Environmentally, especially in the procurement of critical raw materials such as copper, aluminum and varnish, the environmental management practices, emission performance and energy efficiency approaches of the suppliers are taken into account. Within this scope, environmental management system documents (e.g., ISO 14001) and relevant environmental performance data from the suppliers are requested.

The social and working rights of the employees in the suppliers are also monitored within the framework of the contracts in which their protection is ensured within the scope of the national Labor Law.

The development of sustainability performance is encouraged by increasing communication and cooperation with critical suppliers. Dialogue mechanisms established with suppliers are carried out through mutual information sharing, meetings and audits carried out as needed.



Supplier Evaluation and Performance Management

New Supplier Selection

Supplier evaluation processes **Supplier Evaluation Procedure** and **Supplier Evaluation Instruction** is carried out within the framework.

Elsan considers criteria such as quality, timely delivery, price affordability, occupational health and safety requirements, environmental legislation and compliance with global standards in its supplier evaluation. Potential risk areas for raw materials (especially copper, aluminum and varnish) in the supply chain are evaluated; environmental impacts (emissions, resource use), occupational health and safety risks and working conditions are taken into account. In line with the identified risks, various steps are taken to improve purchasing practices. Within this scope;

- Environmental and social requirements are included in the supplier selection criteria,
- Sustainability, ethical rules and IOSH conditions are included in the contracts,
- In cases of detected violations, corrective activities are requested and monitored.

Including environmental sustainability criteria in the evaluation and approval process of new suppliers. **Supplier Evaluation System** it applies. Within this scope, during the preliminary evaluation stage, it is questioned whether the suppliers have an environmental management system and whether they comply with international standards such as ISO 14001 and ISO 50001.

Suppliers who pass the preliminary evaluation are subjected to a more detailed evaluation process within the scope of

“ The performance of existing suppliers is regularly evaluated. Supplier performance is monitored through ERP systems and the process is managed in a digital environment. ”

the integrated management system; in this process, environmental performance as well as human rights, business ethics, occupational health and safety criteria are also examined. Supplier evaluation results are shared with the supplier companies. Supplier forms containing price/financing, quality, technical competence, non-employment of child labor, environmental and IOSH criteria are filled out for all candidate suppliers.

Supplier performances are evaluated on a scale of 100 points, and companies that meet the specified criteria are included in the approved supplier list.

Suppliers showing low performance are subjected to the development process, and companies that do not show improvement within the specified period are removed from the supply chain.

Current Supplier Evaluation

Suppliers are scored between 0-100 according to the inspection result. Inspection frequencies are determined according to the inspection score. Suppliers with a score of less than 50 are subjected to another inspection within 3 months. Suppliers who remain below 50 points as a result of the second inspection are also removed from the Approved Supplier List.

In addition, in the event of customer complaints, process violations or quality/environmental problems caused by suppliers, process inspections are planned urgently in line with the risk-based approach and quality improvement projects are initiated if necessary. In the reporting year, 6 suppliers were included in the company's supplier portfolio. In 2025, no suppliers were terminated due to the evaluation of supplier performance.

Local Supply

Raw materials such as copper, aluminum and varnish, which are the main production inputs, are mostly obtained from suppliers operating at national or international scale due to technical requirements and supply structure. However, within the scope of the sustainability approach, local suppliers are given priority in order to reduce the environmental impact of the supply chain and increase its positive social impact. Within this scope, local suppliers who meet the criteria of quality, technical competence, cost and supply continuity are preferred; in cases where possible, it is prioritized to obtain material and service purchases from local sources. Local suppliers are given priority in the purchase of plastic reels, auxiliary materials, maintenance and repair, logistics and other service purchases, and within this scope, contributions are made to the local economy.

“Elsan works with a total of 628 suppliers, and 92.04% of its suppliers are local suppliers. As of 2025, approximately 21.5% of the purchase budget in our key business areas has been spent on local suppliers. Product trials are being conducted to increase the local supplier ratio.”



²In the report, important activity locations are defined as facilities where the production, management and operational activities of our organization are carried out and where environmental, social and economic impacts are concentrated. The following criteria are used to determine important activity locations:

- Production volume and operational size (facilities where the main production processes are carried out)
- Environmental impact potential (locations that have a high impact in terms of energy consumption, emissions, water usage and waste formation)
- OSH risk level (areas where high-risk processes are located)
- Number of employees and operational intensity
- Strategic location in terms of supply chain and logistics

The activity locations determined in line with these criteria are considered as priority areas in terms of monitoring, reporting and focusing on improvement studies of sustainability performance.

Social Performance

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Social Performance

Elsan aims to create a working environment where its employees feel valued, develop loyalty to the company culture, and contribute with a sense of belonging. In this direction, Human Resources strategies are shaped with an approach that encourages employee participation, reveals individual and corporate potential, is based on principles of transparency and justice, and supports continuous learning and development.

Human resources processes under the responsibility of the Human Resources Directorate, which reports directly to the General Manager, **Ethical Rules and Working Principles, Human Rights Policy** and **Human Resources Policy** is carried out within the framework of procedures related to.

The processes related to working conditions and environment, as well as occupational health and safety activities, which report directly to the General Manager, are managed within the scope of the ISO 45001 standard by the Directorate of Integrated Management Systems.

The human resources approach is managed with an understanding that strengthens employee loyalty and employer brand; employees are offered not only career development, but also experiences that will enrich their lives. The company encourages the success of its employees while supporting them to act in line with team spirit and common goals. Believing that the energy of its employees is the basic source of the company's growth and sustainable success, the company sees human resources as its most valuable asset.



**The total number of employees at the end of the period was used to calculate recruitment and turnover rates.*

Human Rights Policy

Elsan bases its full compliance with the Turkish Constitution and the Universal Declaration of Human Rights of the United Nations, which Turkey has signed, on all its activities and supply chain. In line with its Human Rights Policy, Elsan focuses on creating an ethical, environmentally conscious and innovative workforce, and spreading this understanding to the supply chain and communities in its field of influence. The company, which clearly expresses its stance against child labor, has zero tolerance for child labor within its own operations and supply chain.



Within the scope of the Human Rights Policy of Elsan;

- Not to give any opportunity for discrimination among its employees under any circumstances and to provide equal rights to all employees in terms of remuneration, performance evaluation, employment, etc.,
- Supporting the empowerment of women in the workplace and women's employment,
- Improving the gender balance in our company's decision-making mechanisms and increasing the proportion of women in our company's board of directors and senior management,
- Accepting and valuing the age, religion, race, cultural differences of all stakeholders,
- Not allowing child labor in any stage of operations and the supply chain,
- Not allowing forced and compulsory operation under conditions that are not in accordance with laws and regulations at any stage of its activities,
- To prevent any situation that will hinder the use of the right to freedom of expression by its employees in the work environment and to enable cooperation with non-governmental organizations,
- To respect the right of collective bargaining and freedom of organization of its employees,
- Creating conditions for its employees to work in a healthy, ergonomic, safe and with satisfaction,
- Being a socially reliable employer for its employees,
- To create an environment suitable for working parents who take into account the work-life balance of their employees,
- It has committed itself not to tolerate events such as mistreatment, harassment and harassment in the workplace.

Diversity, Equal Opportunity and Inclusion

Within the scope of its Human Rights Policy, Elsan aims to create a working environment that supports diversity, equality and inclusiveness. While ensuring that all its employees benefit fairly from rights and opportunities, the company operates with the principle of zero tolerance against all forms of discrimination based on language, religion, race, ethnicity, gender, age and other personal characteristics.

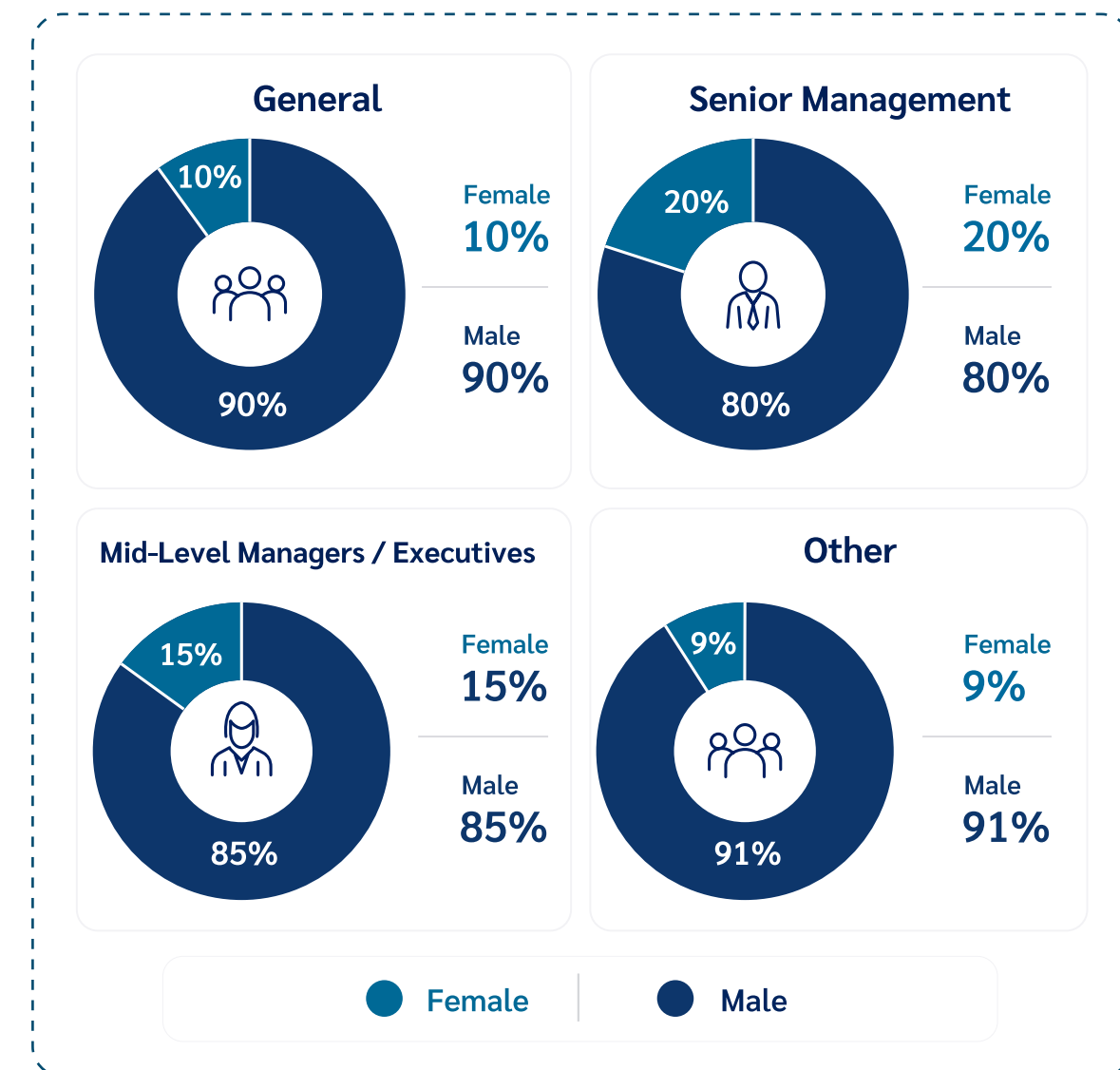
The company positions diversity as a strategic force in achieving corporate goals. It considers different approaches and different cultures as a wealth and regards diversity as an important element in strengthening company performance.

The equal opportunity approach has been integrated into all Human Resources processes. In recruitment procedures, the principle of "the right person for the right job" is observed, and candidate evaluations are carried out independently of personal characteristics, entirely focused on talent and competence. Within this scope, a gender-neutral CV is applied. In candidate selection, the most suitable candidates are determined using objective tools such as personality inventory and general aptitude tests. The company applies the principle of "equal pay for equal work" within its premises.

Efforts to support gender equality have been systematically carried out under the "Equal Life" initiative since 2020. With the initiative launched in 2020, the company's culture, organization, human resources processes, trainings and communication strategies are addressed and transformed from a gender equality perspective. Awareness-raising activities are carried out by bringing together academics, activists and representatives from the business world through online meetings held every month. Within the scope of Equal Life, a transformation is being carried out from every field, from recruitment processes to training programs, from physical conditions to corporate messages, from a gender equality perspective.

In 2025, 16 employees used parental leave. In 2025, all 16 employees who used parental leave returned to their jobs after the leave and the return-to-work rate was 100%. All the employees in question continued to work in the company for 12 months following their return to work, and the retention rate was 100%.

Elsan Employee Percentages



Talent Management and Career Development

In line with the company's strategy and goals, technical and behavioral competencies are developed to ensure that employees increase their potentials. Individual development plans determined within the scope of performance evaluation processes are shaped in accordance with corporate sustainability goals.

Elsan applies a transparent and effective Performance Management System in order to objectively and fairly measure the contribution of its employees to the company's goals. Within the scope of this system, which is based on the employees' competencies and business results, the performance evaluation of employees is carried out at least once a year.

The Performance Management System is based on two basic elements: "Goals" and "Competencies". The process begins with the sharing of the company's strategic goals, priorities, and corporate competencies among all employee positions and ranks. Each employee, together with their manager, determines how they can contribute to the company's goals and their individual goals. It is essential that the goals are measurable and concrete. Corporate competencies are evaluated by observing employees' attitudes and behaviors in their work processes and affect the final performance outcome. Goals that enable employees to identify their development areas and improve their professional skills are prioritized during the process. The feedback process, which is an important element of performance management, is actively applied during the goal setting and evaluation stages.

The performance evaluation results obtained from the system provide input into human resources processes such as employee development planning, training needs analysis, salary management, promotion and rotation decisions. The Performance Management System not only measures individual success, but also supports the company's sustainable growth and success by contributing to employees' career development.

Being a part of Elsan, which is a well-established and large group, provides employees with wide opportunities for career development. New positions within the company and group are primarily open to internal applications. In this way, employees have the opportunity to evaluate career opportunities not only at Elsan but also at the group companies. In addition, there is an opportunity for employees to gain expertise in different departments and units by rotating to different departments.



Continuous Development and Training Programs

Elsan applies a structured training procedure in order to support the professional and individual development of its employees.

The applied training programs are carried out through two channels, in-class and online training. These programs, which are carried out in cooperation with Aydem Academy and external training institutions, ensure that employees acquire the necessary competencies for their advancement in their career stages. The trainings are given as Professional Development, Personal Development, Leadership, Occupational Health and Safety, Mandatory, and Orientation. At the end of each training, a Training Evaluation Survey is conducted to measure the added value of the trainings and to collect employee feedback.

The Leadership Development Program, which was launched as of 2024, supports leadership processes for the career plans of middle and senior managers.

In 2025, 65 employees received certification training from the Vocational Qualification Institution.

Elsan offers its employees development opportunities, workIt implements health and safety practices, fair and inclusive recruitment processes, and a sustainable human resources policy. This understanding, which increases employee satisfaction, encourages development, and is based on inclusiveness, plays an important role in the company's achievement of its sustainability goals. With its people-oriented approach, the company aims to create a better working environment for its employees and adapt to changes in the energy sector with a strong human resources. Classroom and on-line training programs are organized to contribute to the development of employees' knowledge, skills and competencies.

At Elsan, an Education Evaluation Survey is conducted at the end of each training to measure the added value of in-class trainings and to collect employee feedback.

Preparing Young People for the Business World and New Employment Approach

Elsan, which has played a role in the growth and development of Denizli for 45 years, supports the preparation of young people for the business world and new employment opportunities. Within this scope, the company, which develops many internship and new recruitment programs, is developing long-term cooperation with universities and vocational high schools in the region.



Partnerships with Universities and Vocational High Schools

- Pamukkale University Department of Mechanical Engineering Students 10 weeks of training cooperation with 10 student groups
- Pamukkale University Faculty of Business Administration Community Internship & Career Days in the Business World
- Pamukkale University Industrial Engineers Association Sector Days
- Sabancı University Career & Internship Office Economics and Business Club Networking Fair event
- Participation in Job Creation Business Club career development and interview skills training
- Participation in CV Preparation, Effective Interview and Interview Simulation training courses in the Employment and Business Club training courses
- Middle East Technical University Development Foundation Schools Career Days Presentation
- Pamukkale University Mechanical Engineering Thesis Presentation Competition and Exhibition

Remuneration Policy

Elsan meticulously manages compensation processes in line with its Human Resources Policy and operates in accordance with the principle of equality. The company cooperates with a global and independent compensation consultant and implements a fair and completely performance-based compensation system. A working environment has been created where everyone can feel safe by preventing discrimination based on factors such as gender, language, religion, race, sect, belief, nationality or marital status. In line with the principle of equal pay for equal work, it manages workforce policies fairly and transparently.

The company applies a performance management system that clearly defines KPIs for each employee and department. Promotions and bonuses are determined through evaluations made based on these indicators. These indicators are designed in line with the company's strategic goals. The rights of employees to form a union, join a union and engage in collective bargaining is stalled. As one of the most important stakeholders, the employee union continues its activities.

gaining.is stalled. As one of the most important stakeholders, the employee union continues its activities.

Within the scope of the fringe benefits offered to employees, white-collar and blue-collar employees are provided with Good Living Applications, Supplementary Health Insurance (SHI), fuel, cleaning and clothing allowances. Bonus applications are continued on New Year's Day, May 1st, birthdays and religious holidays; additional payments are made within the scope of annual leave entitlements and religious holidays. In order to support employee loyalty, a seniority reward system is implemented. In addition, educational support is provided to employees whose children continue their education; female employees are offered the opportunity to work remotely until their children reach the age of 1 year after maternity leave, and disabled employees are supported with additional bonuses within the scope of Disability Week.

Employee Satisfaction

By prioritizing the motivation and sense of belonging of Elsan employees in the workplace, the company aims to ensure that they feel valued both professionally and socially. Various activities shaped around the company culture and values are encouraged to bring employees together, and in addition to increasing job motivation, social interactions are supported. The diversity, equal opportunity and inclusivity practices and projects carried out by the company also constitute a fundamental element of employee satisfaction.

When there is a change in operational processes, the opinions of the employees are taken by conducting workshops, meetings or survey studies before the decisions are finalized.



Occupational Health and Safety Management

Elsan adopts the health and safety of its employees as its highest priority and applies a workplace health and safety management system based on a preventive approach in all its activities. Compliance with all legal requirements is ensured within the scope of the Health and Safety at Work Law No. 6331, regulations and circulars related to the Labor Law No. 4857, and in addition, **ISO 45001 Occupational Health and Safety Management System** processes are managed in line with this. **Occupational Health and Safety Policy** within this scope, updates are followed through legal compliance monitoring tables, and regulatory changes are communicated to employees by the compliance consultant.

The Applied Occupational Health and Safety (OSH) Management System is structured to cover all employees, activities and workplaces. Within this scope; employees working in production activities, maintenance and support services, administrative personnel and all employees working on the facility site are included in the OSH management system. In addition, OSH rules are applied for subcontractor employees and visitors operating on the site and necessary information is provided.



Risk Management and Preventive Practices

The determination of workplace hazards and the evaluation of risks at Elsan are carried out with a systematic approach. Within this scope, risk assessment studies are carried out by taking both routine and non-routine activities into account.

Within the scope of routine activities; production processes, maintenance activities, material transportation and storage operations are regularly analyzed and the dangers related to these activities are determined.

Within the scope of non-routine activities; risk assessments are also made for maintenance/posture studies, commissioning of new equipment, process changes, emergencies and temporary work (working at heights, work in enclosed spaces, etc.).

In the risk assessment process, the steps of identifying hazards, analyzing and prioritizing risks are followed; appropriate control measures are determined and implemented. These processes are reviewed regularly and updated accordingly.

Within the scope of activities, dangers that pose a risk of serious injury are determined and controlled through risk assessment processes. The main dangers that stand out within this scope are mechanical risks caused by machinery and equipment, chemical exposure (especially the use of varnish and solvents), electrical risks, ergonomic risks and fire and explosion risks.

The following measures are applied in order to eliminate these identified dangers or reduce their effects:

- **Engineering controls:** Risks are reduced at the source with machine protectors, automation systems, emergency stop mechanisms and local ventilation systems.
- **Administrative controls:** Occupational health and safety rules, work instructions and periodic maintenance activities are applied.
- **Personal protective equipment (PPE):** KKD suitable for employees is provided and its use is regularly monitored.
- **Education and awareness:** Regular training is provided to employees on the risks they may be exposed to and safe working methods.
- **Monitoring and control:** Risks are regularly reviewed and controlled with field inspections and internal audits.

Prioritizing the elimination of dangers **“control hierarchy”** adopts its approach. It continues its continuous improvement activities aimed at preventing workplace accidents and occupational diseases.

2025 Improvement Studies

- The noise levels in the conform extrusion process have been reduced to control noise exposure. Working comfort has been increased and an ergonomic and sustainable production environment has been provided. These studies have directly contributed to the protection of employee health and production efficiency.
- The "Equal Potentiation" application has been activated to prevent static electricity that may occur in chemical transport vehicles. Gas detection sensors have been installed in the chemical storage areas and the workers have been informed.



Dangers that may pose a risk of occupational disease are determined based on risk assessment studies, workplace environment measurements, health monitoring data and field observations. Within this scope, the main health risks include chemical exposure due to varnish and solvent use (volatile organic compounds - VOC), noise exposure from production equipment, ergonomic strains and repetitive movements.

In determining the risks, evaluations by the occupational physician, employee feedback and periodic measurement results (noise,

chemical exposure, etc.) are also taken into account. These identified risks are managed in accordance with the control hierarchy approach. First of all, the aim is to eliminate or reduce the source of the risk; engineering controls are applied in this direction. For example,

- Local ventilation systems,
- Noise reduction studies,
- Closed process applications for chemicals and
- Chemical and physical exposures are reduced with automation solutions.

Within the scope of administrative controls, work instructions, shift planning, reduction of exposure times and training activities are applied when necessary. Personal protective equipment suitable for workers is provided for remaining risks and its use is monitored. In addition, risks are reviewed regularly and necessary improvement activities are planned in accordance with measurement results and health monitoring data.

The quality of risk assessment studies is ensured by the competence of the staff who have worked in the relevant processes for many years. Within this scope, risk assessment teams are formed from people who have received training in IOSH, have field experience and are well familiar with the relevant processes. In addition, the evaluations carried out are periodically reviewed and controlled by internal audits and field audits.

Participation in risk management has been strengthened, dangerous situations reported by employees are examined by the EHS unit and communicated to the relevant units, and rapid actions are taken. In accordance with the reports of employees, reports made before the deadline are rewarded, and board meetings and individual feedback processes are conducted to improve IOSH practices.

The OHS Board meets twice a month with the participation of management and employee representatives. It plays an active role in the processes of evaluating OHS performance, reviewing risks and determining the measures to be taken. The Board

has the authority to make decisions and suggestions to management regarding the actions to be taken, and the implementation and monitoring of the activities determined are carried out by the relevant units.

Processes are applied that encourage employees to report dangerous situations and near-miss incidents they encounter within the scope of occupational health and safety. Within this scope, employees can report hazards through verbal notification, written forms, digital notification systems, through managers and employee representatives. All notifications are recorded, evaluated by relevant units, and necessary corrective/preventive activities are planned and implemented. Open communication and a participatory security culture are encouraged at Elsan, and it is essential for employees to be able to report without experiencing any negative consequences. This approach is ensured by the company's ethical rules and occupational health and safety policies.

When a workplace accident occurs, the incident is immediately recorded and the relevant unit's responsible persons initiate a detailed investigation process together with the Occupational Safety and Health unit. Within this scope, root cause analyses are carried out to determine the causes of the accident. Root cause analyses are conducted through the QDMS system. In order to reach the basic causes of the incident, 8D-Fishbone analysis methods are applied. As a result of the evaluations, corrective and preventive activities are determined to prevent the recurrence of similar accidents, responsible persons are appointed, and actions are followed.

Inspection, Controls and Trainings

Occupational Health and Safety (OSH) Management System is applied at Elsan in a way that covers all employees. Within this scope, full-time employees and subcontracted employees working on the field are included in the system, and OSH rules are valid for all employee groups.

The OHS management system is regularly evaluated with internal and external audit processes. Within this scope, all employees work within a system that has undergone internal audit and/or independent external audit.

Within the scope of the OHS management system, a total of 65 internal audits and 2 external audits were carried out within the year 2025. Through these audits, the effectiveness of the system was evaluated and continuous improvement activities were planned.

Regular Occupational Health and Safety (OSH) training is provided to increase the awareness of our employees about occupational health

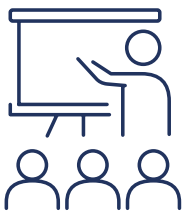
and safety and to develop safe working behaviors. Within the scope of the Regulation on the Procedures and Principles of Employee Occupational Health and Safety Training; information is provided on occupational health and safety rules, emergency procedures, fire fighting, use of personal protective equipment, ergonomics and basic risks.

Job-specific trainings are planned according to the processes in which the employees are engaged; they include special risks for pulling wires, using chemical substances in enameling, machine and equipment safety, maintenance work, working at heights, using machinery and other dangerous activities. In addition, toolbox training and return-to-work training are provided to employees of the relevant department after a workplace accident.

All OHS training is carried out within working hours for employees. The training is provided by qualified OHS professionals, participation is recorded and the activity is regularly evaluated.

In order to ensure the continuity of occupational health and safety:

- Weekly field inspections are carried out.
- Decisions are taken at the OHS board meetings to prevent dangerous situations and prevent accidents from being repeated.
- From 2026 onwards, management walks are held every 2 months with the participation of the upper management, and feedback from employees is obtained.
- Mandatory occupational health and safety training within the scope of legal legislation for all employees is provided, and feedback from employees is obtained through training evaluation surveys.
- Job-specific training such as working at heights, working safely in enclosed spaces, work permit and EKED, lifting safety, excavation safety are provided.
- Employees working through the education portal can access legally required education and personal development content.
- OHS bulletins, regulation updates and decisions taken are shared on the HSE and Sustainability information boards in the common use areas.



In 2025, our employees received **3,883.68** person-hours of OHS training, a **50%** increase compared to 2024.

The training programs fully comply with legal regulations and are structured under **four main headings**

1



General Topics

2



Health Topics

3



Technical Topics

4



Special and Other Risks

Accident Management and Continuous Improvement

All accident, remaining distance, danger notifications and missing day data are recorded and analyzed. Accidents are shared through the accident notification portal.

Root cause analyses are conducted for the accidents that occur, and action plans are created to prevent the recurrence of the accident. Special training is given to employees after the accident, and the lessons learned from the accident are shared with all employees. At board meetings, accidents are evaluated and the measures taken are reviewed. In basic IOSH training, daily and weekly toolbox applications, and also in briefings given by

unit commanders, employees are reminded of their right to avoid work in dangerous situations they believe may cause injury or health deterioration. Employees report unsafe work to unit commanders and the Integrated Management System Directorate.

Studies carried out at heights, lifting operations, hot work, studies, and electrical-related dangers are among the elements that carry a high risk of resulting in serious injuries. Within this scope, work permit systems have been established and studies are carried out within the scope of the controls carried out in the work area before the work and the measures taken.

Health Services and Employee Support Programs

Health services at Elsan are carried out by the occupational physician in accordance with legal requirements.

Occupational health services are carried out effectively in order to prevent health risks that employees may be exposed to and contribute to eliminating dangers. Within this scope, occupational health services cover periodic health examinations, entry examinations, health surveillance for risk groups, early detection of occupational diseases and health information activities for employees.

Occupational health professionals actively participate in the process of evaluating the physical, chemical and ergonomic risks in the working environment and necessary improvement suggestions are offered.

It addresses occupational health services within the framework of a preventive approach and adopts the protection of employee health as its primary goal. Elsan also supports the protection and development of not only job-related but also general health and quality of life of its employees. Within this scope, access to health services for employees is facilitated and voluntary health development programs are encouraged.

The access of employees to medical services unrelated to their work is supported by referral through the workplace health unit, provision of private health insurance opportunities and health counseling services.

In addition, within the scope of the Good Life Applications carried out within the group, it is encouraged for employees to develop healthy living habits; various applications are implemented for healthy nutrition, physical activity and general health awareness.

In addition, training is organized for employees on cancer early diagnosis and awareness, organ donation and blood donation, and information is provided on the importance of early diagnosis.

Training is provided within the scope of health and safety practices for disadvantaged groups. A staff member from one of our team members has been assigned to our disadvantaged staff and has been trained within the scope of our emergency plan.

For the health insurance of employees:

- Health insurance is provided exclusively for white-collar workers.
- All employees and their relatives benefit from discounted health services due to agreements with private hospitals.
- Our company offers a program service to its employees that provides psychological, dietitian, and physiotherapist services with Good Living Applications. In addition to employees, their families can also benefit from this service.



Golden Rules Campaign

Within the scope of evaluating the effectiveness of the "Golden Rules" project, which was launched in 2024 with the aim of sustainably developing the OHS culture, the applicability and compliance level of the 6 basic rules included in the project were monitored and measured with inspections in 2025.



OSH in the Supply Chain

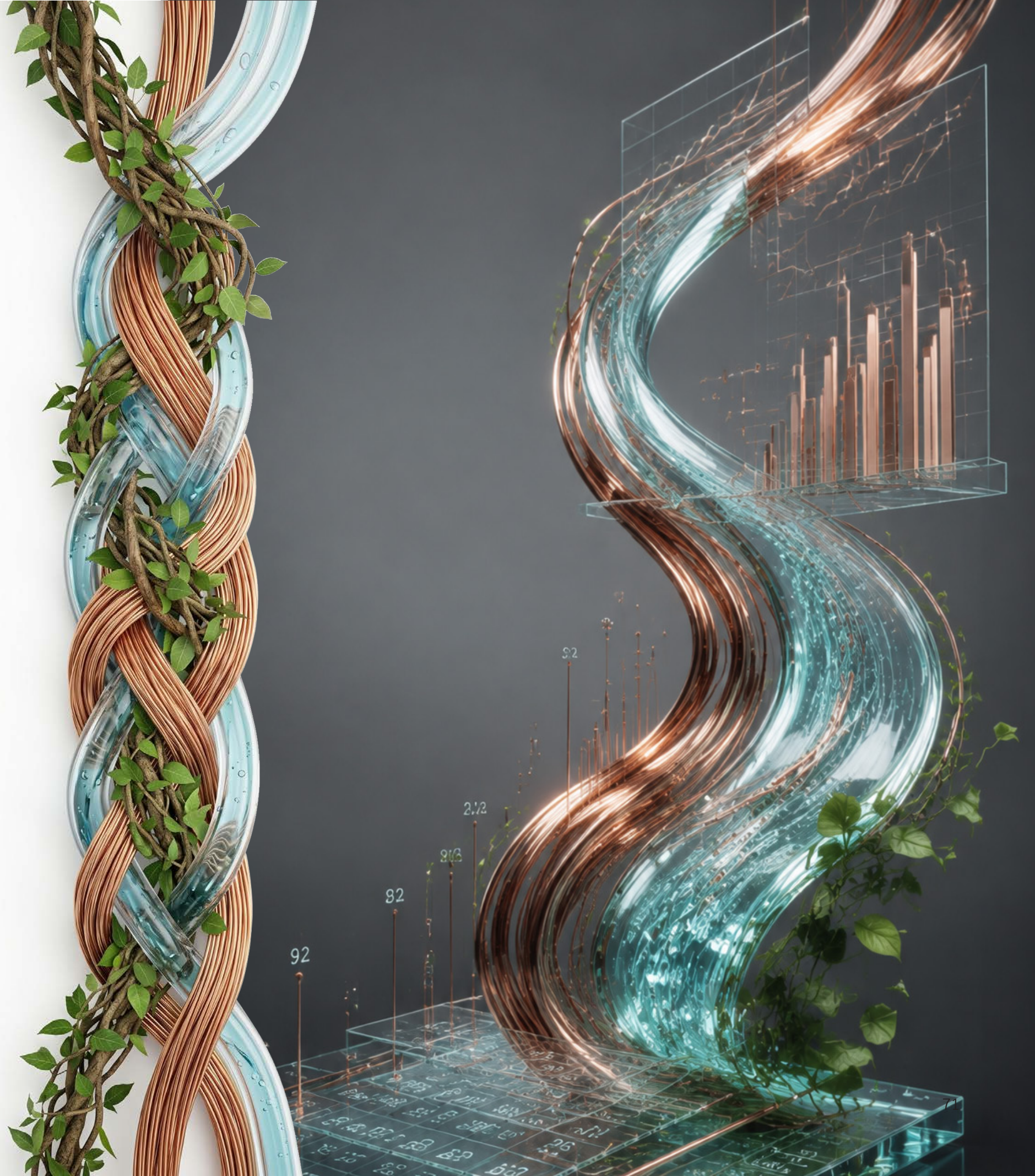
In the selection processes of suppliers and service providers, the OHS performance and legal compliance status of the relevant parties are evaluated, and in necessary cases, OHS criteria are included in the contracts. The necessary legal documents are requested for subcontractor employees operating on the site before starting work, work permits are issued, and a site inspection is carried out by the relevant unit before starting work and necessary protective measures are ensured.

In addition, the work carried out on the field is regularly monitored, and if any violations are detected, the necessary corrective activities are requested and followed up.



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Appendices

Reporting Guidance

TYPE	INDICATOR		SCOPE
Environmental	Energy Consumed (MWh)		
	Natural Gas	The amount of natural gas consumed during the reporting period, tracked through invoices received from utility providers (12 months).	
	Coal	The amount of coal consumed during the reporting period, tracked through invoices received from utility providers (12 months).	
	Electricity	The amount of electricity purchased during the reporting period, tracked through invoices received from utility providers (12 months).	
	Diesel	The amount of diesel consumed during the reporting period, tracked through invoices received from utility providers (12 months).	
	Greenhouse Gas Emissions (tonnes CO ₂ e)		
	Scope 1	Direct greenhouse gas emissions from sources controlled by Elsan during the reporting period. Fuel consumption Company vehicles On-site process emissions	
	Scope 2	Electricity consumption and electricity transmission and distribution losses were taken into account.	
	Scope 3	Emission sources in the 15 subcategories defined by the GHG Protocol were taken into account. Calculations were performed in accordance with the GHG Protocol. The categories included in the calculations are as follows: 3.1. Purchased Goods and Services 3.2. Capital Goods 3.3. Fuel- and Energy-Related Activities 3.4. Upstream Transportation and Distribution 3.5. Waste Generated in Operations 3.6. Business Travel 3.7. Employee Commuting 3.8. Upstream Leased Assets 3.9. Downstream Transportation and Distribution 3.10. Processing of Sold Products 3.11. Use of Sold Products 3.12. End-of-Life Treatment of Sold Products 3.13. Downstream Leased Assets 3.14. Franchises 3.15. Investments	



Performance Data

Environmental Performance Data	2022	2023	2024	2025
Total Direct Energy Consumption (kWh) (by Fuel Type)				
Diesel Consumption (Litres)	13,600	4,200	5,000	10,033
Total Energy Consumption (kWh) (Electricity)	30,576,810	29,604,880	26,725,360	24,730,237
Energy Intensity (kWh/tonne)	959	943	925	930
Total Energy Savings (kWh) (from Efficiency Projects)	110,000	-	170,911	223,000
Water Use (m³)				
Groundwater	0	63	0	0
Municipal Water	36,262	34,172	31,644	26,567
Water Intensity (m³/tonne)	1.92	1.71	1.74	1.39
Total Wastewater Discharge (m³)	32,636	30,812	28,480	23,910
Waste				
Total Waste Generated (tonnes)	1,152	1,363	1,380	1,338
Recovered Non-hazardous Waste (R) (t)	1,018	1,246	1,244	1,219
Hazardous Waste Recovered (R-coded) (tonnes)	133	117	135	119
Emissions Management				
Direct GHG Emissions (Scope 1) (tCO ₂ e)	1,120	1,046	1,078	1,059
Indirect GHG Emissions (Scope 2) (tCO ₂ e)	13,244	12,467	11,310	10,733
Indirect GHG Emissions (Scope 3) (tCO ₂ e)	142,993	100,938	85,540	88,779
GHG Intensity (tonnes CO ₂ /tonne)	8.43	8.33	5.07	5.27

Environmental Performance Data	2022	2023	2024	2025
Expenditure on Environmental Activities and Investments (TRY)				
Measurement and Analysis Costs	-	825,919	6,127	2,687,118
Total Waste Management Costs	412,926	435,226	1,562,973	1,667,636
Certification and Permit Expenses	34,743	83,410	81,259	0
Consultancy and Training Costs	14,750	1,100,624	1,948,656	2,819,765
Fines for Environmental Non-compliance (number-TRY)	0	0	0	0
Environmental Incident Report				
Total Number of Leaks and Spills	0	0	0	0
Total Volume of Leaks and Spills (tonnes)	0	0	0	0
Environmental Training				
Training Participants (person-hours)	137	191	217	258
Company Employees	137	191	217	258
Contractor/Supplier Employees	0	0	0	0
Total Training Hours (person-hours)	166	230	225	333
Company Employees	166	230	225	333
Contractor/Supplier Employees	0	0	0	0



Social Performance Data	2022	2023	2024	2025
Talent and Professional Development Training – Total Participants (people)	265	272	287	282
Office Employees – Women	20	20	18	21
Field Employees – Women	9	7	8	8
Office Employees – Men	19	13	21	20
Field Employees – Men	217	232	240	238
Talent and Professional Development Training – Total Hours (person-hours)	2,184	2,589	2,956	2,297
Women	645	518	349	153
Men	1539	2071	2607	2144
Training Hours per Employee (hours/employee)	70	56	31	48.5
Women	45	33	18	23.4
Men	25	23	13	25.1
Employees Receiving Leadership Training				
Women	5	1	7	4
Men	31	2	28	20
Employees Receiving Mentoring	1	2	-	-
Employees Receiving Training on Preventing Harassment, Mobbing, Coercion and Violence				
Employees	15	1	87	53
Managers	-	-	14	33

Social Performance Data	2022	2023	2024	2025
OHS Statistics				
Recordable Incident Frequency Rate	17.11	9.17	7.77	15.4
Lost-Time Incident Frequency Rate	0	0	0.07	0.18
Occupational Illness Rate	0	0	0	0
Number of Fatal Occupational Accidents	0	0	0	0
Injury Rate				
Direct Employment	0	0	0	0
Contractor Employees	0	0	0	0
Total Number of Occupational Accidents	13	7	12	15
White-collar Employees	0	1	0	0
Blue-collar Employees	13	6	12	15
Contractor Employees	0	0	0	0
OHS Training Provided to Employees – Total Hours (person-hours)	4,899	7,736	1,924,00	3883.68
Direct Employment	4,899	7,736	1,924,00	3883.68
Contractor Employees	0	0	0	0
OHS Training Provided to Employees – Number of Participants				
Direct Employment	282	284	287	279
Contractor Employees	0	0	0	0
Disaster and Emergency Training Participants	260	224	259	251
Disaster and Emergency Training Hours (person-hours)	346	259	580	574



Employee Demographics	2022	2023	2024	2025
Total Workforce (Number)	282	284	287	279
Direct Employment				
Women	24	27	29	27
Women (%)	9	10	10	10
Men	258	257	258	252
Men (%)	91	90	90	90
Contractor Employees	16	16	16	16
Direct Workforce by Contract Type (Number)				
Permanent Employment Contract	282	284	287	279
Temporary Employment Contract	0	0	0	0
Direct Workforce by Education Level (Number)				
No Formal Education	0	0	0	0
Primary Education	20	15	15	15
High School	160	163	162	158
Secondary Education	26	26	26	26
Associate Degree	34	37	38	36
Bachelor’s Degree	37	38	38	38
Master’s Degree	5	5	8	6

Employee Demographics	2022	2023	2024	2025
Direct Workforce by Age Group				
18-29	58	61	59	41
18-29 (%)	21	21	21	15
30-39	118	116	112	102
30-39 (%)	42	41	39	37
40-49	84	83	89	95
40-49 (%)	30	29	31	34
50-59	19	20	22	35
50-59 (%)	6	7	8	13
60+	3	4	5	6
60+ (%)	1	2	1	2
Employees Receiving Regular Performance Review Feedback				
Senior Management Structure (Number)				
Women	1	1	1	1
Men	4	4	4	4
Middle Management Structure (Number)				
Women	4	5	5	5
Women (%)	13	15	15	15
Men	27	28	29	29
Men (%)	87	85	85	85



Employee Demographics	2022	2023	2024	2025
Employee Turnover				
New Employee Hires (number)	13	24	15	10
Employees Leaving the Company (number)	8	22	12	18
Employees Leaving Voluntarily (number)	3	6	3	12
Employees Dismissed by the Company (number)	3	11	6	6
Employees Taking Parental Leave	16	14	16	16
Women	1	1	1	-
Men	15	13	15	16
Employees Returning from Parental Leave	16	14	16	16
Women	1	1	1	-
Men	15	13	15	16
Employees Remaining Employed for 12 Months after Returning from Parental Leave	16	13	16	16
Women	1	1	1	-
Men	15	12	15	16
Total Employees with Disabilities	10	10	11	11
Women	-	-	-	1
Men	10	10	11	10
Workforce Covered by Collective Bargaining Agreements (Number)	170	184	185	180



GRI Index



GRI
Content Index

Statement of use		Elsan has reported in accordance with the GRI Standards for the period 01/01/2025–31/12/2025.	
GRI 1	GRI 1: Foundation 2021	Applicable GRI Sector Standard	None

For the “Content Index - Essentials Service” service, GRI Services confirms that the GRI content index is presented in a consistent and clear manner in accordance with the Standards and that the references to the explanations numbered 2-1 to 2-5, 3-1 and 3-2 are consistent with the sections of the report.

GRI Standard	Disclosures	Page Number/Direct Reference
GRI 2: General Disclosures 2021	2-1 Organizational details	page 14
	2-2 Entities included in the organization’s sustainability reporting	page 5
	2-3 Reporting period, frequency and contact point	page 5
	2-4 Restatements of information	There are no restatements.
	2-5 External assurance	No external assurance was obtained.
	2-6 Activities, value chain and other business relationships	page 7,8, 33
	2-7 Employees	page 60-65
	2-8 Workers who are not employees	page 56-65
	2-9 Governance structure and composition	page 15-18
	2-10 Nomination and selection of the highest governance body	page 15-18
	2-11 Chair of the highest governance body	page 15-18
	2-12 Highest governance body’s role in overseeing impact management	page 15-18
	2-13 Delegation of responsibility for managing impacts	page 15-18



GRI Standard	Disclosures	Page Number/Direct Reference
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	page 15-18
	2-15 Conflicts of interest	page 20,21,24
	2-16 Communication of critical concerns	page 32,34,35,36
	2-17 Collective knowledge of the highest governance body	page 15
	2-18 Evaluation of the performance of the highest governance body	page 15
	2-19 Remuneration policies	page 65
	2-20 Process to determine remuneration	page 65
	2-21 Annual total compensation ratio	Not disclosed in accordance with Elsan’s confidentiality policy.
	2-22 Statement on sustainable development strategy	page 30
	2-23 Policy commitments	page 18
	2-24 Embedding policy commitments	page 18
	2-25 Processes to remediate negative impacts	page 19
	2-26 Mechanisms for seeking advice and raising concerns	page 19, 21
	2-27 Compliance with laws and regulations	No fines or sanctions were imposed.
	2-28 Membership associations	There are no memberships.
	2-29 Approach to stakeholder engagement	page 34-35
	2-30 Collective bargaining agreements	page 65
GRI 3: Material Topics 2021	3-1 Process to determine material topics	page 34-36
	3-2 List of material topics	page 34-36
	3-3 Management of material topics	page 34-36



Biodiversity		
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	page 48
	101-2 Management of biodiversity impacts	page 48
	101-3 Access and benefit-sharing	page 48
	101-4 Identification of biodiversity impacts	page 48
	101-5 Locations with biodiversity impacts	page 48
	101-6 Direct drivers of biodiversity loss	page 48
	101-7 Changes to the state of biodiversity	page 48
	101-8 Ecosystem services	page 48
Contribution to the Local Economy and Community		
Economic Performance		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	page 50-51
	201-2 Financial implications and other risks and opportunities due to climate change	page 37-39
	201-3 Defined benefit plan obligations and other retirement plans	Not applicable.
	201-4 Financial assistance received from government	page 52
Market Presence		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	“At Elsan, standard entry-level wages for all employees exceed the local minimum wage.”
	202-2 Proportion of senior management hired from the local community	“All members of Elsan’s senior management are citizens of the Republic of Türkiye.”



Procurement Practices		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	page 56-58
Business Ethics and Corporate Governance		
Anti-corruption		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	page 21
	205-2 Communication and training about anti-corruption policies and procedures	page 21
	205-3 Confirmed incidents of corruption and actions taken	page 21
Ethics and Compliance		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	page 20
Tax		
GRI 207: Tax 2019	207-1 Approach to tax	page 21
	207-2 Tax governance, control, and risk management	page 21
	207-3 Stakeholder engagement and management of concerns related to tax	page 21
	207-4 Country-by-country reporting	page 21
Materials		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	page 46-47
	301-2 Recycled input materials used	page 46-47
	301-3 Reclaimed products and their packaging materials	page 46-47



Energy		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	page 42
	302-2 Energy consumption outside the organization	page 42
	302-3 Energy intensity	page 42
	302-4 Reduction of energy consumption	page 42
	302-5 Reductions in energy requirements of products and services	page 42
Water and Effluents		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	page 45
	303-2 Management of water discharge-related impacts	page 45
	303-3 Water withdrawal	page 45
	303-4 Water discharge	page 45
	303-5 Water consumption	page 45
Emissions		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	page 43,44
	305-2 Energy indirect (Scope 2) GHG emissions	page 43,44
	305-3 Other indirect (Scope 3) GHG emissions	page 43,44
	305-4 GHG emissions intensity	page 43,44
	305-5 Reduction of GHG emissions	page 43,44
	305-6 Emissions of ozone-depleting substances (ODS)	page 43,44
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	page 43,44



Waste		
GRI 306: Waste 2020	306-1 Water discharge by quality and destination	page 46,47
	306-2 Waste by type and disposal method	page 46,47
	306-3 Significant spills	page 46,47
	306-4 Transport of hazardous waste	page 46,47
	306-5 Water bodies affected by water discharges and/or runoff	page 46,47
Supplier Environmental Assessment		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers screened using environmental criteria	page 56-58
	308-2 Supply chain environmental impacts and actions taken	page 56-58
Employment		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	page 60
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	page 61,65
	401-3 Parental leave	page 62
Labor/Management Relations		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	page 61-70



Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	page 66-70
	403-2 Hazard identification, risk assessment, and incident investigation	page 66-70
	403-3 Occupational health services	page 66-70
	403-4 Worker participation, consultation and communication on OHS	page 66-70
	403-5 Worker training on occupational health and safety	page 66-70
	403-6 Promotion of worker health	page 66-70
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	page 66-70
	403-8 Workers covered by the OHS management system	page 66-70
	403-9 Work-related injuries	page 66-70
	403-10 Work-related ill health	page 66-70
Training and Education		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	page 60-64
	404-2 Programs for upgrading employee skills and transition assistance programs	page 60-64
	404-3 Percentage of employees receiving regular performance and career development reviews	page 60-64
Workplace Practices		
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	page 62
	405-2 Ratio of basic salary and remuneration of women to men	page 62



Non-discrimination		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination were identified during the reporting period.
Freedom of Association and Collective Bargaining		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	page 65
Child Labor		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Elsan does not employ child labor under any circumstances.
Forced or Compulsory Labor		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No incidents of forced or compulsory labor were identified in 2025.
Rights of Indigenous Peoples		
GRI 411: Indigenous Peoples' Rights 2016	411-1 Violations of indigenous peoples' rights	No violations were identified in 2025.
Supplier Social Assessment		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers screened using social criteria	page 56-58
	414-2 Negative social impacts in the supply chain and actions taken	page 56-58
Public Policy		
GRI 415: Public Policy 2016	415-1 Political contributions	"Elsan has adopted the principle of impartiality and diligently safeguards its neutrality through its relevant policies."

ELSAN

2025 Sustainability Report

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