

**TSRS Report
2025**

**A Transparent
Approach
to Sustainability**



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Section 01

ABOUT THE REPORT



Reporting Framework and Scope

Çan2 Termik A.Ş. ("Çan2 Termik" or the "Company") discloses to the public its climate- and sustainability-related assessments and information concerning its operations for the period from 1 January to 31 December 2025 within the scope of the Türkiye Sustainability Reporting Standards (TSRS). The report is presented in accordance with the TSRS, which entered into force upon publication in the Official Gazette dated 29 December 2023. The report meets the requirements of TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 Climate-related Disclosures.

Disclosures are provided on the Company's sustainability approach, its climate change-related risks and opportunities, governance structure, strategic planning, risk management practices, and metrics and targets.

The disclosures presented in this report are consistent to the greatest extent possible with the data and assumptions used in Çan2 Termik's financial reporting processes. The sustainability- and climate-related disclosures contained in the report present strategic content that is recommended to be assessed together with Çan2 Termik's consolidated financial statements for 2025. The scope covers the fields of activity included in the Company's consolidated financial statements and directly controlled by it.

The Çan2 Termik 2025 Annual Report is available [here](#).

All financial data presented in the report are provided in Turkish Lira (TRY) and US dollars (USD). This currency corresponds to the presentation currency used in Çan2 Termik's consolidated financial statements. The Turkish Lira equivalents of the financial data presented in US dollars are also provided, and the CBRT USD/TRY buying rate as of 31 December 2025 was used as the basis for the relevant conversions. The report has been prepared on the basis of greenhouse gas emission inventories, operational indicators, strategy documents and governance outputs obtained from Çan2 Termik's internal data systems. The governance, strategy and risk sections of the report were structured in line with the contributions of the management team and the technical information provided by the business units; open-source sectoral data sets and international reporting tools were also used in the content analysis.

In shaping the report, reference was made to "Volume 32: Electric Utilities and Power Generators" from the sector-based supplementary guidelines under TSRS 2, covering the sector in which Çan2 Termik operates. The disclosure topics, metrics and indicators set out in this guideline were assessed, and the elements overlapping with the Company's field of activity were included in the content of this report. In this way, industry-based priorities and the conditions specific to the Company's field of activity have been integrated into a holistic reporting structure within the framework of TSRS 2.

LIMITED ASSURANCE PROCESS

In line with the principles of reliability and transparency, this report has been subject to an independent limited assurance engagement. The limited assurance engagement, performed in accordance with International Assurance Engagement Standard 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and International Assurance Engagement Standard 3410 "Assurance Engagements on Greenhouse Gas Statements", was carried out by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The independent auditor's limited assurance report is included in the annex to this report.

TRANSITION RELIEFS

In this report Çan2 Termik has made use of the transition relief granted under paragraphs E4 and E6(b) of TSRS 1. The transition relief applied by the Company is set out below:

- Sustainability-related financial information was prepared and disclosed to the public following the publication of Çan2 Termik's financial statements. No changes were made on the basis of information obtained during this period.
- Within the reporting scope, no errors were identified in the data or disclosures relating to the previous period, and there is no matter requiring retrospective correction or restatement. Accordingly, prior-period data have been retained as they are and presented on a comparative basis.
- Although climate- and sustainability-related risks and opportunities are disclosed in the report, no comparative information is provided on risks and opportunities relating to other sustainability topics.

Section 02

GOVERNANCE



Governance

This section sets out the governance model, decision-making mechanisms and the control processes integrated into the corporate operations of Çan2 Termik A.Ş. in connection with sustainability and climate change. Çan2 Termik acts in the awareness that sustainability- and climate-related topics are among the corporate priorities that must be managed not only in environmental and social terms but also at the strategic and operational level. In this context, a governance structure with clearly defined duties and limits of authority is operated so that sustainability decisions can be addressed within the framework of the principles of transparency, accountability and responsibility.

OVERVIEW OF SUSTAINABILITY GOVERNANCE

This structure, which begins with the oversight role of the Board of Directors, creates a multi-layered field of interaction with the contribution of committees, technical units and coordination teams. Sustainability and climate change-related topics are thereby addressed with a holistic and synchronised understanding across the Company.

THE BOARD OF DIRECTORS' STRATEGIC OVERSIGHT ROLE

The Board of Directors is ultimately responsible for determining sustainability strategies, reviewing risk assessments and monitoring performance.

Sustainability- and climate-related developments are regularly addressed on the Board of Directors' agenda through periodic reports from the Sustainability Committee, and decision-making processes are conducted on a data-driven basis.

THE SUSTAINABILITY COMMITTEE AND THE COMPLIANCE STRUCTURE

The Sustainability Committee operates under the Board of Directors for the purposes of fulfilling the obligations within the scope of the TSRS, implementing sustainability policies and ensuring corporate compliance. The Committee assumes responsibility for guidance, monitoring and reporting in order to ensure that sustainability- and climate-related processes are integrated with decision-making mechanisms. The Committee plays an active role in identifying and assessing risks arising from climate change and integrating them into corporate strategies; the views and recommendations developed in this context provide input for strategic decision-making at Board of Directors level. Raising awareness of physical and transition risks, conducting impact analyses and developing monitoring systems are among the Committee's priority agenda items.

In performing its duties, the Committee may, where it deems necessary, obtain professional advisory services from external sources on matters such as climate change, environmental impacts, carbon emissions and greenhouse gas calculations, sustainability reporting and compliance with the relevant legislation; it may also invite experts in the field to its meetings in order to benefit from technical opinions and recommendations.

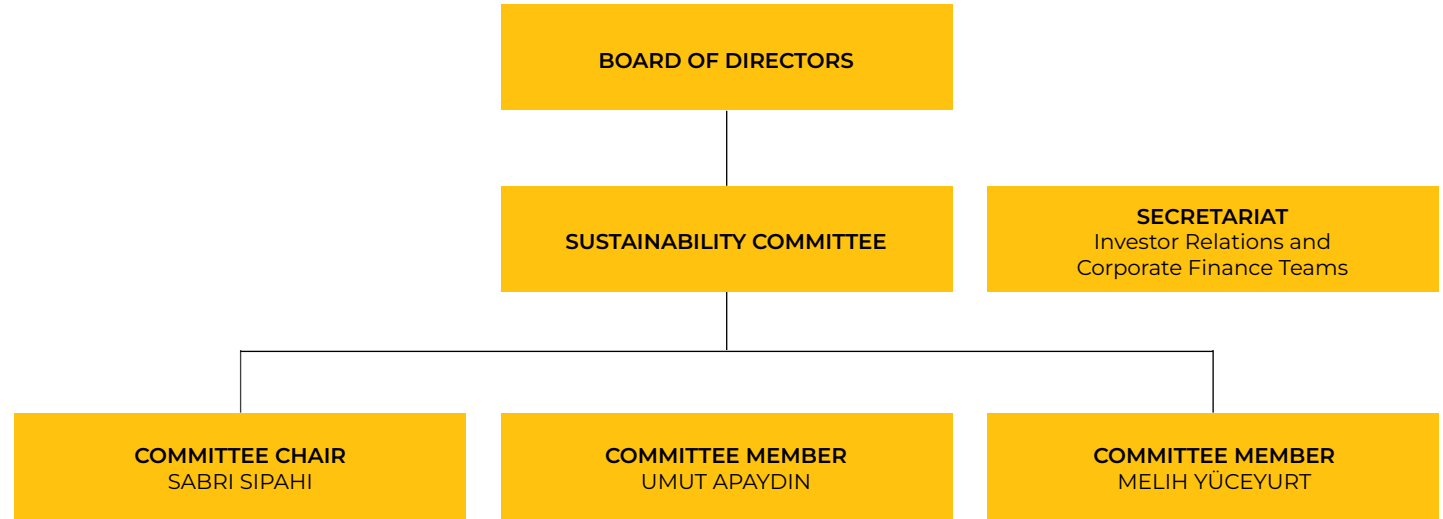
The Sustainability Committee was established as of 2025 and is responsible for conducting sustainability activities at the corporate level. Sustainability-related topics are addressed within this committee, and the governance structure is maintained within this framework. The Investor Relations and Corporate Finance teams carry out the Committee's secretariat and process coordination functions, and are responsible for organising meetings, following up on decisions, reporting processes and compiling content. This structure safeguards the continuity of information flow on sustainability topics and ensures that decision-making processes are supported at a technical level.

At the three Sustainability Committee meetings held during 2025, the following topics were addressed: the TSRS-compliant sustainability report process, advisory processes and the allocation of duties, the data collection and analysis process, risk and opportunity analysis, sustainability communication from a corporate governance perspective, sustainability and risk management annual reporting processes, the assessment of carbon emissions, and the development of sustainability-compliant policies and the revision of existing policies.

At our Company, enhancing competencies on sustainability topics at committee level is treated as a strategic priority. However, at present there is no member among the committee members with specific competence in the oversight of climate-related risks and opportunities.

During 2025, the Corporate Finance Manager and the Finance and Investor Relations Director attended the İTÜ Sustainability Management Certificate Programme and successfully completed the relevant training, totalling 60 hours. In this context, technical knowledge and strategic assessment competencies on sustainability- and climate-related topics have been strengthened, and corporate capacity for the effective analysis, monitoring and oversight of sustainability- and climate-related risks and opportunities has been enhanced.

Guidance on the duties and responsibilities of the Sustainability Committee is clearly defined in the "[Working Principles and Duties of the Sustainability Committee](#)" document, which entered into force upon the approval of the Board of Directors.



THE CLIMATE PERSPECTIVE IN CORPORATE RISK MANAGEMENT: SUPPORT OF THE COMMITTEE OF EARLY IDENTIFICATION OF RISKS

The Committee of Early Identification of Risks (CEIR) operating within Çan2 Termik assumes a role that supports sustainability activities within the scope of the Company's overall risk management mechanism. The CEIR carries out the duties of the early detection of financial and strategic risks and the development of recommendations to the Board of Directors.

During 2025, sustainability- and climate-related risks began to be included on the agenda of the Committee of Early Identification of Risks (CEIR) at certain meetings. In this context, briefings were provided on the risk and opportunity identification work carried out within the TSRS framework, and the factors that could affect climate change and sustainability performance were assessed within the CEIR. In addition, it was assessed that work had been initiated on threshold determination and scenario analyses for climate risks with potentially high financial impact. In this process, steps were taken to strengthen the coordination between the CEIR and the Sustainability Committee in order to address sustainability and climate risks more systematically, and it was decided to bring the relevant topics onto the Sustainability Committee's agenda. As of year-end, the sustainability process and the risk factors in this area were reassessed, and work on integrating sustainability and climate risks more holistically into the corporate risk management system is planned to continue in the period ahead.

IN-HOUSE INTEGRATION OF PRACTICES

The field implementation of sustainability strategies is carried out in coordination with the relevant operational and support units. Priority topics within the scope of environmental, social and governance (ESG), particularly climate change, are integrated into the areas of responsibility of the business units and reflected in operational processes.

In addition to the environmental technical metrics monitored within the scope of TSRS 2 such as energy efficiency, greenhouse gas emissions, water use and waste management, indicators relating to other dimensions of sustainability such as occupational health and safety, employee training, and ethics and compliance processes are also regularly monitored by the relevant field and function teams; the findings obtained are consolidated and reported periodically to the Sustainability Committee. The Committee of Early Identification of Risks meets once every two months, at least six times a year.

The Committee assesses these findings and performance outputs within the framework of risk management procedures and the corporate risk matrix, and provides the necessary guidance.

In order to support the permanence of these practices at the corporate level, work on strengthening the policy and procedure infrastructure is also being continued.

In this context, the existing set of policies in the environmental, social and governance areas was reviewed and updated during 2025 for the ODAŞ Group, to which Çan2 Termik belongs.

Revisions were also made to the relevant policies and procedures covering the updated environmental, social and governance dimensions, and priorities were redefined. The principles and commitments set out in the policy documents have been linked to implementation processes and control mechanisms, and it is intended that field and headquarters operations be conducted within this framework. Accordingly, reporting and internal control processes for monitoring policy-implementation alignment have been strengthened.

The ODAŞ Group's policies in question are available [here](#).

TRADE-OFFS AND ASSESSMENT IN STRATEGIC DECISIONS

Çan2 Termik adopts as a priority approach the consideration of sustainability- and climate-related risks and opportunities in strategic planning and investment decisions.

In strategic decision-making processes, potential trade-offs that may arise between sustainability and climate risks and financial, operational or technical targets are assessed, and these analyses are reported to senior management where necessary. In this process, decisions taken in line with the Committee's guidance are shaped through the approval of the Board of Directors.

INFORMATION PROVISION AND STRATEGIC PARTICIPATION AT MANAGEMENT LEVEL

In order to strengthen the integration of climate change- and sustainability-based governance practices into strategic decision-making processes at the ODAŞ Group, the materiality analysis was updated during 2025. In the updating process, the ODAŞ Group's material sustainability topics were redefined by taking into account new regulatory requirements, sectoral developments and global sustainability trends. Within the scope of this work, the sector dynamics and priorities relating to Çan2 Termik's activities were also taken into account, and views were gathered from its relevant stakeholders.

Within the scope of this work, the views and assessments of senior executives were obtained, and sustainability topics were addressed not only from the perspective of impact but also from the perspective of risk and opportunity. These ESG topics were assessed within the framework of financial impacts, operational resilience and long-term value creation. The outputs of the analysis were shared with the relevant units and executives, and open-ended questions made it possible to measure perceptions and priorities at unit level in addition to the consolidated results. The assessments obtained were communicated to the relevant units as feedback and treated as an input for improving internal processes.

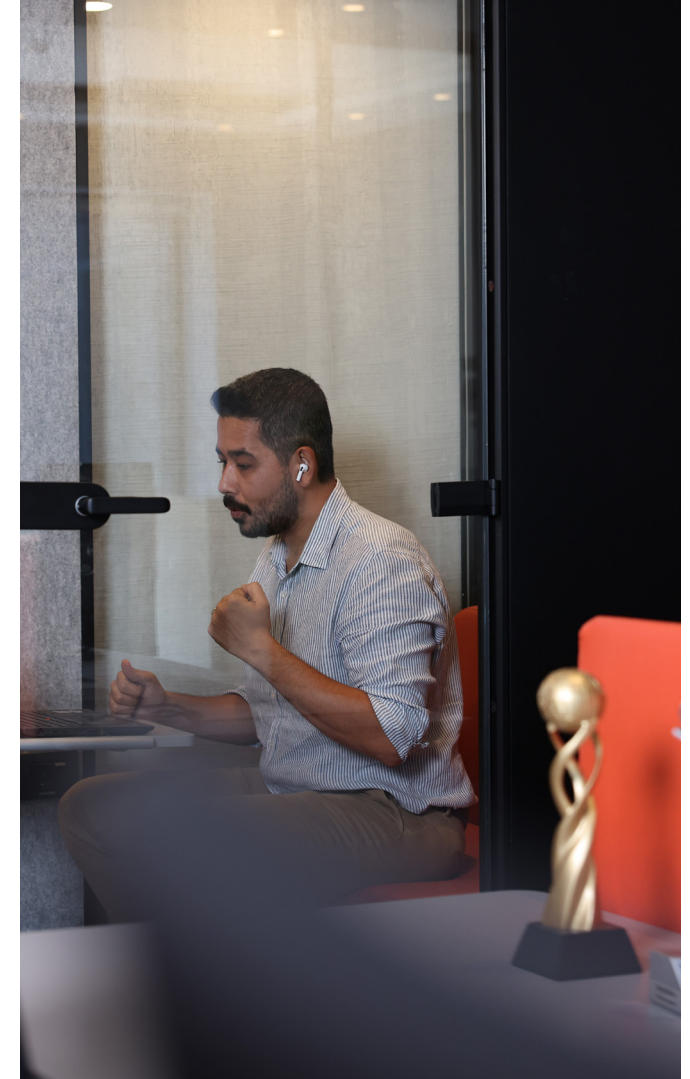
The updated analysis results were shared with the Sustainability Committee and the relevant decision-making bodies, and strategic priorities and target areas were reviewed accordingly.

This process contributes to the more systematic integration of sustainability topics into corporate risk management and strategic planning mechanisms.

The ODAŞ Group's current materiality analysis results are available in the 'Materiality Analysis' section of the ODAŞ 2025 Sustainability Report.

INTEGRATION OF THE REMUNERATION POLICY AND THE PERFORMANCE SYSTEM

Under Çan2 Termik's current practices, sustainability- and climate-related indicators have not yet been directly linked to remuneration policies. For this reason, as of 2025 there is no percentage of the total payments made to executives that is based on climate-related targets. Together with the integration of the sustainability strategy into corporate structures, linking environmental and climate-based performance results to remuneration structures in the future will be taken under consideration. It is intended that any steps in this direction be shaped within a measurable and transparent structure aligned with long-term targets. Likewise, climate-related targets have not yet been directly defined within individual or organisational performance criteria in the Company's performance management system. However, together with the implementation of the sustainability strategy, it is planned that climate-focused indicators be included in performance assessments, particularly at management level, and that progress in this area be monitored systematically.



Section 03

STRATEGY



Climate-related Risks and Opportunities

Çan2 Termik assesses the physical and transition risks caused by climate change, as well as the strategic opportunities it presents, through a holistic approach covering the energy generation operations in which it is engaged.

Within the Company, the management of climate-related risks and opportunities is carried out in cooperation between the Committee of Early Identification of Risks and the Sustainability Committee; through these structures, a systematic process of analysis, prioritisation and monitoring is applied, taking into account short-, medium- and long-term impacts. In this context, the effects of climate risks on operations and financial performance are regularly assessed and integrated into decision-making processes.

In the assessments carried out during the reporting period, water stress in particular stood out within the scope of physical risks; on the transition risk side, carbon regulations, developments regarding the transition to an emissions trading system and increasing compliance obligations continue to be decisive for energy operations. These risks have an effect on the cost structure and competitive conditions.

On the other hand, within the scope of climate change-related opportunities, solar power plant (SPP) investments, projects aimed at increasing water efficiency and initiatives for utilising industrial waste as a secondary product are assessed as significant opportunities for Çan2 Termik that both enhance operational resilience and contribute to reducing environmental impacts.

In line with the analyses and strategic planning processes carried out in this context, climate-related risks and opportunities are regularly reviewed and monitored. As of the reporting period, it was assessed that uncertainties arising from climate change do not have an effect requiring a significant adjustment to the carrying amounts of the Company's financial assets and liabilities.

The scoring used in assessing risks and opportunities at Çan2 Termik has been established within the framework of a holistic methodology based on financial, operational, legal/regulatory and reputational impacts together with the criteria of likelihood of occurrence and time horizon (term). This methodology was developed by taking into account both quantitative threshold values and qualitative impact definitions, and was calibrated by reference to in-house expert opinions and past-period outcomes.



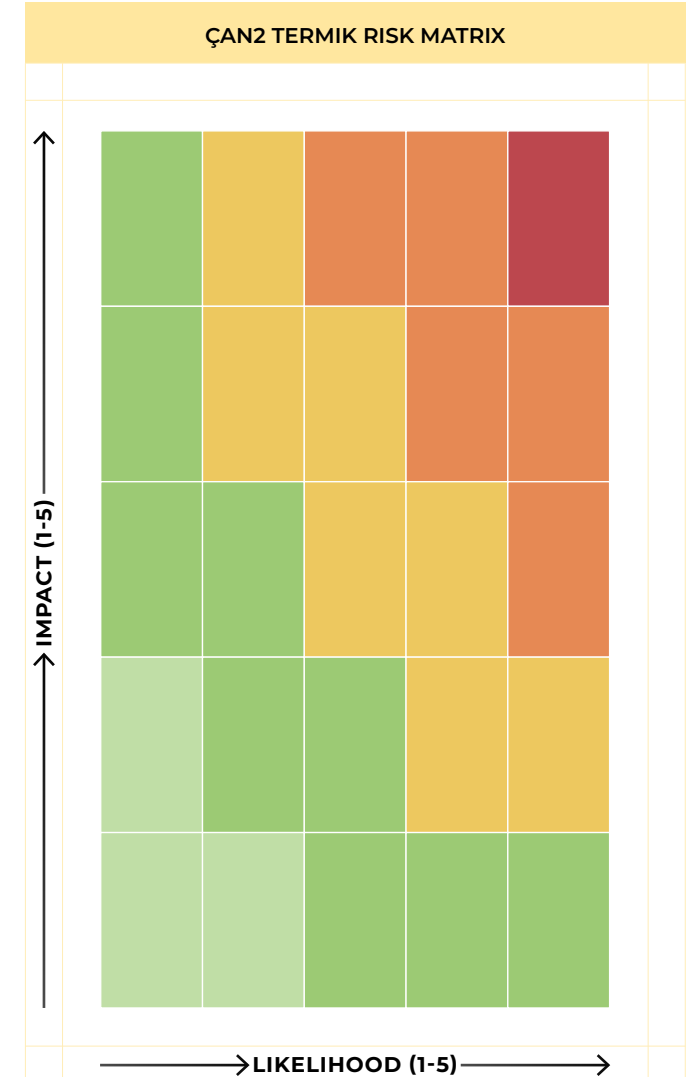
All of these defined scale sets have been developed by taking into account the sector in which Çan2 Termik operates, its operational size and its risk appetite, and are reviewed periodically and updated where necessary. This structure provides a consistent, comparable and decision-supporting assessment framework across risks and opportunities.

The Company's value chain assessment was carried out taking into account upstream activities, direct operations and downstream activities.

Within the scope of electricity generation activities, fuel supply, power plant equipment, maintenance-repair and engineering services, contractor activities, logistics and other supply processes were addressed in the upstream value chain. Within the scope of direct operations, electricity generation activities based on coal input, power plant operation, maintenance processes, operational efficiency practices, occupational health and safety, environmental management and emissions management processes were assessed. In the downstream value chain, the sale of the electricity generated, energy market transactions, commercial relations conducted with public authorities and relevant buyers, and impacts relating to energy supply were included in the assessment.

TERM	TIME FRAME
Short Term	0-3 Years
Medium Term	3-10 Years
Long Term	10 Years and above

LIKELIHOOD / IMPACT	
Very Low / Very Mild	
Low / Mild	
Medium / Medium	
High / Severe	
Very High / Very Severe	



CLIMATE-RELATED RISKS

RISK 1: WATER STRESS RISK / PHYSICAL RISKS

Rising temperatures, changing precipitation patterns and declining surface water resources due to climate change bring to the agenda water stress, a critical physical risk that may affect the Çan2 Thermal Power Plant. The province of Çanakkale, where the Çan2 Thermal Power Plant is located, is already classified as being under "extremely high" water stress. Increasing water stress not only exacerbates existing difficulties in water supply, but also brings with it additional environmental risks such as the deterioration of water quality.



Risk Name

Water Stress Risk

Risk Type

Physical Risks

Value Chain Stage Where the Risk Occurs

Direct Operations

Term Medium-Long

Likelihood High

Impact Medium

Impact on the Business Model and Value Chain

The Çan2 Thermal Power Plant depends on the use of significant volumes of water for process and cooling purposes. High water stress carries the risk of causing disruptions in generation processes, limiting generation capacity and creating additional obligations in complying with environmental regulations on water use. Potential water supply difficulties create a vulnerability that directly affects the plant's business model in terms of cost increases, investment requirements and regulatory pressures. This is a structural risk that must be taken into account in terms of the stable sustainability of energy generation capacity and the resilience of the value chain.

Effects on Financial Position, Financial Performance and Cash Flows

At the Çan2 Thermal Power Plant, the need for process and cooling water, together with increasing water stress, stands out as a factor that may cause increases - albeit limited - in energy generation costs. The tightening of regulations on water use requires environmental obligations to be managed more carefully. Resource planning, cost control and environmental compliance strategies are among the priority areas for the facility's long-term financial performance and cash flow management. Alternatives such as a closed-loop system or a reservoir investment are being assessed with a view to the sustainable supply of water. The cost of these investments is estimated to be between USD 2-10 million (TRY 85.69 million - TRY 428.46 million).

Risk Mitigation Actions

Closed-loop water systems, water consumption optimisation, drought action plans, reservoir project; cost-benefit analysis, feasibility and assessment studies are being carried out; a closed-loop system or air-cooled systems may form part of the action plan. In addition, the reservoir project is being planned as an important step in terms of the efficient management of water resources and resilience against climate risks, and is taken into account in financial impact analyses.

Metrics Used to Measure the Risk

- Total volume of water abstracted and consumed annually on a facility basis (m³)
- Water consumption per unit of generation (m³/MWh)
- Percentage of operations in regions under high water stress (%)

CLIMATE-RELATED RISKS

RISK 2: RISK OF COMPLIANCE WITH CARBON REGULATIONS / TRANSITION RISKS

Within the scope of Türkiye's transition process towards carbon regulations, the Çan2 Thermal Power Plant has a comparatively higher exposure to regulatory changes owing to its coal-fired structure. Market-based mechanisms such as a carbon tax and an emissions trading system (ETS), which are particularly expected to be implemented at national level, have the potential to create a cost-increasing effect for direct emission sources. In this context, it is possible that high carbon-intensity facilities may face comparative disadvantages in matters such as access to finance, participation in sustainability indices and benefiting from public support, depending on their environmental performance.



Risk Name

Risk of Compliance with Carbon Regulations

Impact on the Business Model and Value Chain

The current business model of the Çan2 Thermal Power Plant is based on the sale of electricity to the public sector. In this context, if costs arising from carbon regulations cannot be reflected in energy sales prices, pressure may arise on profitability. Furthermore, the introduction of prioritisation or incentive mechanisms based on carbon intensity in public procurement policies may affect the plant's market position by providing a competitive advantage to low-carbon generation alternatives. Over the long term, the need for compliance investments aimed at reducing the carbon footprint may be decisive for capital planning and strategic resource allocation.

Value Chain Stage Where the Risk Occurs

Direct Operations

Effects on Financial Position, Financial Performance and Cash Flows

An increase in production costs together with the implementation of carbon regulations may become more pronounced, particularly at facilities generating on the basis of high carbon-intensity sources such as coal. A potential carbon tax burden may increase operating expenses and create pressure on profitability. In addition, as environmental performance criteria increasingly gain priority in investment assessments, facilities with low scores in this area may find it more difficult to access cost-effective financing instruments. This may require long-term investment plans to be reviewed and cash flow projections to be restructured. Modernisation investments likely to be made in order to achieve regulatory compliance may also increase capital requirements. Although the allocation rates, carbon pricing mechanism and implementation details of the Emissions Trading System (ETS) to be applied in Türkiye have not yet been clarified, the regulation is expected to create cost-increasing effects, particularly on carbon-intensive activities. In this context, it is assessed that the potential increase in carbon costs may create pressure on operating expenses and profitability and may increase the need for additional compliance and modernisation investment. In addition, as sustainability performance criteria become increasingly decisive in financing processes, it is anticipated that indirect effects may also arise on the conditions of access to finance for carbon-intensive activities. However, since the ETS implementation parameters have not yet been finalised, these effects cannot be quantified as of the reporting period.

Term Medium

Likelihood Medium

Impact Medium

Risk Mitigation Actions

Carbon emission reduction projects, renewable energy investments (SPP), low-carbon generation transition plan, creation of carbon sink areas, hybrid energy project designs incorporating renewable energy sources integrated into existing generation facilities

Metrics Used to Measure the Risk

- Total annual Scope 1 emissions (tonnes CO₂e)
- Emission intensity per unit of generation (gCO₂e/kWh)
- Annual carbon cost scenarios (TRY/tonne CO₂e)

CLIMATE-RELATED OPPORTUNITIES

OPPORTUNITY 1: RENEWABLE ENERGY INVESTMENTS (SPP)

As part of combating climate change, Çan2 Termik aims to reduce its carbon intensity and increase the sustainability of its energy generation. Accordingly, solar energy investments are assessed as an important area of opportunity. The use of renewable energy sources in operational consumption contributes to reducing direct emissions and increases the Company's resilience against climate regulations. Through SPP projects, the aim is to lower the Company's carbon footprint and support its emission reduction commitments.



Opportunity Name

Renewable Energy Investments (SPP)

Impact on the Business Model and Value Chain

Renewable energy investments have the potential to diversify Çan2 Termik's generation portfolio, optimise energy costs and increase resilience against external market risks. In particular, meeting in-plant consumption from solar energy allows energy costs to be reduced, while the possibility of benefiting from public support and incentives also has a positive effect in terms of financial sustainability. In addition, these investments strengthen the Company's environmental performance, providing an advantage in reputation and credit assessments in the eyes of investors and financial institutions.

Value Chain Stage Where the Opportunity Occurs

Direct Operations

Effects on Financial Position, Financial Performance and Cash Flows

The solar energy investments planned by Çan2 Termik are expected to make a positive contribution to the financial structure over the medium and long term. These investments, which are envisaged to be realised by benefiting from government incentives, may reduce investment costs once feasibility is ensured, and may lower operating expenses through electricity generated from renewable sources. In addition, through these investments, which will contribute to reducing the carbon footprint, the Company's sustainability performance may be strengthened and investor interest based on environmental responsibility may increase. These developments hold potential that may, over time, facilitate the Company's access to finance and support its financial resilience. The realisation of an SPP investment with sufficient capacity to meet the in-house consumption of the Çan2 Thermal Power Plant may eliminate the portion corresponding to approximately 10% of coal fuel costs, providing fuel cost savings of approximately TRY 260 million on an annual basis (at 2025 constant prices). These savings hold the potential to shorten the payback period of the investment and to lower long-term operating expenses.

Term Medium-Long

Likelihood High

Impact Very Severe

Metrics Used to Measure the Opportunity

- Annual installed solar energy capacity (MW)
- Volume of electricity generated from the SPP (MWh)
- Share of renewable sources in total energy consumed (%)
- Volume of emission reductions arising from the SPP (tonnes CO₂e)

CLIMATE-RELATED OPPORTUNITIES

OPPORTUNITY 2: WATER EFFICIENCY

Increasing water stress and the sustainable management of water resources are among the principal climate-related priorities in the energy sector. The potential for the Çan2 Thermal Power Plant to transition from an open-loop water cooling system to a closed-loop system presents an important opportunity in this context. This transformation contributes to reducing water consumption, thereby increasing resilience against the effects of climate change, and stands out as a development aligned with environmental sustainability targets.



Opportunity Name

Water Efficiency

Value Chain Stage Where the Opportunity Occurs

Direct Operations

Impact on the Business Model and Value Chain

The transition to a closed-loop system supports long-term resource security by providing a significant reduction in the plant's total water consumption. It also offers the opportunity to lower operational costs relating to water supply and to comply more effectively with legal obligations concerning water use. While this creates a positive development in terms of managing environmental risks, the strengthening of environmental performance in the public eye may also have a positive effect on the Company's corporate reputation and its perception among investors.

Effects on Financial Position, Financial Performance and Cash Flows

The transition to a closed-loop cooling system has the potential to reduce the water use of the Çan2 Thermal Power Plant by 60-70%. However, since well water is used at the plant instead of mains water, this transformation is not expected to provide a direct cost advantage. The financial effects will arise mainly through increased long-term operational resilience, reduced risks relating to water supply and easier compliance with regulatory requirements. Through this improvement, the Company's financial performance is expected to be supported indirectly by reducing the risk of water-related operational interruptions, supporting generation continuity, limiting potential environmental sanction and compliance costs, and increasing operational predictability. However, the quantitative financial effects of the opportunity cannot be calculated under current conditions owing to uncertainties relating to water supply costs, operational conditions and impacts on generation continuity.

Metrics Used to Measure the Opportunity

- Total annual water consumption (m³)
- Water consumption per unit of electricity generated (m³/MWh)
- Contribution of the closed-loop system to total water savings (m³/year)
- Water recovery rate (%)

Term	Medium-Long
Likelihood	Medium
Impact	Very Severe

Sustainability-related Risks and Opportunities

Sustainability-related risks and opportunities have been assessed using a systematic approach, taking into account the environmental, social and governance (ESG) impacts to which Çan2 Termik is exposed across the sector and geography in which it operates and along its value chain. In this context, the relevant risks and opportunities have been analysed in line with their potential effects on our business model, our operational processes and stakeholder expectations.

In the assessment process, risks were addressed in terms of their effects on operational continuity, cost structure, compliance obligations, human resources and reputation, while opportunities were examined within the framework of revenue growth, cost advantage, access to finance, market positioning and long-term value creation potential. Each of the risks and opportunities was prioritised by taking into account its likelihood of occurrence and potential impacts, and assessed together with the relevant areas of financial impact.

Unlike climate risks, scenario analysis was not applied to the other risks within the scope of sustainability, and the assessments were carried out in line with current operational conditions, sector dynamics and the management perspective.

Nevertheless, the Company's resilience against these risks was addressed through the control mechanisms, management systems and process improvement actions applied.

On the opportunity side, the value creation potential arising from the integration of sustainability practices into the business model was assessed, and areas contributing to financial performance and creating competitive advantage were identified in this context. The relevant risks and opportunities are regularly monitored through the defined performance indicators and integrated into management decision-making processes.

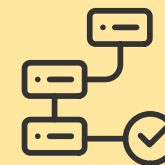
While the financial effects of some risks and opportunities can be measured quantitatively, in some areas the effects are addressed through qualitative assessments, and work on developing measurement capacity is continuing.



SUSTAINABILITY RISKS

RISK 1: CORPORATE RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The absence of a written, systematic and holistic framework underpinning the corporate risk management structure may result in risks not being consistently identified, prioritised and monitored. Failure to keep risk records up to date, a lack of clarity in the assignment of responsibilities and insufficiently structured internal control mechanisms may lead to management decisions being taken on the basis of incomplete information. This may create weaknesses not only in the field of sustainability, but also in the management of financial, operational and legal risks. If internal audit and control functions do not operate effectively, risks may be detected late and their financial effects may grow.



Risk Name

Risk 1: Corporate Risk Management and Internal Control Processes

Value Chain Stage Where the Risk Occurs

Value Chain

Impact on the Business Model and Value Chain

Insufficiently structured corporate risk management and internal control mechanisms may make it difficult for Çan2 Termik to identify risks accurately and in a timely manner, thereby directly affecting decision-making processes along the value chain. The failure to monitor and prioritise risks systematically may cause operational disruptions to escalate, compliance risks to increase and strategic decisions to be taken on the basis of incomplete or inaccurate data. This may not be limited to sustainability risks alone, but may constitute a structural weakness that reduces the overall resilience of the business model by weakening the holistic management of financial, operational and legal risks.

Effects on Financial Position, Financial Performance and Cash Flows

Weaknesses in internal control and risk management processes may lead to increases in error and loss costs, additional expenditure for corrective actions and remediation costs arising from audit findings. In addition, any weakening of investor and stakeholder confidence may have indirect effects on the Company's conditions of access to finance and on its reputation. Where risks are detected late, financial effects may grow and cause unforeseen fluctuations in cash flows.

Risk Mitigation Actions

Çan2 Termik aims to increase its corporate resilience against risks by strengthening its corporate risk management and internal control processes. In this context, the risk management framework is being made written and systematic, and risk inventories and record systems are being established to ensure that risks are monitored regularly.

Risk ownership is being clearly defined, and findings are reported to senior management through periodic internal control and internal audit processes. The early detection and effective management of risks are supported through oversight mechanisms established at Board of Directors level. Through this structure, decision-making processes are conducted on a data-driven and timely basis, thereby increasing the resilience of the business model against operational and financial risks.

Metrics Used to Measure the Risk

- Number of control weaknesses identified and actions taken
- Internal audit findings and closure time
- Number of critical risks reported and monitored

Term

Short-Medium

Likelihood

Medium

Impact

Medium

SUSTAINABILITY RISKS

RISK 2: EARTHQUAKE RISK

Because Türkiye lies in an earthquake zone, the Çan2 Thermal Power Plant located in Çanakkale may be exposed to risks of physical damage, equipment failure, generation interruption and occupational health and safety arising from potential seismic activity. Damage that may occur to the plant's main generation units, auxiliary facilities, coal and ash handling systems and water infrastructure may disrupt operational continuity. In addition, interruptions to transport, energy transmission and the supply chain that may arise in the region as a result of an earthquake may create indirect adverse effects on the plant's operations.



Risk Name

Earthquake Risk

Impact on the Business Model and Value Chain

Because the Çan2 Thermal Power Plant's generation structure is concentrated at a single location, a potential earthquake may cause physical damage to plant assets and temporary or prolonged shutdowns of generation activities. The interruption of electricity generation, prolonged maintenance and repair processes, together with disruptions that may arise in the supply of fuel, materials and technical services, may reduce operational efficiency along the value chain. This constitutes a significant physical risk that may create direct pressure on the continuity of the business model.

Value Chain Stage Where the Risk Occurs

Direct Operations

Effects on Financial Position, Financial Performance and Cash Flows

Earthquake-related damage may lead to significant financial losses due to asset loss, earthquake-related physical damage, equipment renewal and maintenance expenses, loss of generation, unplanned shutdowns and additional external service costs. In addition, loss of revenue and deterioration in cash flow may occur as a result of the interruption of electricity generation. Should the risk materialise, it is assessed that the financial effects may be at a high level and that the total impact may amount to USD 2 million or more.

Risk Mitigation Actions

In order to increase operational resilience against earthquake risk, Çan2 Termik secures its plant assets through insurance mechanisms, regularly updates its emergency and disaster response plans and conducts drills and training for employees. Periodic inspections of critical equipment are carried out, structural safety elements are monitored through maintenance activities, and business continuity plans that enable rapid response in the event of potential shutdowns are implemented. Through this approach, the aim is to reduce the operational and financial effects arising from earthquakes.

Metrics Used to Measure the Risk

-

Term Long

Likelihood Low

Impact Very Severe

SUSTAINABILITY RISKS

RISK 3: OCCUPATIONAL HEALTH AND SAFETY RISK

OHS risk is inherently high at Çan2 Termik owing to coal handling systems, high-temperature/high-pressure equipment and heavy maintenance activities. A serious accident may create secondary effects such as increased insurance premiums and the loss of qualified workforce, in addition to production interruption, administrative sanctions and compensation obligations.



Risk Name

Occupational Health and Safety Risk

Value Chain Stage Where the Risk Occurs

Direct Operations

Term Short-Medium

Likelihood Low

Impact Very Severe

Impact on the Business Model and Value Chain

Çan2 Termik's energy generation activities inherently involve high OHS risks owing to equipment operating under high temperature and pressure, heavy maintenance operations and the requirement for continuous generation. Occupational accidents that may occur in this context have direct effects not only on employee health but also on operational continuity. Serious accidents may result in interruptions to generation activities, prolonged maintenance and recommissioning processes and the shutdown of critical operations. In addition, weaknesses in OHS performance may lead to sanctions and operating restrictions imposed by regulatory authorities, and may also create difficulties in retaining qualified workforce and recruiting new employees.

Effects on Financial Position, Financial Performance and Cash Flows

Serious occupational accidents that may occur within the scope of OHS risks are capable of creating direct and indirect effects on Çan2 Termik's operational and financial performance. In the event of a potential accident, shutdowns that may occur in generation activities would lead to revenue losses, while additional costs may arise in relation to maintenance and recommissioning processes. In addition, administrative fines, compensation and litigation expenses and increases in insurance premiums may increase financial liabilities. The loss of workforce and the costs incurred for the recruitment and training of new employees also create additional pressure on operating expenses. Should this risk materialise, it is assessed that the financial effects may be at a high level and that the total impact may amount to USD 2 million (TRY 85,691,400) or more.

Risk Mitigation Actions

Çan2 Termik adopts a systematic and preventive management approach in order to ensure operational continuity and employee safety against OHS risks. In this context, the aim is to identify risks before they materialise by implementing behaviour-based OHS programmes, periodic site inspections and critical work permit systems at the facilities. OHS criteria are integrated into contracts in contractor management processes, and performance is regularly monitored. Through this holistic structure, the aim is to manage OHS risks before they turn into operational interruptions and to ensure the safe sustainability of the business model.

Metrics Used to Measure the Risk

- Lost time injury frequency rate (LTIFR)
- Number of occupational accidents and number of lost days

SUSTAINABILITY OPPORTUNITIES

OPPORTUNITY 1: PORTFOLIO TRANSFORMATION AND STRATEGIC POSITIONING

Positioning the base load generation capacity of the Çan2 Thermal Power Plant together with the planned renewable energy investments may give Çan2 Termik's portfolio a more balanced structure that is open to transformation. This hybrid structure may create the profile of a lower-risk company that is managing the transition process in the eyes of investors and financial institutions. The Company's valuation and long-term investment capacity may thereby be positively affected.



Opportunity Name

Portfolio Transformation and Strategic Positioning

Value Chain Stage Where the Opportunity Occurs

Direct Operations

Impact on the Business Model and Value Chain

While generation continuity and revenue stability are supported through a balanced portfolio structure, a business model aligned with the energy transition is being created. This structure both preserves the efficiency of existing operations and contributes to the expansion of the value chain through new investment areas.

Effects on Financial Position, Financial Performance and Cash Flows

A positive effect on the Company's valuation and investment capacity is expected through an improvement in the risk profile, a strengthening of investor perception and more advantageous financing conditions. A financial contribution potential of USD 2 million (TRY 85,691,400) or more is anticipated in this context.

Metrics Used to Measure the Opportunity

- Renewable energy capacity ratio (%)
- Share of low-carbon sources in total installed capacity (%)
- Scope 1 emission intensity (tCO₂e/MWh)

Term
Short-Medium

Likelihood
Very High

Impact
Very Severe

SUSTAINABILITY OPPORTUNITIES

OPPORTUNITY 2: UTILISATION OF INDUSTRIAL WASTE AS A SECONDARY PRODUCT

The utilisation as a secondary product of the fly ash arising from coal combustion at the Çan2 Thermal Power Plant and the gypsum-like waste generated through the use of limestone creates an area of opportunity that may contribute to the indirect reduction of greenhouse gas emissions. By directing waste towards recovery rather than landfilling, this practice supports both resource efficiency and the reduction of environmental impacts. At the same time, by aligning with the circular economy approach, it makes the transition to a sustainable production model possible.



Opportunity Name

Opportunity 2: Utilisation of Industrial Waste as a Secondary Product

Value Chain Stage Where the Opportunity Occurs

Direct Operations

Term	Short-Medium
Likelihood	High
Impact	Very Severe

Impact on the Business Model and Value Chain

Offering the ash and similar by-products from the power plant to the cement and construction sectors as an alternative raw material by means of a high-capacity separator mill reduces waste disposal costs and creates an additional revenue opportunity for the Company. This approach represents the successful scaling of a practice that is not widespread in the energy sector and adds innovative economic value to the Company's activities. At the same time, through this activity, the principles of circularity and environmental responsibility are more strongly embedded in the Company's supply chain.

Effects on Financial Position, Financial Performance and Cash Flows

The utilisation of industrial waste as a secondary product provides savings in operational costs by reducing waste management expenses. At the same time, the revenue to be obtained from the sale of ash and gypsum-like by-products stands out as a factor supporting the Company's cash flow and financial performance. Together with the ash mill investment that may be realised at the Çan2 Thermal Power Plant, separated fly ash production capacity is expected to increase by 330,000 - 340,000 tonnes per year. Taking into account the price range of USD 10-14/tonne projected for 2026, if the investment operates at full capacity, the additional annual revenue contribution will be at the level of USD 3.3 million - USD 4.76 million (TRY 141.3 million - TRY 203.9 million). In addition, savings in stockpiling costs are achieved as saleable ash is not stockpiled. For 2025, taking into account a stockpiling cost of approximately TRY 80 per tonne and a total volume of 487,000 tonnes of fly ash and wet ash, annual savings of approximately TRY 38.0 million are calculated to have been achieved. The total effect of the additional revenue and cost savings therefore falls within the range of approximately TRY 179.3 million - TRY 241.9 million. These amounts have been calculated at 2025 year-end prices and exclude the effect of inflation.

Metrics Used to Measure the Opportunity

- Volume of secondary product sold (tonnes/year)
- Revenue obtained from the sale of secondary products (TRY/year)

Scenario Analyses and Climate Resilience

Comprehensive scenario analyses were carried out at Çan2 Termik in order to assess the long-term effects of climate-related risks and opportunities. The work was prepared with the contribution of the relevant in-house units and the support of an external consultant, and focused on both physical and transition risks. The analyses were assessed with a view to being integrated into the Company's strategy and decision-making mechanisms.

PHYSICAL SCENARIO ANALYSES

The physical scenario analyses carried out in 2025 in order to assess Çan2 Termik's climate resilience were conducted as desk-based studies, drawing on internationally recognised sources. The study used the RCP 2.6 and RCP 4.5 scenarios developed by the IPCC together with the SSP1-2.6 scenario; these scenarios made it possible to assess climate impacts for the 2030, 2050 and longer-term time horizons. The analyses were supported by data from the Climate Impact Explorer, the WRI Aqueduct Water Risk Atlas and the World Bank Climate Change Knowledge Portal, and covered all areas of operation of the Çan2 Thermal Power Plant in Çanakkale.

In the study, three fundamental physical risks - average temperature increase, extreme heat and water stress - were addressed separately for different terms, and their potential effects on the Company's activities were assessed.

The fact that the scenarios used in the analyses were designed at global scale, the limited availability of local climate data and the inherent uncertainties contained in long-term projections are among the principal elements of uncertainty taken into account in interpreting the findings.

Water Stress

WRI Aqueduct data show that the Çan district of Çanakkale is under "extremely high" water stress in the baseline scenario and that this situation will continue in the 2030 and 2050 projections. The continuation of water stress will bring with it cost increases in the supply of cooling and process water, a need for investment in new water resources and risks of generation interruption.

Average Temperature Increase

Analyses based on Climate Impact Explorer data show that the risk of average temperature increase remains largely at "very low" and "low" levels for the Çan2 Thermal Power Plant. While all scenarios indicate a "very low risk" level in the 2030 period, by 2050 the risk rises to the "low" level under the RCP2.6, RCP4.5 and RCP6.0 scenarios, reaching the "medium risk" level only under the pessimistic RCP8.5 scenario.

These results show that the risks relating to average temperature increase are generally limited but may become more pronounced after 2050 under pessimistic scenarios. This brings to the agenda the need to strengthen cooling infrastructure and to review maintenance investments from this risk perspective, particularly in long-term planning.

Extreme Heat

Analyses based on World Bank Climate Change Knowledge Portal data reveal that extreme heat day risks show marked differences between facilities. For the Çan2 Thermal Power Plant, the risk remains at a "low" level in the 2020-2039 period under the baseline scenario, rising to the "medium" level in the 2040-2059 and 2060-2079 periods.

A more limited impact is projected in the short term for the Çan2 Thermal Power Plant; however, it is assessed that rising temperatures in the medium and long terms will cause a decline in generation efficiency, an increase in cooling requirements and maintenance planning, and additional risks to employee health. Although the impact of extreme heat on the Company's overall operations is currently relatively limited, projections indicating that the risk will increase over the long term will lead to this topic being integrated in greater detail into strategic planning processes. In particular, long-term maintenance planning, occupational health and safety measures and investments aimed at strengthening cooling capacity may come onto the agenda for review in line with this risk.

TRANSITION SCENARIO ANALYSES

A comprehensive transition scenario analysis was carried out in 2025 in order to assess Çan2 Termik's capacity to adapt to the transition process towards a low-carbon economy. This work was conducted with the contribution of the relevant in-house units and the support of an external consultant; the scenario outputs were assessed through workshops and meetings, and their integration into the organisation's strategic plans is continuing.

The analyses were based on the IEA Net Zero Emissions by 2050 (NZE 2050) scenario, which projects that global emissions will reach net zero by 2050. Covering elements such as changes in energy supply and demand balances, carbon pricing, the regulatory framework and technology transformations, this scenario made it possible to assess the potential effects on Çan2 Termik's activities. Within the scope of the study, the capacity of the coal-based generation of the Çan2 Thermal Power Plant in particular and of renewable energy investments to adapt to this scenario was examined.

The scenario studies set out the potential effects on Çan2 Termik's business model of the implementation of carbon pricing mechanisms, the transition to an emissions trading system (ETS), conditions of access to finance, technology investments and changes in market dynamics. The findings obtained provide a framework that will inform both short- and medium-term adaptation steps and long-term transformation plans.

Analysis Findings and Assessments

The IEA NZE 2050 scenario projects a rapid global phase-out of coal, the gradual retirement of natural gas and the implementation of much stricter climate policies in order to reach the net zero emissions target by 2050. In this context, the likelihood of stricter regulations aimed at limiting coal use being introduced in Türkiye as well is increasing. However, Türkiye's coal phase-out timetable and the form of the policies to be implemented are still not clear; this is an important area of uncertainty taken into account in the scenario analysis.

For Çan2 Termik, the NZE 2050 scenario points to certain changes that must be managed. The coal-based generation of the Çan2 Thermal Power Plant may face higher carbon costs and financing pressures over the long term. Nevertheless, the fact that the electricity generated by the Company is assessed within the framework of a public sales model, together with the relatively inelastic structure of electricity demand, increases the likelihood that these costs would not remain entirely with the producer and that a portion would be reflected in prices even if carbon pricing mechanisms were introduced. This stands out as one of the factors that may limit the direct burden of carbon taxes or ETS applications on the Company's financial position.

Çan2 Termik is taking steps to diversify its energy portfolio and has the capacity to reduce its dependence on coal through new investments in addition to existing ones.

As the transformation opportunities projected by the NZE scenario (renewable energy, biofuel technologies, etc.) increase, the Company's potential to accelerate these diversification steps may also strengthen. The scenario also creates revenue opportunities in the field of the circular economy. Increasing demand for alternative raw materials in the cement and similar sectors may support the sale of by-products such as the ash arising from the Çan2 Thermal Power Plant, which may in turn create an additional revenue channel.

The NZE 2050 scenario also contains uncertainties regarding the pace of biofuel and other transition technologies. Should a rapid transformation occur in this field, the capacity to convert the Çan2 Thermal Power Plant may become an important strategic option.

Strategy and Decision-Making

Çan2 Termik addresses the risks that climate change may create and the opportunities it presents in an integrated manner with its long-term strategic direction, and shapes its decision-making mechanisms accordingly. The "We Focus on the Future" sustainability strategy, put into effect within ODAŞ as of 2024 and implemented so as to cover all of ODAŞ's subsidiaries including Çan2 Termik, brings together the Company's climate-related targets and activities under three main strategic focus areas: "Continuous Improvement", "Responsible Growth" and "Growing Stronger Together". This structure enables climate-related decisions to be assessed holistically within the framework of not only environmental but also economic, technological and social impacts.

CHANGES IN THE BUSINESS MODEL AND RESOURCE ALLOCATION

Çan2 Termik identifies areas holding transformation potential in its business model in order to address climate-related risks and opportunities, and aims to direct resource allocation accordingly. Within the framework of the portfolio diversification strategy, the gradual reduction of the weight of coal in the energy generation portfolio and the increase of investments based on renewable sources, together with the scaling up of circular economy solutions, are among the key priorities.

In this context, projects enabling the fly ash and synthetic gypsum arising from the coal-fired Çan2 Thermal Power Plant to be used as an alternative raw material in the cement and construction sectors both reduce disposal costs and create a new revenue channel. Through the Ash Mill investment completed during 2025, approximately 330,000-340,000 tonnes of ash per year has been turned into a saleable product.

In addition, taking into account Türkiye's 2053 Net Zero target and the obligations under the Paris Climate Agreement, it is planned to prepare a comprehensive climate strategy and emission reduction roadmap in the period ahead.

DIRECT REDUCTION AND ADAPTATION EFFORTS

Çan2 Termik is developing direct operational practices in order to reduce the emissions arising from its activities and to adapt to the physical effects of climate change. These efforts are taking shape in areas such as energy efficiency and water management.

Energy Efficiency and Emission Reduction

Energy Efficiency and Emission Reduction: The ISO 50001 Energy Management System is implemented at the Çan2 Thermal Power Plant, and a management infrastructure for the continuous improvement of processes has been established in this context.

Through the comprehensive energy audit studies to be carried out as of 2026, the aim is to identify areas with high energy saving potential on a plant basis and to reshape energy management programmes accordingly. In this context, an investment, maintenance and parts renewal programme of approximately EUR 2 million aiming to increase boiler efficiency by up to 3% is being carried out during 2026. Processes are under way to benefit from the Efficiency Enhancing Projects (EEP) support mechanism offered by the Republic of Türkiye Ministry of Industry and Technology for the financing of this project, and project development and application work is continuing. These initiatives are projected to contribute to the reduction of direct emissions in the short term and to the transition to low-carbon generation through energy efficiency in the medium and long terms.

Water Efficiency and Adaptation

Water Efficiency and Adaptation: At the Çan2 Thermal Power Plant, generation processes conducted using groundwater resources are being optimised in order to reduce the effects of water stress. All wastewater is treated and reused, and no direct water discharge takes place. The volume of industrial wastewater was reduced by approximately 52.5% in the 2023-2025 period; this improvement was achieved through the recovery and reuse of water arising in the processes. Compared with 2024, a reduction of 38.1% was observed. In addition, technical maintenance is carried out to prevent waste in drinking and utility water systems, and water consumption is reduced in landscaped areas through a drip irrigation system.

INDIRECT REDUCTION AND COOPERATION WITH THE SUPPLY CHAIN

Çan2 Termik considers its climate-related impacts and contributions not only in its own operations but also along its value chain. Suppliers and subcontractors are assessed in terms of their compliance with the Company's sustainability policies. In procurement processes, environmental, social and governance (ESG) performance is taken into account as one of the key success criteria alongside criteria such as cost and quality, and business partners with high sustainability performance are prioritised. The Company has also completed its work on calculating Scope 3 emissions and is continuing its efforts to measure and monitor value chain greenhouse gas impacts and to identify reduction opportunities.

TRANSITION PLAN AND ASSUMPTIONS

Although Çan2 Termik has not yet published a formal climate transition plan, work is being planned in line with the transformation dynamics in the energy sector, national carbon regulations, Türkiye's 2053 Net Zero target and international climate commitments. The Company has set out through its Public Disclosure Platform (KAP) announcements that it prioritises growth in renewable energy investments for its energy investments, together with its investment strategy and vision in this field. Accordingly, the aim is for processes such as comprehensive emissions calculations, carbon intensity analyses, investment prioritisation and the assessment of technology alternatives to form the fundamental components of the transition strategy to be established.

Çan2 Termik has not yet publicly disclosed validated emission reduction targets. However, planning is continuing for the establishment of a roadmap aligned with Türkiye's 2053 Net Zero target. Once these targets have been set, a comprehensive roadmap and monitoring mechanism for the transition process will also be put in place.

PROVISION OF RESOURCES

Çan2 Termik adopts an approach based on making the most efficient use of external funding and equity resources in financing projects that respond to climate-related risks and opportunities. Circular economy practices, efficiency-enhancing measures and investments aimed at reducing environmental impacts are financed in this context, and for projects included in investment plans, public incentives and support are also assessed on a project basis alongside internal and external financing opportunities, where suitable conditions are met.

In the period ahead, supporting the steps to be taken in capital-intensive areas such as low-carbon transformation and emission reduction not only with existing resources but also with cost-effective external financing instruments may come onto the agenda. Accordingly, it is planned to assess alternative financing sources in the light of prevailing conditions and investment priorities.

For example, investments such as the ash mill project completed in 2025 make a long-term contribution in terms of both economic recovery and resource efficiency, and are therefore of a nature compatible with green financing instruments. This project was financed by way of leasing.

Section 04

RISK MANAGEMENT



Risk Management

Çan2 Termik A.Ş. conducts its risk management processes across all of its fields of activity and operations. These processes are designed in an integrated manner with the Company's overall risk management structure; sustainability- and climate-related risks and opportunities are assessed, prioritised and regularly monitored together with other risk types. Although there is no independent corporate risk management department within the Company, the risk management function is carried out by the Committee of Early Identification of Risks (CEIR), which operates at Board of Directors level. The Company aims to establish a more systematic corporate risk management structure in the period ahead and to align its processes with international good practice.

In the process of identifying and managing risks, the nature of Çan2 Termik's operations, the geographical location of the facility, its business model and all activities in its value chain are taken into account. This process is maintained in line with the approach applied in the previous reporting period, and there has been no significant change in methodology or scope. Comparability between periods is thereby ensured. In this context, not only the current situation but also sectoral developments and global trends are monitored, and national and international information sources are used. These sources include tools such as the International Energy Agency (IEA) scenario studies, the WRI Aqueduct Water Risk Atlas and the World Bank Climate Change Knowledge Portal.

As explained in detail in the Strategy section of this report, climate- and sustainability-related scenario analyses are used as one of the fundamental inputs to these processes.

The processes for identifying, assessing, prioritising and monitoring sustainability and climate risks and opportunities are carried out within Çan2 Termik using a systematic approach. In this context, risks are addressed in terms of impact, likelihood and term, and a 5x5 impact-likelihood matrix is used in the assessments. Impact and likelihood levels are classified at five levels as "very low, low, medium, high and very high". The criteria in the matrix are based essentially on qualitative assessments, and a financial threshold set at USD 2 million and above is also used, consistent with the Company's financial statements. This threshold is taken as a reference for the financial impact of climate- and sustainability-related risks to be regarded as material.

Similarly, sustainability- and climate-related opportunities are addressed using the same methodology; impact-likelihood matrices are also used for opportunities, and the term, potential impact and likelihood of occurrence of opportunities are analysed. In the climate-based scenario analyses carried out by Çan2 Termik, opportunities are also assessed systematically.

The CEIR's principal duties are the early detection and analysis of Environmental, Social and Governance (ESG)-focused risks in addition to strategic, financial, operational and legal risks, the determination of preventive and remedial actions, and reporting to the Board of Directors. Where it deems necessary, the Committee may request information from the relevant units within the Company, invite experts to its meetings or obtain support from external consultants.

The Sustainability Committee, which operates specifically in relation to ESG risks, systematically analyses risks with environmental and social impacts and works in coordination with the CEIR on these matters. The Sustainability Committee carries out the duties of determining sustainability strategies, monitoring ESG risks and opportunities, establishing policies and targets, and making recommendations to the Board of Directors.

Çan2 Termik's risk management approach is maintained with strong oversight at Board of Directors level, and development steps aimed at strengthening corporate systems are being planned. The aim is thereby to manage current and future risks and opportunities within a more holistic and integrated structure and to conduct processes in a sustainable and transparent manner.

Section 05

METRICS AND TARGETS



Metrics and Targets

At Çan2 Termik A.Ş. and its affiliates, greenhouse gas emissions have been calculated in detail in accordance with TSRS 2. This section contains information on Scope 1, Scope 2 and Scope 3 greenhouse gas emissions and on the calculation approaches. All calculations were made on the basis of the GHG Protocol Corporate Accounting and Reporting Standard, and the relevant methodologies, data sources and assumptions have been explained.

EMISSIONS DATA

2024 has been taken as the base year (initial inventory) for the Company. Çan2 Termik's and its affiliates' 2024 and 2025 emissions data are set out below.

Scope 1 and Scope 2 emissions were calculated and reported as of 2024. In 2025, the reporting scope was broadened and the calculation of Scope 3 emissions was begun.

Accordingly, the emissions data for 2024 and 2025 are comparable in terms of Scope 1 and Scope 2, while for Scope 3 emissions only the 2025 data are presented. Together with the development of data collection and calculation processes for Scope 3 emissions, the aim is to increase comparability between periods in the periods ahead.

GREENHOUSE GAS EMISSIONS (TONNES CO ₂ E)					
		2024		2025	
Company	Scope 1	Scope 2	Scope 1	Scope 2	Scope 3
Çan2 Termik A.Ş. and its Affiliates	2,132,787.74	4,917.83	1,813,472.5	6,728.03	645,471.99
TOTAL	2,132,787.74	4,917.83	1,813,472.5	6,728.03	645,471.99

*Scope 2 emissions have been calculated using the location-based method.



As of 2025, total Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for Çan2 Termik A.Ş. and its affiliates have been calculated as 2,465,672.51 tonnes CO₂e. Within this total, Scope 1 emissions account for the largest share at 1,813,472.50 tonnes CO₂e, representing approximately 73.55% of the total. Scope 2 emissions, on a location basis, amount to 6,728.03 tonnes CO₂e, making up approximately 0.27% of total emissions. Scope 3 emissions, at 645,471.99 tonnes CO₂e, correspond to approximately 26.18% of the total. This distribution shows that the greenhouse gas emissions of Çan2 Termik A.Ş. and its affiliates are predominantly weighted towards Scope 1 emissions arising from direct fuel consumption and operational processes.

In addition, because the maintenance shutdown of approximately one month planned to take place in the first quarter of 2026 was brought forward to November 2025 at the Çan2 Thermal Power Plant, the total shutdown period during the year lengthened, and the plant's annual generation and fuel consumption levels declined accordingly. This operational change had a downward effect on the 2025 total greenhouse gas performance, particularly in respect of Scope 1 emissions arising from direct fuel use.

Compared with 2024, total Scope 1 and Scope 2 emissions decreased by approximately 14.8% in 2025. On the other hand, Scope 3 emissions, calculated and included in reporting for the first time in 2025, have broadened the scope of our total emissions inventory and made it possible to assess value chain emissions using a more holistic approach.

ENERGY CONSUMPTION

ENERGY CONSUMPTION (GJ)	2024	2025
Direct Energy Consumption	21,996,470	18,921,010
Indirect Energy Consumption	39,630	54,970
Total	22,036,100	18,975,980



INPUTS AND SOURCES USED IN THE CALCULATIONS

Within the scope of Scope 1, consumption data for natural gas, LNG, diesel, lignite coal and fuel oil were taken as the basis for stationary combustion sources. Diesel and petrol consumption were assessed for mobile combustion sources, and process emissions were calculated by reference to the MRV reports of the relevant facility. Fugitive emissions arising from air conditioning systems, industrial refrigeration units, chiller units, fire extinguishing systems and gas cylinders were also assessed within the scope.

Scope 2 emissions are based on electricity consumption obtained from the grid. These data were obtained from the electricity invoices for the relevant period and calculated using emission factors. Scope 3 emissions were determined by taking into account the operational boundaries defined within the scope of the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004). Given that the Group's main field of activity is energy generation, fuel- and energy-related indirect activities in particular stand out as the most significant emission source within Scope 3 emissions.

In the calculation process, the methodologies, calculation approaches and decision trees set out in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) were taken as the basis. Activity data were obtained from the Company's ERP system and accounting records.

In selecting emission factors, use was made of the data sources published on the GHG Protocol's corporate website. All companies were consolidated according to the operational control approach.

As a result of the assessment carried out, the emission sources set out below were included in the Scope 3 emission calculations:

- Purchased Goods and Services
- Capital Goods
- Fuel- and Energy-related Indirect Emissions
- Upstream Transportation and Distribution
- Waste
- Business Travel
- Employee Commuting
- Downstream Transportation and Distribution

METHODOLOGIES USED

The Greenhouse Gas Protocol's corporate carbon footprint calculation and reporting standard was taken as the basis for the emission calculations. In the data collection processes, accounting records and site data were used. In order to ensure high accuracy in the emission calculations, the emission factors used in the Turkish National Greenhouse Gas Inventory and the MRV system, together with the IPCC guidelines, were applied. All calculations were made in terms of carbon dioxide equivalent (CO₂e), and global warming potential coefficients were determined in accordance with the IPCC Sixth Assessment Report (AR6).

Calculation formula: Total CO₂e = Activity Data × Applicable Emission Factor

Çan2 Termik A.Ş. is a Category C (High Emission) facility within the scope of the Communiqué on the Monitoring and Reporting of Greenhouse Gas Emissions, and its process emissions and emissions from stationary combustion sources were calculated at tier 3 level (through special laboratory analyses), with the emission factor and net calorific value calculated specifically. The method used for fugitive emissions is the multiplication of total equipment gas capacity by the estimated leakage rate and the global warming potential coefficient.

EMISSION FACTORS AND REFERENCES

A direct measurement methodology was not used in calculating the volumes of the emission sources in the organisation's greenhouse gas inventory; calculation-based methodologies were preferred.

For further detail on these calculation methodologies, reference was made to the documents published by the Greenhouse Gas Protocol (GHG), the Intergovernmental Panel on Climate Change (2006) (IPCC), the Department for Environment, Food & Rural Affairs (DEFRA) and the EPA. These documents provide guidance on the calculation and reporting of emissions.

Where local sources were insufficient in the selection of emission factors, international sources were used. These international sources include DEFRA (2025), Ecoinvent data, and the EPA and IPCC guidelines. The emission factors used for electricity consumption were sourced from the International Energy Agency (IEA). In addition, in order to calculate electricity transmission and distribution losses in Türkiye, the loss percentage for Türkiye was obtained from the Energy Market Regulatory Authority.

The density and calorific values of the fuels used in the emission calculations were taken as 0.83 kilograms/litre for diesel, 0.735 kilograms/litre for petrol, 11,310 kilocalories/kilogram for LPG, 8,250 kilocalories/cubic metre for natural gas and 10,278 kilocalories/kilogram for diesel. Owing to the high global warming potential of the HFC gases used as refrigerants in air conditioning units, fugitive emissions arising from refrigeration systems were also included in the inventory.

The global warming potential values of the greenhouse gases within the scope of the calculation were determined in accordance with the IPCC Sixth Assessment Report. The annual leakage rate was taken as 1% for refrigeration systems, 1% for water dispensers and 4% for fire extinguishers.

According to the physical scenario analyses carried out, the site where Çan2 Termik operates is generally at a manageable level in terms of climate-related risks.

In Türkiye, the Çan2 Termik site is located in a high water stress region; however, the existing infrastructure, water supply strategies and operational measures mean that no vulnerability arises at a level that would threaten operations. Flood risk is at a low level for the site and the existing protective measures are sufficient.

Climate-related physical risks in Çan2 Termik's current operations are closely monitored, and it is assessed that there is currently no vulnerability at a level that would threaten its operations.

SIGNIFICANT JUDGEMENT AND MEASUREMENT UNCERTAINTY

When the Company's significant emission sources are assessed, coal use is seen to account for a substantial share. Çan2 Termik A.Ş. is a facility subject to the MRV (Monitoring, Reporting and Verification) process of the Ministry of Environment, Urbanisation and Climate Change, and a calculation methodology in accordance with the monitoring plan was followed. In assessing the source streams, the calculations were made taking into account truck weighings, moisture contents and laboratory analyses of the incoming coal.

For the diesel consumption included within Çan2 Termik's stationary combustion emissions, the fuel consumption data of the generators were calculated on the basis of annual operating hours. UTTS (National Vehicle Identification System) records were taken as the basis for mobile combustion emissions.

Since the mass contained within the equipment is not known precisely, an estimation-based calculation methodology was followed for fugitive emissions, taking into account average annual leakage rates.

TOTAL ENERGY CONSUMPTION

The references used in the calculation are presented in the table below:

ENERGY SOURCE	NET CALORIFIC VALUE	UNIT	REFERENCE
Natural Gas	8,250	Kcal/Nm ³	https://www.resmigazete.gov.tr/eskiler/2011/10/20111027-5.htm
Generator - Diesel	10,200	Kcal/kg	https://www.resmigazete.gov.tr/eskiler/2011/10/20111027-5.htm
Coal	6,100	Kcal/kg	https://www.resmigazete.gov.tr/eskiler/2011/10/20111027-5.htm
Vehicle Fuel - Petrol	10,200	Kcal/kg	https://www.resmigazete.gov.tr/eskiler/2011/10/20111027-5.htm
Vehicle Fuel - Diesel	10,400	Kcal/kg	https://www.resmigazete.gov.tr/eskiler/2011/10/20111027-5.htm
Lignite Coal	11.82	GJ/t	COMMUNIQUE ON THE MONITORING AND REPORTING OF GREENHOUSE GAS EMISSIONS (MRV)
Fuel Oil	39.39	GJ/t	COMMUNIQUE ON THE MONITORING AND REPORTING OF GREENHOUSE GAS EMISSIONS (MRV)
Diesel	43.33	GJ/t	COMMUNIQUE ON THE MONITORING AND REPORTING OF GREENHOUSE GAS EMISSIONS (MRV)

SCOPE 1 GREENHOUSE GAS EMISSIONS (TCO₂E)

SCOPE 1	EMISSION SOURCE	EF (kg CO ₂ /Tj) CO ₂	EF (kg CH ₄ /Tj) CH ₄	EF (kg N ₂ O/Tj) N ₂ O	REFERENCE
Stationary Combustion	Natural Gas - Facility	56100	1	0.1	TABLE 2.3 DEFAULT EMISSION FACTORS FOR STATIONARY COMBUSTION IN MANUFACTURING INDUSTRIES AND CONSTRUCTION (kg of greenhouse gas per TJ on a Net Calorific Basis)
Stationary Combustion	Natural Gas - Office	56100	5	0.1	TABLE 2.3 DEFAULT EMISSION FACTORS FOR STATIONARY COMBUSTION IN MANUFACTURING INDUSTRIES AND CONSTRUCTION (kg of greenhouse gas per TJ on a Net Calorific Basis)
Stationary Combustion	Diesel	74,100	3	1	TABLE 2.3 DEFAULT EMISSION FACTORS FOR STATIONARY COMBUSTION IN MANUFACTURING INDUSTRIES AND CONSTRUCTION (kg of greenhouse gas per TJ on a Net Calorific Basis)
Stationary Combustion	LNG	64,200	3	1	TABLE 2.3 DEFAULT EMISSION FACTORS FOR STATIONARY COMBUSTION IN MANUFACTURING INDUSTRIES AND CONSTRUCTION (kg of greenhouse gas per TJ on a Net Calorific Basis)
Stationary Combustion	Coal	98,300	10	2	TABLE 2.3 DEFAULT EMISSION FACTORS FOR STATIONARY COMBUSTION IN MANUFACTURING INDUSTRIES AND CONSTRUCTION (kg of greenhouse gas per TJ on a Net Calorific Basis)
Mobile Combustion	Diesel - ON ROAD	74,100	3.90	3.90	TABLE 3.2.1 ROAD TRANSPORT DEFAULT CO ₂ EMISSION FACTORS AND UNCERTAINTY RANGES TABLE 3.2.2 ROAD TRANSPORT N ₂ O AND CH ₄ DEFAULT EMISSION FACTORS AND UNCERTAINTY RANGES
Mobile Combustion	Petrol - ON ROAD	69,300	25.00	8.00	TABLE 3.2.1 ROAD TRANSPORT DEFAULT CO ₂ EMISSION FACTORS AND UNCERTAINTY RANGES TABLE 3.2.2 ROAD TRANSPORT N ₂ O AND CH ₄ DEFAULT EMISSION FACTORS AND UNCERTAINTY RANGES
Mobile Combustion	Diesel - OFF ROAD	74,100	4.15	28.60	TABLE 3.3.1 DEFAULT EMISSION FACTORS FOR OFF-ROAD MOBILE SOURCES AND MACHINERY
Process Emissions	Explosives	0.189 ((kg CO ₂ e/Unit) CO ₂)			IPCC 2006 Volume 3: Industrial Processes and Product Use; CHEMICAL INDUSTRY EMISSIONS Table 3.1

REFRIGERANT GASES;

The refrigerant gases of the equipment consuming refrigerant gases, together with their global warming potentials and references, are presented in the table below:

SCOPE 1 - REFRIGERANT GASES	GWP (kgCO ₂ e/kg)	REFERENCES
R600A	3	https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter_07_Supplementary_Material.pdf
R410A	2255.5	https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter_07_Supplementary_Material.pdf
R134A	1530	https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter_07_Supplementary_Material.pdf
R404A	4728	https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter_07_Supplementary_Material.pdf
R32	771	https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter_07_Supplementary_Material.pdf
CO ₂	1	https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter_07_Supplementary_Material.pdf
FM200	3600	https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter_07_Supplementary_Material.pdf
SF6	25200	https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter_07_Supplementary_Material.pdf

The emission factors and references for purchased electricity for Scope 2 are presented in the table below:

SCOPE 2	EF (tCO ₂ e/MWH)	REFERENCES
Purchased Electricity	0.533	Asian Development Bank (ADB)
Purchased Electricity	0.442	Republic of Türkiye Ministry of Energy
Purchased Electricity	0.198	IEA-Venezuela

INTERNAL CARBON PRICING

The Çan2 Thermal Power Plant is subject to the Emissions Trading System (ETS) as a high-emission facility, and the carbon prices projected for the coming years are expected to have significant effects on the Company's financial structure. Accordingly, potential carbon costs are taken into account in investment and decision-making processes that exceed a certain financial threshold. In this context, the average carbon price for the 100 MW installed capacity hybrid SPP project planned to be established within the Çan2 licence area has been calculated as USD 9.18 (TRY 393.22).

VULNERABILITY TO CLIMATE RISKS

When its vulnerability to physical risks linked to climate change is assessed, the Çan2 Thermal Power Plant is seen to be of a nature that may be affected in particular by water stress, temperature increases, extreme weather events and irregularities in climate conditions. Because these risks may directly affect water supply, process continuity, site operations and service quality, physical climate risks are monitored. When assessed in terms of transition risks, carbon regulations, increases in emission costs, energy transformation policies and tightening national and international legislation on fossil fuel use in particular are projected to be capable of affecting operations. Although the precise magnitude of the financial impact of these risks cannot be projected at the current stage, developments are being closely monitored.

ASSETS ALIGNED WITH CLIMATE OPPORTUNITIES

Within the scope of revenue items aligned with climate opportunities, sales of fly ash and synthetic gypsum obtained as a result of Çan2 Termik's activities stand out.

As of 2025, revenue of TRY 183,114,414 has been obtained in this respect. Arising through the return of waste to the economy and the utilisation of by-products, this revenue item constitutes one of the existing examples of climate opportunities focused on the circular economy and resource efficiency for the Company. In addition, new opportunities that may arise in the fields of renewable energy, energy efficiency and resource recovery are being closely monitored.

CAPITAL ALLOCATION

there is no finalised capital investment directly allocated to the management of climate-related risks and opportunities during 2025.

Nevertheless, Çan2 Termik is continuing its feasibility and planning work on solar power plant investments in order to reduce energy costs, increase operational resilience and lower its carbon footprint, and it is envisaged that these will be included in capital allocation plans once the relevant investment decisions are finalised.

TARGETS

Çan2 Termik began calculating its emissions data comprehensively as of 2024. In this process, Scope 1 and Scope 2 emissions were reported in detail. As of 2025, the reporting scope was broadened and the calculation of Scope 3 emissions was begun.

In the periods ahead, the Company plans to establish a holistic roadmap containing its short-, medium- and long-term targets, including interim reduction steps, taking into account all emission sources. It is a priority for the Company that the targets to be set be aligned with Türkiye's 2053 net zero vision and the Paris Climate Agreement.

Çan2 Termik regards the reduction of emissions arising from its direct and indirect operations as a strategic priority and is continuing its work on setting quantitative targets. Together with the decisions to be taken at management level, it is planned to implement a system in which progress towards emission reduction is monitored regularly, annual reduction targets are defined and the achievement of these targets is tracked. In the periods ahead, it is planned to establish a holistic roadmap taking into account all emission sources and containing short-, medium- and long-term targets together with interim reduction steps. It is a priority for the Company that the targets to be set be aligned with Türkiye's 2053 net zero vision and the Paris Climate Agreement.

Çan2 Termik aims to implement a system in which progress towards emission reduction is monitored regularly, annual reduction targets are defined and the achievement of these targets is tracked. In this context, it is planned to integrate target-setting, monitoring and reporting processes into the corporate governance structure in line with the decisions to be taken at management level.

SUBSEQUENT EVENTS

Following the relevant reporting period, no event, development or circumstance capable of affecting Çan2 Termik's financial position, results of operations or assessment has occurred.



Section 06

ANNEXES



ANNEX-1: SECTOR-BASED METRICS (TSRS 2 - Volume 32 - Electric Utilities and Power Generators)

TOPIC	METRIC	UNIT OF MEASURE	DATA	Code
Greenhouse Gas Emissions and Energy Resource Planning	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations and emissions-reporting regulations	Metric tonnes (t) CO ₂ e, Percentage (%)	1,813,472.50 Çan2 Termik A.Ş. is not subject to any emissions-limiting regulation.	IF-EU-110a.1
	Greenhouse gas (GHG) emissions associated with power deliveries	Metric tonnes (t) CO ₂ e	We have no power distribution activity.	IF-EU-110a.2
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions and emissions reduction targets, and an analysis of performance against those targets	-	The ODAŞ Group's target of reducing Group-wide Scope 1 emissions by 10% by 2035 against the 2024 base year has been set at consolidated level. In this context, the target relates to the ODAŞ Group's total emissions performance, and no separate emission reduction target has currently been defined for individual Group companies.	IF-EU-110a.3
Water Management	Total water abstracted	Thousand m ³	1,989.27	IF-EU-140a.1
	Total water consumed	Thousand m ³	1,989.27	IF-EU-140a.1
	Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress	Percentage (%)	100	IF-EU-140a.1
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	number	0	IF-EU-140a.2
	Description of water management risks and discussion of strategies and practices to mitigate those risks	-	Addressed in the Risk and Opportunity tables.	IF-EU-140a.3
End-Use Efficiency and Demand	Percentage of electric load served by smart grid technology	Percentage (%) of megawatt hours (MWh)	This metric has no connection with our operations.	IF-EU-420a.2
	Customer electricity savings from efficiency measures, by market	Megawatt hours (MWh)	This metric has no connection with our operations.	IF-EU-420a.3
Nuclear Safety and Emergency Management	Total number of nuclear power units separated according to the results of the most recent independent safety review	number	0	IF-EU-540a.1
	Description of efforts to manage nuclear safety and emergency preparedness	-	We have no nuclear power units.	IF-EU-540a.2
Grid Resiliency	Number of incidents of non-compliance with physical or cybersecurity standards or regulations	number	0	IF-EU-550a.1
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI) and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Minutes, number	This metric has no connection with our operations.	IF-EU-550a.2

ACTIVITY METRICS

METRIC	UNIT OF MEASURE	DATA	CODE
Number of residential, commercial and industrial customers served	number	We have no retail sales.	IF-EU-000.A
Total electricity delivered to residential, commercial, industrial, all other retail customers and wholesale customers	Megawatt hours (MWh)	We have no retail sales.	IF-EU-000.B
Length of transmission and distribution lines	Kilometres (km)	We have no transmission or distribution activity.	IF-EU-000.C
Total electricity generated, percentage by major energy source, percentage in regulated markets	Megawatt hours (MWh), Percentage (%)	1,476,906	IF-EU-000.D
Total wholesale electricity purchased	Megawatt hours (MWh)	15,270.81	IF-EU-000.E

Independent Limited Assurance Statement



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INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE INFORMATION PRESENTED BY ÇAN2 TERMİK A.Ş. IN ACCORDANCE WITH THE TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Çan2 Termik Anonim Şirketi

We were engaged by Çan2 Termik Anonim Şirketi (the "Company" or "Çan2") to provide limited assurance on the information ("Sustainability Information") presented in the TSRS-Compliant sustainability report for the year ended 31 December 2025 has been prepared in accordance with TSRS 1 General Requirements for Disclosure of Sustainability Related Financial Information and TSRS 2 Climate-related Disclosures (collectively referred to as "TSRS"), as published by the Public Oversight Accounting and Auditing Standards Authority ("POA").

Our assurance engagement does not cover any information relating to previous periods other than climate-related risks and opportunities, nor other information linked to the Sustainability Information (including any images, audio files, website links, or embedded videos).

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, as summarized under the heading "Summary of Work Performed as a Basis for the Assurance Conclusion" nothing has come to our attention that causes us to believe that the Company's Sustainability Information for the year ended 31 December 2025 has not been prepared, in all material respects, in accordance with the TSRS.

Our limited assurance engagement does not cover prior-period information or other information associated with the Sustainability Information (including any images, audio files, website links, or embedded videos), except for climate-related risks and opportunities.



Inherent limitations in the preparation of the Sustainability Information

Sustainability Information contains climate-related scenario-based information that is subject to inherent uncertainty due to incomplete scientific and economic knowledge regarding the likelihood, timing, or effects of possible future physical and transitional climate-related events.

In addition, the quantification of greenhouse gas is also subject to inherent uncertainty due to the lack of sufficient scientific knowledge required to determine the values used for emission factors and to combine different gas emissions.

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

The Company's management is responsible for the following:

- The preparation of the Sustainability Information in accordance with the TSRS;
- The design, implementation, and maintenance of internal control as deemed necessary to ensure that the Sustainability Information is prepared free from material misstatement, whether due to fraud or error;
- Additionally, the Company's management is also responsible for selecting and applying appropriate sustainability reporting methods, as well as making reasonable assumptions and estimates that are appropriate to the circumstances.

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

Auditor's Responsibilities for the Limited Assurance Engagement on the Sustainability Information

We are responsible for the following:

- To plan and perform the engagement to obtain limited assurance about whether the Sustainability Information contains material misstatements, whether due to fraud or error.
- To reach an independent conclusion based on the evidence obtained and the procedures performed; and
- To communicate our conclusion to the Company management.

As we are responsible for expressing an independent conclusion on the Sustainability Information prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information, as such involvement could compromise our independence.

Application of Professional Standards

Our limited assurance engagement was conducted in accordance with Assurance Engagement Standard 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and Assurance Engagement Standard 3410 "Assurance Engagements on Greenhouse Gas Statements" as issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under these assurance standards are described in detail in the Auditor's Responsibilities for the Limited Assurance Engagement on the Sustainability Information section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.



Independence and Quality Management

We have complied with the independence requirements and other ethical provisions of the Code of Ethics for Independent Auditors (including Independence Standards) issued by POA, which is built upon the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

KPMG is responsible for implementing the provisions of Standard on Quality Management 1 ("SQM 1") Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and for maintaining a comprehensive quality management system, including written policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Summary of Work Performed as a Basis for the Assurance Conclusion

We are required to plan and perform our work to address areas where we have identified a higher risk of material misstatement in the Sustainability Information. The procedures we apply are based on our professional judgment. In conducting our limited assurance engagement on the Sustainability Information:

- Interviews were conducted with key senior personnel of the Company to understand the processes in place for obtaining the Sustainability Information for the reporting period;
- The Company's internal documentation was used to evaluate and review the sustainability-related information.
- An evaluation of the disclosure and presentation of the sustainability-related information was performed.
- Through inquiries, an understanding was obtained regarding the Company's control environment and information systems related to the preparation of the Sustainability Information. However, the design of specific control activities was not evaluated, no evidence was obtained regarding their implementation, and their operating effectiveness was not tested.
- The appropriateness of the Company's estimation methodologies and their consistent application were evaluated. However, our procedures do not include testing the data on which the estimates are based or developing our own estimates to evaluate the Company's estimates.
- The selection of quantification methodologies and reporting policies for greenhouse gases was evaluated.
- We have understood the Company's processes for identifying risks and opportunities that are financially material, together with its sustainability reporting processes.
- We performed analytical assurance procedures and related inquiries on a sample basis, recalculated figures, reviewed documentation, and tested data collections processes to assess the accuracy the Company sustainability statement.

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


Sinirli Goyenik SMMM
Partner
22 July 2026
İstanbul, Türkiye



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