



ALARKO HOLDING
Sustainability
Report

2023

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Presentation



Our 2023 Sustainability Report is now published with Alarko's renewed corporate identity.

For seven decades, we have taken on an important role throughout Türkiye's development journey. We are now redirecting our focus on how to take this success story into the future. We are diversifying our investments and backing up our social initiatives to increase the value we contribute to our country and our planet. We are undergoing a transformation with a focus on sustainability, organization and digitalization in all our business lines. To this end, we have updated our corporate identity, our logo and slogan in our 70th year in operation. With modern and dynamic lines, colors that embrace the human and the nature, and a form that underlines our expertise, our new logo inspires us as a powerful symbol of our transformation journey. Our brand slogan "Value Redefined" expresses our commitment to redefine the value we generate for our economy, society and planet, and to lead in every field we offer services in.

Our Brand Manifesto:

As Alarko, we are carrying on with our 70 year-journey, all the while transforming and growing in the international arena. The path we are travelling ceaselessly and tirelessly with our belief in the power of diversity in pursuit of excellence taught us that growing big does not mean growing old. We have been proudly embracing the values inherited from our founders since the very first day, and we

promise anew every day to be a reliable and reputable conglomerate. Our target transcends financial development and incorporates creation of an ecosystem of values that positively influences our stakeholders, the business world and communities, on the back of the meaningful relationships we build.

As a portfolio company, we acknowledge that our strength stems from our consistency, reliability, pioneering identity and our approach that prioritizes human and the nature. We are aware that our success is intertwined with the welfare and well-being of our stakeholders that we serve and the sustainability of the planet we live on. Attaching value to every individual we touch and nurturing every partnership we establish, we convert our expertise into lasting contributions as we work towards making a concrete difference in lives all over the world.

We are courageous enough to embrace the future as we remain adhered to the wisdom of our past. Renewing ourselves, adapting and transforming every day is the key responsibility we took over from our inheritance. For this very reason, we know that "value" must constantly be redefined in this journey where we compete with ourselves. Our pillars of transformation are flexibility, dynamism and reliability, while we ceaselessly rediscover and reshape the future with this perspective. As we aim to carry our pioneering identity further in all our business lines and keep growing internationally, we keep in mind the essence of the Alarko brand: **Create people- and goal-oriented, sustainable and permanent value for our world.**



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About the Report



Alarko Holding 2023 Sustainability Report

The Sustainability Report discussing 2023 performance indicators and prepared by Alarko Holding with reference to the GRI Standards to communicate environmental, social and governance (ESG) performance is presented for the perusal of stakeholders. The Report gives an account of Alarko Holding’s sustainability priorities, targets and performance in 2023 in line with its sustainability strategy, with reference to the United Nations Sustainable Development Goals (UN SDGs) that are contributed to.

Sustainability and ESG Focus

The Report discusses in detail the sustainability results and environmental, social and governance (ESG) performance, benchmarking them against Alarko Holding’s strategic goals and priorities. ESG data provided in the Report covers the entirety of Alarko Holding’s national and international operations.

Serving as the main communication tool for the company’s ESG performance, this Report is intended to be scrutinized in conjunction with the Policies available on Alarko Holding’s website.

Reporting Period

Unless otherwise stated, the data in the Report covers the period from 1 January 2023 through 31 December 2023. The Report also features some actualizations from 2024 Q1. Additionally, the Report also includes some actuals pertaining to the first quarter of 2024.

Report Content

The Report covers Alarko Holding’s business model that summarizes its competence in generating permanent value for its stakeholders, risk and opportunity management, priorities, future strategies, and stakeholder communication, along with performance indicators in financial, environmental, social and governance areas. Accordingly, Alarko Holding’s sustainability performance throughout 2023 has been tackled thoroughly. As part of the reporting, information regarding our contracting, energy, industry and trade, tourism, agriculture, land development, and investment group companies has been shared. However, the site operations of the contracting group, Cinacity and Sanda Spa under the tourism group, and the fertilizer, food processing, and seed breeding operations of the agriculture group are not included in the scope of the reporting.

Alarko Holding Ecosystem

The information presented in the Report includes Alarko Holding’s operations. On another front, performance figures also incorporate subsidiaries’ financial data, which are provided in accordance with consolidated financial reporting principles embraced by Alarko Holding. Any references herein to “Alarko Holding”, “the Company” and all similar terms and expressions refer to Alarko Holding, unless stated or context requires otherwise.

Matters associated with detailed financial performance of Alarko Holding and its subsidiaries in 2023 can be found in the 2023 Annual Report.



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Alarko Holding's sustainability performance throughout 2023 is discussed in detail in the 2023 Sustainability Report.

Standards and Frameworks

Alarko Holding's 2023 Sustainability Report has been prepared in accordance with the requirements of the following standards, frameworks and ESG rating companies:

- GRI Standards
- Borsa İstanbul Sustainability Index (BİST SI)
- United Nations Sustainable Development Goals (UN SDGs)
- United Nations Global Compact (UN Global Compact)

Alarko Holding's contributions to UN Sustainable Development Goals (SDGs) are detailed in the relevant sections of the report. Alarko Holding 2023 Sustainability Report has been prepared with reference to the GRI Standards.

Any queries and suggestions about the Report's content and sustainability activities can be sent to sustainability@alarko.com.tr or alarkoinvestorrelations@alarko.com.tr.

References to the CMB and the Annual Report

Explanations about Alarko Holding's compliance with the principles of the Capital Markets Board of Türkiye (CMB) Sustainability Principles Compliance Framework are provided in 2023 Annual Report. Remarks about those principles that the company has yet to achieve full compliance with can also be found in the same section.

Audit Approach

Financial information herein has been audited by the audit firm, BDO Denet Bağımsız Denetim ve Danışmanlık A.Ş. Relevant Independent Auditor Statements are presented in the 2023 Annual Report. Assurance statement to be obtained for the auditing of non-financial information will be complemented in future reporting periods in accordance with applicable regulatory framework.



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Message from the Chairman



In 2023, despite global and regional challenges, the national economy started to turn around as interest rates began to stabilize and the economic investment climate began to recover.

In 2023, despite global and regional challenges, the national economy started to turn around as interest rates began to stabilize and the economic investment climate began to recover.

Having marked the centennial of our Republic that we celebrated with well-deserved pride and joy, 2023 was also etched in our memories as a year of horrendous destruction and grief as it has seen a massive earthquake. In the aftermath of the earthquake, we supported our affected fellow citizens, mobilizing all our means at the Holding and our Group companies, and we persevered with our initiatives and efforts to help with the economic, social and environmental recovery and reconstruction of the region. This tragic phenomenon impelled a multi-faceted reflection about a sustainable future and has acted as a reminder for the necessity to place the target of generating solutions that cares for our resources and planet while prioritizing life, people and social welfare at the focus of all our activities.



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Message from the Chairman

As Alarko Holding, we are working in collaboration with all our stakeholders to fulfill our responsibility and to assist with the molding of the future by way of sustainable business models in the long term.

With an ever-growing presence in every department of life, the sustainability concept is noted primarily for its environmental facet. Evidently, it is an unavoidable fact that governments and all institutions must act in unison at the threshold we have arrived at in the climate crisis. We believe that “co-existence”, which is essential for a more livable world, can be internalized by large populations only if, and to the extent that, the public and private sectors and the civil society work hand in hand.

As Alarko Holding, we are working in collaboration with all our stakeholders to fulfill our responsibility and to assist with the molding of the future by way of sustainable business models in the long term. We are planning and implementing initiatives to reduce our carbon footprint. We are making responsible investments that will support a low-carbon, circular economic development as well as ecosystem restoration. Furthermore, we are allocating more resources to efforts for preserving biodiversity.

Recognizing that sustainability needs to be addressed holistically in environmental, social and governance terms, we are carrying out our ESG actions under three main headings: “Planet”, “People and Organization” and “Digital Transformation and Innovation”. We deem self-renewal, adaptation and transformation as the most important responsibilities imposed upon us by our inherited corporate values and knowledge. We regard digital transformation and innovation as an indispensable component of a sustainable future and we strive to upskill

our human resource in parallel with this transformation. We believe that the steps we will take in relation to these headings will allow us to make stronger value proposals to our stakeholders.

In 2023, we kept making a difference through our activities that manifest our sustainability approach. We foresee that energy and food security will gain growing importance in the coming period and thus, we are adding momentum to our operations in these areas.

Given the growing importance of renewable energy, our Alarko Energy Group filed applications for 52 distinct wind and solar energy storage projects, with a combined installed capacity of 1.5 GW. We are targeting to obtain preliminary licenses from EMRA for wind and solar power plants with a storage capacity of at least 400 MW in 2024. Accordingly, our supply license under Alen Alarko Enerji Ticaret A.Ş. was amended in 2023 and we received approval from the EMRA Board for the construction of 1,000 MWh stand-alone power storage plants at four different locations. On another front, we have established a collaboration with a global technology and battery manufacturing company for domestic production of lithium-ion batteries and electricity storage units in Türkiye that are needed for both electric vehicles and electricity storage plants. We are closely monitoring the sites for the first offshore wind power plants to be built in our country. Our negotiations are ongoing with leading foreign companies possessing the necessary



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Our Holding has begun performing solidly in the agricultural sector that is designated as one of its main growth areas.

technology and experience to form a joint venture to bid for these sites that are expected to be tendered at the end of 2024.

Our Holding has begun performing solidly in the agricultural sector that is designated as one of its main growth areas. In line with this strategy, we are aiming to expand the Alarko Agriculture Group through new investments over the next five years. Active in four main sectors, namely greenhouse cultivation, fertilizer production, seed improvement and the food industry, Alarko Agriculture Group undertakes soilless and clean agriculture operations in high-tech greenhouses at sites with access to geothermal energy in different regions of Türkiye. Substantial water saving and technology use in soilless agriculture practices, a.k.a. aquaponic farming, coupled with integrated pest control that excludes the use of chemical pesticides allow healthy and reliable food production without disturbing the natural balance.

We have set out with the goal of reaching 5,000 acres of geothermally heated high-tech greenhouse investments by 2028, and 450 acres of greenhouses became operational by the end of 2023. Twenty geothermal exploration licenses covering a total of 39,000 hectares have been obtained to carry out geothermal greenhouse activities. Additionally, construction of approximately 1,500 acres of greenhouses is planned to commence in Kazakhstan by the end of 2024.

As the construction of a microgranular fertilizer production plant is in progress by Palmira Agro, the new addition to our Agriculture Group, structuring is ongoing at Alarko Fertilizer Plants incorporated with the goal of becoming a strategic player in fertilizer production and trade.

We are laying the foundations for long-term investments with Genseed, a seed improvement and production company whose acquisition was consummated in the last quarter of 2023, starting with improvement projects and establishment of an R&D laboratory and R&D greenhouses.

Through the new investments to be made in our facility that is merged into our agribusiness with the name Alarko Gıda Sanayi, we will produce dried and frozen vegetables and fruits, frozen potatoes, and micro granulated vegetables and fruits.

In the tourism sector that is critically important for our country's sustainable development, we are bringing our Hillside brand, an epitome in the sector, and our successful service model to Bodrum's Gündoğan district. We are aiming to make Hillside a hotel chain of at least five or six hotels by 2030 including the new investment planned abroad. Boasting 11 international certifications in sustainability, Hillside Beach Club was named the "Best Eco-Friendly Resort in Europe" for its environment-friendly implementations such as zero-waste operations, water management and preservation of



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biodiversity. Our establishment also fortified its power in sustainable customer satisfaction with a 78% repeat guest rate.

Our Land Development Group is stepping up activities to make the best use of our land and optimally capitalize on investment potentials employing sustainable and innovative approaches.

Our Industry and Trade Group's partnership with Carrier, the world's leader in HVAC solutions, represents a fine example of sustainability that goes back 25 years. The Group's production in Dudullu Factory was swiftly relocated to our eco-friendly factory in Eskişehir at the end of the year. The rooftop solar power system in the facility is anticipated to supply 50% of the plant's total electricity consumption. The Eskişehir factory will produce heat pumps, which are considered the product of the future, along with the current heating and water pressurization products. We expect that production at this factory will further reinforce our export championship that has been unbroken for 10 years and will significantly increase the share of our exports. In addition, Alarko brand photovoltaic panels were also added to the product range in line with renewable energy strategies. Moreover, our Group launched an important social responsibility project: a village school in Mardin that previously relied on stoves for heating received a world-class air conditioning system that also generates its own electrical power. The project is planned to be carried on in 2024.

In the contracting business line, we are ranked 127th in ENR's 2023 Top 250 International Contractors list with our business volume worth USD 250 million. Our Contracting Group that consistently meets deadlines for its undertakings in and out of the country completed and commissioned Fulya and Yıldız metro stations of the Kabataş-Mahmutbey Metro Project and the 66-kilometer BAKAD Big Almaty Ring Road construction project, Kazakhstan's first public-private partnership (PPP), in 2023. The 23-kilometer section of the Bucharest Road Project in Romania was made ready for operation, and construction activities began on the Bucharest M6 Metro Project upon site deliveries as part of business development and construction activities carried out in Romania, Kazakhstan, Eastern Europe, and CIS countries. Our Group continues to contribute to the construction of environment- and human-friendly structures making use of sustainable resources and innovative technologies, and targets to grow its business volume in this field through brand new projects.

In 2023, Alarko Investment proceeded to become a fully-fledged business line with the launch of our private equity and public equity investments in addition to our existing venture capital investments.

In keeping with the responsibility of being a group that contributes to our country's economy in various ways, we continued to make a difference also with community projects in 2023. In addition to providing financial aid

and humanitarian relief to the earthquake-hit region, we aimed to create lasting value for our country's youth, prioritizing the earthquake-affected provinces, through social responsibility projects focused on education, entrepreneurship, and equal opportunity. We will continue our social impact investments in education, women's empowerment and employment that are designated as our priority areas, in collaboration with our country's notable civil society organizations.

Our journey that started with the bold steps taken by our founders reached its 70th year. Being a group that has embraced quality, trust and prestige as its corporate values since the very first day, we are confidently headed towards the future within the frame of the new roadmap we have defined.

In pursuance of our vision of becoming a leading and respected global company, we will keep creating lasting value for all our stakeholders, focusing on enhancing the living quality of the humankind and our planet.

In closing, I would like to thank all our shareholders, customers, business partners, and employees for their contributions to our strong results and efforts for building a better future throughout 2023.

Sincerely,

İzzet Garih
Chairman of the Board of Directors



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As Alarko Holding, we included agriculture, aviation and energy storage systems within our strategic sectors with the vision of creating multi-dimensional value for our country's economic growth, social development and our world's sustainability.

In 2023, we handled several concurrent risks in parallel with the events in our world and our region.

In terms of global economy, tight monetary and high rate policies of central banks in a bid to decrease the peaked inflation paved considerable distance towards this goal, albeit falling short of it somewhat. Therefore, factors that put a brake on global growth remain in existence.

Adding to this portrait, aggravated geopolitical risks with their potential to trigger a turbulence in commodity markets at any time intensify the shadows overcasting global economy. Uncertainties regarding the direction of liquidity and capital render risk management all the more important for businesses.



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Our vast knowledge, proven strategic power, effective financial policies and flexible business model make the pivots of our long-term success.

In Türkiye, we had a rough year socio-economically, which was further exacerbated by the massive earthquake that took place. Economic performance was somewhat constrained in the first half of the year during which the election period had its effects. We embarked upon a more foreseeable period in terms of economic performance in the second half of the year as a result of the steps taken to normalize monetary policies as volatilities began to decrease. Progress was made in the fight against inflation thanks to the policies and gradual rate hikes implemented by the Central Bank, which led to episodes of recovery.

As the entire nation, we once more apprehended our achievements and gains in the centennial of our Republic that we proudly celebrated in 2023. We were all united in our goal to crown our country's second century with further and greater achievements.

Alarko Holding takes pride in having been a companion for seven decades of our Republic's development journey and having signed its name under numerous groundbreaking initiatives. Being an organization with solid foundations and a timeless philosophy, we represent a major economic power with our significant investments in the key sectors of development, ranging from tourism to energy, industry to agriculture, infrastructure projects to aviation, our strong presence across different geographies and nearly 7,000 employees. We know that being a 70-year old brand is a big achievement not just in our country but

also across the world. This success can be carried into the future only by a capability to be transformed. And we dare to self-renew constantly in the light of the current dynamics that shape the era. We are redefining the value we create for our country and our world through our transformation journey that we tackle with a sweeping perspective. In the process, we are taking on new investments, and setting ourselves bold targets in organization, sustainability, technology and innovation. We symbolize this journey that already started producing visible results and our determined actions in our new logo, and present our 2023 Sustainability Report to our stakeholders with our new corporate identity.

Our vast knowledge, proven strategic power, effective financial policies and flexible business model make the pivots of our long-term success. These competencies handed us successful financial results once again in 2023.

We drew a new roadmap in line with our target to become an international portfolio management company that we defined in 2021. As Alarko Holding, we included agriculture, aviation and energy storage systems within our strategic sectors with the vision of creating multi-dimensional value for our country's economic growth, social development and our world's sustainability.

We are implementing a comprehensive transformation across all business groups, and undersigning new achievements hand in hand



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As we devise our new investment plans regarding the energy industry with an approach to effectively confer renewable resources upon the economy, we are aiming to diversify our existing portfolio and total production capacity with clean energy resources, in particular with wind and solar power.

with our subsidiaries. We have established a strategy based on reaching our net zero by 2050 goal on the back of our new investments that we are, and will be, launching with a positive impact perspective.

As we devise our new investment plans regarding the energy industry with an approach to effectively confer renewable resources upon the economy, we are aiming to diversify our existing portfolio and total production capacity with clean energy resources, in particular with wind and solar power.

Our Energy Group took the first step for investing in “energy storage systems” under its five-year strategic roadmap that prioritizes efficiency. The Energy Group partnered with a Chinese group to set up production lines for energy storage units and lithium-ion batteries in Türkiye.

We are thrilled to have stepped into the agricultural sector, which has strategic importance in terms of national income, exports, employment and sustainability, as an ambitious corporate player. We are structuring our agricultural operations that we address holistically within the frame of an understanding to contribute to ecosystem restoration. With the purpose of converting our sustainability-focused investment in agriculture and food into a circular business line, we are aspiring to have a presence throughout the entire value

chain of the agriculture and food industries through our planned investments in seed improvement, microgranular and organomineral fertilizer production and additive-free dried fruit and vegetable production besides the high-tech greenhouses we put into operation in 2023. Kazakhstan will be our second hub in greenhouse farming in line with our goal to have a presence across a broader geography as per our strategic plans. We are confident that we will quickly become a leading producer in Kazakhstan by transferring the know-how and experiences we derive from our operations in Türkiye, being the company with the largest high-tech greenhouse. We are intending to reach 10,000 acres of greenhouses by 2028 through the new investments we will be making in our country and Kazakhstan. We are targeting to implement environmentally-sensitive good agricultural practices inspired by the future and contributing to increased yield, coupled with state-of-the-art technology, and to rank among the “top three” in this area in the world.

In the aviation industry, we partnered with an engineering company from the UK. We are carrying on with our projects to convert widebody passenger planes into cargo planes, thus, putting them back into the economic cycle. In 2024, we will successfully add momentum to this field of activity that we regard as one of the new sustainability investment areas.



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We are corroborating our infrastructure for our 2050 Net Zero target and investing in every department of sustainability to polish our corporate competencies.

In line with our vision of building a high-yielding, dynamic, flexible portfolio with growth potential, we aim to increase the weight of international investments in our portfolio by investing in public and private companies and venture capital firms that will contribute to our core businesses.

We are corroborating our infrastructure for our 2050 Net Zero target and investing in every department of sustainability to polish our corporate competencies. We consider making investments in social and cultural arenas in our country as an indispensable complement to our economic activities and we are acting with commitment to increase our projects that will enhance our positive social impact.

We regard championing gender equality and women's employment unconditionally as an important pledge of Alarko Holding's transformation journey. We resolutely continue to support women's access to education and their entrepreneurship to promote their presence in business.

We continue to uphold the education of young people, who are the future of our country, through our Alarko Education and Culture Foundation, and we contribute to equal opportunities in quality education through scholarships we offer to successful girl students attending high school and university.

We are happy to have reached 39 universities in 29 provinces and to have provided scholarships and educational support to female teacher candidates with our "Young Teachers, the Future of the Republic" project, which we are carrying out as a tribute to the teaching profession on the occasion of the 100th anniversary of our Republic. We aim to reach a total of 1,400 women by the end of 2024 with our "Pioneers of Entrepreneurship" program, which supports women's economic empowerment and entrepreneurship.

At Alarko Holding, we will focus on designing the world of the future by blending our vision of creating lasting value in all the sectors in which we operate with our people-oriented organizational heritage. We will continue to augment our contribution to sustainable economic development and social welfare through our exemplary practices.

As we keep working tirelessly to turn our dream of achieving a more innovative, fair and egalitarian life into reality, I would like to extend my heartfelt thanks to each and every one of our stakeholders for their trust and contributions.

Sincerely,

Ümit Nuri Yıldız
CEO



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Climate Change Mitigation and Adaptation

ALARKO Energy

- **Solar Power Plants:** The assembly and commissioning of a solar power plant with an installed capacity of 1.5 MW at Karakuz HEPP as an auxiliary resource was brought to completion in 2023. This project invests in renewable energy resources, hence contributing to the fight against climate change and low carbon transition.
- **Electricity Storage and Development Projects:** During 2023, applications were submitted to Energy Market Regulatory Authority (EMRA) for preliminary licenses regarding a wind and a solar renewable energy plant with storage capabilities with respective installed capacities of 840 MW and 745 MW. These projects target uninterrupted clean energy through energy storage and renewable energy integration.
- **Stand-Along Energy Storage:** Stand-alone storage license was obtained at four different locations in Türkiye for a capacity of 250 MWh each for a total of 1,000 MWh. These systems will balance the national interconnected grid and increase the share of renewable energy.

- **Green Transformation:** Contribution is made to the green transformation of the industry acting as a solution partner by way of products that conform to the Voluntary Carbon Market (VCM) and International Renewable Energy Certificate (I-REC). Karakuz and Gönen Hydroelectric Power Plants that invest in renewable energy resources sell I-REC certificates to organizations and customers that manage their environmental impact and carbon footprint.

ALARKO Industry & Trade

- **Renewable Energy and Photovoltaic Panels:** Alarko brand photovoltaic panels have been added to the product range in the last quarter of 2023. These panels increase the use of renewable energy resources, hence contributing to the fight against climate change.
- **Solar Energy System Put into Operation:** The rooftop solar energy system installed at Eskişehir Facility was put into operation by end-2023. The target is clean energy generation by making use of natural resources.
- **Lighting Automation Project Kicked Off:** As part of the improvements made to lighting systems in Gebze Facility, lighting automation system was put into operation by end-2023.

ALARKO Tourism

- **Hillside Beach Club:** Named the “Best Eco-Friendly Resort in Europe”, the establishment undertakes an important role in the fight against climate change with its environment-friendly implementations. A tree seed planted for each new guest added up to 275,000 seeds sown in the soil since 2003 to date.
- The establishment’s GHG emissions were calculated against 2022 baseline year, which was verified by a third party and certified in accordance with ISO 14064 standard.

ALARKO Land Development

- **Bilezikçi Farm Project:** Sustainable and eco-friendly approaches have been adopted for the project and a preliminary agreement was reached with the developer group so as to make the most of the land’s potential.



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ALARKO
Agriculture

- **Geothermal Greenhouse Operations:** Situated upon an active tectonic belt and possessing volcanic and magmatic formations due to its geological and geographical location, our country is among the world's leading countries in terms of geothermal energy potential. Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş. carries out soilless and modern agricultural activities in high-tech greenhouses at sites with access to geothermal energy in different regions of Türkiye. These activities contribute to the fight against climate change as they use clean and renewable geothermal energy resources and thus reduce dependence on fossil fuels. Substantial water saving and technology use in soilless agriculture practices, a.k.a. aquaponic farming, coupled with the integrated pest control method excluding the use of chemical pesticides allow healthy and reliable food production without disturbing the natural balance.

Energy Consumption and
EfficiencyALARKO
Contracting

- **İstanbul Metropolitan Municipality Kabataş - Mecidiyeköy - Mahmutbey Metro Project:** This metro project that connects eight districts on the European side of İstanbul and entails 19 stations and a 22.5 km.-long line has a capacity of 70 thousand passengers per hour per direction for a total of 1.6 million passengers daily. The fully-automated driverless subway system secures energy efficiency and optimizes energy consumption.
- **Ankara Metro Project:** The Ankara Metro Project includes the renovation of the electro-mechanical works and signaling system on the existing Kızılay-Batıkent line, the construction of the electromechanical works and signaling system on the Batıkent-OSB metro line, the construction of the signaling system on the Kızılay-Çayyolu 2 line and the construction of the signaling on Tandoğan-Keçiören line. These renovations and new constructions increase energy efficiency.

ALARKO
Energy

- **Medium- and Long-Term Investments:** Work is ongoing for obtaining connection permits and amending licenses for the second stage of auxiliary resources with an installed capacity of 5.5 MW at Karakuz HEPP. These investments are intended for effective utilization of resources through solar energy capacity integrated with hydroelectric power plants.
- **Karabiga Thermal Power Plant:** In 2023, major maintenance works of Unit No. 2 were successfully completed and critical systems such as turbines, generators, boilers and ID fans were overhauled.

ALARKO
Industry & Trade

- **Heating Solutions:** The production of indoor units of heat pumps with Alarko brand started in 2023, and R&D efforts are underway to start the production of outdoor units in 2024. These works increase energy efficiency.
- **Water Pressurization and Water Boosting Systems:** With their design and testing completed, digital and analog contact cards for the new line of OPTIMA BYS circulation pumps with ECM technology were put on the market in 2023. Used in building management systems, these products increase energy efficiency.

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- **SPP:** Solar panels are installed over 70% of the roof of Eskişehir Factory. Commissioned by the end of 2023, the SPP system is expected to generate 500,000 kWh electrical energy annually. The target is to supply the entirety of the factory’s electricity consumption during its initial installation and operation with the current capacity, and 50% of total electricity consumption when the factory starts working at the targeted capacity from the SPP system.
- **Lighting Automation System:** As part of improvement work for the lighting system of the Gebze Facility, lighting automation system was put into operation by the end of 2023. The system will enable an energy saving of 1,080 kWh per day, and the target is to save 270,000 kWh energy annually.

ALARKO Tourism

- **Hillside Beach Club:** Carbon footprint resulting from electricity consumption in 2023 was offset by buying I-REC certification, which contributed to the Holding’s sustainability targets.
- Energy consumption is monitored, reported and any deviations are detected in real-time using IoT-based analyzers. ISO 50001 Energy Efficiency Management System is employed to reduce and constantly improve energy consumption.

ALARKO Agriculture

- **Geothermal Greenhouse Operations:** Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş. meets greenhouse heating needs using geothermal energy, which increases energy efficiency. This method provides lower energy consumption as compared to conventional energy resources. The geothermal resource used is recovered for underground reserves by being reinjected without contacting the surface and other water resources.

Water Use and Management

ALARKO Contracting

- **Kazakhstan Taldykol Lake Rehabilitation and Wastewater Treatment Plant Projects:** The projects entail water management and wastewater treatment processes. Sedimentation tanks, aeration tanks, and treatment buildings contribute to conservation of water resources and to their sustainable use.

ALARKO Energy

- **Hydroelectric Power Plants:** Designed to protect the natural flow of water at the maximum extent possible for sustainability purposes, the power plants are operated by checking the minimum water quantity that will conserve the biodiversity and ecosystem balance in the river through constant monitoring systems.
- **Recycling Water from Air Conditioners:** At MEDAŞ, water from air conditioning units were stored and used as windshield fluid and cleansing water. The practice is noted as an important step for efficient use of water resources.
- **Rainwater Harvesting System:** A rooftop system was installed at MEDAŞ Head Office building for rainwater harvesting. The system is noted as an important step for efficient water use.



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ALARKO
Tourism

- **Hillside Beach Club:** The establishment demonstrates its commitment to sustainable water use and management with the “Travelife Gold” certification, which is awarded to hotels that minimize water consumption and manage water resources efficiently.

ALARKO
Agriculture

- **Geothermal Greenhouse Operations:** Soilless farming (aquaponic farming) techniques reduce water consumption by 60% as compared to conventional farming methods, which results in effective management of water resources. This method is a significant contributor to water saving. Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş. achieves a resource saving up to 72% by reusing the water drained from the plants for irrigating and feeding the plants.

Circular Economy and Waste Management

ALARKO
Contracting

- **Kazakhstan Taldykol Lake Rehabilitation and Wastewater Treatment Plant Projects:** Sludge dewatering and drying areas ensure waste management that is aligned with the principles of circular economy.

ALARKO
Energy

- **Extended Scope of Maintenance Shop (MEDAŞ):** Equipment that get out of order due to problems on the electricity distribution grid are brought into the maintenance shop for repairs and broken materials are recovered for the system using internal resources and support from expert teams. This way, 176 distribution transformers were recovered for the grid.

ALARKO
Tourism

- **Hillside Beach Club:** The establishment employs zero waste policy for its waste management. Using waste sorting for five types of waste in guest and employee areas, household, packaging and hazardous wastes are sorted duly. In 2023, 84.1% of the total waste was recovered for energy generation, 15.9% of it was recycled and 0.1% of it was disposed of.

ALARKO
Agriculture

- Geothermal fluid (water) supplied from geothermal underground wells is used in the high-tech greenhouse operations of Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş. The water is used for heating purposes at high-tech soilless greenhouses and the vegetables produced are packaged and marketed in totally recyclable packaging materials. Insulated thermal pipes with high thermal insulation are used to minimize the heat and energy loss of the extracted geothermal water. The geothermal water brought to the facility with these pipes is transferred to the heat exchanger system and high efficiency is secured for the heat transfer of the incoming water which is then used for greenhouse heating. Geothermal water that loses heat is transferred to the reinjection well through thermal pipes to be pumped back into the underground water basin. Thus, the geothermal fluid is prevented from harming the environment, and the water, which still maintains its geothermal qualities, feeds the basin again.
- Plant residues resulting in greenhouses at the end of the growing season are targeted to be used as potential feedstocks in biogas plants, to be recovered for use in fertilizer production, and their environmental impact is intended to be reduced by way of these methods.

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Ecosystem Restoration and Biodiversity

ALARKO Contracting

- **Kazakhstan Taldykol Lake Rehabilitation and Wastewater Treatment Plant Projects:** These projects contribute to preservation of biodiversity and ecosystem restoration by way of ecosystem rehabilitation works.

ALARKO Energy

- **Use of Insulation Materials Throughout Bird Migration Routes (MEDAŞ):** During 2023, a total 60 km. of insulation materials have been used to retrofit bare conductor power transmission lines located in the bird migration routes, which helped preserve biodiversity.
- **Contribution to Conservation of Wild Goats:** Altek Alarko contributes to the conservation of the endangered Wild Goats (*Capra aegagrus*) and other species in Karanfıldağı Wildlife Conservation Area near Karakuz HEPP site. The expert staff employed by the company support the sustainability of wildlife by way of monitoring, protection and supervision activities, thus helping the continued existence of species' populations. These comprehensive efforts for the protection of nature and biodiversity represent an important part of responsible environmental management concept.

ALARKO Tourism

- **Hillside Beach Club:** Land studies were carried out to establish the flora and fauna in and around the establishment. Species were identified in collaboration with academics from Isparta University of Applied Sciences, Faculty of Forestry, and a biodiversity inventory was created for the land.
- Dives were made in the cove with support from a marine biologist, and a report and biodiversity inventory were created for the underwater fauna and flora.
- "Fethiye Climate Change Action Plan" workshop, which was organized by the Fethiye Municipality, was attended, where targets were set for strategies to fight climate change and cooperation was established with stakeholders and contribution was made to achieve these targets.
- Support is being received from an entomologist to fight Mediterranean pine beetle that causes pine trees to dry, and pheromone traps are being set up.
- Forest understory cleaning is performed periodically for fighting wildfires, and monthly firefighting training and drills are carried out with emergency teams.
- Thirty-four employees who received training on fighting wildfires from the Forest Sub-District Directorate became forest volunteers.

ALARKO Land Development

- **Bilezikçi Farm Project:** Protection of natural habitats and ecosystem restoration efforts are taken into consideration in project planning in accordance with environmental sustainability principles.

ALARKO Agriculture

- Alarko Agriculture Group carries on with its activities with a focus on contributing to ecosystem restoration. The Group undertakes soilless and clean farming activities in high-tech greenhouses with access to geothermal energy. Substantial water saving and technology use in soilless agriculture practices, coupled with the integrated pest control method excluding the use of chemical pesticides allow healthy and reliable food production without disturbing the natural balance.



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Diversity, Equality and Performance Management

ALARKO Tourism

- **Hillside Beach Club:** Regular employee training programs on business ethics and anti-corruption were organized. Hillside Orientation and Hillside Lifestyle Training, ISO 27001 Information Security Management System Awareness Training, Competition Law Training, Child Negligence and Abuse – Intimacy Awareness for Children Training, and Training on Violence Against Women were organized. Awareness was raised in all employees. The efficacy of all training programs is verified by evaluation tests. These programs ensure that employees become conscious of these issues and demonstrate the right behaviors.

ALARKO Agriculture

- **Alarko Agriculture Academy:** Alarko Agriculture Group plans to design and offer educational programs on various professional, technical and corporate competencies in several areas including technology, production, quality, and innovation via Alarko Agriculture Academy that will be introduced in 2024. The

goal is to make sure that all employees are cognizant of scientific production techniques, and do their jobs within an organization model where these techniques are taken further thanks to continuous development of employees. In the medium- and long-term, various sector stakeholders will be admitted to the programs, with the aim of enabling and contributing to the formation of an educated and competent workforce in the sector and conveying productivity- and sustainability-driven business models to a broader group. Women comprise 80% of the employees at Alsera, the high-tech greenhouse company of the Alarko Agriculture Group, a fact that is intended to serve to gender equality.

Employee Training and Development

ALARKO Industry & Trade

- **Alarko Carrier ACademi:** Online training and orientation through Alarko Carrier ACademi continue for dealers and services. Furthermore, personal development and legally required training programs offered in partnership with HR, OHS and healthcare units also go on, and more educational content is being developed in video format for higher visuality purposes.

ALARKO Agriculture

- **Alarko Agriculture Academy:** Alarko Agriculture Group aims to offer custom-designed training programs for the professional development of its employees and stakeholders. These programs cover headings such as technology, production, quality, innovation, and so on.

Employee Satisfaction

ALARKO

- According to the results of “2023 Happy Place to Work – Türkiye” survey conducted by Happy Place to Work and Capital Magazine, Alarko Holding was awarded for all Group companies. Alarko Holding continues to invest in its human resource for the continuity of this success that demonstrates the importance attached to employee satisfaction.

Occupational Health and Safety

ALARKO Contracting

- During 2023, occupational health and safety training was organized for 2,500 employees. The training programs are critical for establishing safe working environments and preventing workplace accidents.



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ALARKO Energy

- It is vital for preventing workplace accidents to regularly establish and analyze potential perils and risks at the power plants; develop occupational safety training and awareness programs for employees; draw up extensive emergency and evacuation plans for potential contingencies at the power plants and test these plans through regular drills; develop safe working procedures for all work process at power plants; and perform regular maintenance and auditing of power plant equipment. Establishment of a culture of occupational safety across the power plants incite employees' informed actions with respect to safety and provide everybody from management to employees to contribute to occupational safety.
- In a bid to maintain the highest level of OHS, MEDAŞ conducted audits at all 35 sites via its field audit team in 2023. Necessary actions were planned in response to findings. This has reduced the weighted ratio of workplace accidents by 29% as compared to the previous year. No occupational illnesses were recorded. During 2023, occupational health and safety training was organized for all employees. These training programs are critical for establishing safe working environments and preventing workplace accidents.

ALARKO Industry & Trade

- Occupational health and safety training continued during 2023. In this framework, 3,403 employee x hours of training were given for 690 employees with the goal of reducing workplace accidents by raising increased health and safety awareness of employees.

ALARKO Tourism

- Employee health and safety was meticulously addressed and regular health checks and safety training were carried out for all employees during 2023. Fire safety training and drills were performed periodically, and chemical spill drill, rescue and first aid training programs are conducted.

R&D and Innovation

ALARKO Contracting

- **Istanbul Metropolitan Municipality Kabataş - Mecidiyeköy - Mahmutbey Metro Project:** Fully automatic driverless metro system is enabled by the use of an innovative, cutting-edge technology.

- **Ankara Metro Project:** Integration of advanced signalization systems is enabled by R&D and innovation activities.

ALARKO Energy

- **Electricity Storage and Improvement Projects:** In 2023, a license amendment application was filed with EMRA under the self-storage regulation for the addition of a total of 1,000 MWh of self-storage activities in four different regions to the existing electricity supply license of Alen Alarko Elektrik Ticareti A.Ş., which has been approved by EMRA. Use of innovative technologies serve to development of uninterrupted energy solutions.

ALARKO Industry & Trade

- **Product and Technology Development:** The highlights of R&D and innovation activities throughout 2023 included fitting air handling units, fan coils and rooftop air conditioners manufactured under the Carrier brand with automated systems and high efficiency and modularity of Toshiba Universal Smart X Series EDGE modular heat pump chillers.



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ALARKO Agriculture

- **Seed Improvement and Production:** Alarko Agriculture Group carries out R&D and production activities for the improvement of new seed varieties via Genseed Tohum Islah ve Üretim A.Ş. that has been acquired in Kurşunlu, Antalya. Carried out in the light of modern science, these activities support innovation in the agricultural industry and contribute to food safety.

projects that received acceptance in EMRA's call for Domestic and National Software Ecosystem in 2023. These projects support digital transformation.

ALARKO Energy

- **E-Commerce and Digital Marketing:** As part of digital marketing projects, Alvima Accounting System and After-Sales Services Notification Management System that is integrated with the online purchasing process has been developed in 2023. Furthermore, customer transactions were migrated to the digital environment thanks to digital archive applications.

ALARKO Tourism

- **Hillsider Magazine and HillsideNOW:** Launched to adapt to the digital world, the HillsideNOW channel that broadcasts through Instagram stories reached nearly 5 million people monthly during 2023. Hillside Magazine, on the other hand, has been reaching a broad base of readers for 28 years and contributes to the digital transformation process.

ALARKO Agriculture

- **Five-Year Investment Plan:** Alarko Agriculture Group aims to generate high economic added value thanks to digitized production processes that can be followed up in real time. For this reason, investments and projects are being planned in relation to smart farming and farming technologies, which will enable digital transformation, increase productivity and optimize production processes.

Supply Chain Management

ALARKO Energy

- **Procurement and Contract Management Activities:** As part of the digitalization process in supply chain management, contracts, commission decisions, documents such as warehouse inbound/outbound bonds started to be signed with electronic signature instead of wet signature from 2023. This transition supported sustainability targets and served to increase operational efficiency. Increased use of digital signature reduced paper consumption significantly and contributed to preservation of natural resources. In addition, digital document retention and processing provided energy and time saving, and increased the sustainability of operational processes.



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ALARKO Industry & Trade

- **Trade and Marketing Activities:** In 2023, Alarko Industry and Trade Group, which has an extensive and strong sales and service network across Türkiye, set up an online sales channel in addition to its existing distribution channels, aiming to increase its sales volume via this channel.

Customer Satisfaction

ALARKO Energy

- **Meram Elektrik Perakende Satış A.Ş. (MEPAŞ):** Services furnished through alternative service channels were increased for enhancing customer satisfaction, and online transaction center, mobile app and subscription procedures via e-government and call center were launched for customers.
- **Meram Elektrik Dağıtım A.Ş. (MEDAŞ):** As a result of efforts to enhance customer satisfaction, MEDAŞ has been the distribution company with the highest customer satisfaction ratio and mukhtar satisfaction ratio in Türkiye according to the results of the study conducted by the Ministry of Energy and Natural Resources.

ALARKO Industry & Trade

- **Customer Satisfaction and Service Quality:** Online training and orientation programs for dealers and service shops and innovative projects for enhanced customer satisfaction are developed, and service quality is improved.

ALARKO Tourism

- **Hillside Beach Club:** Customer satisfaction is secured as demonstrated by a 78% repeat guest rate. Furthermore, the establishment was successfully awarded the “Certificate of Excellence in Guest Satisfaction” given by British Airways for seven consecutive years.
- **Hillside City Club:** Organized in 2023, “Hillside Club Market” event – a design market participated by the city’s elite brands- was visited by 4,100 people and boosted customer satisfaction.

Corporate Social Responsibility

ALARKO Energy

- Aid in kind was made to the regions affected by the earthquake that took place on 6 February 2023.

ALARKO Industry & Trade

- **Village School Climatization Project:** The project is intended to equip village schools with modern climatization systems so that students receive education in a more comfortable setting. Another goal is to create awareness about the matter.
- In 2023, Alarko Carrier installed an air conditioning system in the Çaldere Village Primary School in Midyat, Mardin. Under the project, this village school that relied on stoves for heating received a modern climatization system. The systems used include a heat pump, fan coil, heat recovery equipment, solar panels and room cleansing equipment. In the second year of the project, Balabanlı Village Primary School in Ödemiş, İzmir will be climatized.

ALARKO Tourism

- **Hillside Beach Club:** The establishment conducts activities that support local producers for sustainability purposes. Holding 11 international certificates in relation to sustainability, Hillside Beach Club hosts various cultural and artistic activities, thus increasing its social impact.



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About Alarko Holding

Vision

Our vision is to become a leading, strong, reputable, world-class company which grows through the difference that we make.

Mission

Our mission is to exceed expectations and carry Alarko into the future by embracing universal values and adopting different business models.



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As spelled out by our founders:

Main Pillars of the Alarko Philosophy



The reputation and confidence that Alarko has built since 1954 is based on the company’s world-class endeavors and its sense of responsibility towards the Turkish nation.

- Always being honest towards the government, customers, stakeholders, employees, partners, sub-sectors and supporting industries in all activities;
- Preserving nature and maintaining the social balance within the company in all activities;
- Guiding customers seeming forceful and prioritizing customer requests;
- Earning the profit that is deserved by the shareholders in light of these principles;
- Implementing an autonomous management and central supervision approach; Embracing autonomy at the individual level; Adopting a bottom-up instead of top-down decision-making process with only approvals given by the management;
- Motivating the entire staff with profitability through specific unilateral or bilateral formulas;
- Giving the entire staff annual training at specific intervals according to their needs and

fields, and ensuring that they adopt modern technology;

- Making sure that all employees embrace the business as if it were their own, and that they work solely for the corporation’s benefit at their own will;
- Prioritizing team work and sharing profits, losses, success and failures as a corporate organization that acts according to established systems and procedures in its operations.



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Alarko Holding in Brief

Alarko Holding carries out successful projects across a broad array ranging from its existing investments in energy, tourism, industry, land development and contracting to various investments focused on sustainability in new strategic areas including agriculture and aviation.

Founded as an unlimited liability company in 1954 that has grown into a holding in 1973 and gone public in 1974, Alarko Holding is one of the leading industrial establishments in Türkiye with its 70 years of deep-seated history, 41 subsidiaries operating in seven distinct fields of activity, international foreign partnerships, more than 5,000 employees and the value it creates.

Alarko Holding has become a symbol of trust and prestige with its corporate ethical values embraced ever since its incorporation, superior quality principle implemented in all its products and services and its policy to invest in people.

Making a difference with its vast experience and vision, strong corporate and financial structure, professional teams and intellectual capital, Alarko Holding fortifies its presence in different geographies while acting as a significant contributor to the national economy and keeps making a positive impact through its transformation journey and social projects focused on people, economy, society and the planet.

Undertaking successful projects across a broad array ranging from tourism to energy, industry to trade, contracting and infrastructure projects to land development and spanning new strategic areas such as aviation as well as diverse investments focused on sustainability, Alarko Holding confidently charges ahead into the future with its leading brands, experience and know-how in various fields, high-technology R&D investments, manufacturing capacity, national sales network, international projects and global competition goal.

Corporate Governance and Investment Relations

The corporate governance concept is built upon the principles of transparency, accountability and sustainability. Within the scope of investor relations, Alarko Holding maintains regular information flow to its shareholders and investors and aims to enhance investor satisfaction through powerful communication channels.

Social Responsibility and Sustainability

Social responsibility projects that it addresses with the motive to create value for the society are of the utmost importance for Alarko Holding. Various projects in the areas of education, gender equality and culture and the arts are conducted either directly by the Holding or in cooperation with civil society organizations. These projects contribute to the society and are intended to achieve sustainable development goals. Alarko Holding's sustainability strategy is erected upon the principles of contributing to a better future for all within the frame of responsible investment principles, creating long-term environmental and social benefits through existing and future investments, and implementing future-fit and sustainable business models. The target is to mitigate environmental impact and maximize energy efficiency and social benefit in all activities.

Future Vision

Within the frame of its future vision that recognizes it draws its strength from its reliability, pioneering identity and its people- and nature-oriented approach as a portfolio company, Alarko Group of Companies targets to not only flourish financially but also to create an ecosystem of values that will positively impact the business world, stakeholders and communities through the meaningful relationships it establishes. Strategic plans are devised and long-lived sustainable growth is pursued with a focus on maintaining the leadership in existing fields of activity and realizing sustainable, new and innovative investments.



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7 DIFFERENT
FIELDS OF ACTIVITY

41
SUBSIDIARIES

5,215
EMPLOYEES

3 COUNTRIES
INVESTMENT

TL **57.3** BILLION
COMBINED TURNOVER

TL **3.6** BILLION
CONSOLIDATED OPERATING
PROFIT



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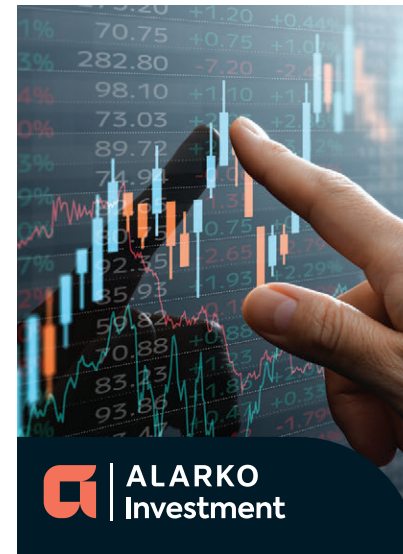
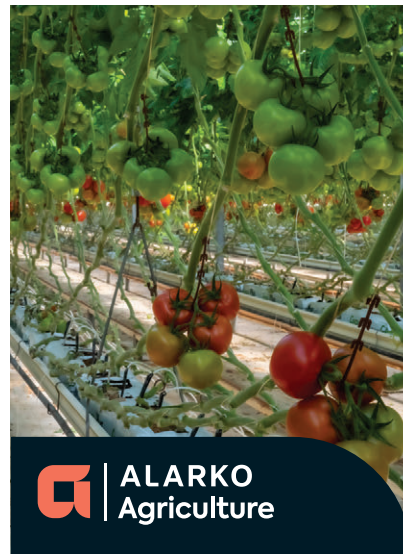
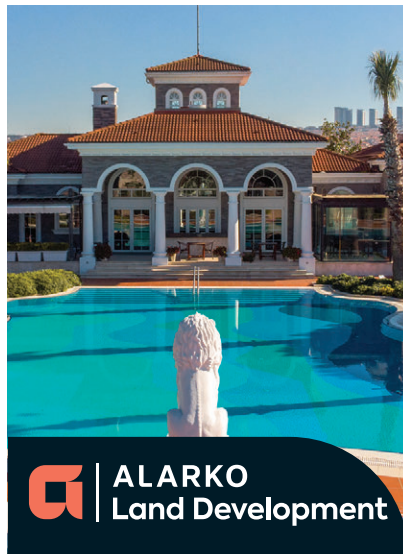
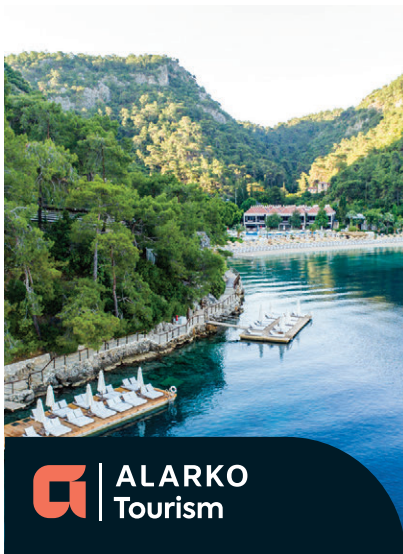
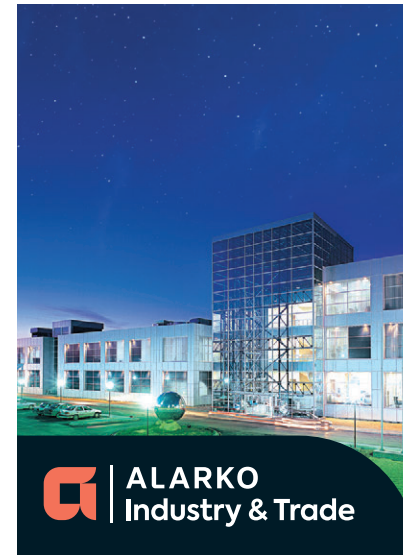
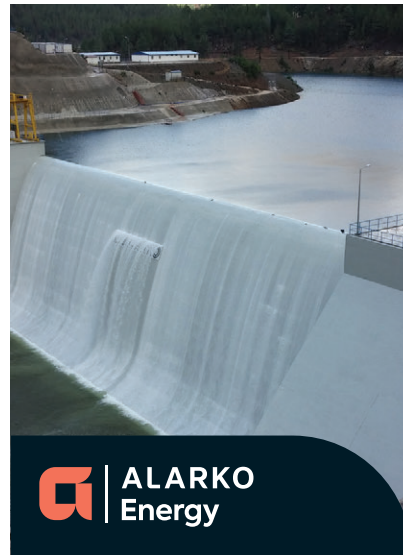
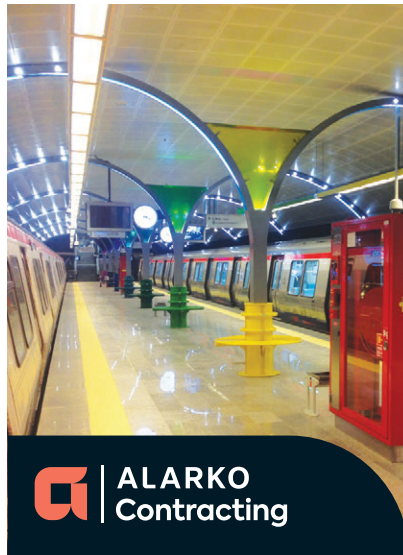
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Alarko Holding Group of Companies

- Contracting Group
- Energy Group
- Industry and Trade Group
- Tourism Group
- Land Development Group
- Agriculture Group
- Investment Group



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Alarko Holding places its corporate ethical values strictly embraced since its foundation, superior quality principle exercised in all its products and services, and its policy to invest in people at the heart of the management understanding of all its companies.

Alarko Group of Companies is among the strongest conglomerates of the Turkish economy with its leading brands created in its sectors, vast experience and know-how in various fields, high-technology R&D investments, production capacity, nationwide sales network, international projects and global competitiveness target. Alarko Holding places its corporate ethical values strictly embraced since its foundation, superior quality principle exercised in all its products and services, and its policy to invest in people at the heart of the management understanding of all its companies. In line with its effective and efficient management target, the Holding adapts today's fast-changing ways of doing business and digital transformation to finance, financial coordination, audit, legal affairs, management information systems, human resources, training, organization, corporate communication and sustainability, and guides the Group companies through central coordination and supervision.

Main Groups

Companies that are part of Alarko Group of Companies take place under one of the seven groups mentioned below:

1. Contracting Group
2. Energy Group
3. Industry and Trade Group
4. Tourism Group
5. Land Development Group
6. Agriculture Group
7. Investment Group

These groups carry out large-scale projects in various parts of Türkiye and the world, and boast leadership position in their respective sectors. Each group is specialized in its respective field and pursues operations in line with Alarko Holding's strategic targets.



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About Alarko Holding

Alarko Contracting Group

Alarko Contracting Group is guided by the motto of “High Quality in Service and Production” in its business activities, and embraces customer satisfaction as its main principle. Alarko Contracting Group successfully realizes public-private partnership projects (PPP), build-operate-transfer (BOT) projects and turn-key projects it undertakes in and out of the country.



3

CONTINENT



7

FIELD OF
ACTIVITY



300+

PROJECT

About Alarko Holding

“With the principle of “High Quality in Service and Production” our Contracting Group has successfully executed public-private partnership, build-operate-transfer, and turnkey projects both domestically and internationally. In the contracting sector, with a current business volume of \$250 million, the Group ranks 127th on the ENR 2023 list of the “World’s Top 250 International Contractors.” In 2023, the Group commissioned three major projects and, in addition to its ongoing business development activities in Turkey, Romania, and Kazakhstan, has also set its sights on Uzbekistan. The aim is to adopt a selective approach to high-return projects.”

Ümit Boran

General Manager, Contracting

Fields of Activity

Alarko Contracting Group pursues activities in a broad array in the construction and contracting industry, with a particular focus on large-scale infrastructure and superstructure projects, and carries out construction and assembly projects in the below mentioned areas:

- Refineries
- Petrochemical plants
- Chemical processing plants
- Large-scale liquid storage tanks and farms
- Industrial manufacturing plants
- Mineral extraction, processing and enrichment plants
- Metallurgy and electrometallurgy plants
- Iron & steel plants
- Cement and lime factories
- Hydroelectric power plants
- Thermal power plants
- Combined cycle power plants generating electricity using natural gas and steam turbines
- Heat recovery systems
- Oil pipelines
- Natural gas pipelines
- Water pipelines
- Urban natural gas distribution networks
- Compressor stations for transporting and pressurizing natural gas
- Pumping stations for transporting and pressurizing liquids
- Wastewater treatment plants
- Drinking and potable water treatment plants
- Industrial water treatment plants
- Wastewater sea discharge lines
- Agricultural irrigation and water supply systems
- Airports
- Railways
- Subways, light rail systems, signalization systems,
- Motorways, highways, tunnels, bridges
- Satellite cities, mass housing, luxury housing,
- Business centers, trade centers, hospitals and hotels



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Alarko Contracting Group was ranked 127th in ENR's 2023 Top 250 International Contractors.

Mission & Vision

The mission of Alarko Contracting Group is to “be an international contracting company of first choice for customers, employees, shareholders, and society in the reconstruction of the globalizing world.” The Group is a major player in Türkiye and abroad with its prestigious and reliable identity.



Technology and Innovation

Alarko Contracting Group achieves its objectives by utilizing the most advanced technology available. The Group prioritizes transparency, accountability and discipline in its activities. The key policy is to work as a team at all levels, exercising mutual trust and respect with employees, and to prioritize team success. This understanding is backed by innovative and technological solutions and each project is consummated at the highest quality.

Environmental and Social Responsibility

Alarko Contracting Group takes measures to prevent air, water, soil, and noise pollution. The group holds ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 45001:2018 OHS Management System certificates, and management systems and processes are constantly improved. Environmental process management tools reduce potential damage to the environment to acceptable levels. Social process management tools provide significant contributions to the communities and the environment where the projects are located.



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In 2023, Alarko Contracting Group commissioned three major projects: **İstanbul Metropolitan Municipality Kabataş - Mecidiyeköy - Mahmutbey Metro Project, Kazakhstan Big Almaty Ring Road Project, and Ankara Metro Project.**

Audits and Occupational Health & Safety

During 2023, companies and projects were constantly and periodically audited on the basis of internal audits and audits conducted by internationally recognized external audit firms. Potential damages to the environment were reduced to acceptable levels through environmental process management. Occupational health and safety is addressed as a corporate value and fundamental human right, and the utmost importance is attached to protecting occupational health and safety in all operations. Important initiatives were carried

out in 2023 directed towards the zero-accident target in projects through occupational safety process management.

Completed and Ongoing Projects

During 2023, Alarko Contracting Group kicked off three major projects. The group was ranked 127th in ENR's 2023 Top 250 International Contractors list.

İstanbul Metropolitan Municipality Kabataş - Mecidiyeköy - Mahmutbey Metro Project: The project covers 19 stations and a 22.5 kilometers-long metro line connecting eight districts on the horizontal axis of the European side of İstanbul, one of the most important arteries of the city. The metro line, which will carry 70 thousand passengers in one direction per hour and 1.6 million passengers per day, has fully automated driverless metro system.

Kazakhstan Big Almaty Ring Road Project (BAKAD): The BAKAD Project, which is the 66 kilometers-long part of the West China-West Europe international highway project and passes through Almaty Region's Karasai, Ili, and Talgar districts, is Kazakhstan's and Central Asia's first Public-Private Partnership project.



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Ankara Metro Project: The Project includes the renovation of the electromechanical works and signaling system on the existing Kızılay-Batıkent line, the construction of the electromechanical works and signaling system on the Batıkent-OSB metro line, the construction of the signaling system on the Kızılay-Çayyolu 2 line, and the construction of the signaling system on Tandoğan-Keçiören line.

Romania Bucharest Southern Ring Road Lot1 and Lot2 Projects: The Bucharest Southern Ring Road Project connects the A2 highway at the eastern exit of the city towards Constanta and the A1 highway at the western exit towards Pitesti. Under the project, the construction of the 33 km-long highway is in progress.

Bucharest International Airport Metro Connection 6th Metro Section Lot 1.1: The project entails a metro line starting from the May 1 station of the existing M4 line to Tokyo station. The total length of the tunnel line is approximately 6.3 km and consists of six stations.

Kazakhstan Taldykol Lake Rehabilitation and Waste Water Treatment Plant Projects: The Taldykol Treatment Projects, which is an ecological project, entail sedimentation tanks, aeration tanks, gravity tanks, treatment building, aeration building, sludge dewatering and drying areas, grid filter building, raw sludge pumping buildings, and pumping stations.



Alarko Contracting Group continues to tap new markets and gives importance to business development activities in Uzbekistan in addition to existing activity locations that include Türkiye, Romania and Kazakhstan.

The Group espouses customer satisfaction as its fundamental principle and maintains its pioneering position in the sector on the back of project management focused on quality, timing and cost. The Group targets to sustain its leadership in the existing fields of activity and achieve international growth in line with strategic goals.



Having embraced customer satisfaction as its fundamental principle, Alarko Contracting Group preserves its leadership position in the sector on the back of its project management focused on quality, time and cost.



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Alarko Energy Group

Alarko Energy Group is engaged in electricity distribution and trading besides energy generation. The Group decided to invest in energy storage systems within the frame of the strategic roadmap formulated in view of the expectations of the era, evolving consumer needs and the future of our world.



1,539

**MW INSTALLED
CAPACITY**



11.6

**GWh ELECTRICITY
DISTRIBUTION**



2.4

**MILLION
SUBSCRIBERS**

About Alarko Holding



“Within our Energy Group, Altek Alarko, in line with its strategy to diversify its portfolio and total production capacity with clean energy sources, closely monitors high-yield potential opportunities both domestically and internationally, and generates energy through the Karakuz and Gönen hydroelectric power plants. In 2023, we commissioned a 1.5 MW solar power plant within the Karakuz HPP, which was converted into a hybrid production facility through a license amendment. We continue to work on obtaining connection permits and license amendments for the addition of a 5.5 MW installed capacity solar power auxiliary source, as per our application to the Energy Market Regulatory Authority (EPDK). While forming our new investment plans in the energy sector with the approach of effectively integrating renewable resources into the economy, we have applied to the EPDK for pre-licenses for renewable energy storage based on 840 MW of wind and 745 MW of solar power. Additionally, we have obtained the right to independent storage licenses totaling 1,000 MWh at four different locations in Turkey.

Hakan Aytekin
General Manager, Altek



Energy Generation

According to the Ministry of Energy and Natural Resources data, our country’s total installed capacity reached 106,668 MW by end-December 2023. The breakdown of Türkiye’s installed capacity by resources is as follows: 30% hydraulic energy, 23.8% natural gas, 20.5% coal, 11.1% wind, 10.6% solar, 1.6% geothermal, and 2.6% other resources. The high inflation rates and economic stagnation in the US and the EU are directly impacting the industrial production and exports of Türkiye. The ongoing Russia-Ukraine war and other geopolitical developments in the region continue to create uncertainty in energy markets.

Renewable Energy Priority in Investments

Alarko Energy Group’s main goal in electricity generation is to diversify its portfolio on a resource basis and improve total generation capacity. No meaningful change was observed in electricity demand in 2023. Electrical energy consumption in Türkiye in 2023 was down by 0.2% annually to 330.3 TWh, whereas electricity generation declined by 0.6% as compared to the previous year to 326.3 TWh.



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Following the solar power plant with a capacity of 1.5 MW commissioned at Karakuz HEPP in 2023, work is in progress to obtain connection permit and license amendment for the second phase of the auxiliary resource with an installed capacity of 5.5 MW.

According to the results of Türkiye National Energy Plan study, electricity consumption is forecasted to reach 380.2 TWh by 2025, 455.3 TWh by 2030, and 510.5 TWh by 2035.

Having rocketed up to record levels in 2022 due to the rise in natural gas and coal prices incited also by the Russia-Ukraine war, electricity prices slid down to the order of 2200 TL/MWh on annual average as of November 2023 as a result of energy resource costs that started to fall in 2023. Resource-Based Price Cap system implemented on a semi-annual basis in the Turkish electricity markets from April 2022 has not been extended, and was terminated as of 1 October 2023. Forward power trading transactions were stirred upon the elimination of this mechanism.

Solar Power Plants

The assembly and commissioning of a solar power plant with an installed capacity of 1.5 MWm at Karakuz HEPP were completed in 2023. The main goal in electricity generation is to diversify the portfolio on a resource basis and improve total generation capacity. Investing in renewable energy resources is prioritized in steps taken for increasing generation capacity.

Medium- and Long-Term Investments

For the purpose of market diversification in the medium- and long-term, opportunities that present FC-indexed high returns are monitored not just in Türkiye but also abroad. As the generation operations continue at existing power plants, work is in progress to obtain

connection permit and license amendment for the second phase of the auxiliary resource with an installed capacity of approximately 5.5 MW following the solar power plant with an installed capacity of 1.5 MWm at Karakuz HEPP that was commissioned as part of efforts to install renewable capacities that rely on auxiliary resource.

The regulation amendment published on 19 November 2022 made it possible to submit applications for renewable electricity generation plants with storage and stand-alone electricity storage facilities. A total of 48 individual projects have been developed for renewable electricity generation plants with storage. In the aftermath of 19 November 2022 and during 2023, applications were submitted to the EMRA for obtaining preliminary licenses for renewable electricity generation facilities with storage. These included a wind power plant with an installed capacity of 840 MW and a solar power plant with an installed capacity of 745 MW. In 2023, a wind measurement pole was erected in one of the regions for which an application was filed, and data collection started. The necessary permits from the forestry authorities have been obtained for the erection of wind measurement poles at three different locations. The status of these applications are closely followed up and the projects granted preliminary licenses by EMRA will be included in the investment program in 2024.



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Activities are ongoing for the development of renewable energy projects or the takeover of operational ones with an installed capacity of 50 MW to 100 MW based on wind and solar energy in Europe and the Balkans.

Electricity Storage and Development Projects

A license amendment application was submitted to EMRA under the stand-alone storage regulation to add a total of 1,000 MWh of stand-alone storage activities at four different locations to Alen Alarko Elektrik Ticareti A.Ş.'s electricity supply license; upon approval of the Authority, stand-alone storage facilities were incorporated into the license.



Studies and assessments are underway concerning the acquisition of renewable power plants that are currently in operation and for sale by the private sector. The group will continue to bid for projects that meet the investment criteria. In 2024, the Renewable Energy Resources Areas (YEKA) expected to be tendered by MENR and the renewable energy projects expected to be tendered from the portfolio of the Privatization Administration will be followed up, and bids will be placed for those fitting the group's investment criteria.

The group is also monitoring the developments in the offshore WPP projects and exploring cooperation opportunities with local and foreign companies to participate in the tenders expected to be announced in the coming period.

Investments in Europe and the Balkans

Activities are ongoing for the development of renewable energy projects or the takeover of operational ones with an installed capacity of 50 MW to 100 MW based on wind and solar energy in Europe and the Balkans. On another front, the Group is exploring the production, sale, maintenance, and operation of power storage systems, in addition to power generation operations, and negotiating with international technology developers for possible cooperation opportunities.



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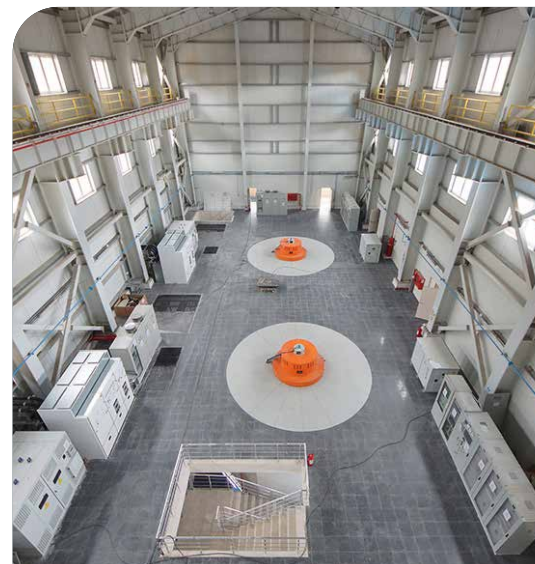
Electricity Generation Activities in 2023

The Karakuz hydropower plant is entitled to produce under YEKDEM until 2025; in 2023, however, it was decided not to use the YEKDEM option and to sell energy under free market conditions. The discontinuation of the Maximum Settlement Price (MSP) mechanism as of October 2023, which was initiated in April 2022, allowed the power plant to sell at the Market Clearing Price (MCP). With an estimated power generation of approximately 100,000 MWh in 2023 due to the dry season in the region, the plant's 2024 production is projected at 242,000 MWh, which is close to the long-term average. In 2024, average electricity sales prices are expected to be around 85 USD/MWh, generating higher revenues compared to the YEKDEM sales price of 73 USD/MWh. The plant will continue to operate in the Balancing Power Market and provide Secondary Frequency Control (SFC) services in the Ancillary Services Market.

A solar power plant with a capacity of 1.5 MW has been commissioned at Karakuz HEPP which has been converted into a multi-source (Hybrid) generation plant through a license amendment in 2023. In 2024, an additional 2,600 MWh is expected to be generated from the auxiliary solar power. Also, an application has been filed with EMRA for the addition of auxiliary solar power with an installed capacity of 5.5 MW.

Gönen Hydroelectric Power Plant was added to the Alarko portfolio in 2019 following the privatization tender, and generated approximately 36,000 MWh in 2023. With a planned generation amount of 38,000 MWh in 2024, electricity will be sold at free market terms. Regular maintenance and operation activities are carried out at the power plant, while two unit substations and one internal demand substation are being extensively overhauled and completely renewed as of the end of 2023. In 2024, it is aimed to plan and record all operation, maintenance, and repair activities through digital systems as part of the digitalization project. Operations will be optimized to generate revenues above average MCP prices.

In 2023, there was no production at the Kırklareli Combined Cycle Natural Gas Power Plant as the prevailing natural gas and electricity prices on the market did not allow for economic activity. In 2020, all equipment from Plant #2 has been sold and preliminary discussions are underway with potential buyers for the sale of turbines and other equipment from Plant #1. In 2024, it is planned to apply to EMRA for the termination of the license and to allocate the revenues to be derived on the sale of equipment to investments in renewable energy resources.



The Karakuz hydropower plant is entitled to produce under YEKDEM until 2025; in 2023, however, it was decided not to use the YEKDEM option and to sell energy under free market conditions.



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In 2023, generation in the Group's fully unlicensed SPP facilities with an installed capacity of 52 MWe, which benefit from the YEKDEM tariff, was 99% budget-compliant. Karakuz and Gönen hydroelectric power plants, which use renewable energy sources and are registered with the I-REC system, began creating additional added value by generating certificates. Demands for I-REC certificates are being assessed, and opportunities to sell I-REC certificates to environmentally conscious organizations and customers are being pursued. Demand for these certificates is expected to rise in the coming years.



GRI 2-6



“Owned by Cenal Elektrik Üretim A.Ş. and having a total installed capacity of 1,320 MW, the imported coal-fired Karabiga Thermal Power Plant that is comprised of two units is the first “ultra-supercritical” thermal power plant in Türkiye and in our region. All engineering, procurement and installation works fully coordinated by CENAL, the plant was designed as an environment-friendly power plant that uses matching state-of-the-art equipment. Our emissions and volatile matter releases that are monitored all year-round remained well below the local and international thresholds. All hazardous and non-hazardous waste produced across the plant are either recycled or disposed of as appropriate, and all these processes are monitored using the procedures and recording mechanisms created under the Ministry-approved Zero Waste Certification and ISO 14001 Environmental Management System. One of the main waste products of other sector stakeholder establishments as well, combustion ash is not treated as waste at our facility, but as a “by product” approved by the Ministry. Accordingly, more than 90% of the ash generated at our plant is sold as a product on the domestic and international markets, as we pursue our operations in a bid to achieve our sustainable waste management and sustainable product lifecycle goals.”

İhsan Acar, CENAL
Plant Manager, CENAL

Karabiga Thermal Power Plant

Owned by Cenal Elektrik Üretim A.Ş., the imported coal-fired Karabiga Thermal Power Plant, which has a total installed capacity of 1,320 MW comprised of two units each with a capacity of 660 MW, successfully completed the assembly and testing of both units as well as all auxiliary facilities. The first unit of the plant started commercial production on 7 November 2017 and the second unit on 28 December 2017. The first “ultra-supercritical” thermal power plant in Türkiye and our region, Karabiga Thermal Power Plant was built with an investment of approximately USD 1.2 billion under the coordination of Cenal Elektrik Üretim A.Ş. without using any EPC contractor.

The boiler, turbine, generator, electro filters, desulfurization system, and mills used in this power plant were manufactured with the latest ALSTOM technology. The majority of other auxiliary systems used are also of European origin or European design. ASME standards were used for critical manufacturing at the plant, where power units and all auxiliary systems are CE-certified. In the power plant's design and construction, special attention was paid to making it an environmentally friendly power plant. The flue gas emissions were designed to remain well below EU thresholds, and matching state-of-the-art equipment was used. In addition, flexibility and efficiency principles have been emphasized to maximize the added value of the power plant.



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Key systems such as turbines, generators, boilers, and ID fans were overhauled as part of major maintenance activities, resulting in improved equipment performance compared to the pre-maintenance period. The Unit 2 turbine control system was successfully upgraded during the planned maintenance in 2023, ensuring the sustainability of the system. Furthermore, the advanced process control system, which enables the units to make faster load changes and operate safely at low loads, was successfully commissioned in Unit No. 2. Unit 1 major maintenance, turbine control system rebuild, and advanced process control system commissioning will be carried out in 2024.

“MEDAŞ provides electricity distribution services in an area covering six provinces of Turkey (Konya, Karaman, Aksaray, Nevşehir, Niğde, and Kırşehir) and 76,932 km². To enhance efficiency and effectiveness by narrowing the geographical responsibility areas of its operations, MEDAŞ reaches 2.5 million subscribers through a total of 70 operations and distributes 11 GW of electricity annually. As a result of its improvement efforts aimed at customer satisfaction, MEDAŞ became the distribution company with the highest customer satisfaction rate and headman satisfaction rate across Turkey in 2023, according to a survey conducted by the Ministry of Energy and Natural Resources.”

Erol Uçmazbaşı
General Manager, MEDAŞ



GRI 2-6



Electricity Distribution

Meram Elektrik Dağıtım A.Ş. (MEDAŞ) provides electricity distribution services in an area of 76,932 km² covering the provinces of Konya, Karaman, Aksaray, Nevşehir, Niğde, and Kırşehir and corresponding to approximately 10% of Türkiye's total area. MEDAŞ, which has 37 independent enterprises for higher efficiency and effectiveness purposes through narrower geographical purview, provides services to six provinces, 63 districts, 61 towns, 871 villages, and 499 village-affiliated plateaus through a total of 70 enterprises and 33 sub-enterprises operating thereunder.

In 2023, training programs aimed at offering the highest quality training experience were carried on with a focus on internal customer and stakeholder needs. During 2023, 160,000 person/hours of training were provided; in addition, employees had access to additional online training platforms that cover 3,000 training and development videos they can use according to their needs and at their convenience.

Meram Elektrik Dağıtım A.Ş. (MEDAŞ) provides electricity distribution services in an area of 76,932 km² covering the provinces of Konya, Karaman, Aksaray, Nevşehir, Niğde, and Kırşehir and corresponding to approximately 10% of Türkiye's total area.



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“MEPAŞ provides electricity retail services to approximately 2.4 million customers in an area covering the provinces of Konya, Karaman, Aksaray, Nevşehir, Niğde, and Kırşehir, which corresponds to about 10% of Turkey’s total area. These services are delivered through 11 Customer Service Centers (MHM), 8 affiliated customer service points, and 53 dealer channels. Focused on enhancing customer satisfaction, MEPAŞ has increased the services offered through alternative service channels with the support of its digital capabilities. The company has implemented applications that allow customers to perform all their transactions via the Online Transaction Center, mobile application, e-government, and call center.”

İlker Arslanargun
General Manager, MEPAŞ

Providing electricity retailing services to approximately 2.4 million customers via 11 Customer Service Centers (CSC), eight affiliated customer service points, and 53 dealer channels, MEPAŞ increased the number of services through alternative service channels to enhance customer satisfaction.

Electricity Trading

MEDAŞ, which offers electricity distribution and retailing services, separated its activities in 2013 pursuant to the Electricity Market Law. Due to this arrangement that aimed to open the retail electricity market to competition, subscription, billing, and collection activities previously performed by MEDAŞ were transferred to the newly established Meram Elektrik Perakende Satış A.Ş. (MEPAŞ). The legal separation process started in 2013 and was finalized by the end of 2015 with the physical separation of hardware, software, service points, and personnel as specified in EMRA legislation.

MEPAŞ provides electricity retailing services to approximately 2.4 million customers in an area of 76,932 km² covering the provinces of Konya, Karaman, Aksaray, Nevşehir, Niğde, and Kırşehir, which corresponds to approximately 10% of Türkiye’s surface area, via 11 Customer Service Centers (CSC), eight affiliated customer service points, and 53 dealer channels. The company increased the number of services available to customers through alternative service channels to enhance customer satisfaction. Online Transaction Center, mobile application, subscription procedures enabled via e-government, and call center applications were launched to let customers perform as many transactions as possible online without visiting the facility.



Digitalization and Technology Investments

Besides its electricity generation operations, Alarko Energy Group continues to explore the production, sales and maintenance/operation of electricity storage system and carries on with its contacts to tap cooperation opportunities with international technology developers. In addition, work was initiated in relation to the “Enterprise Resource Planning (ERP)” and “Customer Information System” projects that received acceptance in EMRA’s call for Domestic and National Software Ecosystem in 2023. These projects support digital transformation. Throughout the 36-month project, the aim is to produce exemplary deliverables in the respective projects for the distribution sector.

The installations for upgrading the infrastructure will be completed in their entirety in 2024 as a result of the tender put out for upgrading the system and network infrastructure to the current technology. Also, digital archiving was commenced, whereby contracts made at subscription centers and their appendices, if any, are being transferred to the digital archive.

Alarko Energy Group will keep producing innovative and sustainable energy solutions in the future and maintain its pioneering role in the energy industry in Türkiye and across the world.



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Alarko Industry and Trade Group

Carrying out the manufacturing, import, sales and after-sales services of products in the heating, cooling, ventilation and water pressurization segments, the Industry and Trade Group reinforced its pioneering position in the sector by claiming the top exporter status for 10 years in a row.



272

FRANCHISES



306

TECHNICAL SERVICES



2.4

EXPORT RATE

About Alarko Holding

“The top exporter in air handling units, rooftop and fan coil categories for 12 years, our Industry and Trade Group provides manufacturing, import, sales and after-sales services in heating, cooling, ventilation and water pressurization segments via its 272 dealers, and 306 service shops operating all over Türkiye. In the last quarter of 2023, our Group added photovoltaic panels to its product range as part of its renewable energy strategies. In 2024, we aim to start selling complementary products such as inverters, cabling, and storage to support the package sales of the solar panel system.

Cem Akan
General Manager, Industry and Trade



Alarko Holding’s Industry and Trade Group has defined its main fields of activity as heating, cooling, ventilation, and water pressurization, and undertakes the manufacturing, imports, sales and after-sales services of these products. The group’s perfectionism and pioneering services in the sector brought about remarkable achievements in 2023.

Sales Revenues

In 2023, the Industry and Trade Group posted TL 5,542,863,421 in total earnings. The group claimed the top exporter title for the 10th year in a row in air handling units, rooftop, fan coil and modular air conditioners category according to ISIB (Turkish HVAC&R Exporters Association)

data, further reinforcing its leading position in the sector.

Product and Technology Development

Sales of air handling units, fan coils, and rooftop air conditioners manufactured under the Carrier brand continued in domestic and international markets in 2023. With the introduction of the automated AHU, the group kept gaining additional share in the upper end of the domestic market. The environmentally friendly R454B refrigerant version of the eco-designed NXG series air handling units will be launched in 2024 and sales will be started in new markets in Europe.



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Production of indoor units of heat pumps with the Alarko brand started in 2023. R&D efforts are underway to start production of outdoor units in 2024.

Universal Smart X Series EDGE modular heat pump chillers, sold under the Toshiba brand, make a difference in the marketplace with their high efficiency and modularity. In early 2024, mass production of the EC motor will begin on the ceiling-mounted fan coil unit, which is manufactured under the Carrier brand. The new series, which comes as an addition to the existing AC motor product range, will help maintain the high market dominance in the domestic market and increase export sales.

ALARKO
Industry & Trade

Heating Solutions

Production of heat pumps with the Alarko brand started in 2023. R&D efforts are underway to start production of outdoor units in 2024. Smart Fit series, a black glass-covered combi boiler with Wi-Fi ready touch screen was introduced to the market in 2023 and expanded the combi boiler product range. The product array will be completed after Aldens floor-standing boilers with a capacity of 850-1,000-1,150 kW start to be manufactured at the Eskişehir plant in the first quarter of 2024.

As the sole authorized dealer of the Spanish company Blansol in Türkiye in the underfloor heating market, additional market share will continue to be gained in 2024 with the Blansol brand in the Toshiba dealer distribution channel and the Alarko brand in the Alarko dealer distribution channel. Panel radiators will be supplied as OEM and sold under the Alarko brand.

Water Pressurization and Water Boosting Systems

Necessary work was completed for ALDH10 and ALDH15 series that will complete the booster pump range and were put on the market in 2023. With their design and testing finalized, the digital and analog communication cards that will be used with the new series OPTIMA BYS circulation pumps with ECM technology for building management systems (BMS) were launched in 2023.



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In line with the company’s renewable energy strategies, Alarko brand photovoltaic panels were added to the product range in the last quarter of 2023. In 2024, complementary products such as inverters, cabling, and storage will be sold to support the package sales of the solar panel system.

Renewable Energy and Photovoltaic Panels

In line with the company’s renewable energy strategies, Alarko brand photovoltaic panels were added to the product range in the last quarter of 2023. In 2024, complementary products such as inverters, cabling, and storage will be sold to support the package sales of the solar panel system.

Trading and Marketing

The Industry and Trade Group boasts an extensive and strong sales and service network across Türkiye, serving with offices in Gebze, Ankara, Izmir, Antalya, and Adana and 128 Alarko Carrier, 57 Toshiba, 84 water group Alarko, three Carrier specialized dealers, and 306 after-sales service units throughout the country. In response to market trends and expectations, the product range also features imported products in addition to those manufactured at the plants, by acting as a distributor for leading foreign companies. An online sales channel was set up in addition to existing distribution channels. In 2024, it is targeted to increase the sales volume on this channel with the introduction of the dealer referral and loyalty project in e-commerce sales.

ALARKO Industry & Trade

Production

The main plant is set on a total area of 60,000 square meters in the Gebze Organized Industrial Zone, and consists of a modern complex that includes an indoor production area of 17,000 square meters, plant offices of 3,000 square meters, a testing and R&D building of 2,000 square meters, as well as social and training facilities and management offices, totaling a covered area of 36,000 square meters. In this plant, central air conditioning products such as air handling units, rooftop units, and fan coil devices are manufactured under the Carrier brand.

The Heating Equipment Manufacturing Plant in İstanbul Dudullu Organized Industrial Zone, with an indoor area of 18,000 m² and an outdoor area of 12,000 m², discontinued its operations at the end of 2023. Combination boilers and condensing boilers produced at this plant and submersible pumps and circulation pumps produced at the Gebze plant started to be manufactured at the new plant with an indoor area of 13,000 m² on a 22,500 m² land in Eskişehir Organized Industrial Zone from the beginning of 2024.



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Quality and Certifications

Alarko Industry and Trade Group attaches great importance to quality management systems. Carrier Excellence quality management system is in place at every designated business unit, both in offices and factories. All performance indicators are reported monthly to the Middle East and Türkiye Quality Director. Compliance activities according to the revised 2015 version of ISO 9001 Quality Management System have been completed across all the departments with necessary risk analyses and process flows being defined, and recertification was made by both TSE and BSI. The Company also holds quality certificates such as ISO 14001, ISO 27001 and ISO 45001, and as such, plays a pioneering role in the sector.

E-Commerce and Digital Marketing

E-commerce and digital marketing continue to be used as a tool to retain existing customers and attract and acquire new ones with its mobile-friendly interface, in addition to our traditional points of contact consisting of our sales offices and authorized sellers. The Digital Marketing Project has been designed to include all steps commencing with the purchasing process that starts online, assignment of the authorized service, completion of the assembly and the measurement of satisfaction with the service which steps are performed in an integrated manner with the Alvima Accounting System and the After-Sales Services Notification Management System. Further developments associated with the project are ongoing.

“High Quality Service and Production” Concept

Alarko Industry and Trade Group constantly authors innovative projects in a bid to further enhance customer satisfaction and maintain its leader position in the sector. To this end, 2024 plans include the addition of commercial and pool-type heat pumps to the product range, and the introduction of a new series of VRFs that are more responsive to market dynamics and more technologically advanced. In 2024, sales of wall-mounted, multi-split commercial air conditioners under the Carrier brand, heat pumps, as well as VRF devices, will continue through distributors.

In order to enhance customer satisfaction and service quality, online training and orientation for dealers and services continue to be offered through Alarko Carrier ACademi.

Personal development training courses as well as legally required training courses conducted jointly by HR, OHS, and Health departments continue. Also, more video training materials with strong visual components will be provided.

Alarko Industry and Trade Group is the preferred choice in numerous prestigious projects both in Türkiye and abroad for its “high quality service and production” concept. While the group’s innovative and sustainable approaches fortify its leadership position in the sector, they also herald major projects in the future that the group will undersign.



Alarko Industry and Trade Group attaches great importance to quality management systems. Carrier Excellence quality management system is in place at every designated business unit, both in offices and factories. All performance indicators are reported monthly to the Middle East and Türkiye Quality Director.



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Alarko Tourism Group

Alarko Tourism Group offers sophisticated services to its guests at Hillside Beach Club, Hillside City Club, Cinecity Cinemas and Sanda Spa where guests experience the “Feeling Good” concept the group owns. Alarko Tourism Group that introduced the “leisure” concept in Türkiye and led the industry’s development in this genre has achieved significant success in 2023 with the goal of excellence in service quality.



74%

**REVISITATION
RATIO**



85.3

**GUEST
SATISFACTION
RATE**



100+

AWARDS

About Alarko Holding



“The first institution that introduced the ‘leisure’ concept in Türkiye with Hillside brand, Alarko Tourism Group sets an example in the sector with its Hillside brand that has become an international success story in its own genre. Hillside Beach Club enjoys an extraordinary competitive edge with a repeat guest rate of 78% and endorses its strong statement with the awards and certifications collected. Our Group is further accelerating its growth momentum with the ongoing hotel investment in Bodrum Gündoğan; it aims to transform Hillside into a chain of at least 5 hotels through domestic and international investments by 2030.”

Edip İlkbahar
General Manager, Tourism



Hillside Beach Club

Hillside Beach Club is a five-star holiday village that excels in offering guests their dream vacation through its distinctive systems and values. Offering a heartfelt service with its friendly staff, Hillside Beach Club is known as the “Heaven on Earth”. In 2023, during which 24,337 guests were welcomed, the establishment introduced a series of new implementations. With an exceptional 78% repeat guest rate, Hillside Beach Club boasts an unmatched competitive edge in the sector.

Hillside Beach Club successfully continued to garner international tourism awards and was named the “Best Leisure Hotel of the World on a Global Level” for the third consecutive time at Haute Grandeur Awards 2023. It was also selected the “Best Eco-Friendly Resort in Europe” and was also awarded in “Best Design Hotel in Turkey” and “Best Prime Location Hotel in Turkey” categories.

Hillside Beach Club also received the “Best Luxury Family Beach Resort in Europe”, “Best Sustainable Resort in Eastern Europe”, and “Best Beach Resort in Eastern Europe” at the World Luxury Hotel Awards 2023, and succeeded in claiming British Airways’ “Certificate of Excellence in Guest Satisfaction” for the seventh year in a row.



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Hillside Beach Club conducts its sustainability initiatives in keeping with the vision of supporting the environment, people and local producers. Holding 11 international certificates in this framework, the establishment also remains one of only 1,000 hotels in the world to receive the “Travelife Gold” certificate.

Hillside Beach Club executes sustainability concept on the basis of activities that support the environment, people and local producers, and holds 11 international certificates in this framework. It also remains one of only 1,000 hotels in the world to receive the “Travelife Gold” certificate, which is a sustainability system implemented by the UK Travel Organisation ABTA. Hillside Beach Club received the Sustainable Tourism Certification at the third stage in 2022, which is granted by GSTC (Global Sustainable Tourism Council) to promote the achievement of environmental, social and economic sustainability criteria in the tourism industry and to minimize the negative effects



of tourism activities. In addition, a tree seed is planted for each new guest at the Hillside forest locations. So far, 275,000 seeds were planted under this project since 2003.

2023 season have seen events like Concert on a Boat, Feel Good Week, Father & Son Camp, and Tennis Cup. Hillside Beach Club also hosted the “London Jazz In the Sun” event as part of EFG London Jazz Festival, one of Europe’s most popular festivals, and the “Summer Screenings” festival of the British Film Institute.

Hillside City Club

Operating under Alarko Tourism Group, Hillside City Club is the first name associated with mindful exercise in Türkiye. Besides acting as a pioneer of novelties in our country, it has successfully built an approach that is followed in its sector. A multi-functional sports center offering boutique service, Hillside City Club offers an outdoor space of 450 square meters with the Outdoor Club for those who prefer to work out in open air in addition to indoor gym.

Located in Etiler, İstanbul and referred to as “more than just a sports club” by its members, Hillside City Club presents a comprehensive program that includes live music performances, stand-up shows, special events, and movie screenings with unique concepts at Hillside LIVE, the new boutique meeting point, and at its movie theaters.



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With its new concept, Hillside City Club's sophisticated customer service concept is further broadened with its brand mix that include Minoa Village, Itsumi So, Palms Cafe, Starbucks Coffee, Sanda Spa and also customer satisfaction is enhanced through a powerful synergy.

Hillside City Club develops various activities that combine art, music, movies, sports, and entertainment to spice up its members' social lives. Hillside City Club organized the "Hillside Club Market" in 2023 with brands that it incorporated in its ecosystem, creating the city's most exclusive design market that attracted 4,100 visitors.

Sanda Spa

Sanda Spa started its operations 21 years ago at Hillside Beach Club-Fethiye and became one of the most preferred and well-known brands in the spa industry. Having played a significant part in elevating the industry to where it is today, the business has led the way in advancing the natural spa culture through its innovations and commitment to excellent customer service. Offering more than 60 relaxing treatments, Sanda Spa continues to fulfill its mission of "Feeling Good" at its two facilities located in Hillside Beach Club and Hillside City Club in Etiler, Istanbul.



Cinecity Cinemas

Another business under Alarko Tourism Group, Cinecity Cinemas offer service at its indoor theaters, adding open air cinema to its repertoire in the summer time where moviegoers find the opportunity to enjoy "Başka Sinema" and a selection of box office films every Tuesday and Thursday under the stars.

Hillside City Club develops various activities that combine art, music, movies, sports, and entertainment to spice up its members' social lives.



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Alarko Tourism Group was ranked first in the tourism industry and named “Happiest Workplace in Türkiye” according to the results of the “Happiest Workplace in Türkiye 2023” survey conducted by Happy Place to Work and Capital Magazine.

New Projects and Developments

The development of a new hotel and resort in Gündoğan, Bodrum started in 2023. The construction of this 800-bed capacity project is in progress. The project will add momentum to Alarko Tourism Group’s growth plans and will mark an important step towards becoming a hotel chain with the other projects that will follow.

Achievements and Recognition

Alarko Tourism Group was ranked first in the tourism industry and named “Happiest Workplace in Türkiye” according to the results of the “Happiest Workplace in Türkiye 2023” survey conducted by Happy Place to Work and Capital Magazine. The Group was also placed in 6th place in Türkiye in the Tourism and Accommodation Services category at the “Service Export Champions” awards organized by the Turkish Exporters Assembly (TIM).

Digital Publishing and Communication

Alarko Tourism Group’s official magazine that has been followed up and eagerly anticipated by a broad group of elite readers, the Hillside Magazine brings inspiring content in art, music, travel, wining and dining.

Aside from Hillside Magazine, the HillsideNOW channel was launched to keep abreast of the dynamics of the digital world. Having over 150,000 followers and broadcast on Instagram Stories, the channel reached approximately 5 million people per month in 2023 and attracted attention in the field of digital publishing.

Alarko Tourism Group introduced the “leisure” concept in Türkiye and led the industry’s development in this genre. It continued to meet the needs of its guests at the highest level in 2023 thanks to the systems and values developed to ensure the sustainability of service quality with the goal of excellence in service understanding. The Group will sustain its pioneering role in the sector with innovative and sustainable projects in the future.



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Alarko Land Development Group

Alarko Holding's Land Development Group manages a property portfolio worth approximately USD 800 Million as of year-end 2023. The portfolio is designed according to constantly updated best-use analyses and studies are conducted for their development at the right time. The aim is to guarantee that the properties managed by the Group are used so as to generate the highest yield.



50+
YEARS OF
EXPERIENCE



5,000+
FLATS AND
VILLAS



7
LEADER
PROJECTS

About Alarko Holding

“As Alarko Land Development Group, we carry on with the development and construction of high quality residential and commercial projects drawing on our over 50 years of experience and vision. As of year-end 2023, our property portfolio is worth USD 800 million. With our projects in progress and the new strategies we formulate, we will make sure that our Group will maintain its pioneering role in the sector in the future.”

Harun H. Moreno
General Manager, Land Development



Properties Owned by Konut İnşaat A.Ş.

In 2023, Alarko Land Development Group sustained its strategic development plans for the properties in the portfolio of Konut İnşaat A.Ş. Accordingly, a warehouse license with an enclosed space of 100,000 m² has been obtained for the logistic zone in Orhanlı, Tuzla and this property is now ready for construction investment.

In 2023, an important step was taken for the development of the Bilezikçi Farm land, and a memorandum of understanding has been signed with a developer group for development on

flat-for-land basis. The project has been planned and developed to make the most of the land's potential.

Properties Owned by Alarko Holding

Properties owned by Alarko Holding include a grove located on Büyükdere coast. A zoning application process is underway for the reconstruction of the building remains designated as a mansion/pavilion. Necessary steps are being taken for obtaining the original projects and commencing reconstruction work.



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Properties Owned by Alarko Real Estate Investment Trust (REIT)

Significant progress has been made in the design phase of the touristic facility in Bodrum owned by Alarko Real Estate Investment Trust, and the construction of the facility is progressing rapidly. There have been significant variances in project costs due to higher-than-projected construction inflation; hence, new financing opportunities are explored with the aim of increasing project IRR.

The tourism facility in Fethiye is currently undergoing major renovations, which are targeted to be completed within the next two winter seasons.

In 2024, efforts will continue to develop our properties in Maslak, Eyüp, and Büyükdere optimally.

Properties Owned by Alarko Carrier

The sale of the parcel at the intersection of the Tuzla Infantry School, which is currently used as an open warehouse, has been given momentum in 2023 and is intended to be completed in 2024. The sale of the parcel will be an important step for effectively capitalizing on the portfolio and raising funds for new investments.

Alriva Companies

Efforts continue to sell or otherwise utilize the plots in Alriva Companies' portfolio in the medium term. Various strategies are being developed to make use of the plots in the most productive fashion and to optimally capitalize on their investment potentials.

Portfolio Size and Development Strategies

Alarko Land Development Group constantly works to manage and develop its broad and valuable property portfolio in the best possible manner. This portfolio continues to rise in value thanks to the group's experience in the real estate sector coupled with its strategic approach.

Alarko Land Development Group designs and builds high quality residential and commercial projects drawing on its over 50 years of experience. The projects in progress in 2023 and new strategies developed herald that the group will sustain its pioneering role in the sector in the future. Developed projects are backed by innovative and sustainable approaches, and reinforce the leadership position in the sector. Alarko Land Development Group will continue to sign its name under major projects in the future on the back of its vision and experience.



Alarko Land Development Group develops and constructs high quality residential and commercial projects drawing on its over 50 years of experience. The projects developed are backed by innovative and sustainable approaches, cementing the Group's leadership position in the sector.



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About Alarko Holding

Alarko Agriculture Group

Having defined modern farming as a strategic sector and having initiated a strategic expansion in this area in 2023, Alarko Holding aims to contribute to food and water security, and to provide circularity in agricultural production on the back of sustainable farming practices.



2,000

**ACRES OF
GREENHOUSE
AREA**



250

**THOUSAND
TONS
PRODUCTION
OF FRESH
VEGETABLES
AND FRUITS
PER YEAR**



650

**USD MILLION
FIVE-YEAR
INVESTMENT
BUDGET**

About Alarko Holding



“As Alarko Agriculture Group, we are combining geothermal energy with good agricultural practices in our modern greenhouse operations we have launched based on a sustainable business model that is in harmony with the nature. As we pursue our operations with the goal of reaching 5,000 acres of greenhouses by 2028, we are gearing up to undertake greenhouse operations on a 5,000 acre-area in Kazakhstan as well. We are aiming to keep our soil from being overworked due to incorrect and excessive use of fertilizers by virtue of our microgranular fertilizer that will be manufactured using advanced technology. As we continue with our food factory investment, we are aiming to produce high-quality, healthy and durable seeds that are fit for our country’s geography and climate within the scope of our seed improvement business in the making. At the same time, we are spearheading the covered employment of women in the agricultural sector in a bid to cultivate the culture of equality and development, and we are contributing significantly to development and reinforcement of local economies in areas where we carry out activities with our employees made up of women by 75%.”

Melike Koçoğlu
General Manager, Agriculture



Contribution to Healthy and Sustainable Agriculture

Having initiated a strategic expansion in the agricultural sector in 2023, Alarko Holding aims to contribute to food and water security, advocate more efficient use of resources in agricultural production, and undertake sustainable agriculture. To this end, Alarko Agriculture Group was set up, which gathered the companies engaged in greenhouse farming, fertilizer, seed improvement and food processing sectors under its roof.

Geothermal Greenhouses

A part of Alarko Agriculture Group, Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş. carries out soilless and clean agriculture activities in high-tech greenhouses in areas with access to geothermal energy in different regions of Türkiye. Alsera started its operations in 2023 with the greenhouses it purchased in Sandıklı, Afyon and reached its target of establishing 500 acres of greenhouse area by the end of the year with additional investments in Sandıklı, Afyon and Sarayköy, Denizli. The first harvest took place in May 2023, with plans to put in operation a total of 2,000 acres of greenhouses into operation by the end of 2024.



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Alarko Agriculture Group carries out R&D and production activities in the light of modern science for the improvement of new seed varieties. Upon commencement of production, commercialized seeds will be offered to domestic and foreign markets.

The long-term target is to reach 5,000 acres of greenhouse area by the end of 2028. To reach this goal, investments are being made in Afyonkarahisar, Eskişehir, and Denizli provinces. With a total investment of USD 400 million, it is targeted to produce 250 thousand tons of fresh produce annually. Alsera will cover 30% of these investments from its own equity.

Fertilizers

Alarko Agriculture Group acquired Palmira Agro Gübre Sanayi ve Ticaret A.Ş. in May 2023, and initiated its factory investment in Yakınkent Organized Industrial Zone in Çankırı. Palmira Agro aims to offer high-quality, high-added



value products that are also environmentally friendly and become a pioneer in the microgranular fertilizer sector in Türkiye through the completion of a factory investment in 2024.

Food Processing

Alarko Agriculture Group carries out the production of dried vegetables and fruits through Alarko Gıda Sanayi ve Ticaret A.Ş. In 2023, Ereğli Agrosan, a company established in Mersin, was acquired. The company plans to relocate production to Konya Ereğli by the end of 2024 and invest in capacity expansion at the site.

Seed Improvement and Production

Alarko Agriculture Group acquired Genseed Tohum Islah ve Üretim A.Ş. located in Kurşunlu, Antalya to engage in the strategic seed improvement and production field. The company carries out R&D and production activities in the light of modern science for the improvement of new seed varieties. Upon commencement of production, commercialized seeds will be offered to domestic and foreign markets, for which additional greenhouse investments will be realized in 2024. In addition, after 2025, seed propagation stations will be established in various countries.



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Alarko Agricultural Academy

Through Alarko Agricultural Academy that will be launched in 2024, Alarko Agriculture Group aims to offer custom-designed training programs for the professional development of its employees and stakeholders in various areas such as technology, production, quality, and innovation, in line with its sustainable development approach. This will allow all employees to have command of scientific production techniques and achieve constant self-development; in turn, they will be doing their jobs within an organizational model where these techniques are advanced even further. In the medium- and long-term, the aim is to enable and help the formation of trained and competent workforce in the sector and pass over business models that rely on efficiency and sustainability to broader groups of people. When 5,000 acres of greenhouse area is reached in Türkiye, the total employment is expected to be at least 5,000 people, 80% of whom will be women. The new greenhouses will be designed as a campus, offering a variety of facilities to meet the needs of employees, while contributing to gender equality as well.

Five-Year Investment Plan

Alarko Agriculture Group moves ahead with the targets of continually improving quality and prioritizing sustainable and efficient production on the back of an investment of USD 650 million over the next five years. The goal is to achieve



high economic added value through optimized, digitalized production processes monitored in real-time in sectors with high export potential.

Alarko Agriculture Group aims to participate in the entire value chain in the agriculture and food sectors, to ensure humanity's access to sufficient, healthy, and high-quality food, and to build a sustainable business model that is in harmony with the nature. In line with this vision, Alarko Holding's investments in the agricultural sector were defined as a strategic priority and launched in 2023.

Alarko Agriculture Group aims to participate in the entire value chain in the agriculture and food sectors, to ensure humanity's access to sufficient, healthy, and high-quality food, and to build a sustainable business model that is in harmony with the nature.



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Alarko Investment Group

Alarko Investment Group aims to contribute value to the entire ecosystem by investing in companies that generate value through their activities based on its medium- to long-term investing perspective. Investments in up-and-coming sectors increase the flexibility and dynamism of Alarko Holding's portfolio.

About Alarko Holding

“Our Investment Group intends to intensify the weight of international investments while diversifying the portfolio through new long-term investments. Targeting to invest in publicly or privately-held companies and early start-ups that are successful in their respective fields, are highly profitable, present growth potential and will contribute to the group’s growth, our group will continue to primarily invest in companies that generate value by focusing on sustainability and innovation.”

Cem Garih
Managing Partner, Alarko Ventures



Contribute Value to the Entire Ecosystem

Alarko Holding aims to increase the profitability, dynamism and flexibility of its portfolio through investments structured with a medium- to long-term perspective. To this end, Alarko Investment Group seeks to contribute value to the entire ecosystem by investing in companies that generate value through their activities.

Investment Strategy and Portfolio Management

When devising its investment strategy, Alarko Investment Group intends to diversify the portfolio through additions to the main lines of business in order to capture return opportunities and to increase the weight of international investments. This will secure sectoral diversity along with optimized distribution of risks. Investments in up-and-coming sectors make Alarko Holding’s portfolio more flexible and dynamic.



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Alarko Investment Group makes strategic investments independently from short-term volatilities with long-term return perspective in line with consistent and sustainable growth target.

Investments That Generate Value

Alarko Investment Group invests also in projects that generate not just financial gains but also social and environmental benefits. In this framework, sustainability principles are pursued with the purpose of passing down a more livable world to future generations. With this understanding, investments are made in strategic areas including renewable energy, environmental technology, healthcare and education.

Sectoral Diversification

Alarko Investment Group invests in various areas in order to minimize risks through portfolio diversification and to tap opportunities arising in diverse sectors. Investments in sectors like energy, real estate, agriculture, technology and finance make up a substantial part of the group's growth strategy.

Increasing the Weight of International Investments

Alarko Holding has been increasing the weight of international investments in line with its goal to become a global player. To this end, a close eye is kept on opportunities in foreign countries, and strategic cooperations are established. These investments intended to derive competitive advantage in international markets reinforce Alarko Holding's global presence.



Sustainability and Social Responsibility

Alarko Investment Group espouses sustainability and social responsibility principles, thereby guaranteeing long-lived value of the projects invested in. The investments made minimize environmental impact, generate social benefits and conform to ethical values. Accordingly, priority is given to renewable energy projects, environment-friendly technologies and social projects that contribute to the community.

Innovation and Technology-Oriented Investments

Alarko Investment Group targets to capture future trends by investing in innovative and technology-oriented projects. Investments in areas such as digital transformation, artificial intelligence (AI), big data and the Internet of Things (IoT) reinforce the group's competitive strength, and maximize the benefits derived from technological advancements.

Long-Term Investment Perspective

Alarko Investment Group acts with medium- and long-term investing perspective, and aims to achieve consistent, sustainable growth. Along this line, portfolio management is targeted at long-term returns, and strategic investments are being made independently from short-term volatilities.



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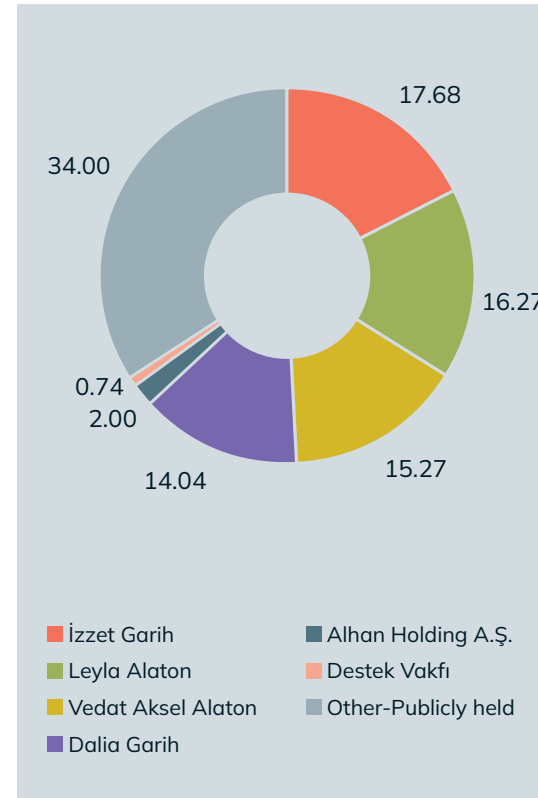
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Capital and Shareholding Structure

Shareholder	Share (TL)	Share Amount and Voting Rights	Shareholding Ratio (%)
İzzet Garih	76,921,245.42	7,692,124,542	17.68
Leyla Alaton	70,776,560.42	7,077,656,042	16.27
Vedat Aksel Alaton	66,426,560.51	6,642,656,051	15.27
Dalia Garih	61,078,008.65	6,107,800,865	14.04
Alhan Holding A.Ş.	8,699,999.81	869,999,981	2.00
Destek Vakfi	3,195,807.87	319,580,787	0.74
Other-Publicly held	147,901,817.32	14,790,181,732	34.00
Total	435,000,000.00	43,500,000,000	100.00

In 2023, from out of the shareholders, the shareholding ratio of Leyla Alaton went down from 17.68% to 16.27%, that of Vedat Aksel Alaton from 16.68% to 15.27% and that of Dalia Garih from 15.24% to 14.04%.

No changes occurred in the company's capital.



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Subsidiaries and Participations

The titles, fields of activity of our company's subsidiaries, affiliates and joint ventures, and our company's direct and indirect shareholding ratios are as follows.

Companies	Sector	Authorized Capital (TL)	Direct Share (%)	Direct and Indirect Share (%)
Alarko Carrier Sanayi ve Ticaret A.Ş.	Production of heating and cooling, equipment manufacturing, contracting, tourism	10,800,000	42.03	42.03
Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş.	Turnkey contracting, construction and tourism	200,000,000	99.91	99.91
Alarko Fenni Malzeme Satış ve İmalat A.Ş.	Marketing of industrial products and after sales services	230,000	88.68	99.99
Attaş Alarko Turistik Tesisler A.Ş.	Touristic facility management	21,500,000	0.46	99.91
Alarko Gayrimenkul Yatırım Ortaklığı A.Ş.	Real estate investment	144,900,000	16.41	51.20
Alen Alarko Enerji Ticaret A.Ş.	Electric energy trade, export and import	2,000,000	16.95	99.94
Altek Alarko Elektrik Sant. Tes. İşl. ve Tic. A.Ş.	Electric energy production	350,000,000	10.60	99.94
Alarko Enerji A.Ş.	Housing, construction	226,975,276.31	89.24	99.93
Aldem Alarko Konut İnşaat ve Ticaret A.Ş.	Housing, construction	50,000	100	100
Al-Riva Projesi Arazi Değerlendirme Konut İnşaat ve Tic. A.Ş.	Housing, construction	6,839,063.84	11.55	12.13
Al-Riva Arazi Değerlendirme Konut İnşaat ve Tic. A.Ş.	Housing, construction and touristic facility management	3,308,555.70	2.49	2.63
Al-Riva Arazi Değerlendirme Konut İnşaat Turistik Tesis. Golf İşl. ve Tic. A.Ş.	Real estate project construction and use	10,489,764.84	2.16	2.28
AO Mosalarko	Construction	Ruble 30,000,000	-	51.20
Tüm Tesisat ve İnşaat A.Ş.	Construction	141,000	49.15	50.15
Alarko Tarım Sanayi ve Ticaret A.Ş.	Agriculture, food, food business and technologies	850,000,000	100.00	100.00
Alyat Teknoloji Yatırımları Holding A.Ş.	Holding companies' activities	220,000,000	99.50	99.50
Alarko Konut Projeleri Geliştirme A.Ş.	Real estate development, construction and marketing	22,193,713	0.0005	99.91
Alsera Jeotermal Tarım Gıda San.ve Tic. A.Ş.	Greenhouse farming based on geothermal energy	600,000,000	-	100.00
Alser Alarko Sermaye Yatırımları Holding A.Ş.	Holding	550,000,000	58.18	99.97


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Companies	Sector	Authorized Capital (TL)	Direct Share (%)	Direct and Indirect Share (%)
Palmira Agro Gübre Sanayi ve Ticaret A.Ş.	Micro granule fertilizer production	7,500,000	-	80.00
Antsan Tarım Sanayi ve Ticaret A.Ş.	Greenhouse farming based on geothermal energy	1,000,000	-	100.00
Altes Seracılık Tarım Gıda San. ve Tic. A.Ş.	Greenhouse farming based on geothermal energy	50,000,000	-	100.00
Alziraat Jeotermal Tarım Gıda San. ve Tic. A.Ş.	Greenhouse farming based on geothermal energy	777,118.64	-	100.00
Alcen Enerji Dağıtım ve Perakende Satış Hizmetleri A.Ş.	Establishment, transfer, or operation of energy distribution facility	214,560,000	0.0006	49.96
Meram Elektrik Dağıtım A.Ş.	Electrical energy distribution	496,032,904.58	0.0000	49.96
Meram Elektrik Enerjisi Toptan Satış A.Ş.	Electrical energy trade	4,050,000	0.1	49.96
Meram Elektrik Perakende Satış A.Ş.	Electrical energy trade	13,545,520.42	0.0001	49.96
Cenal Elektrik Üretim A.Ş.	Building and operating electric power plant	1,854,012,350	-	49.96
Utilitek Bilgi Teknolojileri A.Ş.	Computer programming activities	10,000,000	-	49.96
Alarko Havacılık Endüstri Yatırımları A.Ş.	Aviation and aircraft technical maintenance	30,000,000	100.00	100.00
Gürlük Jeotermal Enerji Tarım Seracılık Gıda San. Ve Tic. A.Ş.	Agriculture food, food processing, and geothermal energy activities	10,000,000	-	100.00
Alden Jeotermal Tarım Gıda San.ve Tic. A.Ş.	Agriculture, food, food processing, and geothermal energy activities	19,992,446.18	-	100.00
Alarko Gübre Fabrikaları San. ve Tic. A.Ş.	Fertilizer production and marketing	400,000,000	-	100.00
Alarko Gıda Sanayi ve Ticaret A.Ş.	Food, food management/operation	62,124,000	-	100.00
Genseed Tohum Islah ve Üretim A.Ş.	Seed breeding and production	100,000	-	100.00
Alpark Jeotermal Sağlık Turizm ve Depoculuk A.Ş.	Geothermal energy activities	50,000	-	100.00
Alurla Jeotermal Sağlık ve Turizm A.Ş.	Geothermal energy activities.	50,000	-	100.00
Albi Bitkisel İlaç Ham Maddeleri Üretim San.ve Tic. A.Ş.	Herbal medicine raw materials	1,000,000	-	100.00
Hak Gayrimenkul Tarım San. ve Tic. A.Ş.	Geothermal energy activities	100,000	-	100.00
Bakad Investment & Operation LLP	Construction works	KZT 65,759,065	-	33.27
Bakad International B.V.	Holding	USD 154,211,309	-	33.27
Alsim Alarko SRL	Construction	RON 240,000	-	99.91
BARR Operation and Maintenance LLP	Bakad beltway operating and maintenance	KZT 23,000,000	-	24.98



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Milestones in the History of Alarko Holding

1954 - Alarko was established.

1956 - Alarko began industrial manufacturing.

1959 - Sophisticated custom made air-conditioning solutions were built for various institutions including the Central Bank Banknote Printing-House and the Additional Weaving Complex for Sümerbank Malatya.

1960 – The construction of the first Alarko air-conditioning devices factory started in Rami Topçular.

1963 – Alarko was transformed into a joint stock company with a capital of TL 3,500,000 and grew stronger. It was renamed “Alarko Sanayi ve Ticaret A.Ş.”

1967 – Alarko started contracting activities for complete industrial facilities with more than 150 engineers and over 400 technicians and workers, using domestic resources.

1972 - ALFENAŞ and ALMÜT were established.

1973 - Alarko ALAMSAŞ Factory became operational.

1974 - Alarko went public.

1982 - Alarko ALTRON and ALPAZ were founded.

1984 - Alarko ALAMSAŞ started exportation.

1985 - Alarko Youth Club was chartered.

1986 – Foundations were laid for Alarko Alkent Etiler Project.

1986 - Alarko Education and Culture Foundation was established.

1988 – Alarko was awarded the construction of İstanbul Natural Gas Distribution Network.

1990 - Alarko Contracting Group started operations in Russia and CIS-member countries.

1990 - Alarko initiated hydroelectric power plant projects through partnerships.

1991 - Alarko Alfarm was established.

1993 - Alarko Industry and Trade went public, reinforcing its strength and reputation.

1993 - Alarko laid the foundations for Alkent İstanbul 2000 project.

1994 - Located in the Kalemaya Bay of Fethiye, the “Hillside Beach Club” brand started to be managed by Alarko Tourism Group.

1995 - Alarko Radiator Factory was established.

1997 - Alarko Real Estate Investment Trust was founded.

1998 – Industry and Trade Group went into a 50/50 joint venture with world-class Carrier brand.

2000 - Alarko Contracting Group launched high-speed train and metro projects with the Turkish State Railways (TCDD).

2000 - Alarko Carrier Sanayi ve Ticaret A.Ş. commissioned new factories and facilities in Gebze Organized Industrial Zone.

2001 - Alarko entered into a strategic 50:50 joint venture partnership with Societé Nationale d'Electricité et Thermique (SNET), a leading French energy company.

2001 - Dr. Üzeyir Garih, who always rested his views on life and business on the principles of compassion, fairness and moderation, passed away. His views, contribution and the values that he made an integral part of Alarko will never be forgotten. Our founder is greatly missed.

2003 - Alarko Contracting Group undertook the crude oil pipeline project with a daily capacity to deliver one million barrels of oil.

2003 - One of the first concept hotels selected by Design Hotels Group to collaborate in Türkiye, Hillside Su Hotel opened its doors.

2005 - Alarko established a partnership with Hallvard Lerøy AS, one of the world's largest salmon growers and exporters. Alarko Fishery Products Group continued to operate through the Alfarm Alarko-Lerøy partnership.



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2005 - Alarko Energy Group commissioned Phase I of the Kırklareli Natural Gas Combined Cycle Power Plant.

2007 - Phase 3 of the İstanbul Metro project was launched by a joint venture between Alarko Holding and Makyol İnşaat.

2008 - Alsim Alarko Consortium signed an agreement with Samsun Metropolitan Municipality upon being awarded the 156 million-Euro contract for light rail systems.

2009 - Co-founded by Alsim Alarko and Cengiz Holding, Alcen Elektrik acquired Meram Elektrik Dağıtım A.Ş. from a privatization tender.

2009 – Alarko completed the construction of the rail system in 1.5 years in cooperation with Antalya Metropolitan Municipality.

2010 - Alarko commissioned Phase II of the Kırklareli Natural Gas Combined Cycle Power Plant established by the Energy Group.

2011 - Electromechanical works project was launched for Ankara Metro.

2012 - Alarko completed the project that entailed the construction of terminal buildings, aprons, viaducts and roads which was developed to serve the increasing number of passengers in Kiev, Ukraine.

2013 - Learning was given top priority in professional business life, and two major brands joined hands. Both participants and institutions further elevated their targets for the first time in Türkiye. Through Alarko, private sector and academia entered into cooperation.

2016 – Alarko commissioned the Karakuz Hydroelectric Power Plant set up by the Energy Group.

2016 - Our Honorary Chairman İshak Alaton, a successful industrialist who always made a difference with his visionary stance and honesty, passed away. We will always cherish his memory.

2016 - Hillside Beach Club was named the “Best Resort Hotel”, becoming the first hotel in Türkiye to win the Skalite Award 10 times.

2017 - Karabiga Power Plant went into commercial operation.

2017 - Taldykol Treatment Project was completed.

2018 – Signing ceremony was held for the Big Almaty Ring Road Project.

2019 – Following the signing of the agreement on 11 March 2019 for the Bucharest Ring Road Project in Romania undertaken by the Contracting Group, work was commenced based on the official notice to proceed issued by the employer National Company for Road Infrastructure Administration (Romania) on 10 April 2019.

2020 - Mecidiyeköy-Mahmutbey Section of Kabataş-Mecidiyeköy-Mahmutbey Metro started operation.

2020 - Hillside Beach Club was named the World’s Best Resort at the prestigious Haute Grandeur Tourism Awards.

2020 - Alarko Group of Companies’ investment company ALYAT was incorporated.

2022 - Signing ceremony took place for the Bucharest Henri Coanda M6 Metro Lot 1.1 Project

2022 - Alarko Tourism Group started working on a new hotel in Bodrum.

2023 - Alarko Holding stepped into the agriculture and food sector.

2023 - Alarko Investment Group was established.

2023 – Big Almaty Ring Road Project was completed.

2023 - Alarko Holding 2022 Sustainability Report was published.



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Awards and Recognition

In 2023, Alarko Holding and the Group companies received several prestigious awards for its social, ethical, community, and environmental activities.



Alarko Holding

In 2023, Alarko Holding received several prestigious awards for its social, ethical, community, and environmental activities. These awards include:

Happy Place to Work: Recognizes organizations with outstanding workplace environments promoting employee well-being and satisfaction.

Türkiye's 50 Most Influential CHROs: Highlights the most influential Chief Human Resources Officers in Türkiye for their contributions to human rights and diversity.

Türkiye's 50 Most Influential Technology Leaders: Recognizes technology leaders who drive innovation and corporate social responsibility.

Fortune C-Suite Series 50 CTO - Technology Leaders List: Lists top technology leaders for their strategic influence on corporate social responsibility.

Golden Leader Awards - Most Admired CHRO: Celebrates excellence in human resources management, focusing on diversity and opportunity.

Top CHRO Awards: Honors top HR executives for their impact on human rights and workplace diversity.

These awards highlight Alarko Holding's commitment to corporate social responsibility, human rights, diversity, and environmental stewardship.

Alarko Industry and Trade Group

In 2023, Alarko Industry and Trade Group received several awards that recognize the Group's pioneering stance and innovative approach in the sector. The awards are as follows:

White Flag Awards: Given by the Turkish Confederation of Employer Associations, the award is presented subject to the fulfillment of specific criteria, including, among others, providing recorded employment, not having been subjected to administrative fine, having a collective bargaining agreement, employment of 50+ employees, not having outstanding premium debts to the Social Security Institution, fulfillment of occupational health and safety requirements, and having zero workplace accidents at the establishment. Alarko Industry and Trade Group successfully met these requirements and was awarded White Flag.

Innovation Award: Alarko Carrier was ranked third in the "Best Optimization Project Paper" category at the International Conference on Design, Research and Development 2022 (RDCONF) for its new R&D projects. Hydraulic design works of Optima BYS Circulation Pumps that recently went into production got full marks from the jury at the R&D and Innovation Paper Awards of the Conference. With over 150 competing projects in this category, Alarko Carrier was placed in third spot.



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Alarko Carrier received the “Best B2B Usage” award at Martech Awards 2023 for the “Alarko Carrier Digital Dealer” platform application co-developed with Branchsight information technology company.

Martech Award: Alarko Carrier received the “Best B2B Usage” award at Martech Awards 2023 for the “Alarko Carrier Digital Dealer” platform application co-developed with Branchsight information technology company. The award recognizes effective and innovative use of technology.

iSiB Top Exporting Company Award: Alarko Carrier was ranked first in the “Top Air Handling Unit, Rooftop, Fan Coil, Modular Air Conditioning Unit Companies” category at the Top Exporters award ceremony organized by the Turkish HVAC&R Exporters Association (iSiB) for its exports realized in 2022. This achievement endorsed once again Alarko Carrier’s leadership in exports.

With these achievements, Alarko Industry and Trade Group strengthened its position in the sector, drawing the attention with its innovative approach. The awards and recognition indicate at the Group’s continued adherence to sustainable growth and excellence in its activities.

Alarko Tourism Group

In 2023, Alarko Tourism Group was honored with the “Best Eco-Friendly Resort in Europe” award by Haute Grandeur and the “Best Sustainable Resort in Eastern Europe” award at the World Luxury Hotel Awards. These titles were earned as the result of environment-friendly practices and sustainability efforts. The resort provides its guests with an environmentally-sensitive

approach to hospitality. Also Alarko Tourism Group received ISO 14001, ISO 22000, ISO 50001, Blue Flag, Travelife Gold and GSTC recertifications. These certifications endorse the resort’s conformity to international standards in environmental management, food security, energy management and sustainable tourism. Recertification constitutes an important step in terms of continued improvement and maintenance of high standards.

Alarko Agriculture Group

Alarko Agriculture Group proved its leadership in the sector and its innovative approach with the awards and recognition earned in 2023. Although the group was set up only in March 2023, major achievements have already been authored with the “high-tech, safe and healthy food production” approach possessed and implemented.

Alarko Agriculture Group was ranked among the top 10 exporters in 2023 as listed by İstanbul Fresh Fruit and Vegetable Exporters’ Association for the safe, high-quality food production carried out, a major accomplishment in a short period of time.

Innovative and high-tech agricultural practices adopted by Alarko Agriculture Group enhanced the quality and safety of the produce and resulted in increased competitive strength in international markets. Alarko Agriculture Group develops and implements productive and ecological production methods using sustainable farming policies and advanced technology.



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Corporate Governance

Alarko Holding regards its governance culture formulated with its vast experience and knowledge in the light of its deep-seated corporate values as the foundation of sustainable economic performance and shared added value generation.

Deeply embraced also by the managements and employees of Group companies, this culture plays a part in the determination of strategic goals and improvement of stakeholder interests as well.

Remaining strictly adhered to ethical values and integrity, transparency and fairness principles in all its activities, Alarko Holding fully executes all implementations required by the corporate governance legislation in force. The Holding exercises the utmost care for compliance with the Corporate Governance Principles set out by the Capital Markets Board of Türkiye (CMB), implements all compulsory principles, and conforms to the majority of optional ones.

In keeping with its pledge to generate long-term value for its shareholders in particular and all its stakeholders in general, Alarko Holding implements and improves corporate governance policies, principles and practices.

Internal Audit- Internal Control

Alarko Holding's Internal Audit Department reports directly to the Audit Committee under the Board of Directors. According to "Alarko Holding A.Ş. Duties and Working Principles of the Audit Committee", the Audit Committee's responsibilities include the oversight of the internal audit function's activities, organizational structure and qualifications. This incorporates presenting suggestions and assessments to the Board of Directors on such matters as the responsibility, budget and staffing of the internal audit function. This organization guarantees the Internal Audit function to pursue its activities independently from the executive management and to maintain its impartiality and effectiveness in its oversight duty.

The Board of Directors additionally established an internal control mechanism and introduced structures like Audit Advisory and Approval Board and Group Audit Group to ensure the operation of this mechanism. The Group Audit Group audits the internal control mechanism at specified intervals in accordance with the preapproved annual audit plans and presents reports to the top management regarding its findings. These audit processes are intended not just to maintain financial performance, but also to achieve sustainability targets. The

Audit Advisory and Approval Board determines all necessary measures to be taken based on these reports, and necessary instructions are conveyed to company executives by the Group's Chief Executive Officer.

Risk Management

Alarko Holding has in place an effective risk management strategy to take potential risks under control and to ensure sustainable growth. This strategy is formulated so as to encompass the Group's broad activity fields in diverse sectors. The aim is to minimize the risk exposure of the Group companies affiliated to the Holding and to provide reasonable assurance against potential risks. Along this line, Alarko Holding takes an integrated approach to the management of its financial and sustainability risks, and thus, assures its long-term success.

The company's risk management strategy addresses effective management of environmental, social and governance (ESG) risks as a critical element, in addition to that of financial risks such as market risk, credit risk, exchange rate risk and liquidity risk. In this scope, Alarko Holding Board of Directors follows up the periodic works of the Risk Aversion and Early Detection of Risk Committee and constantly improves risk management processes.



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Alarko Holding's approach to manage sustainability risks is designed to protect the company's reputation, market position and long-term growth targets. Early Detection of Risk Committee plays a critical role in detecting the company's potential risks in advance and to adopt effective measures against these risks. The Committee analyzed possible risk scenarios and presented reports to the Board of Directors as part of its activities in 2023. These reports are used as an important guide in the company's strategic decision-making processes.

To manage sustainability risks, Alarko Holding has espoused a comprehensive risk management strategy which is built upon six main risk categories entailing the Holding's operations in various sectors: Physical Risks, Transition Risks, Regulatory Risks, Market Risks, Reputation Risks and Financial Risks.

When managing sustainability risks, Alarko Holding aims not just to minimize existing risks, but at the same time to turn these risks into opportunity and increase its competitive advantage in the sector. To this end, constant

improvements are carried out and innovative solutions are developed to improve sustainability performance and to protect the company's prestige. This integrated and proactive approach allows Alarko Holding to effectively manage sustainability risks and to guarantee long-term success. Alarko Holding sustainability risks management table details the management strategies Alarko Holding developed in relation to risk categories and how each risk is monitored. The table includes potential risks defined for each risk category, the potential impact of these risks, the company's approaches to managing sustainability risks and definition of potential risks arising from relevant risks. The Holding acts with an integrated approach with the aim of potential risks that may arise in critical areas such as supply chain, technological change, innovation, cyber security and so on, and of minimizing these risks and their potential negative impacts. These risks not only affect financial results, but may also directly affect a company's operational efficiency, reputation and long-term viability.

Alarko Holding's risk management processes are not restricted to risks identification and management; they are also targeted to boost the company's competitive advantage through innovative solutions and technology investments. The company adopts best practices in every field from flexibility regarding the supply chain to innovative technologies in the energy industry, and aims to turn potential risks into opportunities. In addition, measures taken against cyber security risks are vital in the digitalizing world to protect the company's data and ensure business continuity. Alarko Holding's sustainability risk management strategies form a robust foundation supporting the company's long-term growth targets and the difficulties confronted in these processes are effectively managed. Strategic sustainability risks management approach adopted by Alarko Holding plays a critical role in the attainment of the company's sustainability targets and reinforces Alarko Holding's powerful position in the business world.



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Risk Category	Line of Business	Risk Definition	Reason of Risk	Potential Impact	Probability	Impact	General Risk Level	Risk Management	Potential Opportunities
Physical Risks	Contracting Group	Climate Change and Extreme Weather	Natural disaster and extreme weather resulting from climate change	Possible delays in construction projects, cost increases and damages to infrastructure	High Probability	High Impact	High	A flexible project management is undertaken; engineering solutions are employed to minimize disaster risks.	Increase the use of engineering solutions and develop innovative building technologies to minimize disaster risks, which provides flexibility in project management and ensures customers' trust.
	Energy Group	Climate Change and Extreme Weather	Insufficient rainfall due to changes in climate regimes	Possible decline in the power generation capacity of hydroelectric power plants resulting in inconsistent energy supply.	Medium Probability	High Impact	Medium-High	Water saving and recycling technologies are integrated and strategies to conserve water resources are implemented.	Promote environmental sustainability by developing strategies to conserve water resources and secure differentiation in the market through green certifications.
	Industry and Trade Group	Extreme Weather	Increased extreme weather resulting from climate change	Possible operational interruptions at production plants and disruptions to the supply chain.	Medium Probability	Medium Impact	Medium	Flexible production processes are undertaken, and risks are managed through diversification of the supply chain.	Establish sustainability-oriented supplier relations and reduce operating costs by implementing supply chain diversification strategies.
	Tourism Group	Sea Level Rise	Rising sea level resulting from climate change	Possible damages to the shore facilities, customer loss and increased operating costs.	Medium Probability	High Impact	Medium-High	Risk is managed by fortifying coastal structures and investing in alternative tourism locations.	Investing in alternative tourism locations, fortifying coastal structures and reaching new markets by developing projects resilient to the rising sea level.
	Land Development Group	Soil Erosion and Landslide	Heavy Precipitation and weak soil composition	Possible structural damages in construction sites, project delays and increased costs.	Medium Probability	High Impact	Medium-High	Employing soil survey and engineering solutions, soil stabilization is achieved, and risks are managed.	Increase soil stability through engineering solutions and guarantee long-term sustainability of projects through adjustment to environmental factors
	Agriculture Group	Extreme Heat and Drought	Increased temperatures and decreased precipitation due to climate change	Possibly declined product yield, increased irrigation costs and decreased agricultural production.	High Probability	High Impact	High	Risks are managed by employing technologies that boost irrigation efficiency and growing crops with high drought-resistance.	Increase agricultural productivity by growing crops with high drought-resistance and developing sustainable farming techniques.
	Investment Group	Climate Change and Extreme Weather	Adverse environmental conditions resulting from climate change	Potential loss of value in invested projects and decline in long-term revenues.	Medium Probability	Medium Impact	Medium	Risk is managed by diversifying the portfolio and investing in projects with high environmental sustainability.	Diversify the portfolio by investing in projects with high environmental sustainability and utilize green financing opportunities.



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Transition Risks	Contracting Group	Carbon Pricing and Regulations	National and international regulations concerning carbon emissions	Possible increase in project costs and decline in competitive strength.	High Probability	High Impact	High	Related risks are managed by using low-carbon construction technologies and materials.	Mitigate environmental impact by using low-carbon construction technologies and ensure leadership in the area of sustainability.
	Energy Group	Transition to Renewable Energy	Increasing regulations and social pressure concerning fossil fuel usage	Possible loss of value in existing energy investments and increase in transition costs.	High Probability	High Impact	High	Related risks are managed by investing in renewable energy resources and moving away from fossil fuels.	Reduce carbon footprint and decrease energy costs by investing in renewable energy.
	Industry and Trade Group	Carbon Emission Regulations	Regulations for decreasing carbon emissions	Potential increase in manufacturing costs and compulsory transition to low-carbon alternatives.	Medium Probability	Medium Impact	Medium	Related risks are managed by investing in technologies that increase energy efficiency and reduce carbon footprint.	Increase energy efficiency and create an environmentally sensitive image in the market place by investing in technologies that reduce carbon footprint.
	Tourism Group	Sustainable Tourism Demands	Increased environmental awareness and sustainable tourism expectations	Potential decline in customer demand and weakening in competitive strength.	Medium Probability	Medium Impact	Medium	Related risks are managed by obtaining sustainability certifications and adopting ecological practices.	Add value to projects and appeal to the environmentally conscious consumer group by obtaining sustainability certifications.
	Land Development Group	Green Building Standards	Increased standards on energy efficiency and environmental sustainability	Potential increase in construction costs and extension of project development process.	Medium Probability	Medium Impact	Medium	Related risks are managed by developing projects conforming to green building certifications and using sustainable materials.	Promote environmental sensitivity by developing projects conforming to green building certifications and derive competitive edge through sustainably constructed buildings
	Agriculture Group	Sustainable Farming Practices	Increased demand for environmental sustainability and organic farming	Potential increase in production costs and loss of market.	Medium Probability	High Impact	Medium-High	Related risks are managed by investing in sustainable farming techniques and organic certification processes.	Secure leadership in the sustainable agricultural products market and conserve natural resources by investing in organic certification processes.
	Investment Group	Sustainable Investment Criteria	Growing importance attached by investors to sustainability criteria	Potential loss of value of invested projects and increase in financing costs.	Medium Probability	Medium Impact	Medium	Related risks are managed by investing in projects conforming to sustainability criteria and diversifying the portfolio.	Minimize environmental risks by investing in sustainable projects and secure financial flexibility through portfolio diversification.



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Regulatory Risks	Contracting Group	Risk of Non-Compliance with the Environmental Legislation	Potential failure to achieve full compliance in case of stricter environmental regulatory framework.	Potential suspension of projects, fines and loss of reputation.	Medium Probability	High Impact	Medium-High	Regular audits are performed to oversee compliance with environmental legislation and employees are trained in the matter.	Increase regulatory compliance of projects through regular audits and secure leadership in environmental responsibility by achieving compliance with environmental legislation.
	Energy Group	Carbon Emissions Restriction Risks	Possible unexpected changes in carbon emissions regulation.	Potential increase in energy generation costs and imposing legal fines.	High Probability	High Impact	High	Related risks are managed by investing renewable energy in order to reach emissions reduction targets.	Reach emissions reduction targets and strengthen perception as an environmentally sensitive company by investing in renewable energy.
	Industry and Trade Group	Waste Management Regulations Non-Compliance Risks	Possibility of stricter waste management requirements.	Environmental pollution might lead to legal sanctions and loss of reputation.	Medium Probability	Medium Impact	Medium	Best practices are adopted in waste management and recycling processes are optimized.	Adopt best practices in waste management and reduce costs through optimization of recycling processes.
	Tourism Group	Tourism Regulations Non-Compliance Risks	Potential new or stricter regulatory requirements in the tourism sector.	Potential revocation of operating licenses, fines and loss of customers.	Medium Probability	High Impact	Medium-High	Full compliance is achieved with regulatory requirements and regular audits are conducted in all tourism operations.	Ensure regulatory compliance in tourism operations through regular audits and obtain competitive advantage in the market through enhanced customer trust.
	Land Development Group	Building and Zoning Regulations Non-Compliance Risks	Potential changes in zoning and building regulations.	Potential suspension of construction projects, fines and extension of legal procedures.	Medium Probability	High Impact	Medium	Comprehensive regulatory reviews are undertaken to ensure full compliance of projects with building and zoning regulations.	Ensure full compliance of projects to zoning and building regulations by conducting a thorough regulatory review and thus minimizing regulatory risks.
	Agriculture Group	Food Security and Agricultural Regulations Non-Compliance Risks	Potential new requirements in food security and agricultural regulations.	Potential product recalls, fines and loss of reputation and similar outcomes.	Medium Probability	Medium Impact	Medium	Full compliance is achieved with food security standards and regular audits are conducted.	Increase consumer trust and secure market leadership through full compliance with food security standards.
	Investment Group	Investment and Financial Regulations Non-Compliance Risks	Potential unexpected changes in financial regulations.	Potential loss of investment value, legal sanctions and increase in financial risks.	Medium Probability	Medium Impact	Medium	Comprehensive regulatory reviews and risk assessments are conducted to ensure conformity of investments to all regulatory requirements.	Conduct thorough reviews to ensure regulatory compliance of investments and increase investor confidence by ensuring transparency of processes.



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Market Risks	Contracting Group	Increased Competition	New players in the sector or increased strength of existing competition	Potential decrease in market share and contraction in profit margins.	Medium Probability	Medium Impact	Medium	Related risks are managed by developing innovative construction techniques and customer-oriented projects.	Obtain competitive advantage in the market by developing customer-oriented projects and using innovative construction techniques.
	Energy Group	Fluctuations in Energy Prices	Unexpected price changes in the energy market	Potential fluctuations in revenues and longer time needed for returns on investments.	High Probability	Medium Impact	Medium-High	Related risks are managed by executing long-term/ fixed-price energy sales agreements diversifying the portfolio.	Providing financial flexibility against market volatilities by executing long-term/ fixed-price energy sales agreements.
	Industry and Trade Group	Evolving Consumer Preferences	Consumers' turning towards ecological products and technologies	Potential decline in sales and loss of market.	Medium Probability	Medium Impact	Medium	Related risks are managed by expanding the product array with sustainable and innovative solutions.	Better respond to customer demands and acquire increased market share by expanding the product array with sustainable and innovative products.
	Tourism Group	Seasonality and Fluctuating Tourist Demand	Seasonal changes and global economic conditions	Fluctuations in revenues, increased operating costs in low seasons	High Probability	Medium Impact	Medium-High	Related risks are managed by developing marketing strategies that will increase off-season customer demand.	Secure constant revenues in the tourism sector by developing market strategies that will increase off-season customer demand.
	Land Development Group	Fluctuating Real Estate Market	Economic volatilities and fluctuating interest rates	Potential rise in project finance costs and stagnation in sales.	Medium Probability	High Impact	Medium-High	Risks are managed by conducting market research and making projects flexible according to the economic situation.	Ensure flexible project development strategies and risk management based on market research in property investments and increase returns on investments.
	Agriculture Group	Variable Agricultural Produce Prices	Fluctuating agricultural produce prices in global markets	Potentially obscure revenues and unforeseeable production costs.	High Probability	Medium Impact	Medium-High	Related risks are managed by making contracted farming and forward-looking sales agreements.	Guarantee produce quality and production quantity and ensure market stability through contracted farming.
	Investment Group	Volatile Financial Markets	Global economic uncertainties and market volatilities	Potential loss of investment value and increased financing costs.	Medium Probability	Medium Impact	Medium	Related risks are managed by portfolio diversification and hedging strategies.	Provide financial flexibility and be resistant against market volatilities through portfolio diversification and hedging strategies.



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Reputation Risks	Contracting Group	Delays in Projects and Quality Issues	Potential unexpected hitches in project management or supply chain issues.	Potential customer dissatisfaction, cancellation of projects and loss of reputation.	Medium Probability	Medium Impact	Medium-High	Related risks are managed by conducting strict audits in project management processes and strengthening customer communication.	Enhance quality and ensure customer satisfaction in project management through strict audits and strengthened customer communication.
	Energy Group	Environmental Pollution and Carbon Emissions	Unexpected rises in environmental pollution or emission levels.	Potential public reaction, media criticisms and loss of reputation.	High Probability	High Impact	High	Investments are made into renewable energy and emissions are strictly monitored to minimize environmental impact.	Minimize environmental impact by investing in renewable energy and strictly monitor emissions.
	Industry and Trade Group	Product Quality and Security	Potential quality control issues in production.	Potential product recalls, customer loses and damage to brand image.	Medium Probability	High Impact	Medium-High	Stricter quality control processes are implemented and related risks are managed by giving the foreground to customer satisfaction.	Create brand value and secure competitive advantage by implementing stricter quality control processes and giving the foreground to customer satisfaction.
	Tourism Group	Service Quality and Customer Experience	Potential unexpected decline in service quality or personnel issues.	Potential negative customer comments, loss of loyal customers and damage to the establishment's reputation.	Medium Probability	High Impact	Medium-High	Importance is attached to staff training of personnel and related risks are managed by closely monitoring customer feedback.	Enhance service quality and generate customer loyalty by closely monitoring customer feedback and attaching importance to personnel training.
	Land Development Group	Public Reaction and Environmental Impact	Potential public sentiment about the environmental impact of land development projects.	Potential public reaction, media criticisms and loss of reputation.	Medium Probability	High Impact	Medium-High	Open communication is established with the public, environmental impact is minimized, and sustainable projects are developed.	Maintain open communication with the public and increase public acceptance of projects and develop sustainable projects by minimizing environmental impact.
	Agriculture Group	Farming Practices and Food Security	Unexpected issues in agricultural processes or food security concerns.	Potential loss of public trust, declined product sales and damage to brand reputation.	Medium Probability	High Impact	Medium-High	Related risks are managed by implementing sustainable farming and strict food security audits.	Ensure product security and obtain market leadership through sustainable farming and strict food security audits.
	Investment Group	Investment Sustainability and Transparency	Potential unexpected developments or transparency issues in investment projects.	Potential degradation of investor confidence, increase in financing costs and loss of reputation.	Medium Probability	Medium Impact	Medium	Transparency of investment processes is ensured, and risks are managed by giving priority to sustainable projects.	Ensure transparency and give priority to sustainable projects in investment processes, which will create investor confidence.



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Financial Risks	Contracting Group	Project Finance Challenges	Economic volatilities or unexpected tightening in borrowing terms.	Potential increase in project costs, hardship in accessing financing, and suspension of projects.	High Probability	High Impact	High	Related risks are managed by using diversified financing resources and implementing hedging strategies for project finance.	Minimize project finance risks by using diversified financing resources and hedging strategies.
	Energy Group	Fluctuating Energy Prices	Potential unexpected price changes in the energy market.	Potential fluctuations in revenues and contraction of profit margins.	High Probability	Medium Impact	Medium-High	Related risks are managed by making long-term sales agreements and implementing hedging strategies against price fluctuations.	Ensure financial stability by making long-term energy sales agreements and implementing hedging strategies against price fluctuations.
	Industry and Trade Group	Exchange Rate Fluctuations	Potential unexpected fluctuations in exchange rates.	Potential increase in production costs and disturbed import-export balance.	High Probability	High Impact	High	Related risks are managed by employing exchange rate risk hedging strategies and cost-balancing mechanisms.	Minimize international trade risks through exchange rate risk hedging strategies and cost balancing mechanisms.
	Tourism Group	Demand Fluctuations and Low Season Revenue Loss	Potential seasonal fluctuations in the tourism sector and economic stagnation.	Potential revenue loss, cost increases and decreases profitability in low seasons.	Medium Probability	Medium Impact	Medium	Related risks are managed by developing demand management strategies and increasing low season demand through marketing campaigns.	Balance tourism revenues by developing demand management strategies and driving low season demand up through marketing campaigns.
	Land Development Group	Fluctuations in Real Estate Market	Potential unexpected changes in interest rates and housing demand.	Potential decline in property values, stagnation in sales and decrease in project profitability.	Medium Probability	High Impact	Medium-High	Property investments are managed through market surveys and flexible project development strategies.	Manage market risks in property investments and increase returns on investments through flexible project development strategies.
	Agriculture Group	Fluctuations in Agricultural Produce Prices	Potential price fluctuations in the agricultural produce market.	Potential fluctuations in revenues, decline in profitability and financial hardships.	High Probability	Medium Impact	Medium-High	Related risks are managed through contracted farming and price risk hedging strategies.	Ensure revenue security through contracted farming using price risk hedging strategies.
	Investment Group	Market Volatilities and Investment Value Loss	Potential global economic volatilities and financial market fluctuations.	Potential value loss in investment assets and decrease in revenues.	Medium Probability	High Impact	Medium-High	Related risks are managed by portfolio diversification, hedging and flexible investment strategies.	Provide resistance to market risks using portfolio diversification, hedging and flexible investment strategies.



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	Contracting Group	Workforce Management	Increase in expectations regarding employee benefits, changes in the labor market, and potential disruptions in working conditions.	Decrease in employee engagement, loss of productivity, and loss of reputation.	Medium Probability	High Impact	Medium-High	Successful execution of construction and contracting projects depends largely on the productivity and motivation of workforce. For effective performance in workforce management, the Contracting Group implements motivational programs customized for the relevant project and develops solutions for employee needs. In addition, improving site conditions and maintaining top occupational security standards enhance employee satisfaction and maximize productivity.	Increase employee engagement and productivity by implementing motivational programs in workforce management.
Social Risks	Energy Group	Workforce Management	Increase in expectations regarding employee benefits, changes in the labor market, and potential disruptions in working conditions.	Decrease in employee engagement, loss of productivity, and loss of reputation.	Medium Probability	High Impact	Medium-High	The energy sector requires employees to have high technical knowledge and expertise. Therefore, Energy Group aims to increase its employees' competence by offering regular technical training and certification programs. Also, security protocols are strictly applied for employees working at power plants and distribution lines; hence occupational health and safety of employees is given the foreground. This approach ensures consistency in workforce management and precludes possible dissatisfaction.	Build on energy sector employees' competence and ensure workforce consistency by offering technical training and certification programs.



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	Industry and Trade Group	Workforce Management	Increase in expectations regarding employee benefits, changes in the labor market, and potential disruptions in working conditions.	Decrease in employee engagement, loss of productivity, and loss of reputation.	Medium Probability	High Impact	Medium-High	Industry and Trade Group supports its employees' continuous training and development for productive operation of manufacturing processes. Performance evaluation systems are in place to motivate employees working at production lines and career advancement opportunities are offered along this line. In addition, various social means and programs are developed to improve the working conditions of employees and ensure work-life balance. This provides continuity in workforce management and employee loyalty.	Increase productivity at production lines and create employee loyalty through continuous training and performance assessment systems.
Social Risks	Tourism Group	Workforce Management	Increase in expectations regarding employee benefits, changes in the labor market, and potential disruptions in working conditions.	Decrease in employee engagement, loss of productivity, and loss of reputation.	Medium Probability	High Impact	Medium-High	The tourism industry is directly correlated with customer satisfaction and service quality. Tourism Group provides regular training to improve employees' service quality and closely monitors customer feedback to implement development programs accordingly. Additionally, various rewarding and incentive systems are employed to increase employee satisfaction and motivation at tourist establishments. This ensures high service quality and customer satisfaction, while employee engagement is strengthened.	Ensure customer satisfaction in the tourism sector by offering regular training to enhance service quality and implementing employee satisfaction programs.



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Social Risks	Land Development Group	Workforce Management	Increase in expectations regarding employee benefits, changes in the labor market, and potential disruptions in working conditions.	Decrease in employee engagement, loss of productivity, and loss of reputation.	Medium Probability	High Impact	Medium-High	Land Development Group strictly adheres to occupational health and safety protocols to guarantee employees' safety and satisfaction in construction and property projects. Fitting working conditions are provided for employees and working methods in harmony with the environment and community are developed for sustainable projects. These initiatives enhance employees' engagement with projects and bring about long-term success in workforce management.	Ensure employee satisfaction and security by strictly adhering to occupational health and safety protocols in construction and property projects.
	Agriculture Group	Workforce Management	Increase in expectations regarding employee benefits, changes in the labor market, and potential disruptions in working conditions.	Decrease in employee engagement, loss of productivity, and loss of reputation.	Medium Probability	High Impact	Medium-High	Agriculture Group prioritizes employee competence and motivation for sustainable agricultural production. Flexible working arrangements are made to manage seasonal workforce fluctuations and training programs on agricultural innovations are implemented. In addition, fringe benefits and incentives are offered to improve employees' working conditions and increase job security.	Increase workforce productivity in agricultural sector by offering training programs on agricultural innovations and providing flexible working arrangements.



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Social Risks	Investment Group	Workforce Management	Increase in expectations regarding employee benefits, changes in the labor market, and potential disruptions in working conditions.	Decrease in employee engagement, loss of productivity, and loss of reputation.	Medium Probability	High Impact	Medium-High	Investment Group attaches as much importance to the motivation and engagement of employees who manage financial market risks as it does to those processes themselves. Continuous professional development plans are implemented to build on employees' expertise in investment projects; also, working conditions are arranged in view of employees' work-life balance. These approaches increase employee satisfaction and ensure sustainability in workforce management.	Create workforce engagement in the investment sector by implementing continuous professional development plans and arranging working conditions with a view to work-life balance.
	Contracting Group	Supply Chain Disruptions and Hitches in Material Procurement	Delays by suppliers on project-basis, supply chain issues, logistics problems	Delays in construction projects, cost increases, customer dissatisfaction	High Probability	High Impact	High	Flexibility is accorded in supply chain management and alternative supplier networks are created. Logistics processes are improved, and proactive measures are taken against supply chain risks in project planning.	Create alternative supplier networks and ensure flexible supply chains through improved logistics processes.
Supply Chain Risks	Energy Group	Hitches in Procurement of Materials used in Energy Generation	Delays in the procurement of critical materials for the energy sector; supplier-originated quality issues	Interruptions in energy generation, cost increases, decreased operational efficiency	Medium Probability	High Impact	Medium-High	Energy Group minimizes potential disruptions in the supply chain by making long-term contracts with reliable suppliers for critical materials. Also, supplier performance monitoring systems are used, and quality issues are prevented.	Provide flexibility in supply chain and minimize operational interruptions by using supplier performance monitoring systems.



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Supply Chain Risks	Industry and Trade Group	Hitches in the procurement of raw materials and parts necessary for production	Fluctuating raw material prices, financial instability of suppliers, logistics problems	Interruptions in production processes, cost increases, delays in customer deliveries	High Probability	High Impact	High	Industry and Trade Group applies diversification strategy in raw material procurement and continuously assesses its supplier portfolio. Additionally, financial instruments like futures contracts are used to minimize raw material price risk.	Ensure cost control and reduce financial risks by using futures contracts to minimize raw material price risk.
	Tourism Group	Hitches in the procurement of products used at hotels and establishments	Increased demand in high season, capacity shortages of suppliers, logistics problems	Customer dissatisfaction, lower service quality, cost increases	Medium Probability	Medium Impact	Medium	Tourism Group optimizes its stock levels by pre-planning to minimize supply chain risks in high season. Solid relations are established with suppliers and flexible supply chain solutions are developed.	Create flexibility in the supply chain and respond quickly to customer demands by optimizing stock levels.
	Land Development Group	Hitches in the procurement of construction materials	Suppliers' failure to fulfill demands in high construction season, volatile material prices	Delays in construction projects, cost increases, cessation of projects	High Probability	High Impact	High	Land Development Group establishes strategic supplier relations to preclude hitches in supply chain and optimizes supply durations. Supply continuity is ensured through deals with alternative suppliers.	Create supply chain continuity and increase operational security by making deals with alternative suppliers.
	Agriculture Group	Hitches in the procurement of agricultural products and inputs	Fluctuations in agricultural production due to climate conditions, supply chain disruptions	Reduced product yield, increased production costs, delays in deliveries	Medium Probability	High Impact	Medium-High	Agriculture Group establishes long-term relationships with local suppliers and forms solid supply chains against changes in climate to minimize supply chain risks. Innovative solutions are developed for sustainability of agricultural inputs.	Ensure sustainability and secure long-term success in agricultural productions by forming solid supply chains against changes in climate.



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Supply Chain Risks	Investment Group	Hitches in the procurement of resources used in investment projects	Market fluctuations, suppliers' financial issues, international logistics issues	Delays in investment projects, cost increases, declined investment income	Medium Probability	Medium Impact	Medium	Investment Group implements diversification strategy in the supply of resources used in investment projects and conducts financial analyses to manage supplier risks. Additionally, alternative supply and shipment solutions are considered to reduce international logistics risks.	Ensure security in investment projects and optimize costs by conducting financial analyses to manage supplier risks.
	Contracting Group	Failure to keep abreast of developments in construction technology	Rapid developments in construction technology, expanding use of digitalization and automation	Decreased project yield, increased costs, weakened competitive strength	Medium Probability	High Impact	Medium-High	Construction Group makes continuous investments in R&D to follow-up and integrate technological innovation in its construction processes. Also training programs are organized for transitioning to digitalization and automation processes and new technology is integrated in projects.	Generate project yield and ensure customer satisfaction by integrating technological innovations in construction processes.
Technological Change and Innovation Risks	Energy Group	Failure to adapt to renewable energy technology	Fast-developing renewable energy technology in the energy industry; digital energy management systems	Increased energy generation costs; decreased operational efficiency; failure to achieve environmental targets	Medium Probability	High Impact	Medium-High	Energy Group achieves alignment with technological developments by investing in renewable energy technology and integrating existing systems with digital energy management systems. Also, regular training is given so that employees can adapt to the new technology.	Reduce energy costs and support environmental sustainability by investing in renewable energy technology.



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Technological Change and Innovation Risks	Industry and Trade Group	Lack of innovation in production processes	Failure to implement innovations in production technology; slow transitioning to digitalization	Declined production efficiency, increased costs; failure to fulfill customer demands	Medium Probability	High Impact	Medium-High	Industry and Trade Group invests in industry 4.0 solutions to integrate innovation in its production processes and to expedite digitalization process. Also, idea exchange among employees is encouraged and resources are allocated for innovative projects to support innovative culture.	Digitalize production processes and derive cost advantage by investing in Industry 4.0 solutions.
	Tourism Group	Falling back in digitalization and customer relationship management	Rapidly growing prevalence of digitalization in the tourism sector; growing role of technology in CRM	Customer dissatisfaction; weakened competitive strength; decreased service quality	High Probability	Medium Impact	Medium	Tourism Group develops digital marketing strategies and invests in CRM systems to speed up digitalization processes and effectively use technology in CRM. Also, digital tools are used effectively for personnel training.	Strengthening customer relationships and increase marketing efficiency by developing digital marketing strategies.
	Land Development Group	Failure to adapt to new technology in construction and real estate industry	Rapid expansion of new technology such as BIM (Building Information Modeling) in construction and real estate industry	Increased project costs; extended construction process; failure to fulfill customer demands	Medium Probability	High Impact	Medium-High	Land Development Group invests in BIM and similar projects to integrate new technology in its construction and real estate projects, and digitalizes its project management processes. Also personnel training programs are organized to ensure effective use of such technology.	Ensure efficiency in construction projects and create sustainable construction processes by investing in BIM and similar technology.



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Technological Change and Innovation Risks	Agriculture Group	Difficulties in transitioning to agricultural technology	Digitalization in farming; rapid developments in smart farming practices and biotechnology	Decreased product yield; increased costs; decreased market share	Medium Probability	High Impact	Medium-High	Agriculture Group invests in technology to adopt smart farming practices and biotechnological innovations, and organizes training programs for farmers to facilitate adaptation to these processes. Also, infrastructure investments are made to speed up transitioning to digital farming solutions.	Ensure agricultural productivity and develop sustainable agricultural processes using smart farming practices and biotechnological innovation.
	Investment Group	Failure to adapt to technological developments in investment management	Rapid developments in financial technology (FinTech); growing prevalence of digital investment platforms	Reduced efficiency in investment management; investor dissatisfaction; decreased market share	Medium Probability	Medium Impact	Medium	Investment Group optimizes investment processes and enhances investor satisfaction by adopting FinTech solutions and digital investment platforms. Also, employee training programs on FinTech and digital solutions are organized, thereby ensuring adaptation to these novelties.	Digitalize investment processes by adopting FinTech solutions and create investor satisfaction.
Cyber Security Risks	Contracting Group	Data security breaches in building projects	Cyber-attacks to digital management systems of building projects; unauthorized access to sensitive project data.	Project data theft; operational interruptions; loss of reputation	Medium Probability	High Impact	Medium-High	Contracting Group uses advanced encryption technologies and security protocols to ensure cyber security in systems where projects are managed digitally. Also employees are given regular cyber security training and backup strategies are in place to increase data security.	Ensure digital data security and protect against cyber threats using advanced encryption and security protocols.



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Cyber Security Risks	Energy Group	Cyber attacks on energy generation and distribution systems	Cyber attacks on energy generation and distribution infrastructure; vulnerabilities of operational systems	Interruptions in energy supply; decreased generation capacity; security vulnerability abuses	High Probability	High Impact	High	Energy Group establishes multi-layer cyber security systems to protect its energy infrastructure, and integrates operational technology with information technology to minimize security vulnerabilities. Also special operations centers are set up to monitor and respond to threats against critical infrastructure.	Minimize security vulnerabilities and create operational security by integrating operational technology with information technology.
	Industry and Trade Group	Data breaches in production plants and cyber attacks	Cyber attacks on digital systems used in production processes; production data theft	Interruptions in production processes; increased costs; reputational loss	Medium Probability	High Impact	Medium-High	Industry and Trade Group uses advanced firewalls and monitoring systems to ensure digital security of production plants. Also, data backup and encryption techniques are used to protect production data, and employees receive regular cyber security training.	Protect production data and ensure digital security by using advanced firewalls and monitoring systems.
	Tourism Group	Customer data and cyber attacks	Cyber attacks on customer data at hotels and tourist establishments; data security breaches	Customer dissatisfaction; reputational loss; legal sanctions	High Probability	High Impact	High	Tourism Group uses advanced encryption and security systems to protect customer data and pursues best security practices in safekeeping and processing of customer information. Also personnel training and security procedures are continually updated for protection against cyber attacks.	Protect customer data and protect against cyber attacks by using advanced encryption and security systems.



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Cyber Security Risks	Land Development Group	Data security breaches in real estate projects	Cyber attacks on digital management platforms of real estate projects; data leaks	Project data theft; loss of customer trust; legal sanctions	Medium Probability	High Impact	Medium-High	Land Development Group uses firewall, encryption and backup solutions on digital platforms that manage real estate projects to mitigate cyber security risks. Also, strict access controls are put in place for the security of digital data in the projects and personnel is given regular training on cyber security.	Ensure security of digital projects and data security by using firewall, encryption and backup solutions.
	Agriculture Group	Cyber attacks on agricultural technologies	Cyber attacks on agricultural data collection and management systems; digital agriculture platform access violations	Decreased production yield; increased costs; data loss	Medium Probability	Medium Impact	Medium	Agriculture Group fortifies security protocols for digital agriculture platforms and uses data backup systems to ensure security of agricultural data. Also, training programs are organized for raising awareness of cyber security in farmers and employees.	Increase security of agricultural data and farmers' digital security by strengthening security protocols for digital farming platforms.
	Investment Group	Investment data security and cyber attacks	Cyber attacks on investment data; security vulnerabilities of digital platforms	Loss of investor confidence; erroneous investment decisions; financial losses	Medium Probability	High Impact	Medium-High	Investment Group uses multi-layered security solutions and ensures encryption of investment data for the security of digital investment platforms. Also, continuous monitoring and quick response systems are established to protect against cyber attacks; employees receive regular training on security protocols.	Ensure security of investment data and enable quick response to cyber threats by using multi-layered security solutions.



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Ethics, Transparency, Anti-Corruption

Alarko Holding's business ethics and anti-corruption policies and procedures are established to govern and assure employees' business conduct, relationships and business ethics. To this end, Code of Ethics and Standards of Professional Conduct Handbook updated in 2023 ensure that Alarko Holding employees act within the frame of ethical rules at the workplace. This handbook forms the basis of internal ethical and professional principles, and serve as a guide for the employees. The Code of Ethics and Standards of Professional Conduct Handbook cover ethical rules addressed under various headings that include -among others- employee relations, external relations, asset and information management, anti-corruption, discrimination, harassment, workplace violence and disciplinary actions. These policies and procedures are meticulously implemented for adherence to the Company's ethical values and integration of these values in all work processes.

Alarko Holding's code of conduct explicitly mentions its commitment to avoiding bribery and corruption in all its operations. The company maintains a strict policy against bribery, ensuring that all business practices adhere to ethical standards and comply with relevant laws and regulations. This commitment is integral to the company's values and is enforced through comprehensive internal controls and regular training for employees to prevent any form of corrupt practices.

Alarko Holding's code of conduct explicitly states its commitment to maintaining the highest level of general business ethics. The company emphasizes the importance of integrity, transparency, and ethical behavior in all its business dealings. Alarko Holding ensures that all employees adhere to these principles, which include respecting intellectual property, avoiding conflicts of interest, and conducting business in a fair and honest manner. These ethical guidelines are integral to fostering a trustworthy and responsible corporate environment.

Alarko Holding is committed to ensuring that all its employees respect fundamental human rights. Full compliance with the legal framework and legislation is achieved in the employment contract made with all employees who will work at Alarko Holding and in human resources procedures. Equal opportunity in recruitment is maintained through policies in compliance with

the applicable legislation. The requirements of the Labor and Social Security Legislation and Labor Law against discrimination, inequality, human rights violations, and child labor are met. Alarko Holding thoroughly executes its legal responsibilities pertaining to human rights and stringently ensures its operations align with the United Nations Universal Declaration of Human Rights (UDHR), the Fundamental Human Rights Convention of the International Labour Organization (ILO), United Nations Guiding Principles on Business and Human Rights. Alarko Holding has a robust policy in place to avoid the use of child labor, ensuring that no children under the legal working age are employed either directly or through suppliers. Alarko Holding strictly adheres to policies designed to avoid the use of forced labor, ensuring that all work is performed voluntarily and without threat of penalty. The company implements comprehensive programs to prevent any form of compulsory labor within its operations and supply chains. These programs include rigorous monitoring and enforcement of compliance with labor laws and regulations, regular audits, and supplier assessments to ensure that no forced or involuntary labor is used at any stage of production. Alarko Holding remains committed to upholding human rights and ethical labor practices throughout its business operations.



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Alarko Holding adopts high standards in ethics, transparency and anti-corruption to ensure sustainable code of conduct and fulfill its responsibilities to the society. The ethical rules and principles stated in the Philosophy of Alarko Group of Companies that is approved by the Company's Board of Directors and Audit, Advisory, and Approval Board, accepted by all Alarko Gayrimenkul Holding A.Ş. employees and management are carefully complied with. These ethical rules are in integrity with Alarko Holding's policies, targets, procedures and principles and are used as a guide in all activities.

All activities are conducted with honesty and integrity towards the government, customers, stakeholders, employees, partners, as well as within the broader industry and sub-industries. Preservation of nature and maintaining internal social balance, prioritizing fulfillment of customer demands, and making quality top priority are embraced as primary principles. In order to deliver the profits that its stakeholders are entitled to, Alarko Holding carries out its activities within an institutionalized structure woven with a system and procedures, and shares profit, loss, success and failure in keeping with its dedication to teamwork.

Alarko Holding's policies are devised in accordance with this philosophy, and framed and posted at visible spots of various units across the company and establishments. All employees are informed about the matter through the annual Policies Meeting and the Policies Handbook published. Ethical rules are posted on the intranet and Alarko Holding's official website. In 2023, code of ethics and standards of professional conduct document has been shared with all new hires on their first day at work. This practice makes sure that employees are cognizant of ethical processes at Alarko Holding from the very first day.

All Alarko Holding members are obliged to abide by these rules. Adherence to ethical rules is followed by employees' superiors within a hierarchical structure. In the event that any deviation from ethical rules is established, the employees are obliged to notify the management promptly. The Board of Directors, Audit Committee, General Coordinator and other relevant managers either directly review the violations that they become aware of or have them reviewed by the Audit Group as and when necessary, thus guaranteeing compliance with the code of ethics. Necessary disciplinary penalties are enforced if the violation is evidenced.

Alarko Holding's code of ethics clearly states its commitment to fair competition. The company strives to be a fair competitor by respecting other companies' patents, copyrights, and intellectual properties. Additionally, Alarko Holding avoids engaging in anti-competitive behaviors such as price fixing or other monopolistic tactics. This commitment to fair competition is a fundamental part of the company's code of ethics and business practices, ensuring integrity and transparency in all market interactions.

Alarko Holding acts with the commitment to maintaining code of ethics and standards of professional conduct at the highest level. For this purpose, a Whistleblowing Line was set up for employees and stakeholders to report any unethical behavior, corruption and misconduct. No complaints or reports were received via Alarko Holding's Whistleblowing Line in 2023.



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Approach to Personal Data Protection Law

Alarko Holding closely monitors the novelties resulting from digitalization and supports digital transformation. The solutions offered by digitalization are integrated in business models, processes and working environments, thus increasing their efficiency, effectiveness and value creation. Work is carried out with awareness of data protection. The target is to minimize the risk of infringement of proprietary data, trade secrets, personal data and patents.

According to the Code of Ethics and Standards of Professional Conduct of Alarko Holding, Alarko Holding and its Group of Companies place significant emphasis on safeguarding personal and confidential information. The company strictly adheres to Information Privacy and Security Policies and Procedures, as well as the Personal Data Protection and Processing Policy. Employees are required to handle and share confidential information in compliance with legal provisions and internal policies. The company ensures that commercial, financial, technical, and legal secrets, along with personal information of employees and customers, are protected against unauthorized access and disclosure. Furthermore, Alarko Holding prohibits the use of confidential information for purposes other than those intended and restricts its disclosure to third parties without necessary authorization.

Under the Personal Data Protection Law (PDPL), Alarko Holding adopts a rigorous approach to protection of personal data. Accordingly, Asset Inventory and Risk Assessment process is run, where risks to assets, data and processes are addressed and necessary actions are determined. To this end, ensuring data security and protection of personal data are among the priority targets in all the company's activities.

Some of the measures taken in relation to data security are as follows: Through Data Loss Prevention software, preventing data from being taken outside the organization without authorization, conducting penetration tests to determine the system vulnerabilities to ensure data security, and measuring the organization's security level online through cyber security rating service. Actions resulting from these tests and ratings are backed by user awareness studies, and restrictions on the use of data in accordance with PDPL are applied to applications containing personal data.

Applications are controlled in terms of compliance with password policies, and Two Factor Authentication is employed for external access to Alarko Network. Risk processing plans are intended to be made for actions resulting from risk analyses and these activities are targeted to be developed. Project work is undertaken to eliminate potential vulnerabilities that may emerge in authorization processes.

Alarko Holding continues to integrate the novelties and solutions offered by digitalization, and thus increase the efficiency and reliability of its business processes and models. In line with digital transformation strategies, measures taken for data security play an important part in the organization's attainment of its sustainable growth targets. Ensuring data protection and security is addressed as a matter of priority in Alarko Holding's digitalization process.

Data loss prevention software prevents data from being taken off-premises without authorization. This software is used as an important tool to provide data security. Additionally, regular penetration tests are conducted for determining systems' vulnerabilities. These tests establish security gaps and allow adoption of necessary measures.

Cyber security rating service measures Alarko Holding's security level online and actions are taken according to results. Users' awareness of data security is enhanced through user awareness studies, which are targeted at increasing employee awareness about data security, as well as providing data security.



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In terms of personal data protection, restrictions on data use are imposed in accordance with PDPL and compliance with password policies is secured. Two Factor Authentication and risk analyses are carried out in case of access to Alarko Holding Network from outside the organization and risk processing plans are developed in line with resulting actions. Various projects are carried out for eliminating potential vulnerabilities that may arise in authorization processes.

Business Ethics Improvement Tools

Alarko Holding is dedicated to upholding the highest standards of business ethics. The company has implemented comprehensive communication tools to support and enhance these ethical standards

1. Business Ethics Policy:

Alarko Holding has established a robust Code of Ethics and Standards of Professional Conduct which serves as the foundation of all its policies and procedures. This code emphasizes acting with integrity, respecting human rights, avoiding conflicts of interest, and maintaining confidentiality. The company requires all employees to adhere to these ethical standards in their professional conduct.

2. Reporting Line for Breach of Ethics:

Alarko Holding has a clear process in place for reporting any violations of the Code of Ethics. Employees are required to report any breaches or suspected breaches to the Ethics and Integrity Committee or the Chairman of the Board of Directors. This reporting can be done via email to etik.bildirim@alarko.com.tr. The company ensures that all reports are treated confidentially and that no retaliation is allowed against employees who report in good faith.

3. Action Plan on the Breach of Code of Ethics:

The Ethics and Integrity Committee is responsible for managing and investigating reported violations of the Code of Ethics. The committee ensures appropriate actions and measures are taken based on the severity and nature of the violation. Disciplinary actions, including dismissal and legal proceedings, may be taken in cases of intentional misconduct. The committee also provides necessary clarifications and guidance to ensure ethical compliance throughout the company.

Alarko Holding's commitment to business ethics is further reinforced by its comprehensive training programs, regular monitoring, and continuous improvement processes, ensuring that ethical practices are embedded in all aspects of the company's operation.

Whistleblowing Line

Alarko Holding does have provisions in place to protect whistleblowers and complies with all relevant regulations on this matter. The company firmly believes in promoting an open and transparent culture where employees feel safe to report any breaches or unethical behavior.

Under Alarko Holding's whistleblower policy, individuals reporting misconduct are safeguarded from any form of retaliation or reprisal. This protection extends to all employees, contractors, and suppliers, ensuring that anyone associated with the company can confidently express concerns without fear of retribution.

The company has also established confidential channels for reporting, including an anonymous hotline and a dedicated email address, so that employees can make their reports without fear of identification.



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Sustainability Governance Structure

Alarko Holding has established a dedicated Sustainability Committee to strengthen its governance structure in this area and take significant steps towards sustainability. The Sustainability Committee actively works towards achieving sustainability goals and periodically meets and reports to the CEO every two months. The committee sets out Alarko Holding's sustainability strategies and objectives, and oversees their implementation and monitoring.

The sustainability governance within Alarko Holding operates under the authority and responsibility of the Sustainability Committee. The Committee functions directly under the CEO with predetermined agenda items. It monitors the progress towards sustainability goals, oversees topics to be included in the investment agenda, and tracks the sustainability performance of group companies. When necessary, the Committee provides updates to the Board of Directors through its Chairperson.

The Sustainability Committee is composed of Corporate Communications and Sustainability Director, Investor Relations Director, Chief People Officer, Chief Strategy Officer, Chief Information Officer, and Corporate Communications Manager. Working Groups have been established to support the Committee, facilitate the annual performance monitoring within companies, and generate project ideas for improvements. These Working Groups that act under the related Officer report progress to the Committee twice a year, and their meeting frequency is individually determined by each group based on the intensity of the issues to be reported and communicated to the Committee.

Another element of the governance structure is the Sustainability Ambassadors, a group of volunteers brought together to foster cultural transformation in sustainability. This community adopts a different learning and leadership approach, aiming to influence organization-wide sustainability issues and create long-term value through innovative solutions and alternative perspectives.



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Alarko Holding Sustainability Committee is actively involved in setting out the group's sustainability strategy and targets, as well as in the publication of the sustainability report. This report details the company's sustainability performance and forward-looking targets. During the preparation of the report, the company's all activities and practices were meticulously studied and compliance was achieved with sustainability criteria.

To propagate and nurture sustainability awareness across the Group, both online and classroom training programs were organized. These programs are targeted at increasing employees' knowledge about, and awareness of, sustainability. The training programs provided comprehensive information about environmental sustainability, social responsibility and economic sustainability, thus building on employees' competence in this area. Other than these training programs, annual Sustainability Workshop meetings are being carried out to align sustainability activities across the Group. In these workshops attended by the senior management teams of all Group companies, the Holding's umbrella targets are reviewed once again and further developed, upon which Group companies work with sub-targets that will support these main targets.

Alarko Holding had Sustainability Committees and sub-working committees established at the holding and subsidiaries. These committees play a critical role in setting and implementing sustainability targets. Throughout 2023, various activities were undertaken via these committees

for adoption of the targets within the group and for compliance of all units with these targets in their actions.

Awareness campaigns and informative meetings were organized for increased sustainability awareness across the group. These meetings and campaigns are intended to provide information and awareness for suppliers and other stakeholders as well as employees. Accordingly, new initiatives and good practices in relation to sustainability were shared and stakeholders were encouraged to take part actively in these processes.

Projects and practices conducted in line with Alarko Holding's sustainability strategies serve as major contributors to fulfillment of the company's environmental and social responsibilities. Throughout 2023, various projects were put to life in a number of areas including energy efficiency projects, waste management practices and use of renewable energy resources. These projects seek to minimize the company's environmental impact and to devise a sustainable business model.

Various social responsibility projects were also carried out. In a bid to generate social benefit, Alarko Holding developed various projects in education, healthcare and social services, through which it contributed to the community. Employees were encouraged to take part in volunteering activities, which resulted in broad-based participation in social responsibility projects.

Alarko Holding's corporate strategy is molded within the frame of sustainability targets and R&D activities conducted within the scope of digital transformation focus on solutions for consumption of less energy and water. New investments are being made in sustainable areas that support ecosystem restoration. The company's geothermal farming investment has been planned and introduced in this vein.

Alarko Holding's 2023 sustainability governance structure plays a major role in the company's achievement of its long-term strategic goals. The activities of the Sustainability Committee and projects realized within this framework boost the company's sustainability performance and let it generate value in social, environmental and economic terms. These efforts reinforce Alarko Holding's commitment and leadership in relation to sustainability.

Alarko Holding maintains a strong commitment to quality management and has obtained ISO 9001 certification across its group companies. The company holds several key certifications, including ISO 14001 for environmental management, ISO 45001 for occupational health and safety, and ISO 50001 for energy management at individual Group companies. These certifications are regularly monitored and presented to management through key performance indicators. Within its industry and trade activities, Alarko Holding has updated its operations to align with the ISO 9001:2015 standards, conducting risk analyses and process flows across all departments, and has been re-certified by both TSE and BSI in 2023.



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Alarko Holding has a succession plan for executive management, including key board members, in the event of unforeseen circumstances. The Board of Directors is responsible for developing and ensuring the implementation of this succession plan. The plan is designed to identify potential candidates to fill key executive positions, ensuring continuity and stability in leadership. This structured approach helps Alarko Holding prepare for any unexpected changes in its executive management, maintaining the company's operational effectiveness and strategic direction.

Composition of the Board of Directors and Sustainability

In the nomination and election processes for Alarko Holding's highest management body and committees, the group's sustainability targets are taken into consideration and these goals are incorporated in performance cards starting with the CEO level and moving downwards. This approach is intended to increase managers' commitment to sustainability targets and to provide a more effective management for reaching these targets.

The role of the highest management body in determining the organization's sustainable development strategy is of the utmost importance. CEO and executives undertake a leadership role in determining and implementing sustainability targets and create the necessary strategies for company-wide adoption of these targets.

The company's highest management body has internally delegated the responsibility to manage the organization's impact on the economy, environment and people, which reinforces Alarko Holding's commitment and leadership in relation to sustainability. This delegation lets managers work more effectively for the achievement of sustainability targets and allows the company to increase its sustainability performance.

Alarko Holding's governance structure plays an important part in the company's attainment of its long-term strategic goals. The Sustainability Committee's activities and projects conducted within this scope increase the company's sustainability performance and helps the company generate social, environmental and economic value. These efforts reinforce Alarko Holding's commitment and leadership in relation to sustainability.

Alarko Holding has a policy regarding the size and composition of its Board of Directors to ensure a well-balanced and effective governance structure. According to Article 28 and Article 30 of the Articles of Association, and in compliance with the Capital Markets Board Corporate Governance Communiqué II-17.1, the company adheres to specific guidelines for the composition and functioning of the Board of Directors.

Additionally, Alarko Holding has established a policy on female members of the Board of Directors, aiming to maintain a representation rate of at least 25% female members on the Board. This policy, which came into effect on 16

September 2022, with the Board of Directors decision numbered 870, prioritizes female candidates when nominating and evaluating candidates with equal knowledge, experience, and competency. Four female members were sitting on Alarko Holding's Board of Directors as of year-end 2023.

The structure and nomination process of the Board of Directors are regularly reviewed in accordance with this policy, ensuring that the board maintains an adequate number of members to perform its duties effectively. The evaluations and targets regarding the representation rate and duration are reported and retained by the Board of Directors, demonstrating Alarko Holding's commitment to a balanced and diverse board composition.

Alarko Holding adheres to the Corporate Governance Principles published by the Capital Markets Board (CMB), which emphasize maintaining a well-balanced board with an adequate number of independent board members. According to Article 28 of the Articles of Association, compliance with these laws and regulations is mandatory. Additionally, Article 37 addresses the remuneration of independent board members.

In line with the CMB Communiqué, the number of independent board members must constitute at least one-third of the total number of board members, rounded up to the nearest whole number. Independent board member candidates are presented for approval at the General Assembly each year after obtaining permission



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from the CMB. The independence declarations of the candidates are shared on the Public Disclosure Platform (KAP).

This policy ensures that Alarko Holding maintains the integrity and independence of its board members, fostering a balanced and effective decision-making process within the company's governance structure.

Alarko Holding strives to maintain a well-balanced board through an adequate representation of experience and expertise. Board members are appointed to various committees based on their expertise and experience, in accordance with relevant legislation. Some members serve on multiple committees to leverage their diverse skill sets.

The Supervisory Board is structured to ensure its members possess the requisite knowledge, skills, and sector-specific expertise necessary to effectively carry out their duties. Additionally, all committee chairpersons are independent members, ensuring objectivity and impartiality in their functions. These committees, chaired by independent members, also seek third-party support and consultancy to perform their duties effectively. This approach underscores Alarko Holding's commitment to maintaining a board with a diverse range of experience and expertise, crucial for effective governance and strategic decision-making.

Alarko Holding implements a comprehensive compensation policy designed to attract, motivate, and retain high-caliber executives. This policy encompasses remuneration for the CEO, executive directors, non-board executives, and other management bodies. In 2023, Alarko Holding initiated its first employee stock ownership program, which was expanded in 2024 to further enhance its scope. This program is a key component of our executive retention strategy, providing executives with a vested interest in the company's success and aligning their interests with long-term shareholder value. The compensation structures are carefully designed to ensure that our executives are motivated and rewarded for their contributions to the company's performance and sustainability goals.

Alarko Holding grants pre-emptive rights to existing shareholders. When the decision is made to increase the capital by issuing new shares, existing shareholders have the right to acquire these newly issued shares in proportion to their existing shareholdings. The Board of Directors determines the extent and manner in which these pre-emptive rights will be exercised. In cases where shareholders do not exercise their pre-emptive rights, the Board of Directors also decides on the method and conditions for the sale of the remaining shares related to the capital increase. This policy ensures that current shareholders have the first opportunity to maintain their proportional ownership in the company before any new shares are offered to the public or other investors.

At Alarko Holding, the Board of Directors has the legal authority to consider a wide range of factors when determining whether to undertake or abstain from corporate actions, including proposing matters to the corporation's shareholders. These expanded-constituency provisions ensure that the Board considers the interests of creditors, clients, employees, and other stakeholders of Alarko and its subsidiaries. Additionally, the Board of Directors takes into account the impact on the communities where Alarko and its subsidiaries operate. This holistic approach ensures that the Board's decisions reflect Alarko Holding's commitment to responsible and inclusive governance, considering the broader implications for all stakeholders.

National and International Organizations and Initiatives of which Alarko Holding is a Signatory or Member

Alarko Holding cooperates with various national and international organizations and initiatives to reach its sustainability targets and to align itself with global standards. These partnerships foster the company's sustainability pledges, supporting alignment with globally-recognized standards.

Alarko Holding joined prestigious organizations such as the United Nations Global Compact (UNGC), Corporate Governance Association of Turkey (CGAT), Turkish Industry and Business Association (TÜSİAD), Foreign Economic



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Relations Board (DEİK), Turkish Investor Relations Society and Sustainable Development Association. These memberships are aimed at increasing Alarko Holding's commitments and performance in sustainability, corporate governance and investor relations.

Alarko Holding is an active signatory of the United Nations Global Compact (UNGC). Alarko Holding's affiliation to UNGC shows that the Holding is in compliance with the ten universally-accepted principles in relation to human rights, labor, environment and anti-corruption. In accordance with these principles, the company pledges to manage its business processes ethically and sustainably.

Its membership to the Corporate Governance Association of Turkey reflects Alarko Holding's commitment to continually improve its corporate governance practices and to espouse best practices in this respect. TÜSİAD membership, on the other hand, supports the company's goals to contribute to economic and social development of Türkiye and helps it establish strong bonds with the business world.

Cooperation with the Foreign Economic Relations Board (DEİK) helps Alarko Holding achieve increased effectiveness in international markets and broaden its global business networks. Turkish Investor Relations Society membership strengthens the company's performance in investor relations, helping build more transparent and effective communication with investors.

Membership to the Business and Sustainable Development Association reiterates Alarko Holding's commitment to reach sustainable development goals. This Association supports the company's environmental and social sustainability projects and helps bring the initiatives in this field to broader groups.

These memberships and partnerships demonstrate Alarko Holding's leadership in sustainability and its commitment to achieving alignment with global standards. The company continuously improves its sustainability

performance by partnering with these organizations, and continues to create social, environmental and economic value.

Alarko Holding's membership to such prestigious institutions enables the company to fulfill its sustainability commitments and to adopt best practices in this respect. These partnerships help Alarko Holding capture competitive advantage in the global business world and achieve sustainable development goals.

Organizations and initiatives Alarko Holding was a member or signatory of as of year-end 2023



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Sustainability Strategy

Alarko Holding's sustainability strategy seeks to create long-term value and strictly adheres to environmental, social and governance (ESG) principles. The strategy espouses sustainability as the fundamental principle in all lines of business and places it at the heart of activities. Thanks to this strategic approach, Alarko Holding creates positive and permanent impact in every sector it is engaged in. Alarko Holding's sustainability strategy allows Alarko Group of Companies to create permanent and positive impact in every field and contributes value to all stakeholders. The Sustainability Committee and related working groups ensure effective implementation and continuous improvement of the strategy, thus improving the Holding's sustainability performance. Sustainability strategy serves as a fundamental building block that strengthens Alarko Holding's vision and mission, allowing the generation of innovative and sustainable solutions.

Alarko Contracting Group, as per its sustainability strategy, employs innovative construction technology and develops energy efficiency solutions in its projects to minimize its environmental impact. The Group contributes to society and supports social sustainability through its social responsibility projects as well.

Alarko Energy Group, as per its sustainability strategy, increases the use of renewable energy resources in its energy generation and distribution processes and conducts various projects for emissions reduction. Investments in energy efficiency and clean energy technologies are targeted at ensuring environmental sustainability.

Alarko Industry and Trade Group, as per its sustainability strategy, develops pioneering practices in relation to sustainable materials use and waste management in its production processes. Undertaking energy efficiency and environment-friendly production techniques in its activities, the Group implements sustainability principles throughout its supply chain.

Alarko Tourism Group, as per its sustainability strategy, adopts ecological practices in its hospitality operations and introduces projects that minimize energy and water consumption. The Group delivers its guests sustainable tourism experience, supporting environmental and social sustainability.

Alarko Land Development Group, as per its sustainability strategy, prioritizes sustainable urbanization and green building concepts in its projects. The Group develops projects that minimize environmental impact and provide social benefits, supporting sustainable urbanization.

Alarko Agriculture Group, as per its sustainability strategy, employs sustainable farming techniques in its agricultural production processes, and carries out projects for the conservation of water and soil resources. The Group preserves biodiversity in its agricultural activities, supporting sustainable food production.

Alarko Investment Group takes its sustainability strategy into consideration in its investment decisions and makes sustainable investments. The Group aims to create long-term value while focusing on environmental and social impact, besides financial performance.

Targets and Performance Indicators

Alarko Holding's sustainability targets seek to create long-term value and steer the operations in line with environmental, social and governance (ESG) principles. These targets and performance indicators guarantee effective implementation of the company's sustainability strategy.

Reaching net zero by 2050 constitutes one of Alarko Holding's key environmental targets. To this end, investments in renewables are increased and energy efficiency projects are supported. Alarko Holding has set targets and objectives to promote diversity and equal opportunity within the workplace. These targets reflect Alarko Holding's commitment to fostering a diverse and inclusive workplace.



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	TARGET	DESCRIPTION
PLANET	Increase investments in biodiversity and nature protection efforts by 20% each year	This target reinforces Alarko Holding's environmental responsibility and promotes the conservation of natural resources.
	Reduce group-wide water consumption by 50% by 2030	Water management and efficiency projects are implemented to reach this target and technologies that will minimize water consumption are adopted.
PEOPLE & CULTURE	Maintain an employee turnover rate within the 8-11% range	This ratio is maintained by policies devised to enhance employee engagement and satisfaction and to foster a diverse, egalitarian and inclusive workplace at Alarko Holding.
	Increase female representation rate on the boards of directors to 40%, promote gender equality and increase percentage of women in leadership positions	For this target, programs and policies supporting development of women leaders are implemented and recruitment processes are conducted in a manner to achieve the target of increasing female representation on the board of directors to 40%.
	Improve employee engagement score by 20% by 2030	This target, which is set to enhance employee satisfaction and foster an engaging, diverse, egalitarian and inclusive working environment at the workplace, are backed by practices that increase employee motivation and improve the working environment.
	Triple social investment expenditure by 2030	Demonstrating Alarko Holding's commitment to social responsibility projects, these investments seek to grow the contributions to social projects and communities.
TRANSFORMATION & INNOVATION	Increase sustainability-focused R&D and innovation investments by 50% by 2030	Reflecting Alarko Holding's commitment to developing innovative solutions and employing sustainable technologies, this target is intended to build on the company's long-term competitive strength and boost its sustainability performance.

Through these targets set and performance indicators, Alarko Holding effectively implements its sustainability strategy and attains progress in these areas on the back of continuous improvement processes.



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Stakeholder Involvement

Alarko Holding regards stakeholder involvement in the development and implementation of sustainability strategies as an important factor. The Company's success relies on solid and sustainable relationships established with its broad stakeholder's base. In the stakeholder involvement process, the espoused strategies pursue communication and cooperation across a broad array ranging from employees to shareholders, suppliers to public agencies. These strategies allow Alarko Holding to conduct its activities in a more transparent, accountable and effective manner.

Alarko Holding actively engages with both internal and external stakeholders through a variety of channels and processes. The company places significant emphasis on involving stakeholders in its decision-making processes to ensure transparency, mutual understanding, and cooperation.

Alarko Holding implements structured two-way communication mechanisms to facilitate engagement with both external and internal stakeholders. These mechanisms include:

MECHANISM	DESCRIPTION
Regular Meetings and Consultations	Alarko Holding conducts regular meetings and consultations with stakeholders to discuss key issues, gather feedback, and incorporate stakeholder perspectives into the company's strategies and operations.
Surveys and Questionnaires	The company uses surveys and questionnaires to systematically collect input from stakeholders on various aspects of its business practices, sustainability initiatives, and community impact.
Public Disclosures and Reports	Alarko Holding publishes detailed reports on its sustainability performance, corporate social responsibility activities, and other relevant matters, providing stakeholders with comprehensive information and soliciting their responses.
Stakeholder Committees and Panels	The company establishes dedicated committees and panels that include representatives from different stakeholder groups. These bodies serve as forums for dialogue, where stakeholders can voice their concerns and suggestions directly to the company.
Workshops and Conferences	Alarko Holding organizes workshops, conferences, and seminars to engage stakeholders in discussions about industry trends, regulatory developments, and best practices in corporate governance and sustainability.
Feedback Mechanisms	The company has implemented formal feedback mechanisms, such as suggestion boxes and dedicated email addresses, allowing stakeholders to provide continuous input and receive timely responses.
Internal Communication Channels	Alarko Holding ensures that internal stakeholders, including employees and management, are kept informed and engaged through regular internal communications, newsletters, and town hall meetings. These channels facilitate the flow of information and feedback within the organization.

These engagement practices demonstrate Alarko Holding's commitment to maintaining open, transparent, and effective communication with both internal and external stakeholders, ensuring that their views and interests are adequately represented in the company's decision-making processes.



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The table below summarizes the engagement methods Alarko Holding uses with various stakeholder groups and frequencies of these engagements. These methods allow the company to regularly assess stakeholder expectations and feedback, and make strategic decisions accordingly while headed towards reaching sustainability targets.

Stakeholder Group	Engagement Method	Frequency
Employees	Alarko Holding Standards of Professional Conduct, Alarko Holding Code of Ethics, intranet, social network posts, Alarko Invention Day, Suggestion, Recognition and Rewarding System, Alarko Holding Strategy Day, Alarko Day, Alarko Group's White Book, Working Groups and Committees, Our World corporate magazine, Life at Alarko internal communication bulletin, CEO's Message bulletin, Coordination bulletin, internal publications such as announcements and ads, social events, Performance Management System, Annual Report and Sustainability Report, Employee Engagement survey and questionnaires, leadership meetings	Continuously
Analysts and Creditors	Quarterly and annual financial result announcements, quarterly and annual financial reports, quarterly business updates, corporate website, Capital Markets Day, social network and digital channel webcasts, investor and analyst presentations, material event disclosures, financial result assessment meetings, one-on-one contacts and meetings, General Assembly meetings, Annual Report and Sustainability Report	Continuously
Financial Institutions	Quarterly and annual financial result announcements, quarterly and annual financial reports, quarterly business updates, corporate website, Capital Markets Day, social network and digital channel webcasts, investor and analyst presentations, material event disclosures, financial result assessment meetings, one-on-one contacts and meetings, General Assembly meetings, Annual Report and Sustainability Report	Continuously
Subsidiaries	Alarko Day, Alarko Strategy Day, Annual Report and Sustainability Report, Working Groups, project partnerships	Continuously
Shareholders	Quarterly and annual financial result announcements, quarterly and annual financial reports, quarterly business updates, corporate website, Capital Markets Day, social network and digital channel webcasts, investor and analyst presentations, material event disclosures, financial result assessment meetings, one-on-one contacts and meetings, General Assembly meetings, Annual Report and Sustainability Report	Continuously
Business Partners and Suppliers	Annual Report and Sustainability Report, Alarko Holding Standards of Professional Conduct, Alarko Holding Code of Ethics, training programs, award ceremony, one-on-one contacts, Occupational Health and Safety Committees, internal publications	Periodic
NGOs and Initiatives	Annual Report and Sustainability Report, Working Groups, Committee and Board of Directors memberships, joint projects and initiatives, meetings and contacts	Periodic
Public Institutions and Local Governments	Annual Report and Sustainability Report, audits, meetings and contacts	Periodic
International Organizations	Annual Report and Sustainability Report, audits, meetings and contacts	Periodic
Media	Annual Report and Sustainability Report, interviews and talks, meetings and contacts, press releases, material event disclosures	Periodic
Universities	Annual Report and Sustainability Report, academic congresses and seminars, papers and publications, academic research, joint projects, training and technical support, sponsorships, meetings and contacts, social network channels	Periodic



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Stakeholder Engagement in the Board of Directors

Alarko Holding has a robust policy in place to facilitate shareholder engagement, resolutions, and proposals. The company ensures that shareholders have the right to ask questions to the board or management during General Shareholders' Meetings. In the General Shareholders' Meeting held on 29.05.2023, the shareholder participation rate was 72.75%, with 67.33% of shares directly present at the GSM and 5.42% represented by proxy. Additionally, the company provides detailed information on its corporate website, including meeting minutes and voting levels for each resolution. Shareholders can access all questions asked and responses given during the general assembly meeting through specified sections provided in the 2023 Annual Report. This transparent approach ensures effective communication and engagement with shareholders, allowing them to table resolutions or shareholder proposals at the Shareholder Meetings. Alarko Holding does not grant any privileges regarding voting rights to its shareholders under the Articles of Association. Each share is entitled to one

vote, ensuring equal voting rights for all shareholders. The voting cap percentage is set at 100%, meaning there is no limitation on the percentage of shares over which full voting rights can be exercised. This policy ensures that all shareholders, regardless of their shareholding size, have equal participation in the company's decision-making process. Alarko Holding adheres to the principle of one-share, one-vote. According to the shareholding structure and voting rights policy, each shareholder is entitled to one vote for each share they hold. This ensures equal rights for every common share, maintaining fairness and equality in the voting process. There are no different classes of shares with varying voting rights, and all shares are treated equally in terms of voting power.

Alarko Holding's governance practices for the election of board members involve the adoption of majority voting mechanisms. Board members are typically elected through a simple majority vote during the annual general meeting (AGM), in accordance with the principles of ordinary resolutions. This process excludes plurality voting systems and does not apply to cumulative voting or contested elections. The approach ensures transparency and consistency, facilitating straightforward and decisive election outcomes. This methodology underscores the company's commitment to clear and effective governance practices.

At Alarko Holding, the General Shareholders' Meeting has the authority to amend the Articles of Association or dissolve the company. These actions require a proposal from the Board of Directors, approval from the Supervisory Board, and an absolute majority of the votes cast. According to Article 421 of the Turkish Commercial Code, which applies to Alarko, the stipulations for quorums required for making alterations to the Articles of Association are as follows:

1. Unless there is a contrary provision in the law or in the Articles of Association, decisions amending the Articles of Association are taken with the majority of the votes present at the General Assembly, where at least half of the company's capital is represented,
2. Certain resolutions on amendments to the Articles of Association are taken unanimously by the owners or representatives of the shares constituting the entire capital.



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Therefore, Alarko Holding does have a supermajority vote requirement or qualified majority for amendments to its Articles of Association and bylaws, in line with the Turkish Commercial Code. This ensures that significant changes to the company's foundational documents require substantial shareholder approval, aligning with best practices in corporate governance.

Alarko Holding grants shareholders the right to vote on executive compensation. As per the Board of Directors' resolution, the company decided to amend the Remuneration Policy for Directors and Senior Executives. This amendment allows for a portion of the premium payments made to senior executives to be in the form of shares, based on specific performance criteria, in compliance with Corporate Governance Principle 4.6.2 of the Capital Markets Board of Türkiye (CMB). The amended Remuneration Policy for Directors and Senior Executives is presented to shareholders for their information and approval during the General Assembly Meeting. This ensures that shareholders have an opportunity to vote on executive compensation matters, including the structure of the remuneration and performance-based payments.

There are no provisions in the Articles of Association that restrict the rights of stakeholders and shareholders. Alarko Holding does not limit the rights of shareholders to call special meetings. According to the Articles of Association, there are no provisions that specifically deny shareholders the right to call special or extraordinary meetings. Therefore, shareholders holding less than 10% of shares have the right to call such meetings. This approach ensures that the rights of shareholders to participate in the governance of the company are upheld and respected. Alarko Holding has eliminated cumulative voting rights for shareholders regarding the election of board members. Shareholders do not have cumulative voting right, as they cannot cumulate their votes in the board member elections. This approach ensures that the cumulative voting system is not applied within the company's governance framework. Therefore, shareholders can only cast their votes based on the one-share, one-vote principle, without the ability to aggregate their votes for a single candidate.



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Materiality Analysis

Undertaking responsibility in relation to sustainability plays a key role for corporations in the face of evolving trends and global dynamics of our day. Global issues including climate change, depletion of resources, environmental pollution and social inequality compel the evaluation of corporations not just according to their economic performances, but also to their sustainability goals. In this context, Alarko Holding targets to create long-term value by redefining ways of doing business and placing sustainability principles at the heart of its operations.

Alarko Holding established its sustainability strategy in 2022, which triggered a comprehensive transformation of its business processes. This strategy is designed to address and implement environmental responsibility, social justice and corporate governance principles in an integrated fashion. The sustainability strategy is founded on increasing the contribution to society and the environment, going beyond and above regulatory and financial requirements. The first and one of the most important steps of this journey has been the determination of sustainability priorities,

engaging also the stakeholders in the process. Stakeholders were included in the process when determining sustainability priorities within the frame of AA1000 Stakeholder Engagement Standard.

In the process, business partners that constitute strategic external stakeholders, suppliers, and colleagues who constitute internal stakeholders, and shareholders were considered as stakeholders with direct economic impact. While analysts, public agencies, local governments, financial institutions and subsidiaries were identified as stakeholder groups with indirect economic impact, civil society organizations were included in the stakeholder group that contributes new opportunities, opinions and perspectives. Under the materiality study, opinions of eight different stakeholder groups were polled to create the materiality matrix.

Prior to the poll, international trends, global agenda, sector-specific requirements and stakeholder expectations were analyzed followed by a literature review. Following this desk work, topics that can be focused on and impacted by Alarko Holding were brought together in a long list of material issues. This long list was submitted for the opinions of stakeholders, whereas the Holding's executive management members were contacted individually, collecting insights focused on the company strategy.

Insights polled by stakeholders constitute one leg of the materiality analysis. Four different analysis inputs were incorporated in the process to complete the materiality analysis:

- External trend analysis
- Executive interviews
- Impact analysis (financial, environmental and social)
- Company strategy

Each material issue under a total of five different main headings that also included the stakeholder engagement part of the process were individually evaluated, and the material issues from the long list were placed on a two-dimensional materiality matrix that finalized the materiality process.

Fundamental sustainability issues that Alarko Holding needs to concentrate on in the coming period have been established through a comprehensive process. The Holding's business strategy, external trends and stakeholder expectations were considered, and the materiality matrix was prepared, which was finalized following the approval of the executive management. This matrix serves as a guide for identifying the sustainability issue that Alarko Holding should focus on the most in accordance with its resources and means. Additionally, it plays an active role in aligning sustainability strategies with stakeholder expectations.



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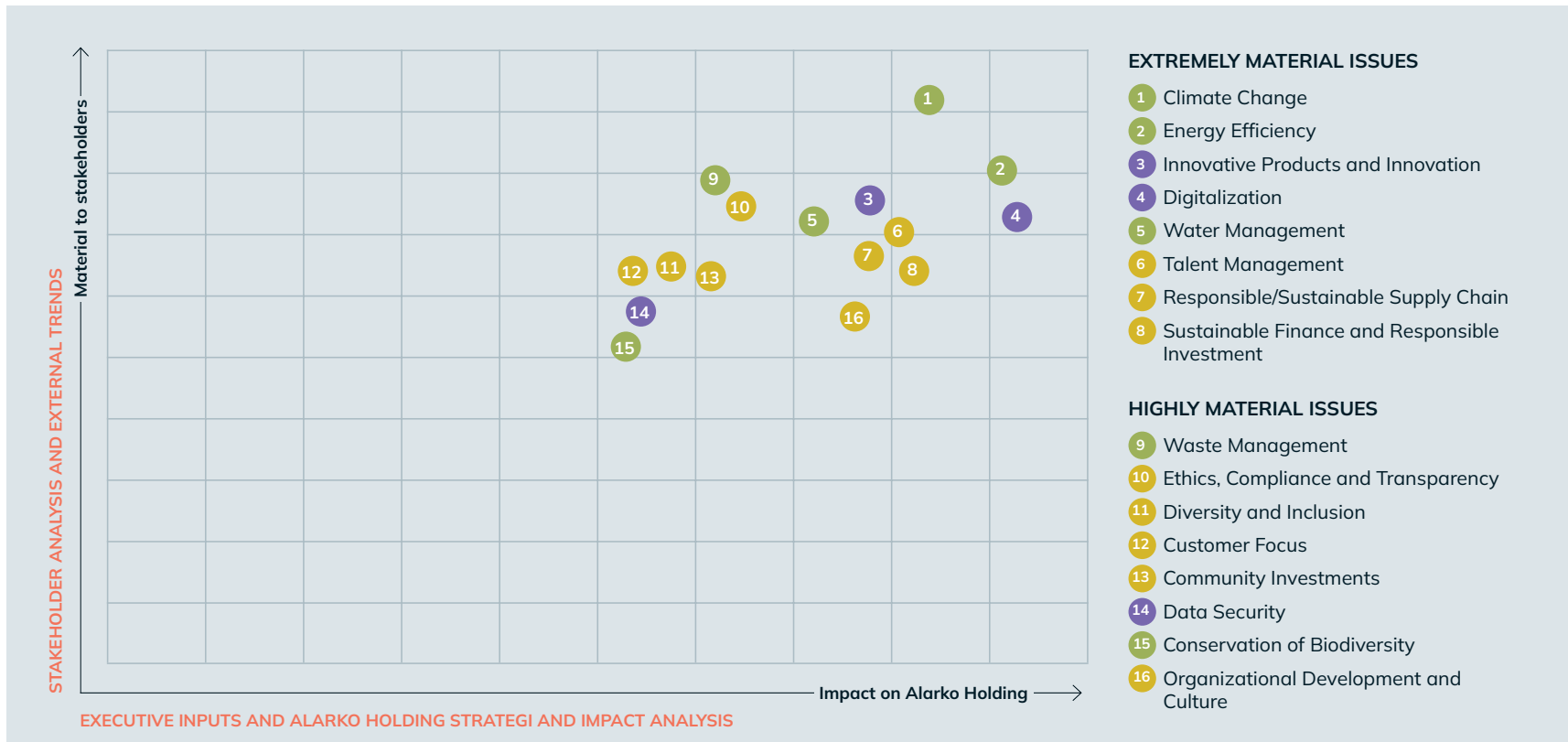
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All issues covered in the matrix are material topics for Alarko Holding and were categorized into Extremely Material Issues and Highly Material Issues for facilitation of their management and determination of respective value drivers. These categories guide the company in reaching its strategic targets and improving its sustainability performance. Alarko Holding aims to create long-term and permanent value in relation to sustainability through this materiality and strategic approach.



*In years in which stakeholder engagement is not undertaken, material issues will be reviewed in accordance with current risks and trends together with executive management or committee.

Planet

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Value Creation Model

At a time of evolving global dynamics and an ever-growing importance of responsibilities in connection with sustainability, Alarko Holding established its sustainability strategy in 2022 with the aim of taking the effort one step further by placing sustainability at the heart of its way of doing business. In line with this strategy, Alarko Holding's Value Creation Model was developed in accordance with the six capitals perspective of integrated reporting. This model represents a thorough approach encompassing the company's financial performance, operational processes and environmental and social impacts.

Financial Capital

Alarko Holding's sustainable growth and financial stability are secured through various financial inputs including investment budgets, capital increases, financial resources, and credit and borrowing facilities. These inputs enable various outputs such as annual revenues, profit margin, return on investment, and financial reports. These outputs turn into results like sustainable profitability, solid cash flow and investor confidence and long-term financial stability contributes to economic growth. The investments Alarko Holding undertake are funded by financial capital inputs and energy generation and sales revenues derived on these projects constitute a solid financial structure, contributing to Alarko Holding's financial sustainability.

Manufactured Capital

Manufactured capital inputs including modern production plans, technological infrastructure, raw material and energy resources etc. boost Alarko Holding's product and service production capacity. These inputs give rise to outputs such as high-quality products and services, broad production capacity and effective distribution networks. This results in increased production

efficiency and sectoral leadership, contributing to economic development. For example, production plants under Alarko Industry and Trade Group have modern, technological infrastructure, and they manufacture products like high-quality air handling units and fan coils. Products manufactured at these plants are in high demand in domestic and external markets and demonstrate Alarko Holding's manufactured capital contribution.

Human Capital

Alarko Holding invests in training and development programs, employee experience, recruitment and talent management to build on employee competencies and ensure employee satisfaction. These inputs bring about outputs such as well-trained and competent workforce, high-performing teams and employee satisfaction. These outcomes lead to impacts such as increased efficiency, higher innovation capacity and employee engagements, which contribute to social welfare. For example, Hillside Beach Club under Alarko Tourism Group offers training and development programs regularly to its employees, which secure a high level in service quality and customer satisfaction. Employee motivation and engagement play a key role in the success of the establishment.



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Social and Relationship Capital

Social and relationship capital inputs including stakeholder relations, community projects, reputation and brand value etc. allow Alarko Holding to establish strong stakeholder networks, execute projects that contribute to the community, and ensure customer satisfaction. These inputs give rise to outcomes including increased customer loyalty, trusted business dealings and add value to the community, contributing to social harmony and social responsibility.

Solid relationships that Alarko Holding establishes with its stakeholders on the basis of value creation play a key role in the achievement of its sustainability targets. The company's approach targeted at the highest quality at all times in the products produced and services rendered maximizes perceived reliability in B2B and B2C.

Natural Capital

Natural capital inputs like energy and water resources, natural raw material and ecosystem services help Alarko Holding attain its environmental sustainability targets. These inputs result in outputs such as higher recycling rates, energy efficiency and effective waste management, which produce outcomes such as reduced environmental footprint, sustainable resource utilization and green energy use, contributing to the conservation of ecosystems and sustainable development. Alarko Holding effectively uses renewable energy projects and natural capital inputs and invests in clean energy resources such as solar power and wind energy. These projects play an important role in attaining environmental sustainability targets.

Intellectual Capital

Intellectual capital inputs such as R&D investments, information and technology, innovation capacity and so on help Alarko Holding capture competitive advantage and achieve continuous development. These inputs give rise to outputs including patents and innovations, product development and technological advancements, which produce outcomes such as competitive advantage, new business models and continuous development. This contributes to information economy and industrial development. For instance, Alarko Holding's subsidiary Alarko Carrier develops high energy-efficient air conditioning systems and innovative products on the back of its R&D investments, thereby sustaining its leadership in the sector. Technological advancements and innovative solutions indicate that intellectual capital inputs are employed successfully.



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Capital	Inputs	Outputs	Outcomes	Impact
Financial 	Investment budget, capital increases, financial resources, credit and borrowing facilities	Annual revenues, profit margin, return on investment, financial reports	Sustainable profit, robust cash flow, investor confidence	Long-term financial stability, economic growth contribution
Manufactured 	Modern production plants, technological infrastructure, raw material and energy resources	Products and services, manufacturing capacity, distribution network	Increased production efficiency, high-quality products and services	Sectoral leadership, economic development
Human 	Training and development programs, employee experience, recruitment and talent management	Well-trained and competent workforce, employee satisfaction, high-performing teams	Increased productivity, employee engagement, increased innovation capability	Social welfare, improved labor market
Social and Relationship 	Stakeholder relations, community projects, reputation and brand value	Strong stakeholder networks, community projects, customer satisfaction	Increased customer loyalty, reliable business dealings, social value generation	Social harmony, social responsibility
Natural 	Energy and water resources, natural raw materials, ecosystem services	Recycling ratios, energy efficiency, waste management	Reduced environmental footprint, sustainable resource utilization, green energy use	Conservation of ecosystems, sustainable development
Intellectual 	R&D investments, information and technology, innovation capability	Patents and innovations, product development, technological advancements	Competitive advantage, new business models, continuous development	Information economy, industrial development



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Investments and Activity Fields

In 2023, Alarko Holding undersigned major achievements in terms of financial value creation. Information on the company’s financial performance can be accessed in the 2023 Annual Report.

Alarko Holding has been operating as a leading investment and holding company in Türkiye since 1954. In line with sustainable growth and development targets, the company is engaged in a broad array of fields including energy, industry and trade, contracting, tourism, agriculture, land development and investment. These activities play an important role in Alarko Holding’s achievement of its long-term strategic goals and value creation for stakeholders.

Energy	Alarko Energy Group is engaged in energy production, distribution and trading. Through its investments in energy resources, the group supports environmental sustainability and intends to increase energy efficiency. In 2023, Alarko Energy Group expanded its energy generation capacity significantly with the investments made in hydroelectric power plants, solar power and wind energy projects. Within the scope of technology investments, Meram Elektrik Dağıtım A.Ş. (MEDAŞ) spent approximately TL 4.3 billion for upgrading, remodeling and capacity increase investments for its electricity distribution facilities. These projects reflect the commitment to using sustainable energy resources and mitigating environmental impact.
Industry and Trade	Alarko Industry and Trade Group is engaged in areas such as climatization, water pressurization systems and heating devices. High-quality products are manufactured using advanced technology at modern production plants, which are marketed in domestic and foreign markets alike. In 2023, production capacity of the plants under the group was increased and new product ranges were launched. These investments cement the position of Alarko Industry and Trade Group in the sector.
Contracting	Alarko Contracting Group has a broad portfolio of construction, engineering and infrastructure projects. The group is known for its achievements in large-scale projects, high-quality workmanship and timely deliveries. Throughout 2023, the group signed its name under major infrastructure projects and successfully brought various major projects to completion. Among these projects were major infrastructure investments like construction of highways, bridges and energy power plants.
Tourism	Alarko Tourism Group is engaged in the leisure sector covering tourism, sports and cinema segments. The group is known for the high service quality and customer satisfaction achieved with Hillside Beach Club, Hillside City Club, Cinecity cinemas and Sanda Spa under its roof, and hosts thousands of guests each year. In 2023, Alarko Tourism Group renovated its existing facilities and further strengthened its presence in the leisure sector. These investments help the group achieve its growth and sustainability targets.
Agriculture	Alarko Agriculture Group pursues operations in geothermal greenhouse, fertilizer, seed improvement and food industry areas. High quality fresh produce are produced employing modern and high-tech greenhouse applications. In 2023, the number of greenhouses owned by the group was increased and a plant investment was initiated for microgranular fertilizer production. Additionally, infrastructure work was commenced for the relocation of the production facility of Alarko Gıda Sanayi. These investments support sustainable and productive farming in the agriculture sector.
Land Development	Alarko Land Development Group has a broad portfolio in property development and management covering residential, commercial and logistics projects. In 2023, the group completed various large-scale property projects and started construction of new ones. These investments support the growth strategies in the real estate sector.
Investment	Alarko Investment Group diversifies its portfolio with medium- and long-term investment perspective and pursues high-return opportunities. In 2023, new investments were made in a variety of sectors and strategies were implemented to drive the value of existing ones. This approach reinforces Alarko Holding’s financial stability and growth potential.

Alarko Holding is a major contributor to the Turkish economy with its investments in various sectors and broad areas of activity. Alarko Holding will sustain its achievements and keep creating value for its stakeholders in the future on the back of its strategies focused on sustainability, innovation and quality.



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Alarko Holding achieved successful operational and financial results amid a tough operating environment, which were enabled by its diversified business lines, superior business conduct capability, effective finance policies and digitalization strategy. The Holding posted TL 46 billion in consolidated sales revenues in 2023, booking TL 6.9 billion in consolidated net profit.

Total Assets (TL million)

Total assets that increased 14.5% in 2023 reached TL 59,359 million.



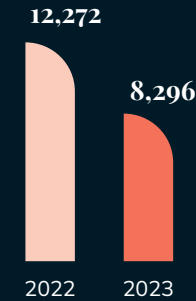
Shareholders' Equity (TL million)

Shareholders' equity that rose by 16.6% was TL 43,947 million at year-end.



Revenues (TL million)

The revenue for 2023 amounted to TL 8,296 million.



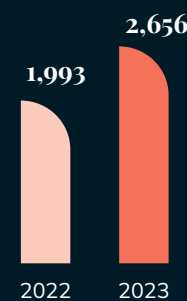
Gross Profit (TL million)

Gross profit in 2023 was TL 688 million.



Operating Profit (TL million)

Operating profit increased to TL 2,656 million, growing by 33.3%.



Profit for the Period (TL million)

Alarko Holding's net profit reached TL 6,907 million in 2023.



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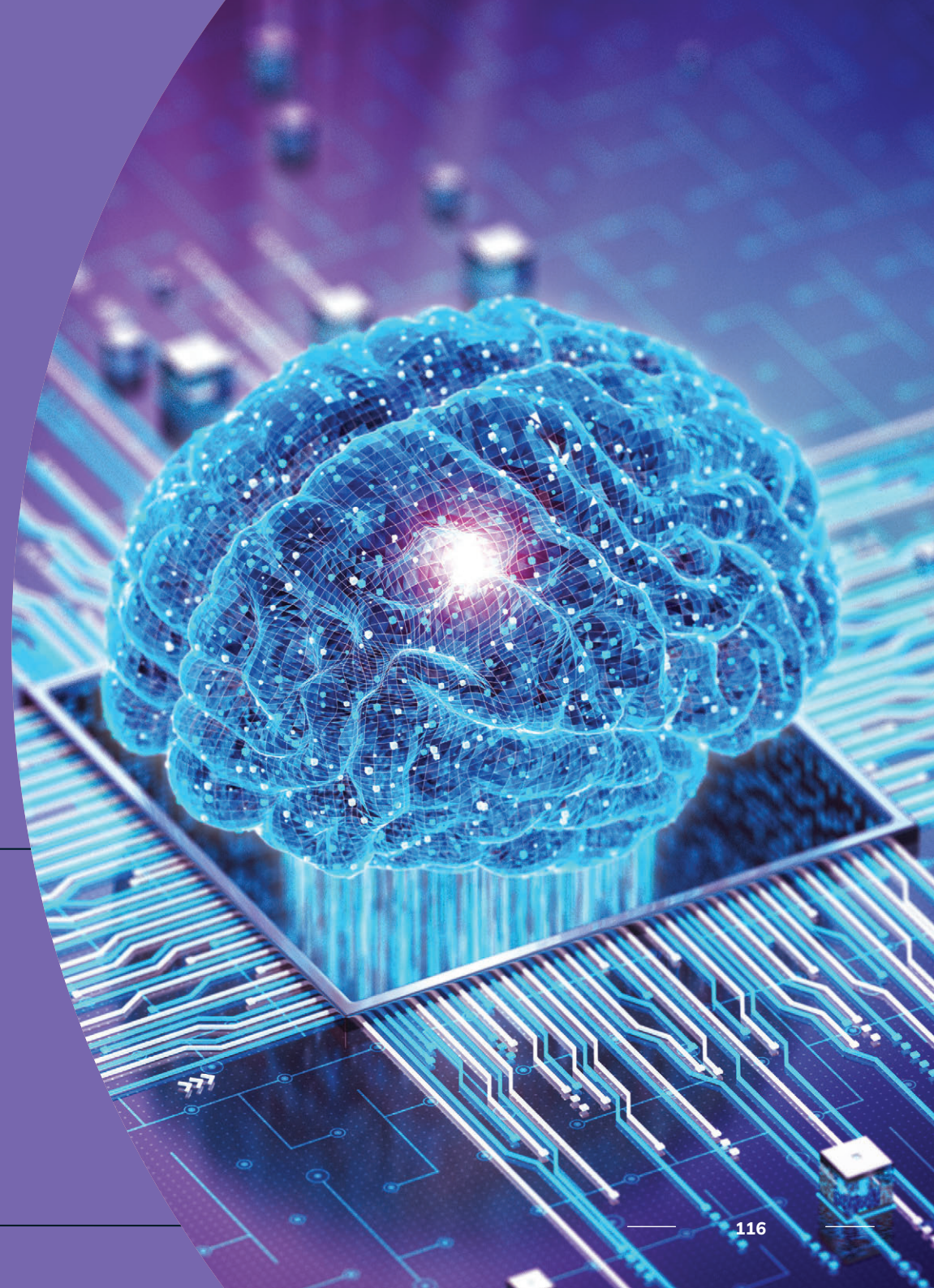
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R&D and Innovation

Alarko Holding, driven by its transformation and development motivation, aims to make its innovative perspective an integral part of corporate culture so that the technologies, methods and solutions it may need in the future can be formulated.



Alarko Holding attaches great importance to innovation and R&D activities, and allocates solid organizational structure and resources in this respect. As of 2023, Alarko Dijital company was incorporated for an increased focus on R&D projects and a reorganization was undertaken in this direction. R&D activities are assessed within the frame of annual budget plan and necessary budgets are set aside for the realization of projects.

Various committees have been set up at Alarko Holding to support R&D and innovation activities and to reach sustainability targets. These committees include Planet, People and Culture, Digital Transformation and Innovation committees. Sustainability Committees work to develop innovative solutions to reduce operating costs and mitigate environmental impact. At the same time, these committees steer R&D activities, increasing the company's competitive strength and supporting its sustainable growth.

Alarko Holding, driven by its transformation and development motivation, aims to make its innovative perspective an integral part of corporate culture so that the technologies, methods and solutions it may need in the future can be formulated. Employees adopt an approach that will take their contribution above and beyond their job descriptions, fostering an innovation culture and innovative mindset that will contribute to making a difference, improving and creating value for the organization. Along this line, it is targeted to secure an environment of innovative productivity.

For Alarko Holding, R&D activities and scientific research are vital. Accordingly, various areas of focus have been determined, which include development of innovative technologies. R&D activities are steered towards innovative technologies to help bring about products and solutions that make a difference in the sector.

Data security and privacy represents another major focus area. The activities carried out in information technology, in particular, are targeted at developments for data protection and security.

Artificial Intelligence (AI) and machine learning are other areas of focus that have been gathering great speed in our day. R&D work undertaken for their integration in business processes and development of smarter solutions take place among Alarko Holding's strategic targets.

Big data analytics has become critical in data collection and analysis processes. Research in this area helps develop solutions with the capability to effectively process big data masses.

Sustainability and green technologies make another important focus of R&D activities. Ecological solutions are brought into being through development of environmentally-sensitive technology and R&D efforts in sustainability and green energy. Through its activities in this field, Alarko Holding targets to minimize environmental impact and support sustainable development.



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As of 2023, Alarko Holding has been achieving major progress in its digital transformation. Digitalization rate across the company reached 83%, which demonstrates the importance Alarko Holding attaches to digital transformation strategies and the company’s success in this respect.

As of 2023, Alarko Holding has been achieving major progress in its digital transformation. Digitalization rate across the company reached 83%, which demonstrates the importance Alarko Holding attaches to digital transformation strategies and the company’s success in this respect. This high digital transformation ratio exhibits the company’s commitment to increasing its operational efficiency and enhancing its competitive strength. It is critical to strengthen and advance Alarko Holding’s technology team for digital transformation. To this end, various training programs and workshops were organized to build on digital competencies. Enhancing employees’ digital skills plays a critical role in

the company’s achievement of its digitalization targets.

Alarko Holding moves forward determinedly to reach the strategy targets set for its digital transformation. Important steps are being taken in key areas such as upskilling the technology team, introduction of R&D and innovative practices, increasing cooperation with universities and technology institutions, embedding innovation culture within the corporate culture and employing advanced technology for sustainable value creation.

Alarko Holding achieved significant progress in R&D and Innovation processes, and launched various projects in 2023. These projects assist Alarko Holding in reaching its sustainability targets and increase its operational efficiency.

The Project Management Office (PMO) has been set up to handle the project portfolio that is anticipated to grow with digital transformation in a transparent, and easy-to-monitor-and-report manner. Upon establishment of the PMO, project management training was given to all related stakeholders, documentation and reporting templates were created, and procedures were established. Active project management was secured through project follow-up via the project management application.

Alarko Holding’s website that acts as its corporate visage in the digital world was revamped, benefiting from the flexibility and



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means allowed by a modern infrastructure and software language. In this scope, the criteria required by information security were put to life and the new interface designed to current trends gave easy access to investors and group of visitors comprised of new talents who accessed the website to the information they needed. The new website improved user experience, reinforcing the organization's digital presence.

A-DATA (Alarko Holding Business Intelligence Project) is an analytical reporting application designed to guide the decision-making processes of the administrations of the holding and group companies by providing strategic support. A fast, reliable, flexible platform with powerful visual components was created through converting complex data into sensible and practicable information. In this framework, management reviews were migrated to A-DATA platform, and 29 reporting projects were determined, which are slated for completion in 2024, cover group data and can be used by related business units for their respective processes.

For the E-Procedures Project, integration with the Revenue Administration is being carried out over Alarko Holding's own internal software, and the company opted for partnering with a private integrator, which is a more sustainable method. Through this approach, the target is to have expert companies specialized in their respective fields adapt the modifications made

by the Revenue Administration and to ensure the completion of the integration with minimum errors.

The ERP Project entails development of Enterprise Resource Planning (ERP) application at Alarko Group of Companies using internal resources. Work was commenced for an ERP system with greater flexibility afforded by new technological infrastructure and integrated with the modules covering the entirety of business processes including the recently formed Agriculture Group, with further plans for its rollout across the group.

The Information Security Risk Analysis Project is intended to provide end-to-end monitoring and maintaining of risk analysis processes. In the project, risk analysis is carried out within a systematic framework; it is targeted to minimize risks by the creation of a risk processing process. This process also serves to fulfill our obligation to comply with the Capital Markets Board of Türkiye (CMB) Communiqué due to the listing requirements of the CMB.

Through the projects introduced as part of its digital transformation process, Alarko Holding enhances operational efficiency and ensures information security. These projects contribute to the achievement of the company's digitalization targets and increasing its competitive strength. The company actively manages its digital transformation by upskilling its technology team and introducing innovative implementations.



Through the projects introduced as part of its digital transformation process, Alarko Holding enhances operational efficiency and ensures information security. These projects contribute to the achievement of the company's digitalization targets and increasing its competitive strength.



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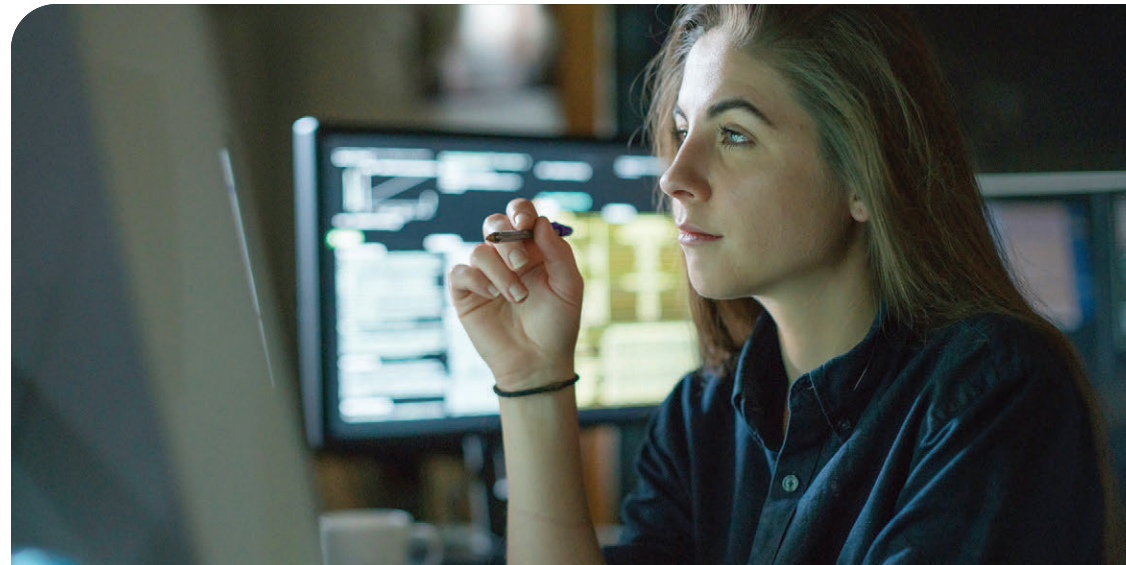
Mechanisms Involving Employees in R&D Innovation Processes

In 2023, Alarko Holding devised various mechanisms that actively involve employees in R&D and innovation processes. These mechanisms play an important part in the company's achievement of innovative solution development and operational efficiency boosting targets.

Organized since 1995, the New Ideas Competition is held with the aim of encouraging group employees to conceive new ideas and suggestions regarding saving, quality improvement, new product development, improvements to ways of doing business and innovation, and of evaluating these ideas. The competition fosters innovative thinking among employees and unearths the creative potential within the company.

As part of digitalization, employees are able to convey their suggestions and demands via the Information Technology request management system, which facilitates employees' contribution to digital transformation and conveyance of their suggestions for process improvements.

From 2023, innovative and solution-oriented idea workshops concerning specific topics started to be organized, which is open for participation by all group employees. These ideathons allow employees to share



their innovative ideas some of which are implemented. Innovative ideas that emerge during the workshops act as significant contributors to the company's digital transformation strategies.

As part of Digital Transformation, two Digital Studios were set up and an Intrapreneurship Program was introduced in 2023. These digital studios and experience centers are intended to implement the innovative ideas inspired by advanced technologies. Set up at industry, trade and energy distribution companies, these centers are designed to be used by employees.

Experience centers allow the employees of related companies and other group companies to receive training in various aspects of advanced technology, attend workshops, and experience innovative business ideas in various advanced technology areas including dynamic data platform infrastructures, Internet of Things (IoT), Artificial Intelligence (AI), Enhanced Reality (ER) and so on. These centers allow innovative ideas to be transformed into new digital business models and products.



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Partnerships with technology companies help make the execution of R&D processes more effective and efficient. Through the collocation in a technology park, joint activities are carried out in relation to innovation projects with Alarko Dijital company.

These mechanisms encourage active engagement of Alarko Holding employees in R&D and innovation processes. With employees' contributions, the company's digital transformation process is given momentum and sustainable growth targets are attained. These activities cement Alarko Holding's resolve and leadership in developing innovative solutions.

In 2023, Alarko Group of Companies reported total sustainability-focused R&D and innovation expenditures amounting to TL 47,536,986. These expenditures were dedicated to the development of environmental products and services, reflecting our commitment to innovation in sustainable practices. This investment highlights our focus on enhancing our environmental impact through dedicated research and development efforts.

R&D and Innovation Partnerships

Alarko Holding partners with various third-party organizations, universities and research institutions for R&D and innovation activities. These partnerships are targeted at accelerating innovation processes by making use of the latest scientific and technological information available. Partnerships with universities and research institutions provide access to academic information and experience, which bases R&D activities upon scientific foundations.

Partnerships with technology companies help make the execution of R&D processes more effective and efficient. Through the collocation in a technology park, joint activities are carried out in relation to innovation projects with Alarko Dijital company. For Smart Farming Applications research, strategic collaborations are undertaken with companies possessing in-depth academic experience and operating in technology parks. These partnerships add to the success of R&D projects and enable development of innovative solutions.

These partnerships established with third-party organizations and universities for R&D and innovation activities help Alarko Holding lead scientifically and technologically, increasing its competitive strength in the sector. These strategic approaches enhance the productivity of R&D work and contribute to creation of sustainable innovation processes.

Alarko Holding Companies: R&D and Innovation Activities in 2023

R&D and innovation activities are vital for ensuring sustainable growth by increasing companies' competitive strength. Investments in this respect allow further upgrading of existing products and services and innovating new technologies and processes.



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While R&D and innovation activities sharpen companies' competitiveness, they also pave the way for sustainability-oriented projects.

In 2023, Alarko Holding's subsidiaries allocated a total budget of TL 115,809,060 to R&D and innovation. With TL 51,541,473, Alarko Carrier got the largest share out of this figure, followed by CENAL with TL 31,907,044, Altek Alarko with TL 16,042,097, MEDAŞ with TL 10,618,446 and Attaş Alarko with TL 5,700,000. R&D and innovation activities are targeted to be developed using these budgets. While these activities sharpen companies' competitiveness, they also pave the way for sustainability-oriented projects.

R&D and innovation investments focused on low carbon occupy an important place for 2023. With TL 31,769,795, CENAL is making the highest investment in this area. Altek Alarko allocates a budget of TL 5,766,996 for low-carbon projects, while that of MEPAŞ amounts to TL 2,439,629. Alarko Carrier conducts its low-carbon R&D and innovation initiatives with a budget of TL 5,000,000. These investments bear great importance for reaching sustainability goals.

R&D and innovation investments for sustainability were registered as TL 47,536,986 in 2023. CENAL is responsible for the highest investment in this area with TL 31,907,044. Altek Alarko allocates TL 5,933,720 and MEPAŞ TL 3,995,849 for sustainability projects. On the other hand, Alarko Carrier's budget for R&D and innovation activities focused on sustainability is TL 2,967,803.

Alarko Carrier takes important steps in sustainability and digitalization, and works on energy efficiency and resource management within the frame of its R&D and innovation policies. Alsim Alarko focuses on sustainable energy use and saving, whereas Altek encourages sustainable innovation. CENAL and MEPAŞ, on the other hand, execute projects for increasing energy efficiency and reducing carbon footprint.



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Alarko Holding Companies: New Products and Services

New product and service developments are of the utmost importance for companies to derive competitive advantage in the market and to optimally fulfill customer needs. Innovative products also contribute to the achievement of sustainability targets of businesses.

New products introduced by Alarko Carrier include SMF 25/30/35, RCSD03/A/RCB 399AN, OPTIMA Z10, Z13/27, 4/4, 5/8, 4/10 and 42CT Fan Coil units (EC Motor Fan Coil).

Alsim Alarko set up digitized systems over the Document Management System, in integration with which the centralized procurement (Alsim LTP) projects are executed. In addition, the company brought to completion the centralized document management system and is currently working on energy efficiency.

Altek Alarko plans to commission the solar power plant with a capacity of 1.5 MWm for its Karakuz HEPP Project. Furthermore, the company is working on electricity storage systems and hybrid energy solutions.

CENAL concentrates on OS technology and devises energy efficiency and cost saving projects. MEDAŞ, on the other hand, carries out innovative projects associated with energy management and sustainable energy solutions.

Alarko Holding Companies: Employee Involvement in R&D and Innovation Processes

Employees' involvement in R&D and innovation processes serves to uncover innovative ideas and increasing companies' innovation capability. Employee involvement also contributes to the improvement of business processes and increased efficiency.

Alarko Carrier compiles and acts on employees' innovative ideas via R&D centers. Innovative projects are developed with the involvement of employees, and invention awards and idea competitions are organized.

Alsim Alarko acts on the digital ideas and projects of employees, offers innovative solutions and rewards its employees with Alarko Invention Awards.

Altek Alarko promotes employee ideas regarding energy efficiency and sustainable innovation, acting on their ideas and suggestions. Attaş Alarko and CENAL integrate employee suggestions and innovative ideas, enhancing its business processes.

MEDAŞ organizes programs for rewarding employees' suggestions and ideas, thus putting innovative projects into life.



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These investments and activities consolidate Alarko Holding's subsidiaries' commitment to sustainability and innovation, ensuring continuity of projects that will create environmental and economic value in the future as well.

MEPAŞ: E-Request Project

E-Request Project was designed to record customer requests in the systems digitally, followed by confirmation to customers with a confirmation code. Customers can convey their requests without paying a visit to branches and complete the services quickly. This project enhances the quality of customer services and fosters operational efficiency. During 2023, 493,133 requests were processed via digital channels.

MEDAŞ: E-Mobility Project

E-Mobility Project is being conducted as a comprehensive project for improving the electric-powered vehicle charging infrastructure in Türkiye. The objective of the project is to forecast the number of electric vehicles and sockets in the country by 2035. Jointly carried out by Meram EDAŞ and ELDER, the project is being conducted with 20 electricity distribution companies. The allocated project budget in 2023 was TL 5,829,000.

Startup Accelerator Program

In 2023, EMRA R&D budget was used for a startup accelerator program, under which consultancy and technical mentoring support



was offered to startups. The program received 87 applications from across the country; following the pre-screening, the program was carried on with 10 firms that led to a DEMODAY event in November which was participated by investors that served in a jury. Top three-ranked startups received personnel support award that amounted to TL 1 million in total. The project provided support to the startup ecosystem, introducing them to the electricity distribution sector, and contributed to the sustainability of the ecosystem by means of the support and advisory offered. After the program, R&D project application was submitted with three of the 10 companies that participated in the DEMODAY and EMRA's acceptance was received for two of these firms.

MEPAŞ E-Request Project was designed to record customer requests in the systems digitally, followed by confirmation to customers with a confirmation code.



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Under the Karakuz HEPP multi-source electricity generation project, Altek Alarko installed a solar power plant with 1.5 MWm capacity. The project increased the flexibility of the hydroelectric power plant and ensured effective use of renewable energy sources.

Furthermore, EMRA accepted seven of the projects within the scope of R&D activities carried out in 2023.

CENAL: GE Digital, Combustion Opt and Soot Opt Projects

CENAL, in cooperation with GE, is carrying out combustion and soot cleaning optimization projects. These projects saved 10,000 tonnes of coal and reduced chemical consumption. The projects increase energy efficiency, thereby contributing to sustainability targets. Total budget allocation for these projects was TL 100,000,000 in 2023.

Altek Alarko: Karakuz HEPP Multi-Source Electricity Generation (Hybrid) Project

Under the Karakuz HEPP multi-source electricity generation project, Altek Alarko installed a solar power plant with 1.5 MWm capacity. The project increased the flexibility of the hydroelectric power plant and ensured effective use of renewable energy sources. In addition, the digital transformation of the plant optimized maintenance and monitoring processes. A total budget of TL 32,000,000 was set aside for the project launched in 2023.

Alarko Carrier: Rooftop Unit with R454B Refrigerant Development Project

The Rooftop Unit with R454B Refrigerant Development Project is intended to reduce carbon footprint using new-generation refrigerants. Under the project, efficiency is enhanced and environmental impact is minimized through the use of R454B refrigerants that has low GWP value. This innovative project was allocated a budget of TL 30,000,000 in 2023.

These investments and projects demonstrate Alarko Holding’s subsidiaries’ commitment to, and success in, developing innovative and sustainable solutions. The companies target to reach leadership in their respective sectors on the back of increased competitive strength.



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Alsera, the Agriculture Group’s company undertaking high-tech greenhouse operations, introduced environment-friendly and healthy farming practices using the Integrated Pest Management (IPM) system.

Innovation and Sustainable Food Production at Alsera

Alarko Agriculture Group adopted innovative approaches to sustainable food production and plant pest control and authored important achievements in the agriculture sector. Alsera, the Agriculture Group’s company undertaking high-tech greenhouse operations, introduced environment-friendly and healthy farming practices using the Integrated Pest Management (IPM) system.



Purpose and Scope of the Work

During agricultural production, plant protection issues produce negative impacts for human health, fertility and quality. These issues lead to economic losses and obligates the restriction of pesticide use. Chemical-free alternative and integrated control methods must be prioritized. Alsera, the high-tech greenhouse operation company under Alarko Agriculture Group, produces solutions for these issues with the integrated pest management system introduced at its high-tech greenhouses.

The Integrated Pest Management (IPM) system opts for non-chemical methods in pest control. IPM stands out as an environmentally sensitive management method. Pest damage is managed by the most economical means, with the least possible hazard to people, other living organisms, and the environment.

The IPM system is based on having good command of pests, their life cycles and interactions with the environment, and taking simple measures before the damage occurs. This makes pest control easier and more economical, with minimal effects on the environment. In line with its “zero pesticide” policy, Alarko Agriculture Group manages infestation risks and pest populations at its greenhouses avoiding spraying of chemicals.



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Project Background and Next Steps

Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş. was incorporated in March 2023, and introduced integrated pest management at its greenhouses in Afyon and Denizli. The company aims to reach a greenhouse area of 2,000 acres in three cities in total and implement the same IPM system at all its greenhouses by the end of 2024.

Differences from Other Models and Benefits

The greatest difference of Integrated Pest Management methods from others is that the former is approved on international platforms. Since pesticide use constitutes a huge problem across the world, alternative solutions have been devised and IPM has been acknowledged as a sustainable, nature-fit, environment-friendly and economic system.

Integrated pest management methods introduced by Alsera include the following:

- Black, yellow and blue sticky traps
- Stopmates (pheromones used in pest control for mating disruption)
- Biopreparations (useful bacteria)
- Predators (pest hunters): Nesidiocoris Tenuis
- Pesticides with organic ingredients

- Organic essential oils
- Manual mechanical control
- Green shrubs
- Biostimulants (microorganisms and organic materials that promote plant growth)

Employing these methods, Alsera minimizes pesticide residue problem and enhances food safety. Holding Global G.A.P. and GRASP certificates, Alsera produces food crops free of residues harmful to human health, increasing its competitive strength in international markets.

Economic Returns and Sustainable Economic Model

Using integrated pest management systems, production is carried out in line with “zero pesticide” target. This method increases the economic value of the food crops produced, expanding the exports capacity. Alsera exports to 18 countries thanks to the “no residue” certification, good agricultural practices and food safety certifications it holds.

Application of chemicals is avoided, which protects human and environmental health, while also reducing production costs. Chemical applications result in various problems including immune priming in pests while integrated pest management is aligned with the ecosystem, sustainable and economical.



Holding Global G.A.P. and GRASP certificates, Alsera produces food crops free of residues harmful to human health, increasing its competitive strength in international markets.



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Cyber Security and Information Privacy

Alarko Holding’s cyber security strategy is designed to protect the company’s digital assets and information infrastructure. In line with this strategy, information security management systems are constantly reviewed and upgraded.



GRI 3-3

Alarko Holding devises solid strategies regarding information security and cyber security in keeping with the great importance it attaches to the topic. With the ever-increasing speed of digitalization and diversification of cyber threats, Alarko Holding’s information security and cyber security strategies became even more critical as of 2023. Accordingly, comprehensive policies and measures are implemented to secure information privacy and cyber security in all business processes.

Alarko Holding’s cyber security strategy is designed to protect the company’s digital assets and information infrastructure. In line with this strategy, information security management systems are constantly reviewed and upgraded. This ensures effective management of information security risks, building a robust line of defense against cyber threats.

In 2023, Alarko Holding set its information security and cyber security targets and strategies in line with digital transformation and increased cyber threats. CTI cyber threat intelligence systems were integrated for early detection and prevention of potential threats.

The company obligated the use of multifactor authentication for accessing the systems to protect existing Information Technology (IT) systems against cyber threats, thereby preventing unauthorized access. User information for those who have been inactive for 90 days was inactivated, preventing their

access. Security fixes and updates were performed regularly for IT systems, and known security vulnerabilities were eliminated. In addition, new generation firewalls integrated with intrusion prevention and detection systems were installed.

Risk assessment processes were rendered more dynamic and risk mitigation strategies were developed that focused particularly on cyber attacks and data leaks. Information security awareness activities were given greater weight, resulting in increased consciousness of employees and specific training programs were held regarding Personal Data Protection (PDP) topics.

For increased awareness of cyber security, such topics as data protection and privacy, access security and secure Internet usage were paid special emphasis in training programs held for Alarko Holding employees. These programs are organized at least annually and backed by awareness announcements made throughout the year. Adopting an information security approach to project management makes significant contributions to enhanced awareness of project teams.

Specific projects introduced in 2023 include the installation of new generation firewalls integrated with intrusion prevention and detection systems. Known security vulnerabilities were fixed through regular security patches and updates for IT systems. Network and



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Systems Department is responsible for configuring, managing and maintaining the enterprise network infrastructure; monitoring and optimizing network traffic, managing firewalls, VPNs and network access control systems and similar matters. Moreover, the Information Security and Project Management Department organized at the company handles end-to-end management of information security management system processes.

Alarko Holding established cyber security risks using global and sector-specific threat intelligence resources, evaluates resilience of the systems by way of penetration tests conducted by professional teams, and identifies atypical activities through regular analyses of security incidents and system logs. In addition, employee awareness is increased through training programs and simulations, precluding internal threats.

Alarko Holding works meticulously on information security as well. Advanced security measurements are put in place to protect customer information, trade secrets and other sensitive data. Information is kept confidential with various technical precautions including data encryption, access control and firewalls, and data leaks are prevented. Furthermore, relevant regulatory framework and international standards are complied with in data processing continuum.



Within the scope of Alarko Holding’s cyber security and information privacy strategies, high-level security standards are adopted also in partnerships with third parties. Mutual undertakings in relation to information security and confidentiality are incorporated in contracts executed with suppliers and business partners, continuously overseeing their fulfillment.

The company closely monitors technological innovation in relation to cyber security and information privacy. Advanced technology such as Artificial Intelligence (AI) and machine learning are employed, ensuring early detection of, and quick response to, cyber threats.

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Additionally, regular penetration tests and security audits are carried out for establishing and fixing security gaps.

Alarko Holding demonstrates a solid stance in relation to cyber security and information security, and continuously increases its investments in this respect. Ensuring security in the digital transformation process is critical for the company to attain its sustainable growth targets. Along this line, measures taken and strategies devised in relation to cyber security and information privacy in 2023 further cement Alarko Holding's leadership position in the sector and instills trust in its stakeholders.

Cyber Security Management and Organizational Structure

Alarko Holding has a comprehensive organizational structure and team charged with cyber security management. This structure is comprised of two main units: Network and System Department, and Information Security and Project Management Department.

Network and System Department deals with various aspects of configuring, updating and continuous upgrading of cyber security infrastructure. Enterprise network infrastructure is configured, managed and maintained; network traffic is monitored and optimized. The department is also responsible for managing firewalls, VPNs and network access control

systems. Protection is secured for network-originated threats such as DDoS attacks; IDS/IPS systems are configured and managed, which monitors the network traffic and detects potential threats. Network and data backup strategies are developed and implemented; disaster recovery plans are prepared and tested. Security incidents are established, analyzed and reported; incident response plans are prepared and implemented. Employee training programs on information security are prepared and implemented, while employee awareness of security is increased through awareness campaigns. In addition, the department collects and analyzes cyber threat intelligence, establishing potential threats and attack vectors in advance. The unit's responsibilities also include the management of antivirus, anti-malware, encryption and data loss prevention (DLP) systems, and using the tools for screening and fixing security vulnerabilities.

Information Security and Project Management Department, on the other hand, is responsible for end-to-end execution of Information Security Management System (ISMS) processes. These processes involve various areas including policy and procedure preparation, risk management, training and awareness activities and so on.

This structure enables effective implementation and continuous improvement of Alarko Holding's cyber security strategies.



Measures taken and strategies devised in relation to cyber security and information privacy in 2023 further cement Alarko Holding's leadership position in the sector and instills trust in its stakeholders.



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Digital Transformation



In 2023, Alarko Holding's digital transformation strategies were focused on critical targets including enhancing customer experience, fostering innovation, and strengthening cyber security.

Alarko Holding increases its operational efficiency and guarantees information security through the projects conducted and achievements secured during the course of its digital transformation. These projects help the company attain its digitalization targets and sharpen its competitive edge. Alarko Holding employs advanced technology for developing innovative solutions and reaching sustainable growth targets.

During 2023, Alarko Holding took significant steps in its digital transformation process and launched several projects. The Information Systems Department started to operate as the Project Management Office (PMO) with the organizational transformation effective as of 1 January 2023. Thanks to this newly-established office, projects started to be managed more effectively and efficiently.

Alarko Holding received management consultancy service for improving its R&D activities, which contributed significantly to the betterment of the company's R&D processes and introduction of innovative projects. The experience and expertise provided with the consultancy service supports Alarko Holding in executing its R&D activities at international standards.

The initiatives undertaken as part of Alarko Holding's digitalization strategies cover Alvima, the ERP application servicing the entire group. Necessary integration studies are carried out with the applications and software used by all

group companies. The integrations increase the group companies' operational efficiencies and enable more effective process management.

Alarko Holding's successful digital transformation plays an important part in achieving the company's future targets. Projects conducted and consultancy services received by the Information Systems Department support Alarko Holding in capturing leadership position in digitalization. In the process, advanced technologies are employed, developing innovative solutions and increasing the company's competitive strength.

As part of digital transformation strategies, Alarko Holding's initiatives in relation to ERP and digitalized processes are being broadcast across the group and integration efforts are carried out diligently. These activities enhance the company's operational efficiency and ensure information security. Integrating Alvima ERP in all group companies is considered as an important step towards the attainment of Alarko Holding's digitalization targets.

Digital Transformation Strategies and Targets

In 2023, Alarko Holding's digital transformation strategies were focused on critical targets including enhancing customer experience, fostering innovation, and strengthening cyber security. The company employed various advanced technologies and digitalization processes to reach these strategic targets.



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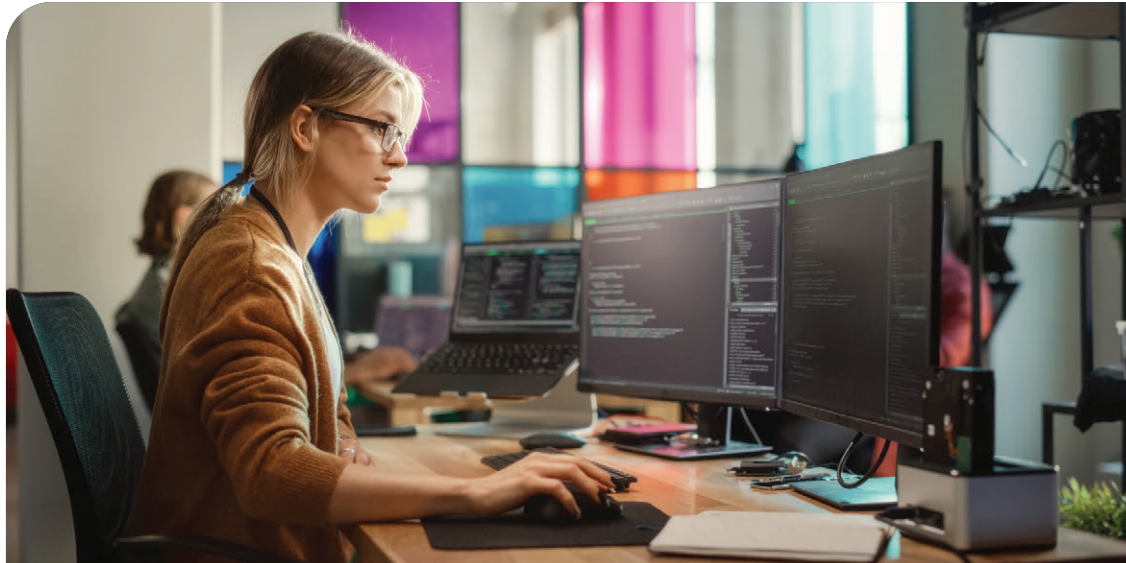
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Alarko Holding Data Portal was created within the scope of Business Intelligence initiatives. The portal is intended to integrate and analyze various data sources for supporting decision-making processes.

For process digitalization purposes, Process Management Application was introduced and cooperation was established with Digital Transformation Committees for the digital transformation journeys at companies. These initiatives help increase effectiveness and integration in the management of processes across the company.

Electronic invoice integration was carried out, digitizing accounting processes. This allows faster and error-free integration of incoming invoices in the accounting system, as reduced manual interventions increase efficiency.

Alarko Holding Data Portal was created within the scope of Business Intelligence initiatives. The portal is intended to integrate and analyze various data sources for supporting decision-making processes. These data are used for improved internal customer experience, resulting in more informed and strategic decisions.

RPA will accelerate several routine, recurrent procedures, freeing up our employees so that they can focus on more strategic and creative tasks. This is aimed at increasing employee satisfaction and heightening job efficiency. Work on robotic processes is underway.

The e-signature integration developed on the document management system used allows electronically signing the documents quickly, resulting in substantial time saving for employees and contributing to environmental sustainability through reduced paper use.

The document management system was integrated with the ERP system. Integration with ERP systems speed up data flow, optimizing business processes and brings about significant improvements in decision-making processes as they facilitate access to information.

New generation cloud-based intranet was launched, contributing to enhanced internal customer experience and giving employees fast



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and easy access to information. This digital platform promotes internal communication and cooperation, heightening employee efficiency.

Additionally, data security and cyber security measures were reinforced within the frame of digital transformation strategies. Incident response and handling systems were set up to quickly respond to security incidents. Use of multifactor authentication became obligatory for system access, and regular security patches and updates were applied for IT systems.

Internal Information Sharing and Cooperation Developments

In 2023, Alarko Holding aimed to make important developments in internal information sharing and cooperation platforms to increase employee efficiency. These developments are designed to let employees communicate, share information and cooperate more effectively.

Cloud-based virtual meeting application offers real-time communication, file sharing and project management capabilities and facilitate co-working of employees more effectively. This tool provides effective management of tasks and projects in project management, enabling shorter project timelines and task completions.

Remote working and meetings became more efficient thanks to wider use of virtual videoconferencing solutions. Using these new-generation co-working tools, employees are able



to communicate quickly using communication methods like instant messaging and video conferencing, accelerating project coordination and day-to-day work flows.

Document sharing and cooperation processes were improved using Cloud and other document management systems. Centralized information management systems and document management systems let employees quickly access the information they need, which shortens the time for recurrent tasks and research, thus speeding up decision-making processes and increasing efficiency.

New generation cloud-based intranet was launched, contributing to enhanced internal customer experience and giving employees fast and easy access to information.



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In 2023, Alarko Holding introduced various solutions to enhance customer experience on digital platforms. In this context, Management Cockpit Reportings were made over the A-DATA Platform created using Business Intelligence technologies.

The new-generation Cloud-based intranet contributed significantly to enhancing internal customer experience. This platform creates a digital working area on which all digital applications are reached through a single channel, increasing employee efficiency by facilitating access to information and promoting cooperation.

Advanced control mechanisms are applied for increased information security and preventing data leaks. The target is to let employees access the information on a strict need-to-know basis in relation to their jobs. Stricter security and access controls allow employees to work in a safe environment, which prevents information leaks and data losses, while guaranteeing business continuity.

Two-factor authentication systems were introduced for increasing security on the platforms. Two-factor authentication and other security protocols provide an additional protective layer against unauthorized access.

These developments increased the effectiveness and efficiency of Alarko Holding employees and boosted the company's overall performance by ameliorating information sharing and cooperation processes.

Solutions that Enhance Customer Experience on Digital Platforms

In 2023, Alarko Holding introduced various solutions to enhance customer experience on digital platforms. In this context, Management

Cockpit Reportings were made over the A-DATA Platform created using Business Intelligence technologies. The reportings were enabled by the development of dashboards that will fulfill the needs of senior managements at the group companies.

The new generation Cloud-based intranet also went live. This application contributes to improving internal customer experience and gives employees fast and easy access to information. This intranet system, which makes more efficient collaboration between employees possible, also fosters internal communication.

In addition, Alarko Holding's website was redesigned with advanced technological infrastructure, information security support and modern design. This renovation aims to let users access the website more easily and have a better experience with it. The modern design and user-friendly interface makes it easier for customers to reach information, increasing interaction.

These digital solutions reflect Alarko Holding's dedication to enhance customer experience and its continuous improvement understanding. Business Intelligence platforms, intranet applications and website renovations are intended to offer higher quality, more secure and effective services to customers and internal users.



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Digital Transformation Memberships

In 2023, Alarko Holding subscribed to various platforms for following up new technologies and supporting digital transformation processes. These subscriptions allow Alarko Holding to keep a close eye on the current developments in technology and innovation and to build on its knowledge about these areas.

The CIO Update platform subscription keeps information technology directors abreast of the latest developments, trends and best practices in the sector. The platform acts as an important resource for directors aiming to keep up-to-date with information technologies and develop innovative solutions.

Bthaber platform subscription provides information about current news, analyses and reports about the technology and information sector. This lets Alarko Holding closely monitor the developments in the technology world, which are then used to shape its strategic decisions.

With the IDC CXO Advisory Board Members subscription, Alarko Holding gets its senior executives acquainted with global technology trends and strategies. The platform offers guidance to executives on planning technology investments and digital transformation strategies in the most effective manner.

Artificial Intelligence Policies Association (AIPA) membership allows Alarko Holding to keep abreast of the developments in AI and to contribute to the formulation of related policies. AIPA membership enables information and experience sharing about integration of AI technologies in the company’s business processes.

Through the Women in Tech Association membership, Alarko Holding aims to help grow the role and representation of women in technology field. This membership encourages women employees to follow up the developments in the technology area and participate in training and mentoring programs.

Through the MESS-MEXT platform subscription, Alarko Holding gets information about Industry 4.0 and digital transformation topics and takes part in projects executed in these areas. MESS-MEXT subscription is intended to contribute to the company’s digital transformation strategies for more efficient and effective management of industrial processes.

Through subscriptions to and memberships with these platforms, Alarko Holding closely monitors the current developments in technology and innovation, and continuously builds on its knowledge about these areas. They also support the company’s digital transformation processes and help increase Alarko Holding’s competitive strength. The company’s commitment to



In 2023, Alarko Holding subscribed to various platforms for following up new technologies and current developments in innovation and for supporting digital transformation processes.



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Alarko Carrier organizes various training programs for building on employees' digital capabilities as part of its digital transformation.

quickly adapting to technological developments and devising innovative solutions is further consolidated with these subscriptions and memberships.

Alarko Holding Companies: 2023 Digital Transformation Initiatives

Companies affiliated to Alarko Holding conduct various projects within the scope of their digital transformation strategies, which lead them to achieve their efficiency, sustainability and innovation targets. The digital transformation projects launched in 2023 are intended to modernize each company's business processes, sharpening their competitive edges.

Alarko Carrier

- Digital Transformation and Training Programs** Alarko Carrier organizes various training programs for building on employees' digital capabilities as part of its digital transformation. These programs support the company's digitalization processes and facilitate employees' adaptation to new technology.
- Digitalization of Production and Export Operations** The efficiency of production processes was increased employing digital applications entailing production planning, material description and delivery timelines. In addition, work was carried out to digitalize export operations, resulting in increased operational efficiency.
- Customer Relationship Management** Through add-ons to the applications used for customer relationship management, customer satisfaction and interactions are optimized on the digital environment.



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Alsim Alarko

- **Reduced Paper Use** Alsim Alarko gives weight to initiatives for minimizing paper use in line with its digital transformation targets. Important steps in this regard include electronic approval processes and platform-independent access to company applications.
- **ERP and Digitalized Processes** Use of ERP systems is broadened, digitalizing operational processes. The goals with this initiative are data integration and process optimization.

Altek Alarko

- **Digitalizing Maintenance Programs** Altek Alarko digitalizes maintenance programs of power plants, enabling their remote monitoring. These projects are intended to increase the effectiveness and trackability of maintenance processes.
- **Remote Monitoring of Power Plants** Remote monitoring of power plants saves time and mitigates the risk of errors in commercial activities. This reduces operating costs and increases operational efficiency.

Attaş Alarko

- **Hillside Beach Club Digital Projects** Attaş Alarko conducts various digital projects at Hillside Beach Club, which are aimed at enhancing guest satisfaction. Central handling of booking requests and digitalization of processes enhance customer satisfaction and guarantee operational efficiency.
- **Digitalizing HR Processes** Initiatives are carried out for digitalizing HR processes, and personnel evaluation and exit processes are systematized. These projects enhance efficiency in human resources management.

CENAL

- **Digital Process Optimization** CENAL carries out digital process optimization projects in cooperation with GE Digital and ABB - APC. These projects are intended to increase process efficiency and optimize energy consumption.



Altek Alarko digitalizes maintenance programs of power plants, enabling their remote monitoring. These projects are intended to increase the effectiveness and trackability of maintenance processes.



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MEDAŞ

- **E-Request Project** MEDAŞ digitally collects customer requests, securing time and cost saving. Reduced paper use contributes to environmental sustainability.
- **Noca No-Code Application Development Platform** With Noca Platform, no-code application development projects are conducted with the purpose of accelerating the digital transformation of distribution companies and reducing their costs. This platform lets users develop applications without the need for coding knowledge.
- **Cyber Security and Information Privacy Projects** In 2023, major projects were introduced in cyber security, such as Server Virtualization Infrastructure Project, Desktop Virtualization Project and NSX project, ensuring information security and privacy.
- **Cyber Security Projects and Training** Information security and privacy were enhanced through several projects commenced in 2023 for improving cyber security infrastructure including Sechard (Security Hardening Software), PAM project, Penetration Tests specific to EKS systems, Server Virtualization Infrastructure Project, Desktop Virtualization Project and NSX. In addition, training programs for increased awareness of cyber security were highlighted.



MEPAŞ

- **DMS (Digital Management System)** With the DMS project, MEPAŞ reduces paper use and manages customer requests digitally. This project enhances customer satisfaction and secures operational efficiency.

In 2023, major projects were introduced at MEDAŞ in cyber security, such as Server Virtualization Infrastructure Project, Desktop Virtualization Project and NSX project, ensuring information security and privacy.



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Data Management



Regular backup and recovery strategies are implemented to prevent loss of data and guarantee business continuity as per Data Backup and Recovery Strategies.

Alarko Holding adopts various measures and approaches within the scope of data management strategies and policies, which are designed to manage data in a secure, accurate, holistic and strategic manner.

Under the Data Security and Confidentiality Oriented Approach, strict policies and standards for protecting data security and confidentiality are determined. Measures including encryption, access controls and security backups are adopted for data security. This approach guarantees the confidentiality and integration of all the company data.

Data Quality and Integrity has an important place in Alarko Holding's data management strategies. Reliable data are used in decision-making processes by ensuring data accuracy and integrity. In this way, data consistency, currency and accuracy are verified continuously.

Regular backup and recovery strategies are implemented to prevent loss of data and guarantee business continuity as per Data Backup and Recovery Strategies. Backup frequency, time to recovery and testing processes have been established. These measures provide effective protective against potential loss of data.

Data Storage and Compliance is another important component of Alarko Holding's data management policies. The company's data storage policies are devised in compliance

with the regulatory framework. Accordingly, data are not stored for unnecessary periods or reasons, and data storage processes are carried out according to specific standards. This allows secure storage of data and regulatory alignment.

Data Analytica and Strategic Data Use is another major strategy that increases Alarko Holding's competitive strength. Data are analyzed using various techniques such as data analytics and data mining, which are then integrated in strategic decision-making processes. This approach helps increase the company's competitive strength and ensures accurate analysis of data.

These strategies and policies provide reliability, effectiveness and compliance in Alarko Holding's data management processes. Secure, accurate and strategic data handling adds to the company's overall performance and competitive strength.

Alarko Holding makes use of various advanced information management systems and technologies to optimize information management processes and support business operations. These systems and technologies offer integrated solutions for data collection, storage, processing, analysis and security.

ALVİMA, the Enterprise Resource Planning (ERP) system, has been developed in-house by Alarko Holding to integrate and automatize business



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processes. This system gathers various business functions including finance, financial affairs, imports, exports, payroll management, logistics etc. on a single platform.

Document and Process Management System is used for document scanning, storage and business flow automation. This system facilitates digital handling of documents and increases efficiency. Furthermore, Microsoft Cloud is used for document management, cooperation and information sharing; this platform allows secure storage of documents and makes them readily available.

As part of Database Management Systems, Microsoft SQL Server is used to store and manage data. This database provides integration with various business applications, enabling secure and effective management of data.

For budgeting, Alarko Holding makes use of BudgetRight application in combination with modern technologies and methodologies, optimizing its financial planning and control processes. This process has been designed to help the company attain its strategic goals and encompasses all business units. The application ensures effective and efficient execution of budget processes.

For Business Intelligence and Data Analytics Tools (A-DATA Platform), Microsoft Power BI is used for data visualization and reporting. The A-DATA platform created with this tool analyzes



data gathered from various data sources and supports business decisions. The platform enables accurate analysis of data quickly, reinforcing strategic decision-making processes.

With respect to Digital Archives Management processes, Alarko Holding uses modern systems and technologies, making sure that documents are maintained in a secure, accessible and organized fashion. Digital archiving systems are critical for optimizing the company's information management, speeding up its business processes and maintaining regulatory compliance. Thanks to these systems, documents are stored securely in the digital environment and can be accessed quickly as and when needed.

For budgeting, Alarko Holding makes use of BudgetRight application in combination with modern technologies and methodologies, optimizing its financial planning and control processes. This process has been designed to help the company attain its strategic goals and encompasses all business units.



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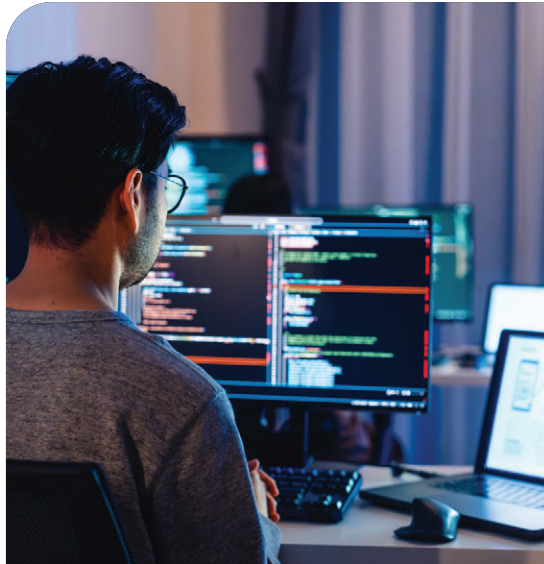
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New security protocols are implemented for higher data security, and various measures are taken including, in particular, improvement of data encryption methods, stricter authentication and access controls.

The objective of Alarko Holding’s information management strategies and policies is to achieve secure, accurate, integrated and strategic management of data. These strategies and policies increase the company’s overall performance and competitive strength and ensures effective information management.

The company places great emphasis on data quality and integrity, and data consistency, currency and accuracy are guaranteed, thus supporting decision-making with reliable data. In addition, regular backup and recovery strategies are also in place to prevent loss of data and ensure business continuity. Data storage policies, on the other hand, are formulated in compliance with the regulatory framework, which prevents data from being kept unnecessarily and ensures they are kept according to certain standards.

Within the scope of data analytics and strategic data use, data are analyzed using techniques such as data analytics and data mining, and are integrated in strategic decision-making processes. Accurate analysis of data adds to the company’s competitive strength. Data security reinforcements take to the forefront within the latest developments. New security protocols are implemented for higher data security, and various measures are taken including, in particular, improvement of data encryption methods, stricter authentication and access controls. In addition, data that will support

strategic decision-making processes at group companies are transferred to the Holding’s data warehouse, and data warehouse integrations are performed.

Data cleaning, data standardization and data correction processes have been reinforced for higher data quality and integrity purposes. Data quality is constantly monitored and upgraded using automated data verification and correction tools. With respect to data visualization, dashboards are created with the Power BI tool, using the data consolidated in the data warehouse. These dashboards enable faster analysis, provide better understanding of data and facilitate organization’s decision-making. Financials, budget, HR and sustainability data are made available for use by executives.

Alarko Holding provides various training programs and resources for building on employees’ data management and analysis capabilities. ETL (Extract, Transform, Load) training programs are planned for developer teams working on data warehouse creation and data integrations. Furthermore, training is given on software and tools used for data analysis, which promotes employee involvement in data-driven decision-making. Data security training, on the other hand, is offered for ensuring data security in data management and analysis processes, and training programs addressing data confidentiality raise consciousness about data management processes.



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Environmental Management System



Under the Environmental Management System, environmental performance is continuously monitored and evaluated in all operations of Alarko Holding.

In line with its environmentally-sensitive and sustainable future target, Alarko Holding implements a comprehensive Environmental Management System, which is designed to minimize environmental impact and efficiently use natural resources in all operations of Alarko Holding. The Environmental Management System is run in accordance with the national and international legislation and environmental standards.

Under the Environmental Management System, environmental performance is continuously monitored and evaluated in all operations of Alarko Holding. These evaluations are followed by necessary improvements to mitigate environmental impact. Sustainability targets have been set in several departments such as energy consumption, waste management, water use and carbon emissions, and strategic plans have been formulated for their achievement.

Alarko Holding aims to reduce its carbon footprint by increasing energy efficiency and use of renewable energy. To this end, energy efficiency projects are developed and investments are made in renewable energy resources. In addition, effective solutions are implemented with respect to waste management, ensuring waste recycling and reuse.

Conservation of water resources represents an important component of Alarko Holding’s environmental policies. Various measures are adopted and water recovery projects are put

in place to reduce water consumption. In this framework, the company aims to ensure efficient use of water and wastewater reclamation.

Alarko Holding organizes training and awareness activities for employees and stakeholders with the purpose of raising increased environmental awareness and propagating a culture of sustainability. Cooperation is established and joint projects are developed with internal and external stakeholders for the adoption and expansion of environment-friendly practices.

Alarko Holding’s commitment to environmental management is endorsed with the ISO 14001 Environmental Management System certification held by Alarko Group companies that validates alignment of environmental management practices with international standards. In addition, regular audits are conducted and necessary actions are taken for continuously improving environmental performance and for attaining sustainability goals. In 2023, Alarko Holding did not incur any environmental fines.

Alarko Holding will continue to work hard for a sustainable future, maintaining the same level of care and devotion in environmental management. In line with environmental sustainability targets, innovative, ecological solutions will continue to be developed and implemented. Remaining true to the mission of passing down a more livable world to the future generations, Alarko Holding is determined to fulfill its environmental responsibilities.



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Alarko Holding, being a company that upholds its environmental and social responsibilities, acts in harmony with the regulatory framework and ethical rules in relation to the environment, consumers and public health. Alarko Holding and the group companies operating under its roof have adopted, and are implementing in all their activities, the principles mentioned below to preserve the nature and the environment:

- Monitor and abide by the laws, bylaws, regulations, and standards concerning the environment,
- Adopt measures that will prevent air, water, soil and noise pollution,
- Protect the flora and fauna, and recycle waste,
- Cooperate with governmental and non-governmental organizations and institutions for the development of policies and systems protecting the nature,
- Continue to work on improving the environment-friendly characteristics of its production systems and products,
- Optimize consumption of natural resources and energy,
- Continuously organize training programs to help build on the consciousness to protect the nature and the environment, and build on its employees' environmental awareness.



Alarko Holding and affiliated companies employ the latest technology available to reach these goals. Neither any lawsuits were filed nor any warnings were issued against Alarko Holding or any other group company on account of environmental damage in the reporting period or earlier years.

Alarko Holding makes various proactive environmental investments and expenditures aimed at reducing future risks and increasing future opportunities. These investments include costs related to measurement and analysis, waste management, chemical usage, personnel, certification and permit fees, consultancy and training, energy efficiency projects, maintenance and repair, and consolidated environmental

expenditures. These initiatives reflect Alarko's commitment to addressing environmental challenges and complying with future environmental regulations, while also exploring new opportunities through investments in cleaner and more efficient technologies. In 2023, Alarko Holding reported a total environmental expenditure of 191,999,401 TL. These expenditures cover a wide range of environmental protection activities, including measures to prevent, reduce, and control environmental impacts, as well as costs related to waste disposal, treatment, sanitation, and clean-up efforts. This substantial investment demonstrates Alarko's commitment to environmental stewardship across its various sectors, including energy, construction, industry, and services.



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Climate Action and Adaptation



In 2023, Alarko Holding leveraged its commitments regarding climate mitigation and adaptation, placing them at the core of its sustainability strategy. Climate change is a global issue that directly impacts the company's operations; any steps to be taken in this respect are of the utmost importance both economically and in terms of sustainability. With this awareness, Alarko Holding adopted a sweeping approach for reducing its carbon footprint and adapting to climate change.

Alarko Holding recognizes that climate change presents both commercial risks and opportunities. The company is aware that the evolving regulatory landscape, shifting consumer preferences, and the physical impacts of climate change can pose significant risks to its existing business model. However, Alarko also sees climate change as an opportunity to innovate and develop new products and

Scope 1	Scope 2	Scope 3
Scope 1 emissions refer to direct GHG emissions and were measured as 3,403,379.88 tCO ₂ eq in total. This category covers emissions resulting directly from the company's energy consumption and production processes.	Scope 2 emissions refer to emissions from indirect energy consumption and were measured as 102,226.02 tCO ₂ eq. This category covers emissions resulting from electricity and other types of energy generated by the company's energy suppliers.	Scope 3 emissions refer to indirect emissions and were measured as 90,076.48 tCO ₂ eq. This category covers the supply chain, business trips and sources of other indirect emissions.

Alarko Holding remains committed to reducing its GHG emissions and achieving its sustainability targets. According to 2023 data, the company's total GHG emissions amount to 3,595,682.38 tCO₂eq.

services that align with global sustainability trends. By investing in renewable energy projects, improving energy efficiency, and adopting sustainable practices across its operations, Alarko aims to not only mitigate risks but also capitalize on the growing demand for environmentally responsible solutions. This strategic approach allows the company to remain competitive while contributing to a more sustainable future.

Alarko Holding's GHG emissions data for 2023 demonstrate the effectiveness of the company's environmental sustainability policies and its commitment to managing its environmental impact. Emission values are addressed under three categories: Scope 1, Scope 2 and Scope 3.



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Alarko Holding remains committed to reducing its GHG emissions and achieving its sustainability targets. According to 2023 data, the company's total GHG emissions amount to 3,595,682.38 tCO₂eq. Along this line, the strategies implemented entail energy efficiency projects, renewable energy use, and emissions reduction, which are targeted at minimizing environmental impact. In the light of these data, Alarko Holding's GHG emissions show that environmental sustainability policies are effectively implemented and reflect the company's dedication to fulfilling its environmental responsibilities. Alarko Holding constantly develops new projects and strategies to increase energy efficiency and reduce GHG emissions. These efforts play an important role in the achievement of the company's sustainability targets and minimizing its environmental impact.

Alarko Holding seeks to reduce its carbon emissions through energy efficiency and renewable energy investments. Along this line, Alarko Energy Group increased its investments in renewable energy resources, focusing on solar, wind and geothermal energy projects. These projects lessen dependence on fossil fuels and promotes clean energy generation. Furthermore, efficiency boosting technologies are used in energy generation, minimizing energy loss.



Waste management and circular economy practices also play an important role in climate action. Alarko Holding has developed waste management policies and embraced various sustainable practices including waste reduction, recycling, and reuse. Alarko Industry and Trade Group conducts a number of projects for recycling and reusing the waste resulting from its production processes. This reduces the quantity of waste, while resulting in efficient use of natural resources.

Alarko Holding seeks to reduce its carbon emissions through energy efficiency and renewable energy investments. Along this line, Alarko Energy Group increased its investments in renewable energy resources, focusing on solar, wind and geothermal energy projects.



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Alarko Holding embraces transparency and accountability principles with respect to climate action and adaptation. Performance indicators regarding climate change are monitored closely and disclosed publicly.

Water management is critical for climate action. Alarko Holding has developed water management projects for ensuring sustainable use of water resources. Alarko Agriculture Group employs modern irrigation techniques and technologies that boost water efficiency, decreasing water consumption in farming operations. In addition, various training and awareness programs are organized for protecting water resources and ensuring their sustainable use.

Alarko Holding takes major steps for climate adaptation as well. For higher resilience against the potential effects of climate change, climate risks are taken into consideration in infrastructure projects, and necessary measures are adopted to this end. Alarko Contracting Group employs materials and building techniques resistant to climate change risks in its construction projects, ensuring the long-life and sustainability of projects. In addition, research and development activities are carried out on an ongoing basis to adapt to the new circumstances resulting from climate change.

Employee and stakeholder engagement is also extremely important in climate action. Alarko Holding organizes training and informational activities to increase awareness of climate change. The company takes action to guarantee employee consciousness about climate change and sustainability. Also, the company cooperates with suppliers and business partners, espousing a common approach to climate action.

2023 EMISSION INTENSITY

51.17 ton
CO₂e/M TL

Accordingly, Alarko Tourism Group implements sustainability practices such as energy efficiency and water saving at Hillside Beach Club, offering the guests an ecological accommodation experience.

Alarko Holding embraces transparency and accountability principles with respect to climate action and adaptation. Performance indicators regarding climate change are monitored closely and disclosed publicly. This guarantees progress towards the achievement of sustainability targets, and robust communication with stakeholders.

As a result, Alarko Holding has remained committed to climate action and mitigation, and taken important steps to this end once again in 2023. Investments and projects in several areas including energy efficiency, renewable energy, waste management, water management and infrastructure endurance minimize negative impacts of climate change, contributing significantly to a sustainable future.



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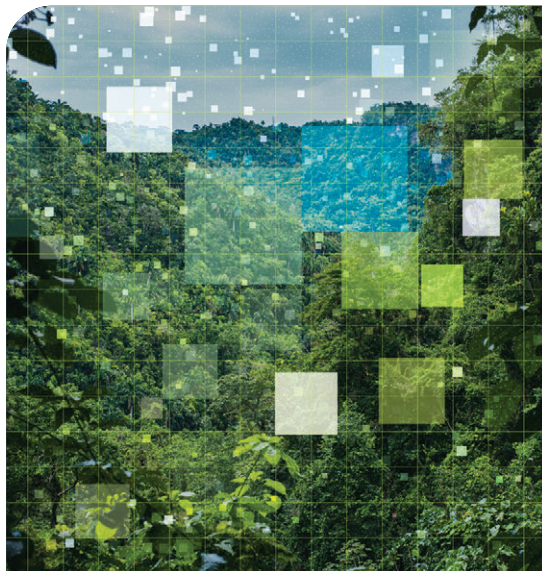
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Energy Consumption and Efficiency



In 2023, Alarko Holding's total net energy consumption was registered as 9,891,140.07 MWh . Out of this total energy consumption, 61,747.07 MWh was supplied from renewable sources.

In 2023, Alarko Holding took important steps in relation to energy consumption and efficiency, consolidating its sustainability strategies. Optimization of energy consumption and increasing efficiency bear great importance for mitigating environmental impact and for reducing operating costs alike.

Alarko Holding's net energy consumption data for 2023 provides a detailed insight into the company's energy management and sustainability efforts. Energy consumption was addressed under two main categories: net renewables consumption and net non-renewables consumption.

In 2023, Alarko Holding's total net energy consumption was registered as 9,891,140.07 MWh . Out of this total energy consumption, 61,747.07 MWh was supplied from renewable sources, and 9,829,393.01 MWh from non-renewable sources.

These data indicate Alarko Holding's ongoing efforts to increase its use of renewable energy. Renewable energy use plays a big part in the attainment of the company's environmental sustainability targets and is intended to diversify energy sources and mitigate environmental impact. Alarko Holding develops various projects and strategies to increase energy efficiency

and promote the use of renewable energy. To that end, it is targeted to increase the use of renewable energy sources and optimize energy consumption.

Alarko Holding's energy consumption policies are established and implemented in accordance with sustainability and ecological practices. Alarko Holding constantly develops new projects and improves existing processes to increase energy efficiency and promote the use of renewable energy. 2023 energy consumption data for Alarko Holding reveal the company's commitment to energy management and sustainability. Net renewable energy consumption and net non-renewable energy consumption data reflect the company's efforts to diversify energy sources and mitigate environmental impact. Alarko Holding determinedly carries on with its work in this area and develops various strategies and projects to increase energy efficiency. These efforts play an important part in the company's attainment of its sustainability targets and show its commitment to fulfilling its environmental responsibilities.



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By promoting energy efficiency and renewable energy use, Alarko Holding contributes to climate action, carbon footprint reduction and a sustainable future.

Energy consumption data reflect Alarko Holding's determination and continued improvement efforts in relation to energy efficiency. Alarko Holding implements various technological innovations and process improvements to optimize energy consumption and increase efficiency. Along this line, energy-efficient equipment are used and energy-saving practices are introduced at production sites.

Alarko Energy Group under Alarko Holding targets to increase its investments in renewable energy sources to generate sustainable energy. As part of renewable energy projects, solar, wind and geothermal power plants were installed, aiming to reduce fossil fuel use.

Energy efficiency and optimized consumption also take on an important role in Alarko Holding's achieving its sustainability targets. The company adopts international standards on energy management and continuously monitors its performance accordingly. Energy consumption data are regularly analyzed, based on which necessary improvements are undertaken.

By promoting energy efficiency and renewable energy use, Alarko Holding contributes to climate action, carbon footprint reduction and a sustainable future. This commitment to energy consumption management and increased efficiency constitutes a foundation stone of the company's long-term sustainability strategy.



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Water Use and Management

Alarko Holding has a comprehensive policy in place to continuously improve its water efficiency. This policy involves regularly reviewing and enhancing water management strategies to reduce water consumption, optimize water use, and evaluate alternative water sources.

Alarko Holding takes important steps in water consumption and efficiency as part of its sustainability strategy. Efficient use of water resources is among the company's environmental sustainability targets, and various improvement efforts are carried out to that end.

Alarko Holding's water withdrawal quantities for 2023 provide an insight into the company's water management and sustainability efforts. Water withdrawal was addressed under the following categories: surface water, underground water, seawater, third party water suppliers, produced water, potable water and non-potable water.

Total water withdrawal was recorded as 1,099,790.714 m³. This total quantity includes water supplied from different sources. In 2023, no surface water was used and underground water and seawater use was measured as 317 m³ and 1,099,634.594 m³ respectively. The quantity of water supplied from third party water suppliers was 155,420 m³, with potable water use amounting to 29,424 m³, whereas manufactured and non-potable water were not used.

These data demonstrates that Alarko Holding effectively manages diverse sources in water use, as well as its efforts to optimize water consumption. Seawater use makes up a substantial portion of the company's consumption, and this source plays an important role in the company's attainment of its sustainability targets.



Alarko Holding has a comprehensive policy in place to continuously improve its water efficiency. This policy involves regularly reviewing and enhancing water management strategies to reduce water consumption, optimize water use, and evaluate alternative water sources. The company has developed and implemented various strategies aimed at achieving these goals, reflecting its commitment to water management and environmental responsibility.

Alarko Holding's water management policies are aligned with sustainability and environmentally friendly practices. The company is dedicated to increasing water efficiency and optimizing water usage through ongoing projects and improvements to existing processes.



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Alarko Holding's total water withdrawal in 2023 shows the company's commitment to water management and sustainability. Efforts for using different water sources and optimizing water consumption play an important role in the company's achievement of its sustainability targets. Alarko Holding resolutely carries on with its activities in this respect and develops various strategies and projects to increase water efficiency. These efforts show the company's determination to fulfill its environmental responsibilities.

Alarko Holding's water withdrawal quantities between 2020 and 2023 followed a striking course. Total water withdrawal declined from 1,213,977.639 m³ in 2020 to 1,201,702.630 m³ in 2021 before rising to 1,247,709.533 m³ in 2022. In 2023, on the other hand, total water withdrawal was registered as 1,099,790.714 m³. These data show Alarko Holding's constant monitoring and improvements in relation to water use.

Alarko Holding's water withdrawal amount, which was 1,247,709.533 m³ in 2022, became 1,099,790.714 m³ in 2023. These data show Alarko Holding's constant monitoring and improvements in relation to water use.

Alarko Holding has set ambitious targets to enhance water efficiency across the Group. As part of its commitment to sustainability and environmental responsibility, Alarko Holding aims to reduce our water consumption by 50% throughout the Group by 2030. This target reflects Alarko Holding's dedication to implementing effective water management strategies and continuously improving its processes to achieve significant reductions in water usage.



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Circular Economy and Waste Management



In 2023, total quantity of non-hazardous waste produced in different fields of activity of Alarko Holding was 109,464 tonnes.

As a key component of its sustainability strategy, Alarko Holding carries out comprehensive work in waste management and circular economy. The company's priority targets include reducing waste, promoting recycling and adopting circular economy principles to ensure environmental sustainability and preserve natural resources.

Implementation of effective and sustainable methods in waste management processes reflect Alarko Holding's dedication to minimizing its environmental impact. The company makes use of modern technology for sorting waste at source, collecting recyclable waste and optimizing recovery processes. In this framework, it is targeted to reduce the quantity of waste produced and increase recycling ratios at establishments.

Alarko Holding's total non-hazardous waste quantities in 2023 reflect in detail the company's waste management and sustainability efforts. Total non-hazardous waste include waste generated in diverse fields of activity and was registered as 109,464.00 tonnes. Alarko Holding produced a total of 604.33 tonnes of hazardous waste in 2023. The total amount of waste produced by Alarko Holding, including hazardous and non-hazardous waste, was calculated as 110,068.33 tonnes.

Adoption of circular economy principles enable major modifications in Alarko Holding's production and consumption processes.

Circular economy envisages the establishment of closed-loop systems with the purpose of efficient resource usage, waste minimization and extended product life. Along this line, subsidiaries under Alarko Holding roof increase material efficiency in their production processes and develop innovative solutions for reusing waste.

Alarko Holding' subsidiaries in the Industry and Trade Group effectively implement waste reduction and recycling in their production processes. Metal, plastic and paper waste produced at production facilities are recycled and the raw materials derived from this waste is re-incorporated in production processes. In addition, wastewater treatment systems treat industrial wastewater, rendering them reusable.

Subsidiaries in the Tourism Group embrace waste management and circular economy practices. In this respect, recycling bins are placed at a higher number of spots and guest awareness initiatives are undertaken. Furthermore, environmental sustainability is supported through practices that provide energy efficiency and water saving.

Subsidiaries operating under the Agriculture Group adopt circular economy principles in their agricultural production processes. Mitigation of environmental impact is supported by making the most of organic waste at biogas facilities, by their recovery for use in fertilizer production, and implementing sustainable farming methods.



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Subsidiaries in the Energy Group put emphasis on waste management and circular economy practices in their energy generation processes. To minimize the environmental impact of waste produced at power plants, innovative solutions are introduced, such as waste heat recovery systems, ash and cinder recycling and so on. In addition, the company encourages the use of renewables, mitigating the environmental impact of fossil fuels.

Alarko Holding continuously takes its waste management and circular economy initiatives further and adopts innovative approaches. The company monitors, reports and transparently discloses to stakeholders its performance in this respect. It strengthens its waste management and circular economy strategies to reach its sustainability targets and minimize its environmental impact. By doing so, the company contributes to the conservation of natural resources, ensuring environmental sustainability and passing on a livable world to future generations.



Waste Management and Sustainable Food Production at Alsera

Alarko Agriculture Group took important steps and authored a number of achievements in sustainable food production and waste management. Pursuing operations under the company name Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş., the company carried out noteworthy projects within the short period of time since its establishment in March 2023.

A member of the Alarko Agriculture Group, Alsera Jeotermal Tarım Gıda Sanayi ve Ticaret A.Ş., carried out noteworthy projects within the short period of time since its establishment in March 2023.



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Alsera introduced waste management systems at its greenhouses located in Afyon and Denizli. The company’s greenhouse area is targeted to reach 2,000 acres in three provinces by the end of 2024. The same waste management systems will be implemented at these greenhouses as well.

Purpose and Scope

Alsera uses geothermal fluid (water) supplied from geothermal underground wells in high-tech greenhouse operations. This fluid is used for heating purposes at high-tech soilless greenhouses, and the vegetables produced are introduced to the market packed in completely recyclable packaging materials.

Geothermal Water Cycle

Initially, the geothermal water is extracted, which is delivered to the plant using insulated thermal pipes with high thermal insulation properties to minimize heat and energy loss of the geothermal water . The incoming

geothermal water received at the plant is transferred to the heat exchanger that ensures high-efficiency heat transfer, which is then used for greenhouse heating. The geothermal water that is subjected to heat loss is transferred to the reinjection well through thermal pipes for being returned to the underground water basin. Thus, the geothermal fluid is prevented from harming the environment, and the water preserves its geothermal property and continues to feed the basin.

Vegetable Production

In the second stage, fruits and vegetables -tomatoes in particular- are produced. Production processes are carried out using high-technology data monitoring and automation systems. Tomato seedlings that are brought to the greenhouse are planted in soilless environment using cocopeat. Cocopeat is a growing medium made of coconut husks that have been processed and compressed, which offers high water retention capacity. This method enables 60% less water use as compared to conventional growing. It also provides an addition 30% saving in water and fertilizer usage due to the reuse of drained water.

Project Inception and Progress

Alsera was incorporated in March 2023 and introduced waste management systems at its greenhouses located in Afyon and Denizli. The company’s greenhouse area is targeted to reach



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2,000 acres in three provinces by the end of 2024. The same waste management systems will be implemented at these greenhouses as well.

Differences from Other Models and Benefits

The geothermal heating system implemented by Alsera enables heating the greenhouse without using fossil fuels and minimizes carbon emissions. Natural predators and pheromone traps are used for pest control purposes in production processes, thus precluding the use of chemicals. Major water saving is secured by reducing water footprint and reusing water containing fertilizer. Recyclable packaging used in production phases and composting plant waste contribute to environmental sustainability. Holding “Good Agriculture” and “Global GAP” certificates, Alsera takes solid strides towards its zero waste and sustainable environment goals.

Economic Returns and Sustainable Economic Model

Although the circular waste management perspective required investment costs at the initial phase, it increased productivity and provided cost savings. Pursuing operations targeting to export 60-70% of its production, Alsera obtained international certificates and improved financial profitability. Composting plant waste contributes to Alarko Holding’s circularity and value chain.

Internal and External Stakeholder Communication

Various news articles and digital media posts were used for raising awareness of such topics as waste management and sustainable food production. Within the scope of communication activities dedicated to the World Water Day, emphasis was placed on the effects of water saving in farming and reclaimed water, which was broadly covered by the national press. Also,



attention-drawing contents were posted on social network accounts.

Alarko Agriculture Group acts as a role model in the sector with its initiatives in waste management and sustainable food production, and will continue to contribute to environmental and economic sustainability targets in the future as well.

Holding “Good Agriculture” and “Global GAP” certificates, Alsera takes solid strides towards its zero waste and sustainable environment goals.



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Ecosystem Restoration and Biodiversity

Preservation of biodiversity is one of the building blocks of Alarko Holding’s sustainability strategy. In this frame, all the company’s subsidiaries take various measures to minimize the impact of their operations upon habitats and to support biodiversity.



Alarko Holding recognizes the urgent need to restore the planet’s health and has set specific targets under the theme of ecosystem restoration, focusing on biodiversity and water conservation. The company commits to allocating a portion of its net profit annually to investments in ecosystem and biodiversity protection projects. In alignment with this commitment, Alarko aims to increase its investments in biodiversity and nature conservation efforts by 20% each year. These initiatives are part of the company’s broader strategy to reduce its impact on native ecosystems and species, particularly in protected and sensitive areas, thereby contributing to the preservation of biodiversity.

As part of its environmental sustainability goals, Alarko Holding takes determined steps for conserving and supporting biodiversity. The company adopts an approach that respects the nature and ecosystems, and carries out various projects and initiatives for biodiversity conservation and improvement in all the sectors it is engaged in.

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Alarko Holding constantly takes its efforts for biodiversity protection and improvement further, and adopts innovative approaches.

to support biodiversity. Alarko Holding conducts environmental impact assessments for this reason and establishes the factors threatening biodiversity, implementing the necessary precautions.

Subsidiaries under the Industry and Trade Group employ environment-friendly technology and sustainable production methods to minimize the impact of their production activities upon biodiversity. Waste management and water treatment systems at production plants allow operations to be pursued without environmental damage. In addition, green belts are created around the plants to support ecosystems.

The Tourism Group nurtures a sensitive approach to preserving natural assets and biodiversity. Ecological practices are put in place at establishments such as Hillside Beach Club and awareness of guests is raised regarding conservation of biodiversity. In addition, tourism activities are carried on without damaging the nature and dedicated projects are developed to protect the local flora and fauna.

The Agriculture Group implements sustainable farming methods to minimize the impact of its agricultural activities upon biodiversity. Chemical use is minimized and biological pest control methods are preferred in geothermal greenhouse operations. In addition, various projects are launched to protect and improve habitats. One goal is, for instance, to protect the native vegetation and increase biodiversity in agricultural areas.

The Energy Group devises various strategies to minimize the negative impact of energy generation operations on biodiversity. Investments in renewable energy sources help reduce fossil fuel consumption and generate energy without harming the environment. In addition, projects are carried out in the vicinity of power plants for protection and rehabilitation of habitats.

The Land Development Group espouses the principle to protect and enhance biodiversity in its projects. The company places emphasis on protecting habitats, improving the habitats of native plants and animals, and sustainability of ecosystems in its construction and development projects. Furthermore, native plant species are preferred and ecological balance is striven to be preserved in landscaping activities.

Alarko Holding constantly takes its efforts for biodiversity protection and improvement further, and adopts innovative approaches. The company collaborates with its stakeholders in this respect and minimizes its impact on the nature and ecosystems and promotes biodiversity. Biodiversity conservation and enhancement play an important part in Alarko Holding's achievement of its sustainability targets and help the company pass on a more livable world to future generations.



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Human Resources Policy



Alarko Holding’s HR policy is intended to make effective use of the highly engaged and competent human resource in alignment with the corporate culture and to steer them in line with the company’s visionary, strategic goals.

As of 2023, Alarko Holding targets to further refine its human resources (HR) policies in a bid to increase employee engagement, competencies and performance. The company’s HR policy is intended to make effective use of the highly engaged and competent human resource in alignment with the corporate culture and to steer them in line with the company’s visionary, strategic goals. This policy ensures world-class HR processes and systems, while enabling continuous improvement of individual and corporate performance.

The HR policy at Alarko Holding covers various strategies and practices for building employee competencies and maximizing their potentials. To support its employees’ continuous development, the company holds training and development programs that are targeted at building employee knowledge and skills. In 2023, important steps were taken also for employee engagement and internal customer satisfaction.

In order to hire the human resource that is aligned with the corporate culture, care is taken during recruitment processes to make sure that the candidates are compatible with Alarko Holding’s values and targets. These processes are based on objective and transparent criteria and provide the selection of the most fitting candidates. In addition, various incentive and rewarding systems are in place to increase employee motivation and engagement.

Increasing employee engagement is a key goal of Alarko Holding’s HR policy. To this end, a variety of projects and practices are carried out to make the employees feel valued at their workplaces and to contribute to their career development. The target is to improve employee engagement score by 50% by 2030, and continuous improvement efforts are undertaken to reach that target.

In its HR processes, Alarko Holding aims to achieve compliance with international standards and to boost their effectiveness. Along this line, employee experience is enhanced and efficiency is increased through digital transformation and innovative HR practices. Digitalization of HR processes enable faster execution of business processes with higher efficiency.

The company’s HR policy seeks to maximize employees’ potentials and to continuously better individual and corporate performance. For this purpose, employee performances are constantly monitored via performance evaluation systems and feedback is given to employees accordingly. This process allows identifying employees’ improvement areas and devising their career plans.



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Alarko Holding's HR policy helps reveal employee potentials, helping the company attain its strategic goals and sustainable growth. The company carries on with its initiatives regarding the development and engagement of its human resource in line with sustainability principles, and cements its leadership in this respect.

Alarko Holding's HR policies have been highly successful in boosting employee satisfaction and engagement, reskilling and continuous improvement of corporate performance. These policies are critical for the company's achievement of its long-term targets and sharpening its competitive edge in the sector.

Alarko Holding's HR policies have been highly successful in boosting employee satisfaction and engagement, reskilling and continuous improvement of corporate performance.



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Employee engagement and internal customer satisfaction lie at the heart of Alarko Holding's HR strategies. To that end, various incentive and rewarding systems are in place to boost employees' loyalty to the company.

Goals Associated with Employees

In 2023, Alarko Holding further augmented its goals associated with employee development and welfare. In an effort to sculpt the future positively, the company provides a supportive working environment that leads employees to produce concrete solutions. Along this line, Alarko Holding's corporate culture seeks to create a people-oriented working environment built upon equality and fairness principles.

It is a fundamental goal for the company to strongly support employee development. Emphasis is placed on the principles of equality, fairness and safety, and an environment open to new ideas is offered. Championing gender equality and regarding diversity and differences of employees as wealth make the foundation stones of Alarko Holding's HR policy.

It is a priority target for Alarko Holding to give primacy to new talents and be renowned as an inspiring and visionary employer. Accordingly, various programs and projects are introduced to attract young talents and to support their development. The aim is to maximize employees' potentials and mold the future together.

Alarko Holding adopts various practices and policies to boost employee welfare and job satisfaction. High standards have been embraced in relation to occupational health and safety, guaranteeing a safe and healthy working environment for the employees. In addition, training and development programs are organized to contribute to employees' career developments, which builds on the knowledge and skills of employees.

Employee engagement and internal customer satisfaction lie at the heart of Alarko Holding's HR strategies. To that end, various incentive and rewarding systems are in place to boost employees' loyalty to the company. All necessary action and steps are taken carefully to make the employees feel valued at their workplaces and to contribute to their career development.

Alarko Holding has set solid targets for increasing the number of women employees and to ensure gender equality at the workplace. Various projects and practices are introduced to encourage women's participation in the workforce and to support women employees' career developments. These projects are intended to result in the promotion of women employees to leadership positions and let them be more actively involved in business life.



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Protecting employees' work-life balances is a priority for Alarko Holding. Flexible working hours, remote working formats and other work-life balance practices are employed to make employees happier and more productive. These initiatives enhance employees' job satisfaction and strengthen their loyalty to the company.

Compliance with International HR Management Standards and Challenges

In 2023, comprehensive strategies were introduced to ensure compliance with international HR management standards, processes, solutions in line with global standards were developed, and various improvements were made to boost employee satisfaction and engagement. Selection, placement and training processes were moved to digital platforms for efficiency and sustainability purposes. In the digitalization process, however, moving human-dependent processes to the digital environment posed challenges from time to time. To overcome these challenges, the highest level of automation was developed and introduced. This increased the speed and accuracy of processes, and human contact points were identified and the necessary balance was established.



In selection and placement processes, methods aligned with global standards were employed for evaluating candidates and making hiring decisions. In these processes, digital tools and automation systems were involved, increasing the speed and effectiveness of candidate assessment processes. In training programs, on the other hand, various digital platforms were used to offer online training and development programs for supporting employees' continuous development.

Protecting employees' work-life balances is a priority for Alarko Holding. Flexible working hours, remote working formats and other work-life balance practices are employed to make employees happier and more productive.



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Creation of the rewarding system and recognition of employee achievements directly affect employee motivation. In 2024, this system is intended to be further improved and implemented.

The challenges encountered during digitalization included compatibility problems during the digitalization of human-dependent processes and ensuring the efficiency of these processes. To overcome these challenges, automation systems were developed, and various digital solutions were implemented for higher speed and accuracy of processes. In addition, various training and informative initiatives were undertaken to help employees attune to these digital platforms and for active use of these platforms.

Successful implementation of HR management processes contributed to predefined targets and the company's overall performance through increased process efficiency.

Development of HR Policies and New Steps

In 2023, Alarko Holding took important steps for the implementation and development of HR Policies. Aimed at increasing internal transparency and enhancing employee satisfaction and motivation, these steps contribute to the company's achievement of its sustainable growth and performance targets.

Creation of the rewarding system and recognition of employee achievements directly affect employee motivation. In 2024, this system is intended to be further improved and implemented.

Performance Raise and Bonus practice is in place to encourage employees to attain individual and corporate targets. Based on performance appraisals, successful employees receive performance raises and bonuses, which boosts their motivation. The Echelon System and Remuneration practice guarantees fair compensation of employees in line with their duties and responsibilities.

Process briefs by the Chief People Officer is an important development towards higher transparency within the company. These briefs let employees be better informed about company policies and practices, thus building on their trust and loyalty and in turn, positively contributing to overall performance.

Thanks to these new steps, Alarko Holding made significant progress in the development and implementation of HR Policies.



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Employee Demographics



The employee profile and employment structure at Alarko Holding show that policies fostering gender equality and diversity are being implemented successfully.

Alarko Holding regularly monitors and reports data on employee profile and employment structure. These data are categorized and addressed under various headings such as gender distribution, age groups, tenures, type of employment and the like. Alarko Holding targets to enhance employee satisfaction and engagement on the back of its policies promoting diversity and gender equality in the workforce.

Alarko Holding has a total of 5,215 employees as of the end of 2023. Alarko Holding has 467 women managers and 1,301 men managers. This results in a percentage of women managers at Alarko Holding being 26%, as of the end of 2023. As of 2023, Alarko Holding employs 61 individuals with disabilities, translating into a percentage of employees with disabilities as 2.07% of the total workforce.

The employee profile and employment structure at Alarko Holding show that policies fostering gender equality and diversity are being implemented successfully. The company targets to increase the percentage of women employees and to facilitate greater representation of women in the workforce. With this purpose, various training and development programs are organized and mentoring programs are implemented targeted at women employees' career development. Alarko Holding constantly formulates new strategies to support employee development and maximize their potentials.

Intended to increase employee satisfaction and engagement, these policies play an important part in Alarko Holding's attainment of its sustainable growth and development targets.

In 2023, the employee turnover rate at Alarko Holding was measured at 19%. This percentage represents the proportion of employees who left the company during the year relative to the average number of employees.

In 2023, employee distribution by age groups presented a marked variation at Alarko Holding. In the under-30 category, the number of women employees was 237 and that of men employees was 594, with 824 employees in total in this age group.

In the 30-50 age bracket, the number of women employees was 381 and that of men employees was 1,500, with the total number of employees in this category being 1,881.

In the over-50 age group, there were 34 women employees and 201 men employees, for a total of 235 employees.

In the light of these data, total number of employees at Alarko Holding reached a significant level in 2023, with a balanced distribution in the number of employees in different age brackets. These arrangements made in view of the distribution of young, middle-aged and more experienced employees within the frame of employment policies



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reflect the company’s workforce versatility and its commitment to enhance its workforce composition. In 2023, Alarko Holding had:

- 1,813 employees in the white-collar employee category
- 3,402 employees in the blue-collar employee category

In the light of these data, total number of employees at Alarko Holding reached a significant level in 2023, with a balanced rise in the number of white-collar and blue-collar employees. These arrangements made in view of the distribution of women and men employees within the frame of employment policies reflect the company’s workforce versatility and its commitment to enhance its workforce composition.

Alarko Holding provides a balanced distribution of its employees across various age brackets and takes all necessary steps along this line. These employment arrangements represent important steps towards the company’s sustainable growth and development targets. Distribution of employees by age groups demonstrates the company’s strategy to combine experience and dynamism of the youth.

This strategy is implemented for deriving added value from experience and innovative ideas alike.

The employee demographics of Alarko Holding in 2023 manifests the effectiveness of strategies that promote workforce versatility and gender equality. Through balanced management of workforce profile, the company supports and develops a workforce of varying age groups and genders. This approach offers the contributions of young talents and experienced professionals in combination, driving the company forward along a dynamic and sustainable growth path. Alarko Holding remains committed to increasing workforce versatility and enhancing employee satisfaction, continuously revisiting and bettering its strategic steps in this direction. Successfully implemented employment policies and maximization of employee potentials provide a solid foothold in the company’s path to long-term targets. Based on the positive outcomes it has secured so far, Alarko Holding is determined to enhance the quality and effectiveness of its workforce.



Alarko Holding remains committed to increasing workforce versatility and enhancing employee satisfaction, continuously revisiting and bettering its strategic steps in this direction.



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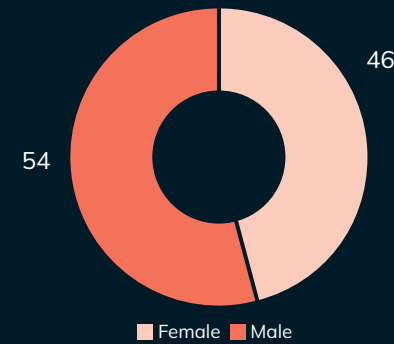


Percentage of Women in Management

In 2023, there were 467 women in managerial positions. The percentage of women in management was measured as 26%.

Percentage of Genders on the Board of Directors

Percentage of female members on the Board of Directors was 46% in 2023.

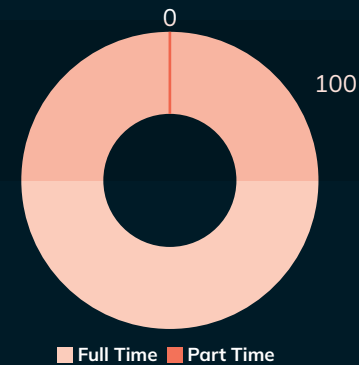
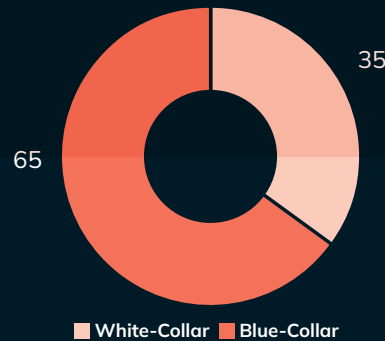


Percentage of Employees by Categories

In 2023, white-collar employees constituted 35% and blue-collar employees constituted 65% of the total employee body.

Percentage of Employees by Employment Types

In 2023, white-collar employees comprised of full-time employees in their entirety.



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Diverse, Equitable and Inclusive Working Environment



Equality is one of the building blocks of ways of doing business at Alarko Holding. The company guarantees that employees are assessed according to the equal pay for equal work principle and are offered equal opportunities for their career development.

Alarko Holding believes that creating a diverse, equitable and inclusive working environment lies at the foundation of achieving sustainable success. Adhering to these values, the company targets to create a working environment that embraces diversities of employees, offers equal opportunities where everyone feels valued.

Alarko Holding's diversity policy focuses on offering equal opportunities to employees irrespective of gender, age, ethnicity, faith, disability, sexual orientation and other personal traits. Along this line, fair and transparent practices are adopted at every phase starting from recruitment through to promotion policies. In recruitment processes, focus is placed on candidates' qualifications and competencies, employing methods that foster diversity and prevent discrimination. At Alarko Holding, we are proponents of globally accepted business standards. Our employee and supplier guidelines and policies are grounded in the foundational conventions of the International Labour Organization and OECD Guidelines for Multinational Enterprises.

Equality is one of the building blocks of ways of doing business at Alarko Holding. The company guarantees that employees are assessed according to the equal pay for equal work principle and are offered equal opportunities for their career development. Employee compensation, performance appraisal and promotion processes are conducted according to predefined objective criteria, with transparency and fairness constituting the fundamentals of

these processes. In addition, regular training programs and mentoring opportunities are provided to support employees' career development.

Alarko Holding places great emphasis on inclusion principle. Various initiatives have been devised to make sure that every employee feels as valued and respected individuals. Various social events and teamwork are organized to create positive environment at the workplace and to foster effective inter-communication between employees. Moreover, open door policy is in place to solicit employee feedback and offer fast solutions to their requests. This enhances employees' loyalty to their workplaces and builds an inclusive business culture.

In 2023, Alarko Holding took a higher number of actions to provide an inclusive environment that respects gender, sexual orientation, ethnicity and other aspects of diversity. Existing gender equality policies were implemented in a sustainable fashion, and various initiatives were carried out in this framework. Related targets and efforts were clearly voiced by the statements of Board of Directors members. Furthermore, the company set the target of increasing the percentage of women members on the Board of Directors to 40%.

Recruitment criteria are defined in writing, and are strictly followed. The physiological, psychological and intellectual qualifications of candidates are taken into consideration during recruitment processes. A written test is conducted to measure



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and assess these qualifications. Following the first assessment by Human Resources, the manager of the unit to employ the relevant employee holds an interview with the candidate.

All employees are treated equally with respect to training and promotion opportunities, and training plans and policies are established with a view to improving the knowledge, skills and attitudes of employees. Employees are regularly provided with trainings every year. These steps demonstrate the company’s commitment to diversity and inclusion and its constant improvement efforts in this respect. Through these initiatives, Alarko Holding aims to make the working environment a more inclusive and fairer one, and considers diversities of employees as valuable contributions.

In 2023, Alarko Holding reports that there is no gender pay gap. Alarko Holding uses Korn Ferry’s pay methodology for its compensation practices, ensuring that compensation is based on job size, responsibility level, and technical skills, regardless of gender. Therefore, the percentage of remuneration for women to men is 100%, reflecting equal pay for equal work across all employees.

In the selection of suppliers, Alarko Holding acts in view of conformity to diversity and equality policies. To this end, the company reviews the policies supplier firms adopt in relation to diversity and equality, and develops partnerships upon evaluating the practicability of these policies.



Business relationships are not established with companies that do not conform to diversity and equality policies.

Examples from our subsidiaries offer a demonstration of how these policies are applied. For instance, Alarko Carrier developed specific programs for encouraging women candidates in recruitment processes and to increase women employment in engineering field. Hillside Beach Club targets to deliver an inclusive vacation experience to its guests by offering services that cater to diverse age groups and needs. As an important development in gender equality, MEDAŞ started employing women as meter

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With the aim of raising increased awareness of gender equality, Gender Equality Training is offered across the Group companies within the scope of Alarko Holding Orientation Program.

readers in 2023. In addition, Alarko Energy Group conducts various projects to increase the ratio of women employees in field operations.

Alarko Holding undertakes continuous improvement and development activities in line with its target of creating a sustainable working environment in relation to diversity, equality and inclusion. Accordingly, the company administers regular employee satisfaction questionnaires and uses their outcomes to devise action plans. Additionally, training and seminars are organized for increasing awareness of diversity and inclusion.

Alarko Holding’s future plans include establishment of procedures in relation to diversity, equality and inclusion policies; providing awareness training; and increasing the integration of diversity and inclusion in recruitment strategies.

Gender Equality

In 2023, Alarko Holding took important steps to increase women’s participation in the workforce and their representation in leadership positions.

Various strategies were adopted for steering and encouraging women employees to leadership positions. By ensuring gender balance on recruitment committees, it is targeted to have women candidates’ applications evaluated objectively and equitably. This approach is intended to eliminate gender discrimination and increase women’s participation in the workforce and their representation in leadership positions.

Leadership Academy program offers various training programs for strategic thinking, decision-making, effective communication and leadership skills of employees included in the program paying regard to gender equality criterion. Workshops, seminars and mentoring programs organized as part of the program support all employees’ professional development within the frame of equality principle, helping them be more active in leadership positions. Gender equality and women’s empowerment in



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business are given special focus within Alarko Holding's corporate goals. Having decided to step into the agriculture sector in 2023, Alarko Holding aims to significantly increase female employment. In this framework, ratio of female employment in the agriculture sector is planned to be brought to 80%.

With the aim of raising increased awareness of gender equality, Gender Equality Training is offered across the Group companies within the scope of Alarko Holding Orientation Program. Through this training, employees become versed in the purpose and scope of gender equality, get to know equality principle from the gender perception perspective, and comprehend equality at workplace concept and the effects of gender on work life. In addition, awareness is raised against gender-biased language, highlighting the importance of a people-oriented approach in every segment of the society. Alarko Holding continues to take concrete steps regarding gender equality not just in its own internal dynamics but also by leading the society. In this context, various support programs and projects are being developed to alleviate the challenges women employees face in work life. These programs promote women's participation in the workforce and support their promotion to leadership positions.

Alarko Holding's gender equality policy targets to make women employees feel valued at their workplaces and to contribute to their career progress. Accordingly, various mentoring and training programs are organized for greater representation of women in the workplace and for their appointment to leadership positions. In addition, policies fostering gender equality in the workplace are adopted, and their effective implementation is ensured.

Alarko Holding solicits active involvement of all employees to ensure gender equality. In addition, initiatives carried out in relation to gender equality are regularly monitored and reported.

Alarko Holding's gender equality policy aims to increase diversity and inclusion in the workforce, facilitate greater participation of women in business and create a working environment supportive of gender equality. These policies are carried out in harmony with Alarko Holding's sustainability strategies and play an important role in the company's attainment of its long-term targets.



Alarko Holding's gender equality policy aims to increase diversity and inclusion in the workforce, facilitate greater participation of women in business and create a working environment supportive of gender equality.



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Talent and Performance Management



Alarko Holding’s contribution to its employees’ career journeys also entails comprehensive training and development programs intended to support their continuous development with a focus on achievement of goals and increasing performance.

Alarko Holding considers talent and performance management as one of the key factors for attaining sustainable growth and competitive advantage. In 2023, the company established a comprehensive talent and performance management system aimed at discovering and building on individuals’ talents and their placement in strategic positions within the organization. This system targets to maximize employees’ competencies and performances in line with the company’s strategic goals.

The Performance Management System is one of the basic tools Alarko Holding uses to measure employees’ competencies and contributions. Performance appraisal processes are designed in harmony with the company’s strategic goals. Employee performances are regularly assessed against set targets and criteria, upon which feedback is provided. This process identifies employees’ strengths and improvement areas and play a critical role in the creation of action plans regarding their career progress.

Alarko Holding employs the Balanced Scorecard (BSC) methodology as part of its talent and performance management strategies. This methodology aims to ensure that each employee contributes to Alarko’s strategies, policies, and goals. The results from the Performance Management System feed into the Salary Management System, Bonus System, Career

Architecture, Talent Management, Training and Development Management, and Workforce Planning.

Within the BSC framework, key components of the performance management processes include Corporate Goals, Individual Goals, and Competencies, with weights assigned based on job titles. During the Goal Setting Period, managers and employees collaborate to set goals, followed by a Mid-Year Review in June-July to reassess these goals. The Evaluation Period in December-February involves entering the outcomes of competencies, individual goals, and corporate goals into the Digital HR Platform (in Turkish: DİKP) system.

Alarko Holding offers extensive training and development programs to support continuous development of its employees. These programs are targeted at building on professional and personal competencies of employees. Offering a variety of training opportunities ranging from technical training to leadership development programs and from personal development seminars to language courses, employees are encouraged to pursue continuous development throughout their career journeys. Furthermore, employees are given the opportunity to receive guidance from experienced managers under mentoring and coaching programs. By following this approach, Alarko Holding provides training



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to non-managers to develop their leadership skills for future managerial or leadership positions, ensuring a clear career progression path within the organization. One such initiative is the Alarko Future's Club (AIK), founded in 1985, which focuses on nurturing young employees with high education, creativity, and a dynamic approach. The AIK offers structured training programs, leadership development, and management simulations for employees aged 21 to 33. This initiative is designed to prepare non-managers for future managerial and leadership positions by providing them with valuable experiences, mentorship from senior executives, and opportunities to develop their leadership skills. Through these programs, Alarko Holding ensures the continuous professional growth and career progression of its employees.

Alarko Holding's contribution to its employees' career journeys also entails comprehensive training and development programs intended to support their continuous development with a focus on achievement of goals and increasing performance.

At Alarko Holding, individual goals of all employees at any level must be aligned with the organization's corporate vision and strategy, which is ensured via the Performance Management System. This alignment helps improve the company's overall performance and reach sustainable growth targets.



The Performance Management System is an ongoing process that is closely related with HR targets and necessary competencies and is supported with regular feedback and coaching, primarily from line managers. This process helps employees improve their performances constantly and reach corporate goals.

A job description is provided for each employee. Performance and rewarding criteria are established annually, and they are implemented after reaching concurrence with employees. The performance evaluation system in place is used for necessary measurement and evaluation, which is taken into account during compensation and career planning.

“Gold Badge” is awarded every year to a certain number of employees for their high performance, and prizes are given to the winners of the “Innovation Award” competition. This provides additional motivation for highly-creative employees.



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A “Gold Badge” is awarded every year to a certain number of employees for their high performance, and prizes are given to winners of the “Innovation Award” competition. This provides additional motivation for highly-creative employees.

Talent and performance management practices at our subsidiaries are also noteworthy. For instance, Alarko Carrier implements special internship programs and new-graduate recruitment programs to discover and train youngsters skilled in engineering and technical fields. Hillside Beach Club runs a comprehensive performance assessment and rewarding system encompassing all levels and regularly evaluates employee performance. In a bid to deliver excellent customer experience in the services industry, comprehensive training programs are organized for continued upskilling of its employees.

Alarko Holding’s talent and performance management strategy aims to support employees’ career progress and to contribute to organizational success. To this end, regular performance evaluations and talent management workshops serve to establish employees’ development needs and fitting development plans are created. In addition, talented employees are placed in strategic positions within the company, thus strengthening the organization’s potential leadership.

Alarko Holding targets to continuously develop future talent and performance management strategies and projects in alignment with the organization’s needs. Along this line, projects are run in relation to Multiple Talent Cards, Data Analytics and Artificial Intelligence (AI) Use and Leadership Development at Alarko.

Human Resources Strategy and New Initiatives

During 2023, Alarko Holding introduced new initiatives that will reveal employee potentials and support their development through continuous learning as per its People and Organization Strategy. Under Career Architecture and Talent Management Projects, personalized career paths were created for each position. Within the scope of these projects, regular feedback mechanisms and performance appraisal systems are implemented to identify and leverage employees’ strengths.

The Career Architecture Project clarifies career paths set for each position, facilitating forward-looking career planning for employees. Under this project, necessary competencies and improvement areas for reaching employees’ career goals were determined and training and development programs were created accordingly.



The Talent Management Project targets recognition and improvement of employee talents within the company. With this project, employee potentials are utilized at the highest level and individual development plans are drawn up to support their career progress. Through regular performance appraisals and feedback, development process of employees is monitored closely.



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Alarko Holding’s transparency and equality principles are adhered to when announcing and communicating career opportunities, targeting to offer equal opportunities to all candidates. In recruitment processes, candidates’ competencies and skills are evaluated according to objective criteria.

Alarko Holding’s People and Organization Strategy is carried out on the basis of a holistic approach that supports employees’ career progress and builds on their competencies.

In 2023, Alarko Holding continued to implement a hybrid working system that promotes a healthy work-life balance. This hybrid working model allows employees to work both remotely and in-office, offering greater flexibility and supporting the balance between professional responsibilities and personal life. By maintaining this approach, Alarko Holding ensures that employees can manage their work commitments while enjoying the benefits of a more adaptable working environment.

Internal application processes and friend referral processes were introduced due to the company’s growing organization and entry in new sectors. With these methods, employees can apply for internal announcements for new positions fitting their own skills and competencies and/or refer their friends for relevant positions. This practice allows employees to mold their careers and acquire diverse work experiences, while promoting information sharing and cooperation by making use of their networks in recruitment processes. It also increases employee motivation at the company, reinforces solidarity and helps retain talents or attract new ones.

Alarko Holding effectively uses digital platforms to announce and communicate career opportunities. Career opportunities are regularly posted on the company’s official website, social network accounts and internal communication channels, which ensures that both internal and external candidates become aware of career opportunities.

Alarko Holding’s transparency and equality principles are adhered to when announcing and communicating career opportunities, targeting to offer equal opportunities to all candidates. In recruitment processes, candidates’ competencies and skills are evaluated according to objective criteria. This approach allows consideration of candidates from different backgrounds with diverse experiences, which is in alignment with the company’s diversity and inclusion policies.



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Recruitment Processes

In recruitment processes, Alarko Holding does not exercise discrimination on the basis of language, religion, gender or race, offers equal opportunities to all candidates, fosters diversity and adheres to criteria aligned with strategic goals and backed by performance assessments.

In recruitment processes, Alarko Holding does not exercise discrimination on the basis of language, religion, gender or race, offers equal opportunities to all candidates, fosters diversity and adheres to criteria aligned with strategic goals and backed by performance assessments. Managers and employees get together on an annual basis during which targets are reviewed within the frame of feedback discussions. In this process, basic rights of employees are protected and remuneration policies that are fair and that support high performance are implemented.

Alarko Holding formulates its compensation structures paying regard to various market data for each one of its companies and guarantees effective compensation management across the organization by way of job assessment processes. In the selection and promotion of employees, career processes are carried out paying attention to ensuring that the employees possess the experience, knowledge, skills and other qualifications required by the relevant position.

Alarko Holding conducts a fair and transparent recruitment process, prioritizing employee development and satisfaction. Candidates' alignment with Alarko Holding's values and culture is meticulously assessed in recruitment processes. The company adheres to equal opportunity principle and acts within the frame of diversity and inclusion policies in these processes.

Various assessment tools and methods are employed in recruitment processes of candidates. Candidates' competencies and potentials are objectively evaluated through methods including interviews, competence-based assessments, psychometric tests, job simulations and the like. This is intended to select the most fitting candidates who will be able to contribute to Alarko Holding's strategic goals.

Alarko Holding gives the utmost importance to candidate experience in the recruitment process. Candidates are informed in a clear and transparent manner at every phase of the recruitment process, offering a positive experience to candidates. This approach strengthens Alarko Holding's employer brand, securing an increased interest in the company from qualified candidates.

Upon completion of the recruitment process, a comprehensive orientation program is implemented to facilitate quick adaptation of new employees to Alarko Holding. This program familiarizes new employees with the company's culture, values and business processes. In addition, new employees are offered training and development programs supporting their career progress.

Aiming to support employees' progress in their careers, Alarko Holding offers various opportunities to each employee joining Alarko Group of Companies to get to know the Group, to instruct them on compliance with legal regulations, and to become acquainted with the core topics espoused by the Group. Various training programs, certificate programs and mentoring programs are organized to build on employees' knowledge and skills. These programs help employees advance in their career journeys and reach their long-term career goals at Alarko Holding.



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Employee Training and Development



Alarko Holding implements a comprehensive training and development program aimed at enhancing employees' competencies and encouraging continuous learning to ensure both individual and corporate sustainability.

Alarko Holding implements a comprehensive training and development program aimed at enhancing employees' competencies and encouraging continuous learning to ensure both individual and corporate sustainability. These programs are designed to support career progression, increase adaptability, and foster innovation within the workforce, while also strengthening the Group companies' competitive strength and adaptability to market dynamics. The strategy and policies adopted along this line address various aspects. Continuous Learning and Development Programs are conducted regularly to improve employees' knowledge and skills. The programs entail training modules covering a broad array in leadership and corporate efficiency, as well as technical and personal development.

Employees' improvement areas are identified using regular Performance Appraisal and Feedback processes, according to which their training needs are established. Through Certificate and License Programs, employees get the chance to acquire in-depth knowledge about their fields of expertise, helping them build on their professional competencies. The Alarko MBA Program co-conducted with Bahçeşehir University, which is established in this framework under Alarko organization and is the first corporate MBA program in Türkiye, and the Development Program conducted via Yenibirlider are just two examples of these initiatives.

Individual Career Progress Plans are prepared for each employee, and cover the necessary training, mentoring and rotation opportunities for the achievement of their career goals.

While the programs are targeted at enhancing employees' professional and personal competencies, they also cover training modules that support leadership skills, which will contribute to corporate efficiency. Employees are encouraged to improve continuously throughout their career journeys through various training opportunities provided, ranging from technical training to leadership development programs, and personal development seminars to language courses.

Alarko Leadership Academy established with the aim of training future leaders provide training on various topics such as strategic thinking, decision-making and effective leadership skills.

Another initiative is the Alarko Future's Club (AIK), founded in 1985, which focuses on nurturing young employees with high education, creativity, and a dynamic approach. The AIK offers structured training programs, leadership development, and management simulations for employees aged 21 to 33. This initiative is designed to prepare non-managers for future managerial and leadership positions by providing them with valuable experiences, mentorship from senior executives, and opportunities to develop their leadership skills.



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Furthermore, the Executive Development Program that takes place among the implemented programs runs in integration with the Performance Management System, remuneration and fringe benefits, career planning, training and development systems besides appointment and rotation systems. Executives are supported with regular feedback and coaching to equip their teams with necessary competencies and to continuously improve their performances.

These strategies and policies are intended to enhance employees' competencies, increase their motivation, and maximize efficiency within the company. The opportunities provided for continuous learning and development enable employees to contribute to corporate success. Alarko Holding remains the pioneer in the sector with innovative and sustainable training policies.

In 2023, Alarko Holding conducted a total of 1,202 hours of training, with an average of 12.4 training hours per employee and investing TL 1,259,613 in total training costs. These data demonstrate Alarko Holding's commitment to the continuous development and education of its workforce.



Training Content

Alarko Holding provides comprehensive training to support its employees with their personal, professional and leadership development. These training programs are grouped under five main headings under Alarko Academy.

Alarko 101 programs are designed to familiarize new hires with Alarko Group of Companies, get them versed in regulatory compliance, and acquainting them with the core topics.

In 2023, Alarko Holding conducted a total of 1,202 hours of training, with an average of 12.4 training hours per employee and investing TL 1,259,613 in total training costs.



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Increased employee awareness is raised through training programs held in relation to sustainability topics. While training programs on sustainability focus on carbon management, climate technology, and energy and resource efficiency, all employees familiarize themselves with associated concepts, and acquire good command of global trends thanks to these programs.

Raising My Awareness programs cover development contents that are aligned with the vision and strategies of the Alarko Group of Companies, are focused on the outcomes of the Performance Management System and are in sync with current business trends.

Advancing in My Profession programs are developed to build on employees' professional competencies and are intended to increase functional capabilities.

Leaders of the New Era program deals with the growing importance of digitalization, new working models and diverse leadership approaches and techniques.

Advancing Together programs address specific topics identified in line with the balanced growth, flexibility and digitalization strategies of Alarko Group of Companies.

These programs are intended to support continuous development of Alarko Holding's employees, boosting their individual and corporate performances. Training contents are carefully planned and implemented to contribute to personal development and professional competencies of employees. This keeps employees' knowledge and skills up-to-date and results in an organization that is conducive to the vision and strategies of Alarko Holding.

Sustainability Training

The sustainability policy seeks to develop long-term sustainability strategies by undertaking environmental and social responsibilities. To that end, employee information and awareness activities are organized. The training programs held on sustainability topics inform employees on such topics as understanding of sustainability concepts, energy saving, and resource management. Employees are regularly informed about updates and success stories concerning sustainability through internal communication channels. Employees are encouraged to take part in sustainability projects and to contribute to local communities.



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Employee Development Programs

Employee development programs at Alarko Holding are designed to contribute to personal and professional development of employees. A total of 206 participants attended the programs offered in 2023 such as Alarko 101, Raising My Awareness, Advancing in My Profession, Advancing Together, Leaders of the New Era, BAU-MBA Program and YBL.

These programs familiarize employees with the company’s core values, mission and vision. They are designed to set personal goals and to equip employees with the knowledge and skills necessary to achieve these goals. Training is offered on team dynamics, cooperation and team leadership, and strategic thinking and managerial skills are enhanced, improving leadership potential.

Employee development programs help develop an understanding of environmental, social and economic responsibilities and drive effective actions in this area. Employees achieve improvement both on individual and corporate levels thanks to these programs. The effectiveness of training programs is measured using participation rates and feedback questionnaires and is constantly evaluated.

Alarko Holding continuously advances the training programs intended to build on employees’ knowledge and skills, playing an important role in the company’s long-term success and achievement of sustainable growth targets. This also enhances employee satisfaction and engagement and increases the efficiency and effectiveness of business processes.

Feedback Processes in Training and Development Programs

Feedback processes operate effectively and swiftly in Alarko Holding’s training and development programs. Instant feedback is received during the training programs, which is also collected from participants through post-training questionnaires. The feedback received provides important information about the contents, presentation and practicability of the training as well as about the trainer. Following the training, review meetings are held with related companies for training topics with improvement areas during which participants’ experiences and suggestions are conveyed, thus ensuring higher effectiveness for future programs. These processes enable continuous improvement of training and development programs and enhance participant satisfaction.



Feedback processes operate effectively and swiftly in Alarko Holding’s training and development programs. Instant feedback is received during the training programs, which is also collected from participants through post-training questionnaires.



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Hillside Academy Training Program seeks to train and educate tourism professionals. In addition, employees' career paths are planned through the leadership academy and career management projects

The feedback collected is used for reviewing the contents of training programs, improving presentation techniques and evaluating trainers' performances. In addition, the programs are revised as necessary to better respond to participants' needs and new training topics are added. This approach guarantees continuously enhanced quality in Alarko Holding's training and development programs, resulting in more effective contribution to employees' professional development.

Feedback analyses undertaken for increasing effectiveness of training programs are molded according to the company's strategic goals and employees' development needs. Thus, Alarko Holding targets to maximize its employees' competencies and performances and ensures constant improvement of training programs.

Training and Development Initiatives by the Group Companies

Alsim Alarko: Leadership Academy

Conducted by Alsim Alarko, the Leadership Academy project supports the development of manager- and higher-level executives. There are 20 participants in the project that is jointly carried out with the consultant firm. The project that has an allocated budget of TL 681,000 is introduced with the purpose of building on leadership capabilities and train the future leaders.

Ataş Alarko: Internship Programs and Hillside Academy

Ataş Alarko has carried out various training and development projects in 2023. The internship programs established as a result of the company's cooperation with universities and local high schools in the Fethiye region are intended for winning qualified workforce for the establishment, besides contributing to vocational development of the youth.

Hillside Academy Training Program seeks to train and educate tourism professionals. In addition, employees' career paths are planned through the leadership academy and career management projects.

Cooperation is established with the Ministry of Labor and Social Security, Directorate General for Foreign Relations and EU, and Muğla Sıtkı Koçman University within the scope of the grant project titled "Youth at Work in Menteşe", under which employees receive vocational training for certification of their fields of expertise.

CENAL: ÇOMÜ Workplace Vocational Practices Partnership

CENAL started collaborating with Çanakkale Onsekiz Mart University under which vocational training programs are being carried on. In this scope, students are provided with vocational training and employment opportunities, while new-graduate candidates find the chance to work at the company. The project is intended to attract new talents and leverage the workforce.



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The Engineering Development Academy that MEDAŞ devised for positions requiring technical expertise is custom designed to prepare employees with a background in engineering for roles in charge of the establishment.

MEDAŞ Training and Development Initiatives

Leonardo Leadership Academy

MEDAŞ launched the Leonardo Leadership Academy project to consolidate its employees' leadership competencies and guarantee the company's sustainable success. The objective of the Academy is to improve leadership skills and prepare them for their future managerial roles. The program equips the participants with leadership competencies such as strategic thinking, decision-making, problem solving and effective communication, and instills the sustainable leadership approach.

Engineering Development Academy

The Engineering Development Academy that MEDAŞ devised for positions requiring technical expertise is custom designed to prepare employees with a background in engineering for roles in charge of the establishment. The Academy aims to combine engineers' technical know-how with managerial skills and train leaders that play a critical role in the company's operational processes. The training covers sustainable operations management in addition to technical capabilities. Thus, employees contribute to their own career progression within the company and also learn about sustainable business management practices.

Intern Development Employment Practices

Talentern Program

MEDAŞ initiated the Talentern Program for university students with the aim of training the workforce of the future. The program prepares undergraduate students for business life, helps them develop professional skills and capture career opportunities at MEDAŞ. The training programs offered to students focus on sustainable energy and distribution sector, familiarizing the young talents with the energy sector and providing employment.



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Koza Program

Targeted at college students, Koza Program aims to contribute to vocational education and development processes and win young talents for the energy sector. In this framework, students are given training on topics such as site practices, technical training and sustainable energy solutions. MEDAŞ targets to support the spreading of sustainable energy policies while integrating the youth in the sector.

Meram Academy Training

Operating under MEDAŞ, Meram Academy provided 167,239 man hours of training in total in 2023. These training programs enhanced the knowledge and skills of employees and supported their development in technical and administrative areas. The programs help increase operational efficiency and enhance employee engagement and performance.

Future Targets of Training and Development Programs

Alarko Holding places much emphasis on the future plans of training and development programs. The training programs offered focus on digital transformation, so that employees can improve their digital skills. To this end, training is provided in areas such as Artificial Intelligence (AI), data analytics, digital literacy, sustainability and so on, preparing the employees for the future requirements of work. In addition, training programs are offered on diversity and inclusion, and awareness programs are developed which encourage employees to work within a culture that embraces diversity. The purpose is to increase the versatility of workforce, resulting in the conception of more innovative and effective solutions.



Operating under MEDAŞ, Meram Academy provided 167,239 man hours of training in total in 2023. These training programs enhanced the knowledge and skills of employees and supported their development in technical and administrative areas.



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Employee Satisfaction



The Innovation Room at Alarko Holding and the Employee Portal Tell Your Idea area serve to compile employee suggestions.

Alarko Holding has in place a comprehensive and effective system to ensure and continuously enhance employee satisfaction. Effectively utilizing employee suggestions, feedback and suggested improvement areas/actions on the basis of a transparent and inclusive approach to management, this system promotes employee involvement and contributes to continuous improvement of business process. Thus, the system boosts effectiveness and efficiency, contributes positively to the overall performance, and supports corporate sustainability.

The Innovation Room at Alarko Holding and the Employee Portal Tell Your Idea area serve to compile employee suggestions. Employees affix their suggestions on the corkboards in these rooms. These suggestions are collected by the People and Organization team for consideration and shared with relevant process owners. Discussions are held as appropriate, information is provided for actionable suggestions, and communication is maintained with the related parties of the process. Employees are informed about the reasons for suggestions that cannot be put into action or implemented as yet.

Alarko Holding makes major improvements to its processes for listening and responding to employee demands. For this purpose, the company uses the Employee Engagement Questionnaire and Internal Customer Satisfaction Questionnaire systems implemented alternately once in every two years. In 2023, the Internal Customer Satisfaction Questionnaire was administered, and the existing strengths

and improvement areas of internal services were identified. Questionnaire results were studied in detail for increasing operational efficiency and performance.

Based on the questionnaire results, vertical and horizontal analyses were conducted across the company and strengths and improvement areas were established. These analyses were supported with a review of business units that produced average, below-average and above-average results. Open-ended questions were analyzed and topics and business units that will be tackled in the root cause analysis were identified. Focus groups, workshops and individual discussions are planned according to the outcomes.

As the result of the feedback received, different practices were introduced and/or progress was achieved with existing practices.

Through continued implementation of the Hybrid Working Model, work-life balance of employees was improved and savings from energy consumption and office space contributed to the nature. This model has been instrumental in reducing carbon footprint and enhancing employee satisfaction. In addition, employee welfare programs were put in place and psychologist, dietitian and exercising support was offered. These programs improved the overall welfare of employees by supporting their physical and mental well-being.



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Individual and professional development of employees continued to be supported with the training programs implemented. These programs enhance employees' competencies, supporting their career progression. In addition, internal and extra-mural social events were organized, which helped strengthen employee motivation and team spirit. These events enabled better communication and greater cooperation between employees.

During 2023, a total of 74 suggestions were received from Alarko Holding; 35 of them were implemented and the process was initiated for 37 others. These figures serve as indicators of employee participation and the effectiveness of the suggestion system. Employee suggestions are of great importance for improving processes and increasing efficiency.

Alarko Holding has set up a comprehensive system to deal with complaints in a bid to ensure employee satisfaction and quickly resolve possible problems. The company received eight complaints in total in 2023, six of which were resolved. Effective complaint handling and resolution augment employee satisfaction and engagement and upgrade the quality of the working environment.

Employee feedback plays an important role in Alarko Holding's achievement of its continuous improvement and development targets. The feedback received is diligently considered by



the management and integrated in business processes. Taking employee feedback into consideration reflects Alarko Holding's corporate culture and values.

Alarko Holding takes employee suggestions and complaints into account, adopting a transparent and inclusive management philosophy. Business processes are constantly improved through regular monitoring and reporting of employee suggestions and complaints, and necessary actions are taken accordingly. This approach plays a critical role in Alarko Holding's attainment of its corporate goals and creating a sustainable working environment.

Employee feedback plays an important role in Alarko Holding's achievement of its continuous improvement and development targets. The feedback received is diligently considered by the management and integrated in business processes.



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In 2023, Internal Customer Satisfaction Questionnaire was administered to measure Alarko Carrier employees' engagement and satisfaction. The questionnaire established the topics that needed to be focused on to enhance internal customer satisfaction, upon which relevant improvements were made.

In addition, employee opinions are collected and taken into consideration through regular questionnaires and feedback meetings in an effort to improve employee satisfaction. This ensures continuous improvement of business processes and enhances employee satisfaction. Alarko Holding takes heed of any feedback and takes actions accordingly to ensure employee happiness and job satisfaction.

Employee Happiness Platform

The company created a platform through which employees can directly reach the Human Resources Department via the system that collects their requests, suggestions, demands, and feedback. Through this platform that is believed to increase employee engagement, all employees will be able to communicate with Human Resources directly, their requests will be responded to, and the results will be reported.

Practices by Alarko Group of Companies

In 2023, Alarko Carrier took important steps and made improvements to enhance employee satisfaction and engagement. These novelties and improvements made to mechanisms for listening and responding to employee demands positively affect the company's overall performance.

In 2023, Internal Customer Satisfaction Questionnaire was administered to measure Alarko Carrier employees' engagement and satisfaction. The questionnaire established the topics that needed to be focused on to enhance internal customer satisfaction, upon which relevant improvements were made. In addition, the People and Organization team planned focus groups, workshops and



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In 2023, Alsim Alarko took various steps and made improvements to enhance employee satisfaction and listen and respond to their demands more effectively. To collect employee demands, an Internal Customer Satisfaction Questionnaire was conducted.

discussions at local and regional offices based on the analysis of the Employee Engagement Questionnaire. These are important steps taken to better understand and respond to employee demands. Employee opinions and feedback are regularly collected using employee satisfaction questionnaires. To this end, employees' assessments regarding their workplace experiences, the working environment and the corporate culture are sought. Questionnaire results were analyzed in detail, improvement areas were identified, and relevant action plans were devised. This process is intended to enhance employee satisfaction, and hence, improve corporate performance.

In 2023, Alsim Alarko took various steps and made improvements to enhance employee satisfaction and listen and respond to their demands more effectively. To collect employee demands, an Internal Customer Satisfaction Questionnaire was conducted, a focus group was held, and employee suggestions grouped under main headings were presented for the CEO's approval. As the result of these processes, bowling and similar activities were organized as social events and birthday organizations started to be made to increase internal interaction. Considering employee satisfaction initiatives, a working environment that pursues work-life balance increases employee performance, strengthens their loyalty to the company and foster their commitment to their jobs. High employee satisfaction invokes love for the job and thus, contributes to customer satisfaction as well. In this context, employee and customer harmony is extremely important. Employee feedback is collected via Employee Engagement and Internal Customer Satisfaction Questionnaire and is evaluated before being submitted for the CEO's approval. Thus, necessary improvements are made paying regard to employee demands and expectations. To enhance employee satisfaction, cooperation is established with local communities and other stakeholders, and joint projects are carried out. The cooperations with the Holding help implement projects focused on employee satisfaction more effectively. Various Key Performance Indicators (KPIs) are used to



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measure and improve the effectiveness of employee satisfaction programs. These indicators include metrics such as employee engagement, job satisfaction and internal customer satisfaction. The findings are used as fringe benefits in recruitment processes, targeting to increase employee satisfaction.

In 2023, Attaş Alarko took various steps and made improvements to enhance employee satisfaction and effectively listen and respond to their demands. Employee demands and feedback were compiled using the Internal Customer Satisfaction Questionnaire conducted by the Holding, existing systems were updated and digital platforms were put to use, improving feedback processes. Various Key Performance Indicators (KPIs) are being used to measure and improve the effectiveness of employee satisfaction programs. These indicators include metrics such as periodic Employee Engagement Questionnaire and Internal Customer Satisfaction Questionnaire, employee turnover rate, number and quality of feedback. The outcomes of the questionnaires are analyzed in detail, employee satisfaction levels and improvement areas are identified, action plans are devised based on findings, and strategic steps are taken. Questionnaire results are used to review and update existing HR policies and procedures, and updates made in line with employee feedback are intended to



heighten satisfaction levels. Findings from the questionnaire are incorporated in the senior management’s strategic decision-making processes and long-term strategies that will enhance employee satisfaction are developed. Questionnaire results and actions based thereupon are regularly shared with employees, making sure that the employees acknowledge that their feedback is taken into consideration. In addition, the effectiveness of the action plans implemented is regularly monitored, and new strategies are developed as necessary, thereby improving employee satisfaction continually.

Various Key Performance Indicators (KPIs) are being used to measure and improve the effectiveness of employee satisfaction programs. These indicators include metrics such as periodic Employee Engagement Questionnaire and Internal Customer Satisfaction Questionnaire, employee turnover rate, number and quality of feedback.



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Compensation Management



Equality and fairness principles are guaranteed by the evaluation of all Group data for promotion and level upgrade demands by the committee members.

Alarko Holding adopts comprehensive and fair remuneration policies and practices to ensure the sustainability of equality principle. In this context, various improvements targeted at employees were made, and compensation processes were updated in 2023. Salary raises were given twice, in January and July 2023, and a performance raise was granted in addition. The echelon structures of employees across the Group were reviewed and updated as necessary.

When setting compensation policies, inflation data are regularly monitored and surveys of several salary research companies are studied. These data form the basis of compensation policy and fringe benefits evaluation and arrangements.

Alarko Holding job appraisal method is used in determining and reviewing the compensation structure, which sets salary and fringe benefits according to the level of each employee. In November every year, all promotion and level upgrade processes across the Group are considered by the committee members with necessary arrangements being made.

Compensation strategies positively impact organizational loyalty, diversity and inclusion, employer brand and reputation. When the job appraisal process was initiated, it started to be implemented across the Group due to the interest of other companies, and information about performance raise, premiums, level system

and compensation practices was provided by the Chief People Officer, ensuring transparency within the company.

Remuneration standards for different positions and roles are determined according to the level structure and to technical and managerial roles based on the career architecture project. Within the scope of performance-based compensation practices, employees receive bonuses when they fulfill their targets; there is a bonus procedure for this process. The Performance Management System is comprised of corporate goals, individual goals and competence components, and each employee can receive a performance raise thanks to title-based weighting system.

Equality and fairness principles are guaranteed by the evaluation of all Group data for promotion and level upgrade demands by the committee members.

The challenges of compensation management include determination of fair and balanced salaries, establishment of market values, and management of performance-based compensation practices. These challenges are overcome by creating fair and transparent remuneration policies, receiving support from market salary surveys, and using performance-based bonus and rewarding practices. All practices and methodologies are shared with employees and transparency is secured.



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Annual and periodic salary reviews are conducted in accordance with the frequency of minimum wage increases set by the government and TurkSTAT (Turkish Statistical Institute) data. Employee compensations are arranged in view of market conditions and economic indicators. Alarko Holding aims to enhance employee satisfaction and engagements with these practices.

Alarko Carrier created a level structure for its remuneration system and set maximum and minimum salary brackets for each level. The compensation policy is determined using job assessment methodology and according to Knowledge, Skills, Problem Solving, and Responsibilities assessment factors independently from people.

Alsim Alarko determines employee compensations using the echelon and performance system. Alignment is secured with the Holding's HR Department and titles, levels, and roles are taken into consideration. There is a system structured according to performance in place.

Altek Alarko works in parallel with the Holding's HR department and achieves alignment with the company policies in the remuneration of employees.

Attaş Alarko possesses a compensation system that considers performance, as well as title, level and roles. Employee performances are regularly evaluated, according to which compensation arrangements are made.

CENAL determines its compensation systematic, making necessary adaptations on the basis of market surveys and performance appraisal results. In this method, both market conditions and employees' individual performances are taken into account.

MEDAŞ determines its employee compensation system according to the echelon structure. The compensation for positions is set based on desk assessment, ensuring fair remuneration.

MEPAŞ gives an annual salary raise determined as per the company policy and a performance raise according to the year-end performance score.

Compensation Policy for the Board of Directors Members and Senior Executives

Compensation policies for Alarko Holding Board of Directors members and senior executives are established within the frame of the Capital Markets Board of Türkiye (CMB) regulations. Remunerations to be paid to independent members of the Board of Directors are determined by the General Assembly, and performance-based compensation or bonuses are not paid. The General Assembly also determines the remuneration of other Board of Directors members, who do not receive performance-based compensation or bonuses either.

Remunerations of senior executives have three components: base salary, fringe benefits and performance-based bonuses. Base salaries are determined in view of salaries paid to executives in peer companies in the sector and the company's overall remuneration policy. Base salaries are customarily revised once a year, but may be updated twice a year when deemed necessary. Fringe benefits are determined according to the position of the relevant executive, while bonuses are calculated according to the overall economic situation, the company's performance and individual performances of the executives. This structure is intended to boost the motivation of Alarko Holding employees and executives, and to form a fair and competitive working environment.



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Alarko Holding has in place a compensation policy focused on performance for the CEO, general managers, non-board executives and other management bodies. The main components of the policy are as follows:

Compensation Policy Focused on Performance

Predetermined Targets and KPIs:	Performance Evaluation:	Remuneration Components:	Performance Score Calculation:	Incentive Plans:
Performance targets are set in various areas such as financial performance, strategic goals, sustainability and ethical standards for the CEO, general managers, non-board executives and other management bodies.	Annual performance evaluations are conducted to assess the extent at which these targets are achieved by the CEO, general managers, non-board executives and other management bodies. These assessments guarantee measurable and objective evaluation of the targets.	The performance score considered in the remuneration of the CEO, general managers, non-board executives and other management bodies is calculated based on the Competence Evaluation Outcome, Individual Target Assessment Outcome, and Corporate Scorecard Outcome. Competencies are scored by the performance manager within the frame of behavioral criteria. Corporate targets and individual targets, on the other hand, are scored by the related source or performance manager.	The performance score is calculated after completion of the data entry of competence evaluations, individual target assessments and corporate scorecard. This performance score is used to determine performance raises and/or performance bonuses for the CEO, general managers, non-board executives and other management bodies.	The policy incorporates short- and long-term incentive plans that are based on individual performance targets and the overall company performance. These plans are designed specifically for the CEO, executive directors, non-board executives and other management bodies.

The policy guarantees that the remuneration of the CEO, general managers, non-board executives and other management bodies is tied to both individual and company performance, promoting a performance-driven culture at Alarko Holding. The policy is communicated to all employees transparently, who are informed about how these policies are executed and assessed.

Alarko Holding has an extra-financial performance oriented compensation policy that incorporates Environmental, Social, and Governance (ESG) performance criteria. This policy includes remuneration for the CEO, executive directors, non-board executives, and other management bodies. The compensation of these executives is tied to extra-financial objectives and non-financial performance criteria, aligning their incentives with the company's broader sustainability goals.



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To operationalize this vision, all employees, including CEO, executive directors, non-board executives, and other management bodies across the group have an Environmental, Social, and Governance (ESG) performance score system incorporated into their performance cards, with scores ranging between 5% and 10%. This ensures that ESG performance is a significant component of the overall evaluation and compensation process. This ESG-focused compensation policy motivates executives to achieve not only financial but also environmental, social, and governance-related objectives, thereby fostering a comprehensive approach to sustainable and responsible business practices.

Alarko Holding does have the necessary internal improvement and information tools for the board members to develop appropriate compensation/remuneration to attract and retain key executives. Although Alarko Holding does not apply benchmarks for determining wage levels due to the Competition Law, compensation decisions are based on reports and public content published by compensation research firms. The compensation committee has the right to hire external consultants/advisors to assist in performing its duty in fixing executive remuneration. Compensation-related reports, surveys, or statistics received from third parties are considered. These external consultants are

specifically hired for executive compensation purposes, ensuring that compensation structures are competitive and aligned with market standards to attract and retain high-caliber executives.

Alarko Holding requires shareholder approval prior to the adoption of any stock-based compensation plans. Alarko Holding's long-term compensation strategies are designed in alignment with the company's sustainable growth objectives. Bonus and incentive systems based on employee performance are used to encourage staff to focus on achieving company goals. By offering long-term bonuses, Alarko Holding ensures that senior executives are aligned with the company's long-term value growth. Additionally, Alarko Holding provides training and development opportunities to help employees achieve their long-term career objectives. Programs reflecting the company's values and supporting its culture are developed, including the post-retirement Wisdom program aimed at keeping employees actively engaged in their professional lives and ensuring their well-being. Shareholders' votes on stock-based compensation plans are an integral part of Alarko Holding's approach to aligning executive and employee incentives with long-term company success.



This ESG-focused compensation policy motivates executives to achieve not only financial but also environmental, social, and governance-related objectives, thereby fostering a comprehensive approach to sustainable and responsible business practices.



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Personnel Affairs Management and Fringe Benefits



Alarko Holding continuously develops and improves its personnel affairs and fringe benefits policies.

Alarko Holding continuously develops and improves its personnel affairs and fringe benefits policies. Various improvements were made in this respect also in 2023. Human Resources (HR) and Remuneration and Fringe Benefits sections are involved in personnel affairs management processes, which are conducted together.

The advantages offered to employees as part of fringe benefits include commuting, lunch and car support, amortization benefit, meal cards, company cars and company phones, contributory private health insurance and complementary health insurance. These benefits are designed and enforced to boost employee motivation and engagement.

Technological tools and software used in personnel affairs management include cloud-based mobile-enabled applications. These tools allow employees to manage their processes faster and more efficiently. Market data are analyzed for evaluating and developing the fringe benefits program and level-based fringe benefits are updated as necessary.

Employee communication and briefing processes in relation to fringe benefits are carried out via internal announcements that are e-mailed. Consultancy services entail the career architecture project and grading processes. Private health insurance and company car take the top places among the most-wanted and valued fringe benefits.

Employee feedback and new ideas are collected via the boards placed in the Innovation Room and are assessed by the People and Organization team. In addition, satisfaction questionnaires are conducted at certain periods to seek employee opinions. Suggestions and feedback can also be conveyed digitally via the Intranet.

Alarko Holding ensures the freedom of association and supports the right to collective bargaining for its employees. The company has established processes to guarantee that employees can freely organize and join labor unions. These efforts are part of Alarko Holding's commitment to maintaining fair labor practices and respecting workers' rights. By supporting these rights, Alarko Holding strives to create an inclusive and equitable working environment, reinforcing its dedication to human rights and ethical labor standards.

In 2023, the percentage of employees represented by trade unions in Alarko Holding was 19.07%. This figure represents the proportion of employees who are members of independent trade union organizations or covered by collective bargaining agreements within the company.



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The key challenges of personnel affairs management arise in manually handled processes; these are migrated to the digital environment, minimizing the difficulties. Future plans include discontinuation of the contribution in the private health insurance benefit, assigning company cars starting with the director level, and introduction of a flexible fringe benefits package.

Alarko Holding targets to enhance employee engagement and satisfaction by offering them a broad range of fringe benefits and personnel rights. Comprehensive benefits made available to employees help maintain the work-life balance, boosting motivation and contributing positively to the company's overall performance.

Private health insurance is provided at Alarko Carrier, Alarko Holding, Alsim Alarko, Altek Alarko and Attaş Alarko companies. This practice provides coverage for employees' healthcare needs, helping create a healthier and more at-ease environment at the workplace. Commuting benefit is available at Alarko Carrier, CENAL, MEDAŞ, MEPAŞ, Attaş Alarko, Alsim Alarko and Altek Alarko companies; it decreases employees' commuting costs to/from work, making their everyday lives easier.

Work-from-home arrangements are used at Alarko Carrier, Altek Alarko, Attaş Alarko and Alarko Holding companies. This flexible working model helps employees achieve work-life balance and boost their efficiency.

Under parenting support mechanisms, Alarko Carrier, Alarko Holding, Altek Alarko, CENAL, Attaş Alarko and Alsim Alarko companies give school/report card leave, thus making it possible for parents to take on a more active role in their children's education and development. MEDAŞ company grants parent's education leave, which allows parents to allocate more time to their children's education and be involved in their education as necessary.

Various employee fringe benefits that make an important part of Alarko Holding's HR policy boost employee motivation, enhance efficiency and quality in business processes, and create a preferred, sustainable working environment.

Supporting work-life balance with various fringe benefits offered to employees, Alarko Holding derives positive contribution to the company's overall performance on the back of increased motivation and productivity resulting from this approach. These comprehensive benefits cater to employees' needs, and help create a happier and more engaged environment at the workplace. Giving the foreground to employee satisfaction, Alarko Holding also supports the sustainability of the workforce and the success of the company in this way.



Various fringe benefits provided to employees boost motivation, enhancing productivity and quality in work processes, and create a preferred and sustainable working environment.



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Occupational Health and Safety



Alarko Holding acknowledges Occupational Health and Safety as a multi-faceted matter. To this end, various training and refresher programs are organized to support employees and raise their consciousness.

Alarko Holding takes on comprehensive steps to protect employee safety and health at the highest level within the frame of Occupational Health and Safety (OHS) policies. Alarko Holding acknowledges that ensuring OHS is a multi-faceted matter; to this end, various training and refresher programs are organized to support employees and raise their consciousness.

Managed by the People and Organization Group, OHS policies are intended to achieve compliance with national and international legislation and regulations, and to maintain a healthy and safe working environment within an OHS management system. For this purpose, regular training is provided to raise and broaden an awareness of Occupational Health and Safety among employees. All employees are encouraged to be actively involved in this process.

The Occupational Health and Safety (OHS) team at Alarko Holding operates under the Human and Organization Group Presidency. Meetings are held every two months within the scope of Industry and Trade Group's activities. One committee member can call upon the other members as needed for urgent matters. Three committees consist of 20 permanent members. Number of members can vary depending on the meeting agenda. Committee members include employer representative, occupational physician, safety expert, other health personnel, employee representative, administrative officer, and section heads from production processes.

Alarko Holding's OHS policy incorporates provision of detailed information to employees about the general Occupational Health and Safety rules and accident prevention methods. This raises increased awareness of OHS among employees, ensuring the sustainability of a safe working environments. New hires learn about Occupational Health and Safety rules in orientation training, thus improving their awareness of the matter.

Alarko Holding has a comprehensive policy to improve employee health and safety. All Alarko Holding Group companies hold TS EN 45001 Occupational Health and Safety Management System certificate. There is an Occupational Health and Safety Policy in place. Monthly workplace accidents are reported by the Occupational Health and Safety Unit. OHS risk analyses are performed. Monthly Occupational Health and Safety Committee meetings are held with the participation of the senior management. Ensuring the highest level of occupational health and safety (OHS) is a top priority for our company. In 2023, inspections were conducted across all 37 regions by our field inspection officers and experts, with necessary actions planned accordingly. There were no fatal work accidents in Group companies in 2023. The Incident Investigation Matrix outlines the roadmap to follow for work accidents, and the Incident Investigation Procedure is actively used for examining such incidents.



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Alarko Holding has both short- and long-term targets in relation to OHS. Short-term targets include operational developments like achieving full compliance with existing OHS standards, updating risk analyses and raising increased employee awareness. Long-term targets, on the other hand, cover strategic goals like sustaining zero workplace accident and zero occupational illness data, and monitor technological advancements to constantly improve safety standards. These targets aim to protect employee health and safety at the highest level and create a sustainable culture of occupational health and safety.

2023 data demonstrate the effectiveness of Alarko Holding's OHS policies and the company's commitment in this area. In 2023, Alarko Holding recorded an accident frequency rate of 1.11, including all work-related injuries. This rate encompasses injuries with and without lost time, minor and major injuries, medical treatment injuries (MTI), recordable incidents, and commuting accidents. The total injury rate is calculated relative to one million hours worked, reflecting the company's comprehensive approach to tracking and addressing workplace safety. The number of incidents involving death was zero both for employees and subcontractors. In 2023, the number of lost working days at Alarko Holding due to work-related injuries or diseases was measured at 202 days, reflecting the company's commitment to accurately reporting and managing occupational health and safety.



Alarko Holding's OHS team actively monitors and implements safety protocols to minimize such incidents and improve overall workplace safety. Alarko Holding gives health and safety training to all executives and employees. These training sessions are provided in various formats including on-the-job training, classroom sessions, e-learning modules. In 2023, a total of 67,157 hours of health and safety training were provided to 3,121 employees. The training covers essential health and safety procedures, ensuring that executives and key employees are well-versed in maintaining a safe working environment. Additionally, training on the code of conduct includes aspects related to health and safety as well. In 2023, Alarko Holding

During 2023, Alarko Holding provided 67,157 hours of occupational health and safety training in total to its employees, which were attended by 3,121 people.



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Alarko Holding abides by the Occupational Health and Safety Law, and maintains the Environment, Health and Safety Management System. All Group companies have been certified under ISO 45001 Occupational Health and Safety Management System.

reported no cases of occupational diseases. Alarko Holding maintains effective safety and health management practices to prevent occupational diseases.

In 2023, average OHS training hours per person was 22.75 hours for employees and 7.10 hours for subcontracted employees. These programs ensure that employees are informed and aware of occupational health and safety, and contribute to the sustainability of a safe working environment.

Employees' access to OHS information and tools is also prioritized. In this framework, OHS-related documents and reports are regularly updated and made available for access by employees. OHS briefing meetings and seminars are organized, providing employees with access to current information.

Alarko Holding constantly better its Occupational Health and Safety activities. Employee health and safety is among the Holding's top priorities; accordingly, all necessary measures in this respect are taken and implementations are handled meticulously. The involvement of all employees is encouraged for effective implementation of OHS policies and raising increased awareness of the matter. Alarko Holding aims to propagate the culture of occupational health and safety across the entire organization, and to create a sustainable and safe working environment.

Alarko Holding abides by the Occupational Health and Safety Act (OHSA) and maintains an Environment, Health and Safety (EHS) Management System. All Group companies have been certified under ISO 45001 Occupational Health and Safety Management System. In addition to the OHS Policy, Alarko Holding has in place an OHS Unit that reports occupational accidents on a monthly basis, conducts OHS risk analyses, and holds monthly OHS committee meetings that are attended by the senior management. These certificates and systems are monitored and updated regularly.



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Good OHS practices that Alarko Holding carried out in 2023 across the Industry and Trade Group are focused on minimizing the risks at the workplace, prioritizing employee safety and health. Accordingly, some major improvements undertaken at Alarko Carrier are as follows:

- Water dispensers with 19-lt bottles used at the plants were replaced with bottleless water dispensers with filtering system and attached to the mains water. Under this move, transition was made to water dispensers that are connected to mains water and filter the water, eliminating the 19-liter water bottles carried on a daily basis for 21 water dispensers that used bottles. This eliminated the carrying of 600 19-liter bottles per month, precluding the ergonomic risks during carrying.
- Important steps were taken to preclude the mechanical perils posed by the machinery used at Gebze Plant. Light barriers and mechanical shields preventing uncontrolled intervention with the operational area in guillotine shears and unroller, pin maker and sheet press machines. These improvements are intended to eliminate or reduce risk of injury that will result from contact with rotating components and moving parts.

Alarko Group OHS Targets

COMPANY	OHS TARGET
ALARKO HOLDING	Maintain zero accident rate
ALSİM ALARKO	Achieve an occupational accident frequency rate* below 5 in 2022
	Achieve an occupational accident severity rate** below 60 in 2022
ALTEK ALARKO	Achieve a minimum average success rate of 85% in internal audits and performance measurements conducted throughout the year
	Maintain zero accident rate
ATTAŞ ALARKO	Reduce the number of occupational accidents
	Reduce lost work days due to occupational accidents
CENAL	Decrease the time required to address identified irregularities
	Raise the count of reported near misses and safety hazard notifications
MEDAŞ	Decrease the amount of lost workdays
MEPAŞ	Achieve zero accident rate

* Number of Accidents x 1,000,000 / Total Human x Hours Produced in a Year

** Total Days Lost Due to Occupational Accidents x 1,000,000 / Total Human x Hours Produced in a Year



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Supply Chain Management



Alarko Holding ensures that human rights criteria, including freedom of association, the prohibition of child labor, and the avoidance of forced labor, are integral to its supplier selection and monitoring processes.

In 2023, Alarko Holding attained significant progress in financial value generation and supplier relationships. The company optimized the total number of suppliers and payments to suppliers, successfully building a productive and sustainable supply chain.

Alarko Holding's performance in supplier relationships and financial value generation in 2023 demonstrates the company's commitment to, and success in, reaching its strategic goals. Improvements made to the supply chain and the importance attached to local suppliers consolidate Alarko Holding's commitment to being a sustainable and competitive business. These achievements play an important role in the company's attainment of its long-term growth and sustainability targets.

Within the frame of its commitment to building a sustainable and ethical supply chain, Alarko Holding set stringent policies to be complied with by all suppliers. These policies cover a wide variety of criteria including environmental stewardship, social responsibilities, governance requirements and respect for human rights.

From an environmental performance perspective, suppliers are anticipated to align with Alarko Holding's efforts to reduce greenhouse gas emissions, minimize natural resource usage, and adopt more efficient production methods that reduce waste.

In terms of social responsibility, suppliers are anticipated to establish a fair and safe working environment that conforms to occupational health and safety standards, and is respectful of social rights and security of all employees.

In terms of governance, suppliers are required to fully comply with all procedures and guidelines issued by Alarko Holding, as well as all laws and regulations. This includes commitment to fair competition, ethical business conduct and risk management.

Alarko Holding ensures that human rights criteria, including freedom of association, the prohibition of child labor, and the avoidance of forced labor, are integral to its supplier selection and monitoring processes. These criteria are essential components of Alarko Holding's commitment to ethical labor practices within its supply chain. The company's approach emphasizes the importance of cooperating with suppliers and sourcing partners who adhere to these fundamental human rights standards, ensuring a responsible and sustainable supply chain. The contracts with suppliers explicitly include clauses related to these human rights criteria, ensuring compliance and accountability. This commitment is reflected in Alarko Holding's rigorous evaluation and ongoing monitoring of its suppliers.



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In the event that suppliers fail to adhere to these environmental, social, governance and human rights stipulations, Alarko Holding mandates that they rectify such noncompliance. The firm takes a proactive approach in such instances, encouraging suppliers to identify areas of noncompliance and take necessary actions to correct them within a specified timeframe.

However, should a supplier neglect this process of compliance or fail to make the necessary corrections within the given period of time, Alarko Holding reserves the right to discontinue its commercial relationship with them. The company holds firm to the principle that ethical and sustainable practices are integral to its business operations, and will not compromise these standards in its supplier relationships.

In 2023, total number of Alarko Holding's suppliers was 7,126, 3,288 of which are local suppliers corresponding to a ratio of 46%. Total payments to suppliers amounted to TL 6,488,545,309 in 2023. Out of these payments, TL 3,988,568,293 was made to local suppliers, accounting for 61% of all supplier payments. Payments to foreign suppliers, on the other hand, amounted to TL 2,499,977,015. Engagements with new suppliers reflect the company's determination to devise innovative and sustainable solutions. In addition, engagements with new suppliers is intended to increase the diversity of the supply chain and to acquire competitive advantage.



Alarko Holding places the utmost emphasis on the principles of transparency, effectiveness and sustainability in supplier relationship management. The decreased number of total suppliers and increased payments in 2023 shows that the supply chain is being managed more strategically and efficiently. The company aims to optimize supplier selection processes and cooperate with suppliers possessing high quality and performance standards.

Alarko Holding manages the supply chain in line with sustainability principles and accordingly, establishes solid relationships with local suppliers. Supporting local suppliers is considered a part of the company's social and

In 2023, Alarko Holding had 7,126 suppliers in total. Out of these suppliers, 3,288 were local, accounting for 46% of all suppliers.



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environmental responsibilities. Cooperation with local suppliers contributes to the local economy, resulting in the achievement of sustainable growth targets.

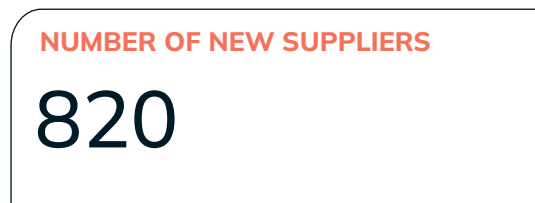
Alarko Holding has a policy to improve employee health and safety. The company implements a comprehensive set of formal, documented processes to reduce occupational accidents, injuries, and illnesses. These processes include regular site visits, monitoring, and inspections by the OHS team, monthly safety committee meetings, and risk analyses. Additionally, Alarko Holding ensures that safety standards are upheld across its supply chain through supplier site visits and guidance, emphasizing the promotion of a healthy and safe working environment for all stakeholders.

Alarko Holding provides regular and comprehensive training sessions to its key employees, including executives and procurement staff, focusing on the importance of health and safety in the supply chain.

These training sessions cover a broad range of topics including risk identification, incident prevention, emergency response procedures, and promoting a culture of safety. Moreover, Alarko Holding takes an active role in its suppliers' health and safety management by mandating that they provide similar training to their own employees. This requirement is a key aspect of Alarko Holding's supplier agreements and is closely monitored for compliance.



There is a proprietary detailed list of all trainings provided to suppliers. They include fundamental safety principles, proper handling of materials, use of safety equipment, and occupational health best practices. These initiatives underscore Alarko Holding's holistic approach to health and safety, integrating these principles into every facet of its operations and supply chain.



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Alarko Holding's Supplier Audits in 2023

In 2023, Alarko Holding took important steps in supplier audits. The company conducted comprehensive audits that followed various audit criteria for ensuring supply chain management in accordance with sustainability and responsibility principles. These audits strengthen Alarko Holding's control over its suppliers and ensure fulfillment of social and environmental responsibilities.

In 2023, Alarko Holding audited 99 suppliers in total; 61 audits were conducted according to social audit criteria and constitute 61% of all suppliers audited. Audits according to social audit criteria address suppliers' compliance to such aspects as labor rights, working conditions and ethical standards. Through these audits, Alarko Holding aims to make sure that suppliers fulfill their social responsibilities and protect their employees' rights. In 2023 audits, it has been established that most suppliers conform to social responsibility criteria.

Audits conducted according to environmental audit criteria assess suppliers' performance in minimizing their environmental impact and adopting sustainable production methods. In 2023, Alarko Holding carried on with its efforts to develop its environmental audit processes and incite suppliers to enhance their environmental sustainability performances.

During 2023, Hillside Beach Club audited 30 suppliers within the scope of food safety. These audits entailed production and storage area visits, and used online and declaration methods.

Alarko Holding conducts supplier audits regularly, and analyzes the data obtained from these audits rigorously. Necessary steps for improvements are taken with the suppliers according to audit results, and roadmaps are devised for compliance with sustainability criteria. This process ensures constant monitoring of supplier performances and intervening, as necessary.

2023 supplier audits reflect Alarko Holding's commitment to sustainable supply chain management and its pledge to improve its associated implementations. The company attaches great importance to transparency, effectiveness and sustainability principles in its supplier relationship management. These audits promote engagement of Alarko Holding with suppliers possessing high quality and performance standards in its supply chain and encourage suppliers to comply with sustainability criteria.

Alarko Holding uses the findings from supplier audits for improving suppliers' performances and supporting them to achieve their sustainability targets. The company aims to work with its suppliers to guarantee that they fulfill their environmental and social responsibilities and to promote best practices in this area. 2023 results demonstrate Alarko Holding's success in supply chain management and its leadership in sustainability area.

Alarko Holding uses the findings from supplier audits for improving suppliers' performances and supporting them to achieve their sustainability targets.



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Customer Satisfaction



In 2023, total complaints received across Alarko Holding is 13,300, with 13,210 of them resolved. This high resolution ratio is an indicator of the importance Alarko Holding attaches to customer satisfaction and its effective complaint handling system.

Alarko Holding pursues its activities based on an understanding that targets maximizing customer satisfaction. Different subsidiaries of the Holding address various customer profiles and each one offers custom solutions in their own field. Alarko Carrier services individual and institutional customers and has a BTB and BTC customer profile. Alsim Alarko furnishes service to government agencies and municipalities. Altek focuses on public agencies and institutions. The customer profile of Attaş Alarko comprises of B2B customers by 66% and B2C customers by 34%; domestic and overseas sales account for 57% and 43% of the company's total sales, respectively. CENAL provides services entirely to institutional customers. MEPAŞ develops solutions for individual, corporate and public customers.

This versatility testifies to Alarko Holding's customer-focused approach and broad service array. The company delivers tailored solutions to respond to diverse customer needs, prioritizing customer satisfaction at all times. Alarko Holding's approach that is focused on customer satisfaction contributes to the company's sustainable growth and preserved leadership in the sector.

Alarko Holding is dedicated to upholding the highest standards of customer health and safety. The company implements stringent processes to ensure that all products marketed foster benefits to consumers' health and safety. Alarko Holding's code of ethics emphasizes the importance of providing accurate and complete information to customers, protecting their personal information in accordance with applicable laws, and acting professionally and fairly in all customer relations. Furthermore, Alarko Holding commits to carrying out all activities in compliance with environmental legislation, aiming to prevent pollution and promote sustainable practices.

Customer satisfaction data for 2023 reveal Alarko Holding's success in this department. Total complaints received across the entire company is 13,300, with 13,210 of them resolved. This high resolution ratio is an indicator of the importance Alarko Holding attaches to customer satisfaction and its effective complaint handling system. In 2022, a total of 20,665 complaints were received and 20,609 of them were resolved. In 2021, 16,352 complaints were received and 16,152 of them were resolved. Out of 7,078 complaints received in 2020, 6,908 were resolved. These data show that Alarko Holding effectively handles and resolves customer complaints every year.



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Customer Satisfaction Initiatives

Alarko Holding adopts a comprehensive customer management strategy that aims to enhance customer satisfaction and quality of experience.

MEDAŞ draws the attention with its system used to respond to customer demands and complaints quickly. In Konya, Aksaray, Niğde, Kırşehir, Nevşehir and Karaman provinces that define the coverage area of MEDAŞ, customers can reach the company at the phone line number 186 and the general call center at the number 444 81 86. Customer demands, tips, complaints and suggestions are recorded by call center agents, recorded calls are kept and referred to relevant units, upon which they are resolved quickly. In addition, service is rendered 24/7 through various channels including the website, social network accounts, WebChat and WhatsApp.

Alarko Carrier administers questionnaires regularly with the aim of enhancing customer satisfaction and measures customers' satisfaction with products and services. Questionnaire results are reported regularly, conveyed to related departments and necessary improvements are carried out. To understand customer needs and expectations, business flows are created and problems at customer touchpoints are established and solutions are suggested.

MEPAŞ handles customer demands, complaints and suggestions objectively, fairly, and meticulously, while maintaining their confidentiality. Continuous improvement activities are undertaken to enhance customer satisfaction and situations leading to dissatisfaction are explored. The company pledges to make available all necessary resources to enhance service quality and customer satisfaction.

Attaş targets to beget customer loyalty naturally acting with the motto of making its guests feel special. Guest needs are fulfilled at the highest level thanks to the systems and values generated for the sustainability of service quality, importance is attached to employee happiness and participation, and the corporate culture ensures that each employee feels like a host. Service is furnished on the basis of an understanding built upon continuous customer satisfaction.

Altek takes care to follow up the legislation governing the operation of power plants and acquisition of new ones, alignment with operation programs and maintaining good relationships with related institutions.

In line with these strategies, Alarko Holding keeps working to maximize customer satisfaction and establish sustainable customer relationships.



Having embraced a comprehensive customer management strategy targeted at enhancing customer satisfaction and the quality of customer experience, Alarko Holding keeps working to maximize customer satisfaction and establish sustainable customer relationships.



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Corporate Social Responsibility



Based on its approach to corporate responsibility, Alarko Holding actively contributes to sustainable development goals. The Holding assumes responsibility for a better future with its long-lasting projects that are centered on equal opportunity and gender equality in education and production.

Alarko Holding espouses a corporate responsibility policy empowered by strategic partnerships and collaboration with local stakeholders, and acts with a diversity and inclusion perspective. Alarko Holding utilizes its power and expertise to design and implement community investment projects that respond to the society's most important needs and support sustainable development. This approach of Alarko Holding is intended to offer effective and lasting solutions that cater to the society's needs.

Alarko Holding's corporate responsibility projects are carried out with a focus on education and female entrepreneurship. Alarko Holding aims to contribute to social development and sustainability by taking important steps in the fields of education and female entrepreneurship. When developing the projects, the main goal is to contribute to societal advancement and generate lasting effects.

Through its projects, Alarko Holding contributes to the United Nations Sustainable Development Goals (SDGs) as well. The goals Alarko Holding contributed to in 2023 were quality education, gender equality, reduced inequalities and partnerships for the goals. In line with these goals, Alarko Holding conducts projects for driving the society's development in education and female entrepreneurship, and reducing inequalities. The company facilitates quality education, contributing to individuals' knowledge and skills, assists with women's participation in the workforce within the scope of promoting gender equality, and offers opportunities for reduced inequalities.

Alarko Holding makes various contributions to the society also through the foundations and associations it owns or supports by way of donations.

Alarko Education-Culture Foundation and Alarko Support Foundation play important roles in this framework. These foundations assume critical functions in the implementation of Alarko Holding's corporate responsibility projects and contributions to sustainable development goals. Investments in education and culture areas elevate the society's overall welfare and support sustainable development.

Alarko Holding assumes responsibility for a better future with its long-lasting projects that are centered on equal opportunity and gender equality in education and production, and conducts comprehensive and effective projects through strategic partnerships and collaborations with local stakeholders. These projects and partnerships reflect Alarko Holding's contribution to the society and its commitment to sustainable development goals. The projects also attest to Alarko Holding's engagement with, and sense of responsibility for, the society.

In 2023, Alarko Holding's donations, including cash and in-kind contributions, amounted to TL 44,024,826. This figure encompasses all philanthropic activities, including donations made by Alarko Holding itself as well as through the company or other foundations or trusts.



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Corporate Social Responsibility Projects

Social responsibility projects of Alarko Holding are conducted with the goals of providing social benefits and contributing to sustainable development. In 2023, Alarko Holding carried out important initiatives as part of its social responsibility projects.

The first one of these projects is titled “Hopes Regreen With Alarko Earthquake Scholarship”. Co-conducted with the Turkish Education Association (TED), the project aims to provide educational support for eight years to 100 students who lost a parent or limb in the Kahramanmaraş Earthquake that took place on 6 February 2023. The goal of the project is to prevent the disruption of children’s education lives due to the losses they suffered in the earthquake. A TL 10 million-fund has been set aside for this project that will go on for eight years.

Another initiative is “The Future of The Republic Young Teachers” project, which provides prospective teachers who are the architects of our future with scholarships and education support. Targeted at girl students only, the project contributes to gender equality by supporting women. In addition, it is intended to equip scholars with social gains such as environmental consciousness and gender equality as well as technical capabilities such as digital competencies, lesson design and so on through complementary training programs that will be offered to prospective teachers by ÖRAV (Teachers Academy Foundation).



Co-conducted with the Habitat Association and intended to support female entrepreneurship by offering training programs on digital competencies and financial literacy, the Pioneers of Entrepreneurship project moves ahead with an increasing number of target people reached and growing grant support. The project is intended to be carried on with the addition of an assessment program that will provide support to women entrepreneurs who are affected by the earthquake. Under the project, 464 participants received 40 hours of training in 2023. In the “Value Added to Entrepreneurship” ideathon held as part of the program, in which the participants also competed, top three business ideas voted by the jury were given technology support.

“The Future of The Republic Young Teachers” project provides prospective teachers who are the architects of our future with scholarships and education support.



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Alarko Education - Culture Foundation has granted scholarships to approximately 3,700 students -approximately 2,150 higher education students and nearly 1,550 middle school students. All the scholarships granted by the Foundation are non-repayable.

SROI (social return on investment) was measured as 2.33 for the Pioneers of Entrepreneurship Project. This measurement is a key indicator for evaluating the social impact and return of the project.

Alarko Holding's goal with these projects is to contribute to making available equal opportunities to the youth and women, helping with the improvement of social advancement and economic welfare within the frame of equality and inclusion principle.

In 2023, Alarko Holding allocated a budget of TL 6,855,000 for social responsibility expenses, which was entirely used to fund corporate social responsibility initiatives. This budget enables implementing major projects in focus areas such as education and female entrepreneurship.

In the coming years, Alarko Holding will continue to increase its contribution to the social responsibility initiatives.

Alarko Education - Culture Foundation

Established in 1986, the Alarko Education - Culture Foundation provided scholarships to 36 senior year or graduate students in engineering, civil engineering, economics, finance, and business departments at various universities, 25 technical and vocational high school students, 97 young female students in their final year of education faculties across Türkiye, and 50 children of employees, who are successful and needed scholarship, in the 2023 academic year.

As of the reporting period, the foundation has granted scholarships to approximately 3,700 students -approximately 2,150 higher education students and nearly 1,550 middle school students. All the scholarships granted by the Foundation are non-repayable.

Alarko Carrier's Community Support and Climatization Solutions via Corporate Social Responsibility Projects

Alarko Carrier devises its corporate social responsibility (CSR) policies and strategies in line with the society's needs. In this framework, Balabanlı Village School in Ödemiş, İzmir will be climatized under the village schools climatization social responsibility project initiated in 2022. These projects are intended to equip village



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In 2023, Alarko Carrier installed an air conditioning system in the Çaldere Village Primary School in Midyat, Mardin.

schools with modern climatization systems so that students receive education in a more comfortable setting.

In 2023, Alarko Carrier installed an air conditioning system in the Çaldere Village Primary School in Midyat, Mardin. Under the project, the village school that relied on stoves for heating received a modern climatization system. The systems used include a heat pump, fan coil, heat recovery equipment, solar panels and room cleansing equipment. All companies in the sector and the public opinion represent the target audience of these projects, with teachers and students determined as direct beneficiaries.

The project generated positive regional and social impact. A school in the region was equipped with an extremely comfortable system, which created awareness both regionally and across National Education Directorates. This awareness helped suggest and demand similar systems by other schools.

Financed by Alarko Carrier, the project had a total budget allocation in the order of TL 2 million. The greatest accomplishment of these projects carried out in 2023 is to have facilitated better conditions for students to pursue their education.

The key metric in the implementation of the projects and the assessment of their results was identified as the active operation of the system and attaining the anticipated benefit. Alarko Carrier evaluates the effectiveness and success of the projects according to these metrics and carries on with improvement efforts for future projects.

Attaş Alarko’s Corporate Social Responsibility Projects and Local Community Partnerships in 2023

In 2023, Attaş Alarko carried out important initiatives as part of its corporate social responsibility projects.

The company donated 30 pieces of various children’s costumes to Vali Recai Primary School and 986 pieces of home textiles to Fethiye Nursing Home. In addition, 63 large trash bags filled with various textiles were delivered to Fethiye Municipality Social Assistance Department.

216 pieces of goggles, snorkels, and mask/ snorkel sets were sent to FETAV (Fethiye Tourism Publicity Education Culture and Environment Foundation), while 40 boxes of various items for men, women and children and toys were donated to Fethiye Women’s and Children’s Homes. 1,755 pieces of home textiles and personal care products were donated for earthquake victims, and food parcels were sent to the local district government in the earthquake-hit region in February 2023.

In 2023, Attaş Alarko partnered with the local communities in areas it operates in. Winter season maintenances and repairs are carried out with employees holding vocational qualification certificates, which increases employment. 76% of the company’s employees comprise of locals.



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Within the scope of the Blue Flag and other environmental projects, about 30,000 seeds are sown in the forest; the number of seeds sown in 2023 was 32,318.

Cooperations with vocational schools contribute to students' vocational and academic development. During the "Turkish Night" events organized every Sunday, local craftspeople and artisans are provided with the opportunity to make sales to the club's guests. 60% of the subcontractors that serve as service providers are selected from the Fethiye region, and the purchasing department shops from the Friday Market with the purpose of supporting local producers.

As part of local communities interactions program, Attaş Alarko partners with various organizations and institutions. The cooperation with Fethiye Hoteliers Association supports the development of the tourism in the region and maintains the sector's contact with national and international organizations and institutions.

Projects to enhance quality in tourism and modernize the facilities are designed, which are supported by public agencies and legal persons. Collaborations with the Tourism Investors Association contribute to the national economy, and various fairs and events are organized to attract international investors to Türkiye. The Association represents the Turkish tourism sector on a national and global scale, supports the development of the sector in alignment with sustainable development goals, and aims to promote the Turkish tourism to a world-leader position.

Under the cooperation with Service Exporters' Association, strategies are developed to diversify the exported service items and markets

for our country, to penetrate new markets and to achieve stronger positions in existing markets; for these purposes, various initiatives are undertaken in and out of the country.

The projects co-conducted with Turmepa (Turkish Marine Environment Protection Association) cover projects including the fight against climate crisis and mucilage, and keeping the seawater clean using waste collection boats and sea sweepers.

Training programs are given to thousands of students and activities are carried out for raising awareness on a global scale. Within the scope of the Blue Flag and other environmental projects, about 30,000 seeds are sown in the forest; the number of seeds sown in 2023 was 32,318.

Through these projects and collaborations, Attaş Alarko fulfills its social and environmental responsibilities, contributing to local communities and sustainable development goals across the country.

"The Future of The Republic Young Teachers" project provides prospective teachers who are the architects of our future with scholarships and education support.

To date, Alarko Education - Culture Foundation has granted scholarships to approximately 3,700 students -approximately 2,150 higher education students and nearly 1,550 middle school students. All the scholarships granted by the Foundation are non-repayable.



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Performance Indicators

Social Performance Indicators

Employees by Gender and Category

Company	2023	
	White Collar	Blue Collar
Alarko Carrier	386	257
Alarko Holding	47	-
Alarko Land Development Group	22	1
ALSİM	390	214
ALTEK	9	26
Alarko Agriculture Group	121	401
ATTAS	70	453
Alarko Energy Distribution Group	769	2,050
Total	1,682	1,265

Management Level by Gender

Company	2023	
	Male Ratio	Female Ratio
Alarko Carrier	69%	31%
Alarko Holding	49%	51%
Alarko Energy Distribution Group	75%	25%
Alarko Agriculture Group	68%	32%
Alarko Land Development Group	77%	23%
ALSİM	87%	13%
ALTEK	71%	29%
ATTAS	53%	47%



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Performance Indicators

Subcontractors by Gender and Category

Company	2023					
	Male	Female	Total	Full Time	Part Time	Total
Alarko Carrier	38	23	61	44	17	61
Alarko Holding	10	9	19	19	-	19
ALSİM	-	5	5	5	-	5
ATTAS	97	20	117	117	-	117
CENAL	60	9	69	69	-	69
MEDAŞ	42	56	98	44	54	98
MEPAŞ	5	22	27	4	23	27
Total	252	144	396	302	94	396

Disabled Employees

Company	2023		
	Male	Female	Total
Alarko Carrier	12	1	13
ALSİM	1	-	1
ATTAS	12	1	13
CENAL	13	1	14
MEDAŞ	12	4	16
MEPAŞ	4	-	4
Total	54	7	61



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Performance Indicators

Number of Unionized Employees

Company	2023	
	Employees under Collective Labor Agreement/Unionized Employees	
Alarko Carrier	255	
MEDAŞ	307	
Total	562	

Employee Turnover Rate

Company	2023					
	Left job - Female	Employee Turnover Rate - Female	Left job - Male	Employee Turnover Rate - Male	Left job - Total	Employee Turnover Rate - Total
Alarko Carrier	18	0.13	123	0.22	141	0.20
Alarko Holding	-	-	4	0.78	4	0.78
ALSİM	5	0.33	6	0.10	11	0.15
ALTEK	1	0.17	2	0.05	3	0.20
ATTAŞ	97	0.43	117	0.30	214	0.34
CENAL	7	0.14	82	0.12	89	0.12
MEDAŞ	15	0.07	11	0.17	26	0.15
MEPAŞ	15	0.19	11	0.12	26	0.15



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Performance Indicators

Number of Employees Benefiting from Maternity Leave

Company	2023		
	Female	Male	Total
Alarko Carrier	3	19	22
ATTAS	1	7	8
CENAL	2	21	23
MEDAŞ	3	28	31
MEPAŞ	8	8	16
Total	17	83	100

Number of Board Members by Gender

Company	2023		
	Female	Male	Total
Alarko Carrier	2	4	6
Alarko Holding	6	7	13
ALSİM	-	4	4
ALTEK	-	6	6
ATTAS	2	1	3
CENAL	-	4	4
MEDAŞ	-	4	4
MEPAŞ	-	4	4
Total	10	34	44



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Performance Indicators

Training Hours

Company	2023	
	Total Training Hours	Average Training Hours per Employee
Alarko Carrier	4,050	5.83
Alarko Holding	1,203	12.40
ALSİM	1,200	16.00
ALTEK	-	-
ATTAS	16,364	26.35
CENAL	26,720	53.44
MEDAŞ	121,000	160.69
MEPAŞ	4,125	24.26
Total	174,662	70.92

Training Expenditure

Company	2023
	Training Expenditure (TL)
Alarko Carrier	1,925,553
Alarko Holding	741,052
ALSİM	1,182,962
ALTEK	120,216
ATTAS	951,083
CENAL	1,259,613
MEDAŞ	11,740,064
MEPAŞ	444,009
Total	19,011,553



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Performance Indicators

Occupational Health and Safety Statistics of Employees

Company	2023													
	Number of Fatal Cases	Number of Fatal Cases Resulting from a Work-Related Accident	Number of Accidents	Accident Frequency Rate	Number of Severe Injuries	Number of Lost Time Accidents	Lost Time Accident Rate	Total Number of Injuries	Number of Occupational Diseases	Occupational Disease Rate	Number of Lost Days	Lost Day Absence Rate (Days)	Absence (Days)	Lost Time Accident Rate
Alarko Carrier	-	-	27	21.29	-	15	11.83	27	-	-	103	81.23	103	2.37
Alarko Holding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ALSİM	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ALTEK	-	-	1	10.42	-	1	10.42	1	-	-	20	208.46	20	10.42
ATTAS	-	-	66	62.44	-	2	1.89	66	-	-	5	4.73	5	1.89
CENAL	-	-	6	6.81	-	4	4.54	4	-	-	74	84.00	74	4.54
MEDAŞ	-	-	3	2.09	-	-	-	-	-	-	-	-	2,489	-
MEPAŞ	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Occupational Health and Safety Statistics of Suppliers

Company	2023										
	Number of Fatal Cases	Number of Fatal Cases Resulting from a Work-Related Accident	Number of Accidents	Number of Severe Injuries	Number of Lost Time Accidents	Total Number of Injuries	Number of Occupational Diseases	Number of Lost Days	Absence (Days)	Absence Due to Accident (Days)	Absence Due to Accident (Days)
Alarko Carrier	-	-	-	-	-	-	-	-	-	-	-
Alarko Holding	-	-	-	-	-	-	-	-	-	-	-
ALSİM	-	-	-	-	-	-	-	-	-	-	-
ALTEK	-	-	-	-	-	-	-	-	-	-	-
ATTAS	-	-	-	-	-	-	-	-	-	-	-
CENAL	-	-	17	-	10	17	-	29	898	-	29
MEDAŞ	-	-	34	-	19	22	-	550	550	-	550
MEPAŞ	-	-	-	-	-	-	-	-	-	-	-



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Performance Indicators

Occupational Health and Safety Training for Employees

Company	2023	
	Number of Participants	Training Hours
Alarko Carrier	690	3,403
Alarko Holding	7	56
ALSİM	30	281
ALTEK	30	464
ATTAS	808	6,464
CENAL	558	9,581
MEDAŞ	767	46,240
MEPAŞ	231	668
Total	3,121	67,157

Occupational Health and Safety Training for Suppliers

Company	2023	
	Number of Participants	Training Hours
CENAL	875	1,455
MEDAŞ	70	13,392
Total	945	14,847



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Performance Indicators

Environmental Performance Indicators

Greenhouse Gas Emission Breakdowns (tons CO₂e)

Company	2023			Total
	Scope 1	Scope 2	Scope 3	
Alarko Carrier	11,540.21	670.91	4,019.45	16,230.57
Alarko Holding	148.81	71.95	39.21	259.97
Alarko Agriculture Group	1,757.46	52.68	28,201.04	30,011.17
ALSİM	66.86	19.03	40.75	126.73
ALTEK	30.37	511.37	19.00	560.74
ATTAS	1,040.68	2,348.99	11,262.29	14,651.96
CENAL	3,386,511.89	98,155.59	0.64	3,484,668.12
MEDAŞ	2,209.32	365.27	46,483.06	49,057.65
MEPAŞ	74.29	30.22	11.03	115.54
Total	3,403,379.88	102,226.02	90,076.48	3,595,682.38

Net Energy Consumption (MWh)

Company	2023		
	Net Renewable Consumption (MWh)	Net Renewable Consumption (MWh)	Net Renewable Consumption (MWh)
Alarko Carrier	5.91	3,799.19	3,805.10
Alarko Holding	-	629.57	629.57
Alarko Agriculture Group	10,826.98	5,488.51	16,315.49
ALSİM	-	306.52	306.52
ALTEK	1,164.86	1,278.68	2,443.54
ATTAS	-	9,064.44	9,064.44
CENAL	49,913.16	9,799,299.28	9,849,212.45
MEDAŞ	(163.85)	9,152.47	8,988.63
MEPAŞ	-	374.32	374.32
Total	61,747.07	9,829,393.00	9,891,140.07



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Performance Indicators

Amount of Water Withdrawal (m³)

Company	2023							
	Surface Water	Groundwater	Sea Water	Third Party Water Providers	Produced Water	Fresh Water	Non-Fresh Water	Total Water Withdrawal
Alarko Carrier	-	-	-	29,424.00	-	29,424.00	-	58,848.00
Alarko Holding	-	-	-	1,490.00	-	-	-	1,490.00
ALSİM	-	-	-	1,775.00	-	-	-	1,775.00
ALTEK	316.88	383.00	-	-	-	-	-	699.88
ATTAŞ	-	-	-	100,172.00	-	-	-	100,172.00
CENAL	-	-	1,099,634,594.00	-	-	-	-	1,099,634,594.00
MEDAŞ	-	-	-	14,800.00	-	-	-	14,800.00
MEPAŞ	-	-	-	7,759.00	-	-	-	7,759.00
Total	316.88	383.00	1,099,634,594.00	155,420.00	-	29,424.00	-	1,099,820,137.88

Amount of Water Discharged (m³)

Company	2023							Total Water Discharged
	Surface Water	Groundwater	Sea Water	Third Party Water Providers	Fresh Water	Non-Fresh Water		
Alarko Carrier	-	-	-	29,424.00	29,424.00	-	58,848.00	
Alarko Holding	-	-	-	1,490.00	-	-	1,490.00	
ALSİM	-	-	-	1,775.00	-	-	1,775.00	
ALTEK	317.00	363.00	-	20.00	54.75	-	754.75	
ATTAŞ	-	-	-	70,259.00	70,259.00	-	140,518.00	
CENAL	-	-	1,099,470,358.00	-	-	-	1,099,470,358.00	
MEDAŞ	-	-	-	14,800.00	-	-	14,800.00	
MEPAŞ	-	-	-	7,759.00	-	-	7,759.00	
Total	317.00	363.00	1,099,470,358.00	125,527.00	99,737.75	-	1,099,696,302.75	



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Total Waste (tonne)

Company	2023	
	Total Non-Hazardous Waste Amount	Total Hazardous Waste Amount
Alarko Carrier	591.00	10.41
Alarko Holding	10.00	10.00
Alarko Agriculture Group	-	1.00
ALSİM	1.00	0.01
ATTAŞ	1,106.00	16.98
CENAL	105,376.00	239.94
MEDAŞ	2,378.00	326.00
MEPAŞ	2.00	-
Total	109,464.00	604.33



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Memberships and Signatory Organizations

Alarko Holding	DEİK - Foreign Economic Relations Board
	TABA - Turkish-American Business Association
	TKYD - Corporate Governance Association of Turkey
	KİD - Corporate Communicators Association
	TÜYİD - Turkish Investor Relations Society
	KOTEDER - Association of Listed Partnership Managers
	TÜSİAD - Turkish Business Association
	BCSD Türkiye - The Business and Sustainable Development Council
	UNGC - United Nations Global Compact
	WEPS - Women Empowerment Principles
Alarko Carrier	International Data Corporation - Advisory Board Membership
	TOBB - Union of Chambers and Commodity Exchanges of Turkey
	ÇEDBİK - Environmentally Friendly Green Buildings Association
	DOSİDER - Association of the Heating Appliances Industry and Business People
	ISKAV - Heating Cooling Air Conditioning Research and Education Foundation
	İSİB - Turkish HVAC&R Exporters Association
	İSKİD - Airconditioning and Refrigeration Manufacturer's Association
	POMSAD - Turkish Pump and Valve Manufacturers' Association
	SOSİAD - Refrigeration Industry Business People Association
	TTMD - Turkish Society of HVAC and Sanitary Engineers
ALSİM	İTO - Istanbul Chamber of Commerce
	TMB - Turkish Contractors Association
	DEİK - Foreign Economic Relations Board
	İNTEK - Turkish Construction Industrialists Employers' Union

ATTAŞ	TÜROFED - Türkiye Hoteliers Federation
	HİB - Service Exporters' Association
	TTYD - Turkish Tourism Investors Association
	FTSO - Fethiye Chamber of Commerce and Industry
	FODER - Fethiye Hoteliers Association
Alarko Agriculture Group	BOTAV - Bodrum Promotion Foundation
	TURMEPA - DenizTemiz Association
CENAL	Sustainability Academy
	İTO - Istanbul Chamber of Commerce
	İMMİB - Istanbul Minerals and Metals Exporters' Association
	BTO - Biga Chamber of Commerce
	TCS - Turkish Chamber of Shipping
MEDAŞ	TERSANED - Thermal Power Plant and Electricity Producers Industrialists and Businessmen Association
	KTO - Konya Chamber of Commerce
ALTEK	ELDER - Electricity Distribution Services Association
	DEİK - Foreign Economic Relations Board
	EÜD - Electricity Producers Association
MEPAŞ	GÜYAD - Renewable Energy Investors Association
	ETD - Energy Trade Association
	EDİDER - Digitalization in Energy Association



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Certificates

Alarko Carrier	ISO 14001 – Environmental Management System
	ISO 27001 – Information Security Management System
	ISO 9001 – Quality Management System
	ISO 45001 – Occupational Health and Safety Management System
ALSİM	ISO 14001 – Environmental Management System
	ISO 9001 – Quality Management System
	ISO 45001 – Occupational Health and Safety Management System
ATTAŞ	ISO 14001 – Environmental Management System
	ISO 14064 - Greenhouse Gas Emission Certificate
	ISO 27001 - Information Security Management System
	ISO 22000 - Food Safety Management System
	ISO 45001 - Occupational Health and Safety Management System
	ISO 50001 – Energy Management System
	TÜV - Safe Tourism Certificate
	Travelife - Gold Certified for Accommodation Sustainability
	Hygienic Room Inspection Program
	Blue Flag

CENAL	ISO 27001 - Information Security Management System
	ISO 9001 - Quality Management System
	ISO 45001 - Occupational Health and Safety Management System
	ISO 50001 - Energy Management System
	ISO 14001 - Environmental Management System
	TS EN 450-1 - Fly Ash Certification Regulation for Concrete
MEPAŞ	EPDK - Cyber Security Regulation Standard
	Zero Waste Certificate
	ISO 27001 - Information Security Management System
	ISO 9001 - Quality Management System
MEDAŞ	ISO 10002 - Customer Satisfaction Management System
	ISO 18295 - Call Center Management System
	Zero Waste Certificate
	ISO 27001 - Information Security Management System
	ISO 9001 - Quality Management System
	ISO 10002 - Customer Satisfaction Management System
MEDAŞ	ISO 45001 - Occupational Health and Safety Management System
	ISO 18295 – Call Center Management System
	ISO 14001 - Environmental Management System
	Zero Waste Certificate



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GRI Content Index

STATEMENT OF USE	Alarko Holding A.Ş. has reported with reference to the GRI Standards for the period 01.01.2023-31.12.2023.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	N/A

GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER/OMISSION EXPLANATION
GENERAL DISCLOSURES		
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organizational details	About Alarko Holding, Page: 28-29 Capital and Shareholding Structure, Page: 65-67 https://www.alarko.com.tr/en/about-us/alarko-holding/
	2-2 Entities included in the organization’s sustainability reporting	About the Report, Page: 4-5
	2-3 Reporting period, frequency and contact point	About the Report, Page: 4-5 01.01.2023-31.12.2023 Annual Contact: Alarko Holding Corporate Communications and Sustainability Directorate Tel: 0212 310 33 00 E-mail: sustainability@alarko.com.tr
	2-4 Restatements of information	There is no restatement of the information provided in previous reports.
	2-5 External assurance	The report did not receive external assurance.
	2-6 Activities, value chain and other business relationships	About Alarko Holding, Page: 28-29 Alarko Holding Group of Companies, Page: 30-64
	2-7 Employees	Employee Demographics, Page: 164-166 Social Performance Indicators, Page: 211-213
	2-8 Workers who are not employees	Employee Demographics, Page: 164-166 Social Performance Indicators, Page: 211-213
	2-9 Governance structure and composition	https://www.alarko.com.tr/en/about-us/board-of-directors/ https://www.alarko.com.tr/media/b3ddma00/alk_frae_2023_mtb_uyg_19.pdf (2023 Annual Report, Page: 18-25, 83-85, 96-98)



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GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER/OMISSION EXPLANATION
	2-10 Nomination and selection of the highest governance body	https://www.alarko.com.tr/media/b3ddma00/alk_frae_2023_mtb_uyg_19.pdf (2023 Annual Report, Page: 18-25, 83-85, 96-98)
	2-11 Chair of the highest governance body	https://www.alarko.com.tr/en/about-us/board-of-directors/
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance, Page: 73-90
	2-13 Delegation of responsibility for managing impacts	Corporate Governance, Page: 73-90
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management, Page: 96-101
	2-15 Conflicts of interest	Ethics, Transparency, Anti-Corruption, Page: 91-94
	2-16 Communication of critical concerns	https://www.alarko.com.tr/media/w3opg25y/duties-and-working-principles-of-the-corporate-governance-committee.pdf
	2-17 Collective knowledge of the highest governance body	https://www.alarko.com.tr/en/about-us/board-of-directors/ https://www.alarko.com.tr/media/w3opg25y/duties-and-working-principles-of-the-corporate-governance-committee.pdf
	2-18 Evaluation of the performance of the highest governance body	https://www.alarko.com.tr/media/w3opg25y/duties-and-working-principles-of-the-corporate-governance-committee.pdf
	2-19 Remuneration policies	Compensation Management, Page: 188-191 Personnel Affairs Management and Fringe Benefits, Page: 192-193
	2-20 Process to determine remuneration	Compensation Management, Page: 188-191 Personnel Affairs Management and Fringe Benefits, Page: 192-193
	2-21 Annual total compensation ratio	Compensation Management, Page: 188-191 Personnel Affairs Management and Fringe Benefits, Page: 192-193
	2-22 Statement on sustainable development strategy	Sustainability Strategy, Page: 102-103
	2-23 Policy commitments	https://www.alarko.com.tr/en/investor-relations/corporate-governance/shareholder-structure/ (Policies)
	2-24 Embedding policy commitments	https://www.alarko.com.tr/en/investor-relations/corporate-governance/shareholder-structure/ (Policies)
	2-25 Processes to remediate negative impacts	Internal Audit-Internal Control, Risk Management, Page: 73-90



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GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER/OMISSION EXPLANATION
	2-26 Mechanisms for seeking advice and raising concerns	Ethics, Transparency, Anti-Corruption, Page: 91-94
	2-27 Compliance with laws and regulations	Ethics, Transparency, Anti-Corruption, Page: 91-94 https://www.alarko.com.tr/en/investor-relations/corporate-governance/code-of-ethics-and-standards-of-professional-conduct/
	2-28 Membership associations	National and International Organizations and Initiatives of which Alarko Holding is a Signatory or Member, Page: 100-101 Memberships and Signatory Organizations, Page: 221
	2-29 Approach to stakeholder engagement	Stakeholder Involvement, Page: 104-107
	2-30 Collective bargaining agreements	Personnel Affairs Management and Fringe Benefits, Page: 192 Social Performance Indicators, Page: 213
MATERIAL TOPICS		
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Materiality Analysis, Page: 108-109
	3-2 List of material topics	Materiality Analysis, Page: 108-109
CLIMATE CHANGE		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Environmental Management System, Page: 143-144 Climate Action and Adaptation, Page: 145-147
GRI 201: ECONOMIC PERFORMANCE 2016	201-2 Financial implications and other risks and opportunities due to climate change	Value Creation Model, Page: 110-112 Environmental Management System, Page: 143-144 Climate Action and Adaptation, Page: 145-147
ENERGY EFFICIENCY		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Energy Consumption and Efficiency, Page: 148-149



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GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER/OMISSION EXPLANATION
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	Energy Consumption and Efficiency, Page: 148-149 Environmental Performance Indicators, Page: 218
	302-2 Energy consumption outside of the organization	Energy Consumption and Efficiency, Page: 148-149 Environmental Performance Indicators, Page: 218
	302-3 Energy intensity	Energy Consumption and Efficiency, Page: 148-149 Environmental Performance Indicators, Page: 218
	302-4 Reduction of energy consumption	Energy Consumption and Efficiency, Page: 148-149 Environmental Performance Indicators, Page: 218
	302-5 Reductions in energy requirements of products and services	Energy Consumption and Efficiency, Page: 148-149 Environmental Performance Indicators, Page: 218
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Performance Indicators, Page: 218
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Performance Indicators, Page: 218
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Performance Indicators, Page: 218
INNOVATIVE PRODUCTS AND INNOVATION		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 R&D and Innovation, Page: 117-127
DIGITALIZATION		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Digital Transformation, Page: 131-138
WATER MANAGEMENT		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Water Use and Management, Page: 150-151



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GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER/OMISSION EXPLANATION
GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with water as a shared resource	Water Use and Management, Page: 150-151 Environmental Performance Indicators, Page: 219
	303-2 Management of water discharge-related impacts	Water Use and Management, Page: 150-151 Environmental Performance Indicators, Page: 219
	303-3 Water withdrawal	Water Use and Management, Page: 150-151 Environmental Performance Indicators, Page: 219
	303-4 Water discharge	Water Use and Management, Page: 150-151 Environmental Performance Indicators, Page: 219
	303-5 Water consumption	Water Use and Management, Page: 150-151 Environmental Performance Indicators, Page: 219
TALENT MANAGEMENT		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Talent and Performance Management, Page: 171-174 Employee Training and Development, Page: 176-182
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	Talent and Performance Management, Page: 171-174 Employee Training and Development, Page: 176-182 Social Performance Indicators, Page: 215
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent and Performance Management, Page: 171-174 Employee Training and Development, Page: 176-182
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent and Performance Management, Page: 171-174 Employee Training and Development, Page: 176-182
RESPONSIBLE/SUSTAINABLE SUPPLY CHAIN		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Supply Chain Management, Page: 199-202



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GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER/OMISSION EXPLANATION
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management, Page: 199-202
	308-2 and actions taken	There is no negative environmental impacts in the supply chain.
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management, Page: 199-202
	414-2 Negative social impacts in the supply chain and actions taken	There were no significant actual or potential negative human rights impacts in the supply chain during the reporting period.
SUSTAINABLE FINANCE AND RESPONSIBLE INVESTMENT		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Value Creation Model, Page: 110-112 Our Financial Performance, Page: 115-116
GRI 201: ECONOMIC PERFORMANCE 2016	201-3 Defined benefit plan obligations and other retirement plans	https://www.alarko.com.tr/media/b3ddma00/alk_frae_2023_mtb_uyg_19.pdf (2023 Annual Report, Consolidated Financial Statements and Auditors' Report, Page: 89, 149-150, 196, 202)
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported	Our Financial Performance, Page: 115-116
GRI 207: TAX 2019	207-4 Country-by-country reporting	https://www.alarko.com.tr/media/b3ddma00/alk_frae_2023_mtb_uyg_19.pdf (2023 Annual Report, Consolidated Financial Statements and Auditors' Report, Page: 148-149, 205-208)



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GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER/OMISSION EXPLANATION
WASTE MANAGEMENT		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Circular Economy and Waste Management, Page: 152-155
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	Circular Economy and Waste Management, Page: 152-155 Environmental Performance Indicators, Page: 220
	306-2 Management of significant waste-related impacts	Circular Economy and Waste Management, Page: 152-155 Environmental Performance Indicators, Page: 220
	306-3 Waste generated	Circular Economy and Waste Management, Page: 152-155 Environmental Performance Indicators, Page: 220
	306-4 Waste diverted from disposal	Circular Economy and Waste Management, Page: 152-155 Environmental Performance Indicators, Page: 220
	306-5 Waste directed to disposal	Circular Economy and Waste Management, Page: 152-155 Environmental Performance Indicators, Page: 220
ETHICS, COMPLIANCE AND TRANSPARENCY		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Ethics, Transparency, Anti-Corruption, Page: 91-94
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	Ethics, Transparency, Anti-Corruption, Page: 91-94
	205-2 Communication and training about anti-corruption policies and procedures	Ethics, Transparency, Anti-Corruption, Page: 91-94
	205-3 Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption during the reporting period.
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no legal actions for anti-competitive behavior, anti-trust or monopoly practices during the reporting period.



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DIVERSITY AND INCLUSION		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Diverse, Equitable and Inclusive Working Environment , Page: 167-170
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	Our Most Valuable Asset: People, Page: 166 Diverse, Equitable and Inclusive Working Environment , Page: 167-170
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination during the reporting period.
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There were no incidents in which the right to freedom of association and collective bargaining was at risk during the reporting period.
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Child labor is not employed at Alarko Holding.
CUSTOMER FOCUS		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Approach to Personal Data Protection Law, Page: 93-94 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Customer Satisfaction, Page: 203-204
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1 Assessment of the health and safety impacts of product and service categories	Customer Satisfaction, Page: 203-204
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance concerning the health and safety impacts of products and services during the reporting period.



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COMMUNITY INVESTMENTS		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Approach to Personal Data Protection Law, Page: 93-94 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Corporate Social Responsibility , Page: 205-209
DATA SECURITY		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Approach to Personal Data Protection Law, Page: 93-94 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Cyber Security and Information Privacy, Page: 128-130 Data Management, Page: 139-141
CONSERVATION OF BIODIVERSITY		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Ecosystem Restoration and Biodiversity, Page: 156-157
GRI 304: BIODIVERSITY 2016	304-2 Significant impacts of activities, products and services on biodiversity	Ecosystem Restoration and Biodiversity, Page: 156-157
ORGANIZATIONAL DEVELOPMENT AND CULTURE		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman, Page: 7-10 Message from the CEO, Page: 11-14 Sustainability Management, Page: 103 Materiality Analysis, Page: 108-109 Human Resources Policy, Page: 160-163



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