BORUSAN 80th YEAR

From the Roots, to the Future

BORUSAN HOLDING 2024
INTEGRATED ANNUAL REPORT

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About the **Report**

After publishing our sustainability report for the first time in 2008, we have applied an integrated thinking approach to its preparation since 2021, making us the first holding company in Türkiye to present an Integrated Annual Report to our stakeholders. This year, in response to the global shift toward sustainability, we further evolved our reporting approach. In 2024, we completed our report with limited assurance obtained for 50 non-financial performance indicators.

We are excited to present our 2024 Integrated Annual Report, developed in accordance with the Integrated Reporting Framework of the Value Reporting Foundation (VRF), while also taking into account other internationally recognized reporting frameworks. The report details Borusan Group's financial and non-financial performance, value creation areas, and key initiatives.

Scope of the Report

The Borusan Group 2024 Integrated Annual Report covers activities carried out by Borusan Holding and our Group Companies in Türkiye and abroad between January 1 and December 31, 2024. All commitments, obligations, and performance data disclosed in the foregoing report pertain to Borusan Holding, Borçelik, Borusan Pipe, Borusan Cat, Borusan EnBW Enerji, Borusan Port, Borusan Lojistik, Borusan Otomotiv Group, Supsan, Borusan Yatırım, and Borusan Ventures. Unless otherwise stated, data from other Borusan Group companies are not included in this report. The social initiatives of Borusan Kocabıyık Foundation, Borusan Sanat, and Borusan Contemporary are also included within the report's scope. Throughout the report, the terms "Borusan," "the Group," or "our Group" refer to Borusan Group as a whole; however, individual strategies and activities of specific companies are identified by name wherever applicable.

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As a Group that prioritizes transparency and accountability in its relationships with stakeholders, we assess the environmental, social, and economic impacts of our operations across the manufacturing, machinery and power systems, automotive, logistics, and energy sectors within the framework of our strategic focus areas: Climate, Human, and Innovation (i^3). In this context, we share how we manage our performance, value creation, and overall impact under the three pillars of sustainability, i.e. Environmental, Social, and Governance (ESG), across relevant sections of this report and in the performance indicators provided in the **"Annexes"** section.

Standards and Frameworks

Since 2006, we have been a signatory to the United Nations Global Compact (UNGC), and we continue to carry out our work in alignment with its principles. In this context, we continue to strengthen our identity as a company that respects human rights, adheres to labor standards, integrates ethical conduct into its business practices, and maintains strong environmental awareness." By placing sustainability at the heart of our efforts, we are preparing to meet the evolving demands of tomorrow's business world. Our Communication on Progress Report, prepared in alignment with the 10 principles set by the UNGC, is available **here**. We have also included information on our activities aligned with the United Nations Women's Empowerment Principles (WEPs), to which we have been a signatory since 2012, under the section **"Progress on the UN Women's Empowerment Principles."**

Our report has been prepared in accordance with the Global Reporting Initiative (GRI) sustainability reporting standards and considers the Stakeholder Capitalism Metrics developed by the International Business Council (IBC) of the World Economic Forum (WEF), as well as the Sustainability Accounting Standards Board (SASB) indicators. You can find the **"GRI Content Index"** and the **"WEF Stakeholder Capitalism Metrics"** tables in the **"Annexes"** section.

Assurance

The independent audit reports and non-financial information in our 2024 Integrated Annual Report were reviewed with limited assurance by Güney Bağımsız Denetim ve SMMM A.Ş. (EY). Details about the data subject to limited assurance are available in the **"Limited Assurance Statement"** section of this report.

EXECUTIVE SUMMARY

In 2024, we continued to deliver high value-added products and services to both Türkiye and global markets with the support of our workforce of over 14,000 people at home and abroad- driven by our commitment to leave a habitable world for future generations.

We have completed another year marked by rapidly evolving global business conditions. The year 2024 was shaped by macroeconomic vulnerabilities, inflation, and geopolitical sensitivities. Nevertheless at Borusan, we focused on controllable factors through a solution-oriented perspective. We leveraged our sustainable business model, strong financial structure, and experienced teams to identify and seize new opportunities, once again demonstrating our resilience. Operating across diverse sectors including manufacturing, automotive, machinery and power systems, energy, and logistics, our broad stakeholder ecosystem played a key role in helping us effectively manage these challenges.

In 2024, we celebrated our 80th anniversary with great pride and joy. Through our documentary "In the Tracks of 80 Years", we reflected on key milestones in the long-standing history of our Holding and Group Companies and shared our future vision. We crowned the celebrations with a special concert by the Borusan Istanbul Philharmonic Orchestra (BIPO), titled "From the Capitals of Music."

While continuing to create long-term value financially and in terms of sustainability, we invested a total of TRY 28 billion over the past six years. We are now planning an investment of TRY 66 billion for the 2025–2027 period. We closed 2024 with consolidated Group revenue of TRY 257 billion-achieving a 39% increase in Turkish lira terms over our 2023 revenue of TRY 185 billion.

In the final quarter of 2023, we launched our most recent initiative within the strategic framework of Climate – Human – Innovation (i^3): a double materiality assessment that incorporated stakeholder insights and enabled us to reexamine our material topics from multiple perspectives.

Through this Integrated Annual Report, we aim to transparently and measurably communicate how we address these material topics, and the efforts we have carried out as well as the value we have created in relation to our stakeholders, capital resources, and the UN Sustainable Development Goals (SDGs) for 2030. By making our non-financial performance more visible, trackable, and comprehensible for both our organization and stakeholders, we have painted a concrete picture of our progress toward our goals.

As part of the steps we have advanced across our focus area of "climate," we enhanced the resilience of our supply chain and sourced raw materials from low-emission suppliers in order to reduce our direct and indirect emissions. We also expanded our renewable energy production capacity, placing greater emphasis on decarbonization-one of our top priorities. In 2024, we invested over TRY 290 million in environmental protection and reduced our Group-wide energy intensity by 28%, while recovering over 130,000 tons of waste. We are on track to meet our target of reducing water consumption by 50% by 2025 compared to our 2021 baseline.

Within the framework of our "human" focus area, we are making steady progress toward achieving our 2030 sustainability targets. To ensure long-term success, we continue to foster an inclusive and innovative work environment. In 2024, we reduced our accident frequency rate by 14% compared to 2021-advancing toward our top priority of zero workplace accidents. For over a decade, under the Equal Borusan initiative, we have implemented macro-level projects that create value for our country, as well as equality-focused initiatives across the Holding and Group Companies. In 2024, we developed the Equal Borusan: Job Posting Guide to publish more inclusive vacancy announcements. We also published the Equal Borusan: Inclusive and Equitable Interview Guide and made it available to all Borusan members.

In addition, our focus on "innovation" was marked by a steady growth through R&D-driven processes that are designed to reduce operational risks, promote efficient resource use, and incorporate innovative technologies. In 2024, we allocated over TRY 480 million to R&D, submitted 24 new patent applications, and developed 39 new products and services. We expanded our efforts across the value chain with initiatives such as the "Sustainable Procurement Supplier Guide and the Supplier Self-Assessment Form", which are both firsts in Türkiye. We tripled the number of suppliers included in our assessment and doubled the number of suppliers who completed the process. Each participating supplier received a tailored report outlining their sustainability maturity. In the second cycle of our Sustainable Benefit Program, we received 142 applications and selected four projects for support.

We continue to uphold ethical principles in line with our corporate governance framework. The Orange Guide, which outlines our working principles and ethical standards, serves as a point of reference for all employees, including at the executive level. Our business ethics approach, which is grounded in transparency, continuity, trust, and integrity, has been embraced across the entire Group and forms the basis of our stakeholder relationships. In 2024, 134 reports were submitted to the Orange Ethics Reporting Line, and 113 of them were reviewed and resolved within the year in accordance with our ethics and compliance principles.

With our investments across the Holding and Group Companies, we are strengthening our vision of "growing into a a Group with a background of 200 years" and leaving a lasting mark on our journey. We are committed to delivering high value-added products and services to both the national economy and our global stakeholders.

You can find a detailed overview of the performance indicators we monitor in the **Annexes** section of this report.

climate



Our approach to “Climate,” one of the three core pillars of our sustainability approach, defines our mission to safeguard and manage today’s resources effectively for a sustainable future. Our key goals include reducing greenhouse gas emissions, increasing the use of renewable energy, preserving biodiversity through eco-friendly practices, adopting circular processes to protect water resources, and maximizing the efficient use and transformation of our waste.

Guided by our material topics, we are transforming our operations to support **climate action.** We take a holistic view of this effort, aiming to drive digital transformation while raising societal awareness. We see **circularity and waste management** not merely as functional tools but as a strategic mindset that promotes recycling and reuse.

As Borusan Group, we see **conservation of nature and biodiversity** as a responsibility to future generations, to sustaining life and diversity, and to building a sustainable world. While we continue to minimize the impact of our operations on biodiversity and natural habitats, we also develop new projects that help protect and enrich biodiversity in the regions where our facilities are located. We prioritize the implementation of **water management** strategies and develop projects to ensure environmental sustainability and generate tangible benefits without wasting water. We also place reclaimed water technologies and the reuse of water at the center of our water management efforts.

human



Nurturing our forward-looking vision with 80 years of experience, we continue to achieve our goals today with the same dedication. Inspired by our coworkers, stakeholders, and communities, we strive to build a human-centered corporate culture that fosters prosperity and equal opportunity while contributing to society.

We prioritize the **health and safety** of our coworkers, aiming to ensure their well-being-both mental and physical. In pursuit of this goal, we proactively address and seek to eliminate all potential risks across our operations. We firmly believe that a safe and healthy work environment is one of the cornerstones of a successful and sustainable business.

We place **inclusion, diversity, and equal opportunities** at the heart of our corporate vision, continuously evolving our organizational structure in alignment with these principles. In addition to supporting projects that benefit everyone under the Borusan umbrella, we have consistently championed all initiatives that **generate societal benefit** since our establishment. Through Borusan Contemporary and Borusan Sanat, we support artistic activities that contribute to cultural enrichment, and consider the work of the Borusan Ocean Volunteers and Borusan Kocabıyık Foundation as a reflection of our mission to create lasting value for Türkiye. We see supporting social development alongside cultural and artistic activities not just as a responsibility, but as an extension of our deep-rooted belief in and dedication to the advancement of both our coworkers and society at large.

We strive to anticipate the evolving needs and requirements of the future world of business. In this context, we provide Borusan members with **opportunities to expand their skills** and prepare for the competencies that will be in demand tomorrow. We are committed to supporting their personal and professional development, empowering them to grow into the leaders of the future.

We also act in alignment with every link in our value chain, giving priority to working with stakeholders who share our values and upholding **environmental and social sustainability across our supply chain**. Our **customer satisfaction** approach is built on product and service quality as a top priority, underpinned by respect, equality, integrity, and courtesy. Our aim is not only to fully meet customer expectations but to go beyond them. As we strive for long-term success, these values are at the core of our operations and enable us to build enduring, trust-based relationships with our customers.

innovation



We draw inspiration from the latest developments and innovative ideas at every stage of our business, shaping a bold and forward-looking future.

With a focus on our material sustainability topics, we aim to develop innovative and **sustainable business models** that address future challenges. Our efforts help amplify the value and impact we generate.

By scaling up our responsible investments that contribute to sustainability, we form meaningful partnerships with our stakeholders. We use our corporate resources and innovation capabilities to support projects within our ecosystem that deliver environmental and social benefits by **promoting entrepreneurship and developing partnerships**.

We closely monitor the dynamics of the markets we operate in, and we seek to add value for our customers by integrating technological advancements into our business processes. Through **R&D and innovation**, we foster a culture of continuous improvement.

The ongoing wave of technological and digital transformation around the world has become a vital component of our sustainable value creation efforts. Drawing strength from our roots, we are implementing **technology and digital transition** projects that leverage this transformation as a powerful accelerator.

MESSAGE FROM THE CHAIRPERSON



Dear stakeholders,

With the strength we draw from our roots, we at Borusan Group proudly celebrated our 80th anniversary this year. These celebrations reaffirmed the enduring presence of the values that make Borusan what it is today-integrity, diligence, innovation, and modernity. Now, with an even greater awareness that the seeds we plant today will shape our future and lay the foundation of our success, we continue our efforts with the same unwavering determination. Today, we contribute to Türkiye's economy with over 14,000 coworkers, across five core business areas-manufacturing, automotive, logistics, energy, and machinery and power systems-in 10 countries spanning three continents.

In recent years, heightened uncertainty and geopolitical developments have negatively impacted global growth expectations, while fluctuations in commodity prices have introduced new economic risks. Amid this fragile environment, we continued our operations with full awareness of the growing geopolitical risks. By 2024, global crises began reshaping international relations and deeply affected migration and mobility. Disruptions in supply chains not only exposed existing vulnerabilities but also drove innovation. As companies reevaluated their traditional business models, transparency, diversification, flexibility, and resilience emerged as critical priorities. The weakening of globalization, contraction in trade, and the resurgence of protectionist policies have made 2024 a dynamic yet uncertain year economically. Türkiye has also felt the effects of these developments, particularly as shifts in the political and economic landscape of the European Union-its largest trading partner-posed additional risks to global stability.

In the face of these challenges, we further strengthened our organizational resilience, achieving stable growth and strong financial results despite the climate of uncertainty. Thanks to our robust policies, we were able to get closer to our targets and deliver consolidated revenue growth, making 2024 a successful year for the Borusan family. This strong performance reflects both our solid foundation across diverse sectors and our long-term growth strategy, as well as the dedication of Borusan members and the trust of our stakeholders.

Driven by our mission to grow into a Group with a background of 200 years and more, we believe it is critical to blend technology with ethical values and a strong sense of responsibility to build a sustainable and inclusive future. With this mindset, we are consciously embracing digitalization and advancing our own transformation with determination. Last year, we established Borusan Ventures and made investments in five international startups and five venture capital funds, primarily focused on technology. Through our corporate venture capital efforts under Borusan Ventures, we aim to make a strategic contribution to the future technology ecosystem and strengthen our commitment to sustainable value creation in the industries where we operate.

MESSAGE FROM THE CHAIRPERSON

The climate crisis stands as one of the greatest challenges facing humanity. Guided by the vision we inherited from our late founder and my father, Asım Kocabıyık, and our aspiration to grow into a Group with a background of 200 years and more, we draw inspiration from our roots, while inspiring the future through our sustainability efforts centered around the pillars of climate, human, and innovation (i³). As we prepare for what lies ahead, we anticipate environmental and social challenges, and design projects that generate meaningful value for a better world.

We have placed sustainability at the core of our business model-not as a goal to be achieved, but as a strategic framework that informs our operations and guides our value chain. Every step we take toward achieving our sustainability goals is accompanied by innovative solutions and effective strategies.

At Borusan, contributing to the development of a modern Türkiye is just as important to us as our core business operations. In this spirit, we continued to advance our work aimed at broadening access to culture and the arts over the past year. We also took great pride in celebrating the 25th anniversary of the Borusan Istanbul Philharmonic Orchestra (BIPO), which we founded in 1999. Over the past quarter-century, BIPO has earned acclaim in Türkiye and around the world for its distinguished performances with world-renowned soloists, becoming an indispensable part of the cultural and artistic scene.

It is thanks to the strength and inspiration we draw from our past that we were able to conclude 2024 with remarkable achievements, even in the face of global dynamics and the climate crisis. As we celebrate our 80th anniversary, I extend my heartfelt thanks to all our coworkers and stakeholders who played a part in our success and share the pride and joy of having completed yet another year filled with accomplishments.

Kind regards,

Ahmet Kocabıyık
Chairperson of the Board
Borusan Holding

MESSAGE FROM THE GROUP CEO



Dear stakeholders,

As Borusan Group, we have left behind a very special year where we brought together our deep-rooted legacy and forward-looking vision. In our 80th year, we honored our deep roots while strengthening our belief in the horizons ahead by saying, “We started from zero and reached 80 - in fact, we are just getting started.” We celebrated this milestone with all our stakeholders and valued coworkers who have carried Borusan to where it stands today, laying the foundations for future achievements. In the years ahead, we will continue moving forward with determination toward greater goals, empowered by this strong legacy and innovative vision.

This year, for the fourth time, we are transparently sharing our financial, environmental, and social performance with all our stakeholders through our Integrated Annual Report. In this report, we evaluate our journey of sustainable value creation, our strategic approach, and business model from a holistic perspective, aligning them with our short-, medium-, and long-term goals. We take great pride in sharing this report, which presents Borusan’s 2024 outlook to our esteemed stakeholders, in line with our principles of transparency and accountability.

The strong foundations we have built over time and the values we have embraced have been the cornerstone of our achievements. Guided by this powerful legacy, we are working with the same drive and determination as on our first day to carry Borusan even further into the future. In realizing this vision, we carefully assess global developments and emerging opportunities, ensuring that we remain strong and prepared under any circumstance. Global economic, geopolitical, and human agendas, technological advances, and the climate crisis form the core of our roadmap. These factors underline the need for us to become more resilient across our entire supply chain in cooperation with all our stakeholders, while also expanding our strategic partnerships and investments. Amid economic uncertainties and geopolitical challenges, we prioritize preserving the trust we have built with our stakeholders-trust that has formed the basis of our 80-year success story.

We closely monitor macroeconomic developments and implement risk mitigation strategies. In fact, the global geopolitical challenges and the reshaping of global trade in 2024 once again demonstrated the importance of flexibility and adaptability in our business strategies. Shrinking global trade and the rise of protectionist policies have been key drivers in restructuring production and supply chains. We are diligently monitoring trends arising from this transformation and responding swiftly to adapt to evolving conditions.

Our experience in effectively managing risks and opportunities in the face of the challenges and uncertainties of the past year enabled our Group to maintain strong performance in 2024. **We concluded the year 2024 with a consolidated Group revenue of TRY 257 billion, marking a 39% increase in Turkish lira terms compared to TRY 185 billion in 2023.** This success reflects not only our financial strength but also a holistic achievement that encompasses our environmental and social commitments. By maintaining our strategic vision and agile management approach, we will continue adapting to changing global dynamics and pursuing our growth targets in the years ahead. We have **an investment plan totaling TRY 66 billion** for the next three years. Through these investments, we aim to drive not only economic growth but also long-term value for society and the environment by establishing a sustainable and responsible business model.

MESSAGE FROM THE GROUP CEO

In 2024, while continuing to create added value for Türkiye through our business operations, we advanced our efforts in our core sustainability focus areas of climate, human, and innovation (i³). To contribute to Türkiye's energy efficiency goals, we reinforced our climate action roadmap with a decarbonization plan aligned with the country's 2053 net-zero targets. With an 18% capacity increase in Borusan EnBW Enerji, the total installed capacity of our 14-plant portfolio reached 855 MW, significantly boosting our renewable energy production capacity. We are stepping up our investments in clean energy and various emission reduction projects, mobilizing all our resources to transition toward low-carbon technologies and services. Alongside our emissions-focused initiatives that support Türkiye's sustainability goals, we are improving water management to protect natural resources, reducing waste at its source, prioritizing recycling, and implementing circular economy models.

Borusan's sustainability approach goes beyond environmental and societal impact to encompass all stages of the value chain. In this regard, we prioritize occupational health and safety for every individual under the Borusan umbrella. Through our people-focused corporate culture, we continue to implement projects that strengthen employee satisfaction and loyalty.

We are also advancing our human-centric approach through innovation and business models aimed at building a more sustainable and inclusive future. Under the theme of value creation through innovation, we aim to develop circular and low-carbon business and service models, and generate social and environmental benefits through collaborations that support the entrepreneurship ecosystem. We believe sustainable growth can only be achieved through innovative business models and technology-driven ventures. With this vision, the initiatives we launched through Borusan Ventures in 2023 marked a key turning point where we translated our responsible investment approach into tangible action within the innovation ecosystem. By channeling our corporate venture capital investments into the field of sustainability, we will continue leveraging Borusan Group's financial strength as a catalyst in this area.

Once again, we proudly conclude a year in which we have met not only our financial targets but also our sustainability commitments. I extend my heartfelt gratitude to all Borusan members who contributed to this success, to our loyal customers, to our shareholders who share our vision, to our strong business partners, and to all stakeholders with whom we create value together.

Kind regards,

Erkan Kafadar
Borusan Group CEO

2024 AT A GLANCE



Renewable energy accounted for **80%** of total energy consumption (Borusan EnBW Enerji)

855 MW total installed capacity (Borusan EnBW Enerji)

7,112,304.79 GJ of renewable energy produced

871,875.36 tCO_2e of greenhouse gas emissions avoided through Borusan EnBW Enerji's renewable energy generation

Over **130,000** tons of waste recovered

15% reduction in water consumption since **2023**

Over **115 tons** of water reclaimed and reused

EUR 60 million in Green Cash Loan and EUR 20 million in Non-Cash Green Loan for a total of EUR 80 million in green financing by Borusan Otomotiv Group

Environmental protection investments exceeding **TRY 296,431,710**

First sustainability reports published by Borusan Lojistik and Borusan Port

28% reduction in energy intensity at Group level

Carbon reduction equivalent to the carbon sink of **40 million** trees (Borusan EnBW Enerji)

Borusan Pipe being awarded the **2024 Fortune Sustainability Award by Fortune Türkiye**



26% women in senior leadership

74% employee satisfaction and loyalty score

Zero fatal accidents

0% occupational illness rate

52% increase in social and environmental audits compared to the previous year

Launch of the Borusan Supplier Sustainability Assessment Platform

96.3% retention rate for young talent hires (Alpha)

Borçelik becoming the only steel producer in the world in its sector to hold the EDGE (Equity, Diversity, and Gender Equality) Certification, and the first company in Europe within the industry to receive this distinction.

Breast milk pumping machines installed in lactation rooms as part of the "Milking Time" project (Borusan Pipe)

Threefold increase in the number of suppliers subject to sustainability assessments

TRY 69,839,517 million invested in total training programs

Borusan Cat becoming the first in its sector to receive the "İş'te Eşit Kadın Sertifikası" (Equal Women at Work Certificate) in Türkiye



R&D budget exceeding **TRY 480 million**

24 new patent applications

39 new products and services

Investment of USD 68 million in a large-diameter steel pipe manufacturing plant in Panama City under Borusan Pipe's U.S. subsidiary, Borusan Berg Pipe Holding Corp.

Borusan Port receiving the Best RFID Implementation award in the Logistics/Supply Chain category for its "Safecard Project – End-to-End Occupational Health & Safety and Efficiency Monitoring in Port Area"

428 applications to the Borusan Sustainable Benefit Program from **58 provinces in** Türkiye

Borusan Ventures, established in 2023, invested in five startups in 2024

Total Value Generated From Sustainable Business Models: **TRY 507,980,623.6**

Launch of the Borusan Otomotiv Group R&D Center

GLOBAL, SECTORAL, AND REGULATORY TRENDS

We actively monitor and analyze developments and trends in our external environment. Keeping a close watch on global, sectoral, and regulatory shifts is crucial for sustaining our positive impact across business lines. By aligning our strategies with these trends, we reinforce our sustainable growth goals, deliver value to our stakeholders, enhance the resilience of our business, and contribute to a more habitable future for society. This section provides an overview of global trends, sectoral transformations, and regulatory developments through a holistic lens, while also outlining Borusan Holding and Group Companies' strategic responses.

Any views and opinions expressed in this section do not necessarily represent the position of Borusan Holding Group Companies. This outlook report was compiled by referencing relevant information sources pertaining to the trends discussed.

Macroeconomic Outlook

Current macroeconomic conditions continue to exert significant pressure on global markets. Supply chain disruptions and geopolitical crises have given rise to a series of structural risks that transcend national borders.

In recent years, one of the most influential macroeconomic topics has been global inflation. Although price pressures persist in some countries in 2024, the global fight against inflation has begun to follow a more favorable trajectory[1].

According to the International Monetary Fund (IMF), headline inflation peaked at 9.4% in Q3 of 2022 and is projected to fall to 3.5% by the end of 2025-below the 3.6% average recorded between 2000 and 2019[2].

Despite sharp and synchronized monetary tightening worldwide, the global economy has demonstrated resilience throughout this disinflationary period. While growth is projected to remain steady at 3.2% in both 2024 and 2025, some countries-particularly low-income developing nations-have experienced downward revisions in growth forecasts due to escalating geopolitical crises[3].

Although the global decline in inflation this year marks a notable milestone, growing regional conflicts remain one of the most critical threats to the macroeconomic outlook.

Moreover, ongoing global economic pressures, compounded by the crises in Ukraine and the increasingly volatile Middle East, are driving nations toward more protectionist policies. In parallel, trade tensions and geopolitical risks are intensifying concerns over the future of globalization[4]. In this context, 2024 has seen many countries adopt various measures to remain competitive in international trade. In particular, the slowdown in China's economy[5], coupled with the country's pivot toward exports, has created additional pressure on companies in Europe and the United States. Among the European Union's responses was the introduction of tariffs of up to 45% on Chinese electric vehicles[6]. Türkiye has also seen developments in line with this global trend.

COP29 Outcomes

One of the key outcomes of COP29was the establishment of a climate finance target totaling USD 1.3 trillion annually, with contributions expected from all actors through 2035 to support the needs of developing countries. This new collective target marks a remarkable shift in global climate finance. At the core of the target lies a commitment-primarily by developed countries-to generate USD 300 billion annually. Furthermore, the "Baku to Belém Roadmap to 1.3T" was launched to clarify the structure and flow of this financing.

In 2024, the European Investment Bank (EIB) **invested approximately EUR 44.8 billion** in climate action and environmental sustainability, **designating an average of 60% of its total financing to support the green transition.**



[1] https://www.imf.org/external/datamapper/PCPIPCH@WEO/WEOWORLD
[2] file:///C:/Users/TR104982/Downloads/text.pdf
[3] https://www.un.org/sustainabledevelopment/blog/2025/01/press-release-wesp2025/
[4] https://www.worldbank.org/en/news/feature/2023/08/29/protectionism-is-failing-to-achieve-its-goals-and-threatens-the-future-of-critical-industries
[5] https://www.bbc.com/news/articles/crr54x00857o
[6] https://www.reuters.com/business/autos-transportation/eu-slaps-tariffs-chinese-evs-risking-beijing-payback-2024-10-29/#:~:text=BRUSSELS%2C%20Oct%2029%20(Reuters),and%20prompted%20retaliation%20from%20Beijing

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Macroeconomic Outlook

Environmental Perspective

Macroeconomic stability can be considered a critical precondition for environmental conservation. Environmental issues often stem from market dynamics surrounding the use of natural resources, shortcomings in policy frameworks, and inadequate institutional safeguards. Macroeconomic policies, especially those rooted in a linear economy perspective, are known to have adverse impacts on the environment[7].

Looking ahead, new business models backed by political support and societal pressure are expected to accelerate the shift toward a circular economy by the 2030s. To remain competitive, companies need to start adopting circular economy models today[8]. In this context, the European Union, a pioneer in the circular economy transformation, saw its European Investment Bank (EIB) allocate roughly EUR 44.8 billion in 2024 to climate action and environmental sustainability, dedicating around 60% of its overall financing to green transition efforts[9].

Social Perspective

This year, global employment expanded alongside a growing labor force, while the global unemployment rate remained steady at 5%-similar to 2023[10]. Rising inflation and living costs continue to place significant pressure on households worldwide, and the global macroeconomic outlook remains a daily challenge for many. From a social perspective, these economic pressures disproportionately impact vulnerable groups, deepening inequality and poverty. As lower-income groups find it increasingly difficult to access basic goods and services, the risk of social unrest rises, and the gap in income distribution widens.

Today, **roughly 700 million people-approximately 8.5% of the global population**-live in extreme poverty, surviving on **less than USD 2.15 per day**[11]. Addressing these issues requires coordinated policy interventions that prioritize social safety nets and inclusive economic growth.

Borusan Group's Approach to the Trend

We conduct multi-faceted evaluations with our Group Companies to maintain the strong trust we have built with stakeholders, better understand market conditions, and prepare for developments in the global economy that shape investment opportunities.

While assessing the macroeconomic outlook, we prioritize proactive risk management and effective financial governance to mitigate risks and identify opportunities amid shifting market dynamics. To position ourselves flexibly in the face of a complex macroeconomic landscape, we closely monitor changes in market conditions.

Despite an uncertain macroeconomic environment, Borusan Group's consolidated revenue increased by 39% compared to the previous year, reaching TRY 257 billion. This success stems from our strategic planning, effective management practices, and sustainable business models. Our capacity to respond swiftly to market dynamics and maintain financial discipline enabled us to grow at the Group level, even under challenging circumstances. The resilience we have shown will further strengthen us as we pursue our future growth goals. For the 2025-2027 period, we have an investment plan of TRY 66 billion. Through the investments we will ba making in the short run, we aim to advance our sustainable growth steadily and reinforce our leadership across the sector.

Related Global Risk Categories[12]

- Inflation
- Economic Downturn

[7] https://www.elibrary.imf.org/display/book/9781557755360/ch001.xml
[8] https://www.weforum.org/stories/2022/01/5-circular-economy-business-models-competitive-advantage/
[9] https://www.eib.org/en/projects/topics/climate-action/what-we-offer
[10] https://www.ilo.org/sites/default/files/2025-01/WESO25_Trends_Report_ENGLISH.pdf
[11] https://www.worldbank.org/en/publication/poverty-prosperity-and-planet?gad_source=1&gclid=CjwKCAiAzba9BhBhEiwA7glbau2vyo-HOLOLc3mCKNclRXnJybNe9U91H6TKpI2AYlokD7Oi6DnUDBoCwycQAvD_BwE
[12] *Global Risk Categories refer to the short-term risk categories (two-year period) identified in the World Economic Forum Global Risks Report 2024:* https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2024.pdf

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Geopolitical and Human-Related Issues

Geopolitical and human-related issues have wide-reaching implications for global stability, development, and social welfare. These issues comprise intertwined patterns, such as demographics and social change, geopolitical tensions, violations of human rights, and forced migration. The long-standing trend of globalization has, in recent years, given way to a more fragile global atmosphere marked by intensifying geopolitical risks. Many developments, including the ongoing Russia–Ukraine war, led to a significant reconfiguration of the international order in 2024.

Geopolitical shifts are among the primary drivers shaping migration and mobility, with potentially profound and long-term impacts. The UN's World Migration Report 2024[13] highlights how systemic global changes driven by geopolitical crises have become even more pronounced over the past two years. Increasingly rigid global policies are fueling unpredictable conflicts in both scale and nature, leading to abrupt disruptions in international cooperation.

COP 29 Outcomes

As the impacts of climate change continue to intensify, COP29 emphasized the importance of strengthening the adaptive capacity, resilience, and stability of international communities and ecosystems. The adaptation-focused initiatives launched at COP29 centered on creating opportunities for action in areas such as water, food systems, health, human development, peace, local action, and infrastructure.

Environmental Perspective

Climate-related risks are projected to have widespread impacts on both national security and global stability. Environmental matters, energy supply in particular, remain among the most politically polarizing issues. Geopolitical tensions continue to hinder global progress on climate action. In today's crisis-prone world, we are witnessing an intensification of environmentally harmful human activities. Against this backdrop, the combination of overproduction, overconsumption, and unsustainable economic growth is accelerating resource depletion, loss of biodiversity, and the climate crisis[14].

As climate change progresses at an alarming rate, there is a growing global effort to reach consensus on how to limit temperature increases. The green transition, which plays a critical role in climate action, may bring losses for some countries and gains for others-potentially disrupting the global balance of power[15]. This is why, it is crucial to approach climate policy within a geopolitical framework and to strengthen international cooperation.

Social Perspective

The past two years have witnessed major migration and displacement events caused by acute shocks. In addition to the crises in Ukraine and Gaza, millions of people have been displaced in countries like Syria, Yemen, Sudan, and Myanmar. Meanwhile, 2022 and 2023 saw large-scale climate-and weather-related displacement across many regions-including Pakistan, the Philippines, China, India, Bangladesh, Brazil, and Colombia[16].

Another important social dynamic lies in the global divide between aging and youth-driven economies. Research[17] shows that in large economies, aging populations are increasingly limiting the capacity for production and growth. In contrast, several emerging economies are poised to benefit from their younger populations and expanding middle classes. These demographic shifts are linked to greater job instability, with potential costs for companies, employees, and society at large. For example, in Organisation for Economic Co-operation and Development OECD countries, the average job tenure is declining across all age groups[18].

Related Global Risk Categories[19]

- Interstate Conflicts
- Societal Polarization
- Lack of Economic Opportunity
- Involuntary Migration

[13] file:///C:/Users/TR104982/Downloads/pub2023-047-l-world-migration-report-2024_13.pdf
[14] https://www.spglobal.com/en/research-insights/market-insights/geopolitical-risk
[15] https://www.eeas.europa.eu/eeas/geopolitics-climate-change_en
[16] https://publications.iom.int/books/world-migration-report-2024
[17] https://www.blackrock.com/corporate/insights/blackrock-investment-institute/publications/mega-forces
[18] https://www.oecd.org/en/publications/retaining-talent-at-all-ages_00dbdd06-en.html
[19] *Global Risk Categories refer to the short-term risk categories (two-year period) identified in the World Economic Forum Global Risks Report 2024:* https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2024.pdf

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Geopolitical and Human-Related Issues

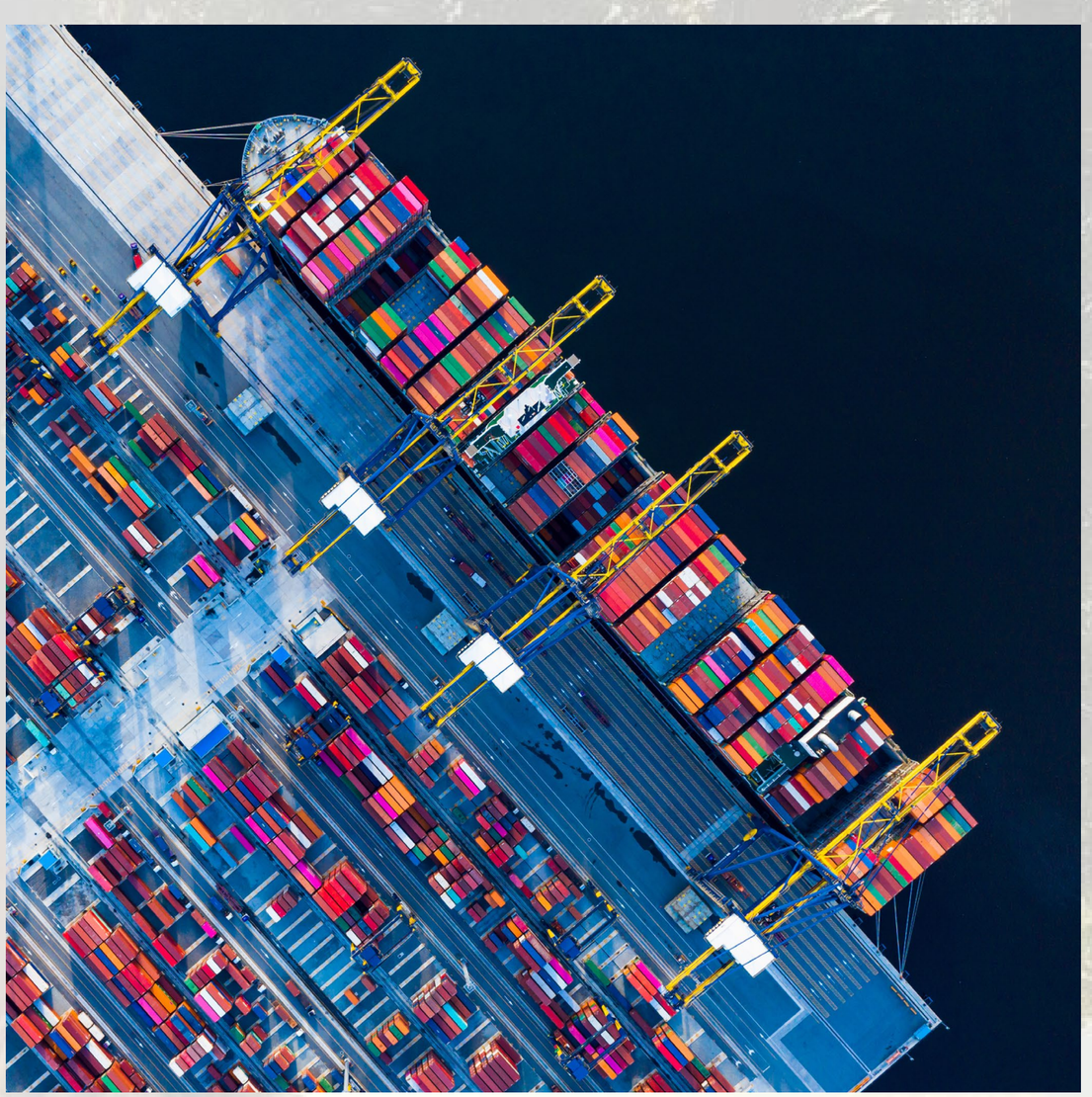
Borusan Group's Approach to the Trend

As a Group with 80 years of experience, operations in 11 countries, and exports to more than 80 countries, Borusan approaches international geopolitical issues from a comprehensive perspective. This approach encompasses analysis, risk assessment, and targeted risk mitigation strategies. We closely monitor geopolitical developments and trends, identify potential risks, anticipate opportunities, and shape our strategies accordingly. Through ongoing risk assessments, we identify specific geopolitical threats that could affect our operations. When necessary, we prioritize mitigation efforts and allocate resources efficiently.

Borusan Lojistik, for instance, has improved resilience against geopolitical risks by diversifying transport routes and enhancing supply chain flexibility. At the same time, it has increased process efficiency and reduced employee turnover through investments in digitalization and automation. From a social standpoint, the company has bolstered talent retention thanks to employee support programs.

Borusan Port responded to the social impacts of this trend by launching the **Borusan Port Coaching Program** in 2022. Designed to enhance the quality of the local workforce, contribute to employment in the Gemlik region, and support youth development, the program provides logistics students at Gemlik Atatepe Vocational and Technical Anatolian High School with training in port-related professions and personalized coaching. Upon completing the program, students are also offered internship opportunities at Borusan Port. This initiative aims to increase the presence of women in the port sector and encourage more female students at the secondary education level to pursue logistics- and port-related vocational high schools. Through this project, Borusan Port has provided internships to 20 young people.

We continue to take extensive measures to preserve and strengthen our workforce. This year, our investment in training exceeded TRY 65 million. With this investment, we aim to boost employee competencies and support their professional development. In addition, we achieved a remarkable improvement in young talent retention. The retention rate for young hires (Alpha) rose from 83% in 2023 to 96% this year. This increase reflects our commitment to providing a healthy work environment and meaningful career development opportunities.



GLOBAL, SECTORAL, AND REGULATORY TRENDS

Technological Advancements

Technological advancement is a multifaceted issue that directly influences our operations, competitive strength, and the strategic direction we pursue. In a rapidly evolving global landscape, technologies such as artificial intelligence have become a transformative force, driving radical shifts across business, economic, and societal domains.

While this transformative power offers significant leverage, it also brings with it complex challenges with far-reaching implications. One such challenge is cybersecurity-an increasingly urgent concern as cyberattacks grow more frequent and severe. In the context of global crises, this issue represents a new dimension[20]. In today's rapidly digitalizing world, the growing frequency of cyberattacks has become a major global concern for companies.

At the same time, technological innovation, particularly in areas like digitalization, automation, and artificial intelligence, has been reshaping both industries and societies. Digitalization is bringing production closer to local markets, facilitating companies' adaptation to evolving market demands and promoting the concept of "glocalization[21]," which seeks a better balance between global and local dynamics[22]. This trend also contributes to strengthening resilience and advancing sustainability.

COP 29 Outcomes

Discussions at COP29 emphasized the need to go beyond existing solutions by encouraging innovation and leveraging advancements in digitalization to guide the tech sector toward a low-emissions future.

The COP29 Declaration on Green Digital Action aims to accelerate climate-positive digitalization and emissions reduction across the information and communication technology industry, while also improving the accessibility of green digital technologies.

Environmental Perspective

From an environmental standpoint, technological advancements play a vital role in addressing the pressures created by climate change. Combining these technologies with initiatives to use resources more efficiently is key to scaling the impact of sustainability efforts.

Digitalization holds significant potential to strengthen environmental sustainability. The concept of "Twin Transition," which merges digital and green transitions, aims to integrate and align these two processes. While green transition focuses on environmental priorities such as energy efficiency, renewable energy, and the circular economy, digital transition helps elevate these efforts through technologies like artificial intelligence, big data, and the Internet of Things (IoT)[23].

The synergy created by integrating these two processes is expected to generate substantial benefits for both businesses and society as a whole. The importance of twin transition continues to grow each day.

Technology's role in expediting decarbonization and conserving resources is critical to safeguarding the future of our planet.

Social Perspective

Automation and artificial intelligence are increasingly taking over repetitive tasks, boosting both efficiency and productivity. However, in OECD countries, nearly 28% of jobs are in professions that face a high likelihood of automatio[24] . This shift makes it imperative to invest in reskilling and upskilling efforts to ensure no one is left behind.

Looking at the broader social implications of technology, it becomes clear that creating inclusive environments-spanning sectors from education to employment-is essential. This also highlights the importance of social innovation. A key milestone in this area would be the Rise Ahead Pledge launched by the Schwab Foundation in January 2024. Companies that signed the pledge aim to increase private sector support for social innovation and **mobilize 1.1 trillion USD in funding for social initiatives** globally[25]. In the 2023 base year alone, Rise Ahead signatories invested more than 278 million USD in social innovation initiatives.

In today's interconnected world, technology plays a central role in shaping public discourse. Yet it also amplifies the risks of misinformation and disinformation, which in turn erode societal trust. As a result, technology's negative impacts appear prominently in the World Economic Forum's Global Risks Report.

Related Global Risk Categories[26]

- Misinformation and Disinformation
- Cyber Insecurity

[20] https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2024.pdf
[21] A term that refers to the combination of globalization and localization.
[22] https://www.weforum.org/stories/2023/01/globalization-isn-t-working-but-glocalization-can-davos2023/
[23] https://joint-research-centre.ec.europa.eu/jrc-news-and-updates/twin-green-digital-transition-how-sustainable-digital-technologies-could-enable-carbon-neutral-eu-2022-06-29_en
[24] https://www.oecd.org/en/topics/policy-issues/future-of-work.html
[25] https://initiatives.weforum.org/global-alliance-for-social-entrepreneurship/rise-ahead-pledge
[26] *Global Risk Categories refer to the short-term risk categories (two-year period) identified in the World Economic Forum Global Risks Report 2024* https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2024.pdf

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Technological Advancements

Borusan Group's Approach to the Trend

In today's climate of rapidly advancing technology, taking agile and adaptive action is crucial for business sustainability. As part of this approach, we took a major step in our technological transformation journey by establishing Borusan Ventures last year. Through this initiative, we had a productive year exploring investment opportunities by engaging with various startups. This year, we invested in a total of five ventures, with a particular emphasis on companies developing software in the sustainability and energy sectors. Moreover, in line with our digital transformation and operational efficiency goals, we entered into a strategic partnership with a major cloud computing provider to leverage their cloud-based solutions.

Across our Group Companies, we are working to embrace technological transformation in every area. For instance, Borusan Lojistik is focused on minimizing risks and boosting operational efficiency through digital solutions. AI-driven applications have identified potentially lost orders and secured critical processes, while also preventing potential workplace accidents by recognizing employees and equipment. Thanks to its AI integration efforts, Borusan Lojistik achieved a 30% reduction in labor costs this year.

Meanwhile, Borusan Cat has launched the "Müneccim" (Oracle) project to proactively predict maintenance needs of equipment through predictive analytics using IoT data and machine learning algorithms. The project processes IoT data using machine learning algorithms to make accurate predictions.

In the case of Borçelik, weakened demand in key sectors such as automotive, white goods, construction, and machinery-where flat steel usage is prevalent-has affected sales volumes. To offset this impact in the domestic market, Borçelik has turned to export markets and high value-added innovative products. By optimizing sales, it has redefined its sectoral and geographic priorities based on evolving trends. To mitigate high input costs, the company has focused on cost optimization through projects aimed at improving operational efficiency.

This year, our Group allocated more than TRY 480 million to R&D investments. We view innovation as one of our most powerful resources and continue to support the development of innovative products and processes that both minimize environmental impact and enhance Group-wide efficiency, enabling us to move confidently into the future.

You can explore the wide array of projects where we have created value through the power of technology in the **"Innovation"** section.



GLOBAL, SECTORAL, AND REGULATORY TRENDS

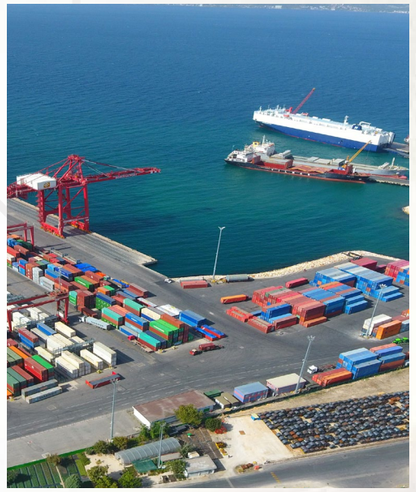
Shifts in the Supply Chain

Ongoing global disruptions in food and energy supply chains, combined with climate shocks and the pandemic, have escalated into widespread issues that have triggered a cost-of-living crisis. What's more, the conflict between Russia and Ukraine has driven up energy and food prices, exacerbating supply shortages. Although global food and energy prices have declined since 2022, domestic prices and risks related to food production continue to affect many economies[27]. These large-scale global challenges require companies to conduct comprehensive due diligence processes, strengthen supplier relationships, invest in technology, and implement sustainable practices to ensure the independence, diversity, resilience, and flexibility of their supply chains. In today's fast-changing global environment, it is essential for companies to manage uncertainty while maintaining supply chains that are agile, adaptable, and competitive[28].

The concept of a sustainable supply chain is becoming increasingly important. The growing focus on sustainability is transforming how companies conduct business. Whether driven by consumer demand, ethical values, or commercial opportunities, today's business priorities now include concerns such as working conditions and environmental impact, alongside traditional factors like product quality, operational efficiency, and cost. For many companies, the goal has become to establish transparent, resilient, and sustainable supply networks that operate smoothly throughout the chain.

Environmental Perspective

While many companies are making efforts to become more sustainable within the boundaries of their direct operational control, research shows that **over 90% of a company's environmental impact stems from its supply chains**[29]. The foundation of a sustainable supply chain lies in fully integrating environmentally conscious practices into a model that is both competitive and successful. Sustainability initiatives must address environmental concerns throughout the entire chain-from raw material procurement and logistics to product returns and recycling.



Social Perspective

End-to-end transparency across supply chains is of paramount importance. As ethical sourcing practices become a higher priority, compliance targets and sustainability standards are becoming more uniform. From a social standpoint, the evolving regulatory landscape highlights growing awareness of the need to address human rights issues, including forced labor and child labor, within supply chains. Numerous countries-including the United States, European Union member states, Switzerland, Norway, Japan, Australia, New Zealand, and Canada-are enacting or enhancing legislation to require companies to carry out comprehensive Human Rights Due Diligence (HRDD) across their supply chains. These regulations are designed to ensure companies do not overlook labor rights violations such as forced or child labor, by obligating them to prevent, reduce, and account for adverse social impacts in their global operations.

An increasing number of legal frameworks are underscoring the importance of understanding and reporting the human rights impact of corporate activities and supply chains. Failure to comply may lead to serious consequences, including legal sanctions, reputational damage, and reduced market access.

Related Global Risk Categories[30]

- Pollution
- Extreme Weather Events
- Erosion of Human Rights and/or Civil Liberties

Borusan Group's Approach to the Trend

Ensuring the continuity of our operational and commercial activities requires us to prioritize the sustainability of our supply chain. We consistently emphasize the importance of identifying and managing the human rights and environmental impacts generated both within our Group Companies and throughout our supply chains. At Borusan Group, we work to extend our sustainability mindset across our entire value chain, evaluating our suppliers under our Sustainable Procurement Policy. At the Group level, we have tripled the number of suppliers included in our assessments and doubled the number of suppliers who have completed the process.

Furthermore, we recognize that issues such as logistics, pricing, and environmental risks contribute to the vulnerability of supply chains. To protect our robust supplier networks, we focus on supplier diversification and prioritize to working with domestic suppliers. This year, 92% of our supplier relationships involved domestic firms. We are also taking measures against supply chain disruptions by implementing localization strategies and regional warehousing solutions.

Borusan Lojistik collaborates with numerous importers and exporters across warehousing, customs clearance, logistics, and value-added services. The company developed its Sustainable Supply Chain Meetings project to serve as a cornerstone for building sustainable supply chains for its clients. The goal of the project is to go beyond being a logistics provider and become a value-adding business partner by identifying gaps in environmental, social, economic, and governance processes and developing joint projects to address them. In 2024, the second round of the event series focused on innovation, attracting registrations from 206 companies.

[27] https://www.imf.org/external/pubs/ft/ar/2023/in-focus/cost-of-living-crisis/
[28] https://lpi.worldbank.org/sites/default/files/2023-04/LPI_2023_report_with_layout.pdf
[29] https://impact.econ-asia.com/perspectives/sustainability/sustainability-missing-link
[30] *Global Risk Categories refer to the short-term risk categories (two-year period) identified in the World Economic Forum Global Risks Report 2024:* https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2024.pdf

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Climate Action and Environmental Crises

The year 2024 has become a stark symbol of the escalating environmental crisis and its growing impact on our planet. Marked by global heatwaves, droughts, intense rainfall, and environmental disasters, the year underscored the increasing volatility and instability of our climate systems. As the hottest year on record, 2024 has revealed the urgent need for comprehensive action plans that address the root causes of climate change and environmental crises.

Global climate change mitigation and resolving environmental crises requires a multidimensional and universal approach that embraces the interdependence of ecological, economic, and social systems. At the heart of this global challenge lies the transition from fossil fuel dependence to renewable energy sources, along with the need to redesign consumption and production patterns and waste management practices. The global environmental crisis also reflects both sectoral and societal perceptions where short-term economic gains are still prioritized over long-term sustainability. While the perceptions of countries, societies, and companies toward climate action and environmental crises have been shifting in recent years, meaningful progress demands that systematic transformation be paired with significant interventions such as carbon pricing, stricter environmental regulations, and investments in green technologies.

However, due to the global nature of the crisis, equitable solutions must be developed that account for the varying levels of development and historical responsibility of different countries, ensuring that vulnerable populations are not disproportionately burdened. At the core of the climate change mitigation and transition logic lies the recognition that environmental health and human well-being are inseparably connected and that protecting the planet is a shared and urgent responsibility.

Meanwhile, 2024 also marked a year of increasing emphasis on nature-related elements in sustainability reporting. The Taskforce on Nature-related Financial Disclosures (TNFD) developed a methodology to assess how nature-related risks and opportunities affect financial performance. This improvement is aimed at enhancing the value of nature- and climate-related financial disclosures for investors and regulatory bodies[31].

COP 29 Outcomes

The COP29 Global Energy Storage and Grids Pledge was introduced. The pledge aims to set a shared target among signatories to scale up global energy storage to 1,500 GW by 2030.

Environmental Perspective

Greenhouse gas emissions reached record levels in 2023. Real-time data[32] from the World Meteorological Organization (WMO) shows that these emissions continued to rise in 2024.

The WMO confirmed that the global average surface air temperature in 2024 was 1.55°C above pre-industrial levels, making it the hottest year on record[33]. A particularly sharp rise has been observed in ocean warming rates over the last two decades. From 2005 to 2023, the ocean absorbed an average of 3.1 million terawatt-hours (TWh) of heat annually -more than 18 times the world's total energy consumption in 2023[34].

The Amazon rainforest, the planet's largest terrestrial carbon sink, holds critical importance for global climate balance. However, it suffered significantly from climate change in 2024. Severe droughts and forest fires led to substantial losses in biodiversity[35].

Roughly 85% of the world's largest companies are significantly dependent on nature to sustain their operations[36]. The speed and scale of biodiversity loss and ecosystem degradation have reached the highest levels in recorded history.

On the other hand, the EU has achieved key milestones in the climate change mitigation efforts. According to the European Commission's Climate Action Progress Report 2024, the EU reduced its net greenhouse gas emissions by 8.3% compared to 2022. This decline marks the largest annual reduction in the past 30 years (excluding the COVID-19 pandemic period).

[31] https://media.licdn.com/dms/document/media/v2/D4D1FAQGdBdDDvMjlww/feedshare-document-pdf-analyzed/B4DZSwlb4sHkAY-/0/1738129496616?e=1740009600&v=beta&t=y2-V_p5dEz5kDn_smhgulJ1JRiWkQQSVuvhSdQgSzBE
[32] https://library.wmo.int/viewer/69075/download?file=State-Climate-2024-Update-COP29_en.pdf&type=pdf&navigator=1
[33] https://turkiye.un.org/en/287264-2024-was-hottest-year-record-says-un-weather-agency
[34] https://wmo.int/news/media-centre/2024-track-be-hottest-year-record-warming-temporarily-hits-15degc
[35] https://www.worldweatherattribution.org/when-risks-become-reality-extreme-weather-in-2024/
[36] https://www.spglobal.com/esg/solutions/nature?utm_source=google&utm_medium=cpc&utm_campaign=Nature_Search&utm_term=nature-related%20risks&utm_content=658261747154&gclid=CjwKCAiAqrC9BhAVEiwAaPu5zo_WgQmarLxzNUzegQbkGRmc3_fzR8RZ8FIy_rCl9M1wcGz7Sb6kRBoCM1cQAvD_BwE&gad_source=1

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Climate Action and Environmental Crises

Social Perspective

We recognize that the cross-border nature of climate issues can only be addressed through global cooperation. However, poorly managed climate change is undermining global efforts to eliminate poverty. Moreover, climate change disproportionately affects people living in vulnerable areas and in poverty, posing a major threat that can only be tackled through international partnership. A report by the World Bank **indicates that by the year 2030, climate change could push an additional 68 to 135 million people into poverty**[37].

Borusan Group's Approach to the Trend

Today, most companies hold physical assets that are at risk due to climate change. That is why, we at Borusan Group place great importance on accurately assessing how to prevent or mitigate climate risks that come with high financial burdens. We believe this is essential for companies to understand their resilience and take the necessary action. Accordingly, we review our climate-related risks and the effects of the climate crisis on the sectors in which we operate, assess possible scenarios, and formulate action plans.

Our operations are guided by the awareness that protecting our planet and conserving biodiversity while also promoting long-term business sustainability depends critically on the sustainable and responsible management of natural resources. In line with our commitment to clean energy, we have increased our renewable energy production this year by nearly 2.5 times compared to the previous year. Across the Group, we succeeded in reducing our Scope 1 and Scope 2 emissions by 11% compared to our 2021 baseline. We also enabled the recovery of 85,000 tons of waste.

At Borusan, we aim to enhance our positive impact in this area by investing in sustainable resource use practices, biodiversity conservation initiatives, and innovative projects. In 2024, our Group Companies launched four new projects focused on biodiversity, including the "Egyption Vulture **(Neophron percnopterus)** Conservation Biodiversity Project" (Borusan EnBW Enerji) and the "Hope Pinna Project" Communication Sponsorship (Borusan Port).

In addition, Borusan Pipe implemented the "Let's Not Waste It" project, a comprehensive energy efficiency initiative to recover heat and prevent high-temperature flue gas from pipe annealing furnaces from being released directly into the atmosphere. As part of our climate action and adaptation efforts, the company **saved 137,534 m³ of natural gas in nine months, preventing 296 tons of carbon emissions.** This reduction alone **lowered the factory's natural gas emissions by approximately 7%.**

Borusan EnBW Enerji **prevented 871,875.36 tCO_2e emissions** this year through renewable energy solutions.



Related Global Risk Categories[38]

- Extreme Weather Events
- Pollution
- Inequality
- Involuntary Migration or Displacement

[37] https://www.imf.org/en/Publications/fandd/issues/2021/09/climate-change-and-inequality-guivarch-mejean-taconet

[38] *Global Risk Categories refer to the short-term risk categories (two-year period) identified in the World Economic Forum Global Risks Report 2024:* https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2024.pdf

GLOBAL, SECTORAL, AND REGULATORY TRENDS

RESPONSIBLE INVESTMENT

In 2018, 420 investors managing assets worth USD 32 trillion called on governments to take more effective and committed action on climate change in order to meet the goals of the Paris Agreement and increase private sector investment in the transition to a low-carbon economy. They also called for action to improve climate-related financial reporting by following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)[39].

Over the past years, responsible investment has undergone a significant transformation, evolving from a narrowly defined investment perspective into a mainstream strategy. Initially driven by ethical motivations, this approach now places broader emphasis on Environmental, Social, and Governance (ESG) factors, supported by a deeper understanding of the long-term value of sustainable practices.

In addition, more than half of individual investors indicate that they plan to increase their allocation to sustainable investments in the coming year. What's more, a significant majority-over 70 percent-believe that strong ESG practices have the potential to generate higher returns[40]. Within this framework, companies that aim for market-level financial returns while also considering their potential to create positive social and/or environmental impact on a global scale are clearly more likely to attract investment.

Research shows that the biggest barriers investors face when assessing sustainability investments are the lack of transparency and reliability in reported ESG data and concerns about investments being presented as more sustainable than they actually are[41].

For most companies, sustainability is viewed as an opportunity to create value[42]. Sustainable investment not only promotes increased production capacity in the economy but also supports decarbonization and the conservation of natural resources. From a social perspective, it promotes job creation, skills development, and equal opportunities for all[43].

COP 29 Outcomes

One of the key outcomes of COP 29 was the consensus on achieving the global climate finance goal of at least USD 300 billion per year by 2035.

Environmental Perspective

Prominent sustainable investment themes include climate action, water solutions, and the circular economy. According to statistics, **an average of 80% of global investors take into account whether a company reports its carbon footprint and commits to reducing greenhouse gas emissions** when making new investment decisions[45].

AI-driven climate initiatives are becoming a key focus for investors. In fact, enterprises concentrating their operations on this field earned USD 1 billion more in the first three quarters of this year than they did in all of 2023. Notably, technology ventures centered on climate adaptation and resilience accounted for more than a quarter (28%) of all climate tech projects[46].

Social Perspective

Best practices in the area of social and community investment continue to advance. Today, companies are moving away from philanthropic donations and short-term activities, shifting toward more strategic and well-developed community investment programs[47]. According to a report published by an international bank, the most popular social sustainability investment areas include **community development** and **gender diversity**[48].

Borusan Group's Approach to the Trend

At Borusan Holding, we are making sustainability-focused investments both within our own operations and through Borusan Ventures, our corporate venture capital arm established last year to invest in innovative initiatives that are poised to shape the future. In 2024, we made five investments in total. Through these investment areas, we maintain our commitment to support future-focused, sustainability-driven ventures. We observe that emerging trends in sectors such as energy, mobility, and logistics are largely shaped around sustainability, and we aim to play a key role in this transformation.

With our responsible investments, we seek both financial returns and contributions to a better future by taking environmental and social impacts into account. Our company values responsible investment and actively operates in line with this mindset. Accordingly, we made environmental conservation investments exceeding TRY 290 million at the Group level in 2024. We will continue to invest in this area every year and create value through our responsible investment approach.

Meanwhile, Borusan Otomotiv Group has secured a total of EUR 80 million in green finance in 2024, including EUR 60 million in Green Cash Credit and EUR 20 million in Green Non-Cash Credit, in alignment with its vision of being a pioneer in the electrification transformation of the Turkish automotive sector. Borusan Otomotiv Group contributes to advancing sustainable mobility through its recent transaction involving electric vehicles to be manufactured by BMW AG, further reinforcing its vision of leading the electrification transformation in its sector this year.

Related Global Risk Categories[44]

- Extreme Weather Events
- Pollution
- Inequality

[39] https://www.deutschewealth.com/en/our-capabilities/esg/what-is-esg-investing-wealth-management/environmentally-responsible-investing-e-in-esg-environmental.html
[40] https://www.morganstanley.com/ideas/sustainable-investing-on-the-rise
[41] https://www.morganstanley.com/ideas/sustainable-investing-on-the-rise
[42] https://www.morganstanley.com/content/dam/msdotcom/en/assets/pdfs/Morgan_Stanley_Institute_for_Sustainable_Investing-2024_Sustainable_Signals_Corporates.pdf
[43] https://www.oecd.org/en/topics/sub-issues/sustainable-investment.html#:~:text=Sustainable%20investment%20supports%20the%20expansion,ensuring%20equal%20opportunities%20for%20all.
[44] *Global Risk Categories refer to the short-term risk categories (two-year period) identified in the World Economic Forum Global Risks Report 2024:* https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2024.pdf
[45] https://www.morganstanley.com/ideas/sustainable-investing-on-the-rise
[46] https://www.pwc.com/gx/en/issues/esg/climate-tech-investment-adaptation-ai.html
[47] https://documents1.worldbank.org/curated/zh/179101468154465000/pdf/577870WP0v20IF00Box385287B00PUBLIC0.pdf
[48] https://www.morganstanley.com/ideas/sustainable-investing-on-the-rise

GLOBAL, SECTORAL, AND REGULATORY TRENDS

SECTORAL TRENDS

Transition to a Low-Carbon Economy

Until recently, the environmental harm caused by economic activity was often viewed as an unavoidable byproduct of growth-something to be tolerated. Today, however, the damage inflicted on our planet is widely recognized as a serious threat to both society and ecosystems. As a result, there is a growing urgency to focus on natural capital and the ecosystems it sustains. Human activity continues to drive pollution, loss of biodiversity, and climate change-three interlinked crises now recognized as among the most pressing global challenges[49].

The transition to a low-carbon economy has therefore become essential, both for combating climate change and for ensuring a sustainable future. Replacing resource-intensive practices with sustainable and environmentally conscious alternatives is central to this process, as it directly targets the reduction of greenhouse gas emissions, which is one of the primary drivers of global warming. This transformation calls not only for a shift to cleaner energy sources but also for a fundamental rethinking of how we produce, consume, and manage waste.

At the heart of this shift lies the concept of the "triple transition[50]": digitalization, sustainability, and social impact. Digital technologies play a key role by enabling more efficient energy use, optimizing resource allocation, and supporting the growth of a circular economy. Moreover, digitalization strengthens data-driven decision-making processes, allowing for more effective progress toward environmental sustainability goals. Equally critical is the role of social impact in this transformation. To ensure a just and inclusive transition, it is essential to involve and empower communities that are more vulnerable to the effects of climate change. Integrating these three dimensions is crucial in building a sustainable future. A transition that also addresses the social dimension of climate action opens new pathways for inclusive growth and equitable job creation, while also responding to climate and social justice concerns.

On a global scale, developing markets play a pivotal role in the shift toward a low-carbon economy. Yet compared to developed economies, they face a substantial investment gap.

Transition to a low-carbon economy will require the large-scale reallocation of capital and a comprehensive restructuring of energy systems. The BlackRock Investment Institute Transition Scenario (BIITS) warns that climate-related physical damages could reduce global GDP by more than 5% by 2050[51].

Resilience to climate change is therefore a core component of the circular economy transition. Sustainable practices like developing climate-resilient infrastructure not only reduce environmental impact but also reinforce long-term adaptability. What's more, these efforts support emission reduction and strengthen compliance with both existing and anticipated regulations. In this context, transition to a low-carbon economy underscores the need for a holistic approach to addressing the climate crisis.

Borusan Group's Approach to the Trend

At Borusan Group, we are focused on developing high-impact projects and adopting innovative solutions that reduce carbon emissions and promote environmental responsibility, thereby supporting sustainable growth. Through various improvement efforts and initiatives, we succeeded in reducing our energy intensity by 28% in 2024 compared to the previous year.

Borçelik has played a pioneering role in the steel sector's transition to a low-carbon economy by adopting sustainable production practices. In line with its carbon footprint reduction targets, the company prioritizes energy efficiency projects, the use of renewable energy, and process-based emission reduction strategies. Both global regulatory developments and evolving customer expectations regarding carbon intensity are accelerating Borçelik's green transformation. Since its 2021 base year, Borçelik has **reduced its Scope 1 and Scope 2 emissions by 14%**.

Borusan Lojistik has completed its "Efficient Warehouses, Sustainable Future" project, which aimed to improve operational processes and increase storage capacity across its platforms by enhancing square meter efficiency. The initiative reduced **CO_2 emissions** by **370 tons** and generated **cost savings of TRY 22.6 million**.

Supsan, on the other hand, implemented the "Waste Compressor Heat Recovery for Ambient Heating" project, which utilizes recovered heat from compressors to reduce natural gas consumption. This initiative prevents **49 tons** of **CO_2 emissions** annually. Supsan also **offsets all of its electricity consumption through renewable energy sources**, fully eliminating its Scope 2 emissions. As Borusan Group, we are committed to eliminating Scope 2 emissions through the use of I-REC certificates. Borusan Pipe, Borusan Lojistik, and Borusan Port also embrace responsible consumption by securing their electricity supply with I-REC-certified renewable energy. In total, the Group has recorded the **purchase of 375,934.79 GJ of renewable energy through I-REC**. Borusan Port continues to adopt an environmentally conscious and sustainability-driven approach, investing in solar energy systems to meet its power needs and reduce its carbon footprint. In 2024, it prevented **524 tons of carbon emissions** through these systems. By 2030, Borusan Port aims to minimize fossil fuel-based energy consumption through planned investments in SPPs and WPPs.

[49] https://www.deutschewealth.com/en/our-capabilities/esg/what-is-esg-investing-wealth-management/environmentally-responsible-investing-e-in-esg-environmental.html
[50] https://www.forbes.com.tr/makale/ucuz-donusum-caginda-finans
[51] https://www.blackrock.com/corporate/literature/whitepaper/bii-megaforces-december-2023.pdf

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Green Logistics

As a key connector of global economies, the logistics sector continues to play a central role in decarbonization and sustainability efforts. Green logistics refers to the integration of environmentally sustainable practices into logistics and supply chain management. This approach focuses on minimizing the ecological footprint of transport, storage, and distribution activities through the adoption of energy-efficient technologies, reduction of waste, and increased use of alternative fuels.

Companies embracing green logistics are investing in electric or hybrid vehicles, optimizing delivery routes, and modernizing packaging processes to reduce emissions and waste. This approach also supports companies in complying with increasingly stringent environmental regulations. Environmentally sustainable logistics options help reduce the carbon footprint of supply chains while supporting the continuity and resilience of trade operations. Environmentally conscious logistics strategies include transitioning to low-emission modes of transport, improving energy efficiency in warehousing, and maximizing capacity utilization[52].

Borusan Group's Approach to the Trend

The logistics sector's shift toward decarbonization is giving momentum to the adoption of sustainable practices. As Türkiye's first logistics company to receive the Green Logistics Certificate, Borusan Lojistik reaffirmed its commitment to the green transition. The company's decarbonization strategy centers on developing solutions that reduce emissions across its operations. Through initiatives like the **Route Optimization project and intermodal transportation operations**, Borusan Lojistik is achieving significant emission savings while advancing both operational excellence and sustainability. Its entire vehicle fleet consists of fuel-efficient vehicles, and in 2024 the company succeeded in reducing its Scope 1 emissions by 11% compared to the previous year.

To further advance its sustainability agenda, Borusan Lojistik installed three rooftop solar power systems, increasing the share of renewable energy in its total energy consumption from 15% to 19%. The share of certified renewable energy (I-REC) in total energy use rose from 33% to 56%.

In addition, the company invested TRY 178,059,902 in environmental initiatives in 2024.



[52] https://lpi.worldbank.org/sites/default/files/2023-04/LPI_2023_report_with_layout.pdf

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Green Steel

Green steel production is of critical importance both to the steel industry and the broader climate change mitigation efforts. However, decarbonizing global steel production remains a significant challenge. Today, the steel sector is responsible for approximately 7% of global greenhouse gas emissions[53]. Yet, through innovation, adoption of low-carbon technologies, and improved resource efficiency, steel manufacturers can reduce energy consumption and emissions, develop more sustainable products, and strengthen their competitive edge.

In recent years, terms such as “green steel” and “carbon-neutral steel” have become increasingly common as part of the steel industry’s evolving sustainability strategies and targets. However, these concepts have yet to gain universal recognition or clear definitions across the sector. So-called green steel products are based on a variety of production methods aimed at reducing carbon emissions in steelmaking. Yet, there is still a notable lack of standardized criteria and transparency regarding the environmental impact and overall sustainability of these processes. The fact that steel manufacturers can designate certain methods as “green” based solely on their emission-reduction efforts does not necessarily provide a clear or accurate indication of how sustainable those methods actually are. Therefore, establishing a clear and widely accepted definition of green steel is essential for the future of the industry.

To align with the EU’s climate goals, companies are expected to develop and commercialize low-carbon technologies over the next 5 to 10 years. A significant number of companies have already begun considering and adopting such technologies-ranging from the integration of green energy and carbon capture, utilization, and storage (CCUS) to alternatives to blast furnace–based metallics-as part of their broader decarbonization efforts[54].

The upcoming implementation of the Carbon Border Adjustment Mechanism (CBAM) and Emissions Trading System (ETS) in 2026 is also expected to drive significant transformation in the sector. Following the commitments of the world’s five largest steelmakers, leading EU producers have likewise announced decarbonization targets. Simultaneously, a growing number of automotive manufacturers have expressed readiness to pay a premium for low-carbon steel in vehicle production, signaling the emergence of a viable green steel market.

In light of these developments, the definition and framework surrounding green steel are expected to become clearer and more standardized in the near future. This will help producers and consumers alike better understand and act on their sustainability goals.

Borusan Group’s Approach to the Trend

Borçelik actively monitors advancements in steel production processes, as the embedded emissions in raw materials account for 95% of its product-related emissions. As the industry shifts from traditional blast furnace (Basic Oxygen Furnace-BOF) technologies to scrap-based electric arc furnaces (EAF) and DRI-EAF (Direct Reduced Iron – EAF) methods, the integration of green hydrogen and other innovative techniques is gaining momentum.

While working to increase the use of low-carbon raw materials, Borçelik is also focused on reducing its own operational emissions. In 2023, Borçelik became the first company in Türkiye to receive the ResponsibleSteel certification for its Gemlik plant -demonstrating its leadership in the Turkish steel sector and its commitment to the highest sustainability standards. In 2024, the company continued its efforts toward green steel certification to meet growing customer demand for low-emission steel.

In parallel, Borçelik implemented its Compressed Air Consumption Reduction Project for its RCM lines, as part of which it has implemented a new air jet design, optimized jet configurations, and upgraded the air distribution system to drive greater energy efficiency. By the end of 2024, the project is expected to result in **a reduction of 14,101,076 m³** in compressed air usage and **1,762,634 kWh** in electricity consumption. This decrease in electricity use is projected to lower Scope 1 emissions by approximately 365 tons of CO_2.



[53] https://www.iea.org/reports/iron-and-steel-technology-roadmap
[54] https://joint-research-centre.ec.europa.eu/jrc-news-and-updates/eu-climate-targets-how-decarbonise-steel-industry-2022-06-15_en#_ftn1

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Sustainable Technologies

Sustainable technology refers to a framework of technological and digital solutions that advance environmental, social, and governance (ESG) outcomes. These technologies are rapidly reshaping industries, redirecting innovation toward environmentally conscious solutions, and playing an increasingly significant role in meeting ESG targets. As companies adopt green technologies, such as renewable energy, energy-efficient systems, and waste reduction tools, they improve their environmental impact. At the same time, sustainable technologies reinforce corporate social responsibility by promoting transparent governance practices. With ESG considerations now embedded in investment and business strategies as essential elements, the integration of sustainable technologies has become a key driver of corporate reputation. Moreover, these technologies can help mitigate operational risks and align environmentally and socially responsible practices with evolving consumer expectations.

A sustainability study conducted by Gartner[55] revealed strong consensus among senior executives, with 90% affirming that digital technology is indispensable to achieving sustainability goals. **Studies also suggest that in just a few years, the compensation of approximately 25% of Chief Information Officers (CIOs) will be tied to their companies' sustainable tech performance.**

In the environmental domain, sustainable technologies increasingly focus on areas such as energy, biodiversity, water, and circularity. On the social side, key areas include diversity, equity and inclusion, and education-related technologies. In governance, issues such as privacy, reporting, and compliance take precedence.

Borusan Group's Approach to the Trend

With a commitment to building a more sustainable future, we are focused on adopting innovative technologies that minimize environmental impact. Together with our Group Companies, we prioritize eco-efficient solutions and cutting-edge technologies to drive operational efficiency, reduce waste, and support the transition to a greener economy.

The Smartpipe project developed by Borusan Pipe integrates custom-designed microsensors into pipelines, equipping them with smart capabilities. This innovative product enables structural health monitoring of the pipeline through features such as stress measurement on the pipe, location tracking, and detection of external threats. These measurements allow for the generation of a three-dimensional predictive visualization of the pipeline. The system also aims to create a smart pipeline that can anticipate issues such as leaks or deformations, enabling preventive measures to be taken before accidents or financial losses occur. The project is designed to prevent both workplace accidents and energy and resource losses caused by transmission interruptions. Moreover, it has evolved into a broader solution that can be leveraged in the prevention of natural disasters. This technology represents a pioneering project in the industry by combining environmental and social sustainability with digitalization and technological integration.

You can explore further examples of the value we create through sustainable technologies in the **"Climate"** section.



[55] https://www.gartner.com/en/chief-information-officer/topics/sustainable-technology

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Electrification

Electrification is a critical pathway for limiting energy-related emissions and achieving net-zero targets by 2050. While electricity accounted for 20% of global final energy consumption in 2022, this figure is projected to rise above 27% by 2030[56].

Globally, the transportation sector contributes to roughly 25% of all energy-related emissions[57]. In particular, the growing adoption of electric vehicles (EVs) reflects a broad shift toward cleaner mobility. While the global pace of EV sales has slightly moderated, growth continues. In Türkiye, hybrid vehicle sales increased by over 70% in 2024 compared to the previous year, while sales of fully electric vehicles rose by more than 45%. Notably, fully electric models now account for more than 10% of total car sales[58].



Borusan Group's Approach to the Trend

At Borusan Group, we are at the forefront of the electrification transition, actively supporting the move toward cleaner, more efficient energy systems. Through the development and deployment of electric technologies, we aim to reduce reliance on fossil fuels and accelerate the shift to sustainable energy solutions.

Borusan EnBW Enerji, one of Türkiye's leading wind energy producers with a total installed capacity of 855 MW, plays a key role in advancing the country's electrification transition. In addition to generation, the company also implements energy efficiency projects. For example, its BEE Daily Production Forecast Model has improved electricity generation predictions for wind power plants by 5–10%.

In another joint initiative, Borusan EnBW Enerji partnered with Borusan Otomotiv Group which is shaping its roadmap with the vision of being a pioneer in the electrification transformation of the Turkish automotive sector, BMW vehicles access to International Renewable Energy Certificates (I-REC) sourced from Borusan EnBW Enerji's renewable energy portfolio.

Borusan Otomotiv Group ranked second in electric vehicle sales in Türkiye in 2024 under its BMW and MINI brands, securing a 14% market share. In fact, 41% of all vehicles sold by the company this year were electric.

Meanwhile, Borusan EnBW Enerji, a leading force in the green energy transition, continues to invest in electric charging networks as part of its clean mobility focus. This initiative, designed to support the widespread adoption of electrification in Türkiye, contributes meaningfully to the clean energy transition and helps shape the path toward a sustainable future. In 2023, Borusan EnBW Enerji entered into a strategic partnership with Petrol Ofisi, operator of Türkiye's most extensive fuel station network. In the first phase, the company plans to invest TRY 1 billion across prioritized locations selected from 2,000 fuel stations.

The Turkish Ministry of Transport and Infrastructure has issued a regulation outlining the procedures and principles for awarding green port certificates to coastal facilities. Aligned with this framework, Borusan Port is actively working to obtain a green port certificate and is implementing a project to provide shore power to docked vessels—aimed at enhancing energy efficiency and reducing environmental impact. The initiative focuses on cold ironing technology, which supplies electricity from shore to ships at berth, significantly cutting emissions from port operations. If successful, this project will establish Borusan Port as the first port in Türkiye to commission a shore-to-ship power supply system.

[56] https://www.iea.org/energy-system/electricity/electrification
[57] https://www.arval.com/amo/2024-global-electrification-report-decarbonization-insights-for-commercial-fleets
[58] https://www.odmd.org.tr/folders/2837/categorial1docs/5822/ODMD%20Bas%C4%B1n%20Bulteni%204%20%C5%9Eubat%202025.pdf

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Hydrogen

Green hydrogen is emerging as a clean and sustainable alternative to fossil fuels, primarily due to its emissions-free production[59]. Its integration into the global energy mix is expected to significantly reduce dependence on carbon-intensive energy sources and help curb emissions that contribute to climate change. As a flexible energy carrier, green hydrogen can be converted into electricity or used directly for heat generation.

One of the key applications of hydrogen is in the iron and steel industry, where traditional furnace-based production methods are highly carbon-intensive. In response to tightening regulations and sustainability targets, particularly within the EU, producers are increasingly shifting toward hydrogen-based steelmaking. At the same time, carbon capture, utilization, and storage (CCUS) technologies continue to be explored as complementary emission reduction tools[60]. While the technological capacity to convert hydrogen into energy at scale is still developing, as highlighted in the European Commission's report[61], the EU plays a crucial role in fostering early-stage research and development for these technologies. However, significant funding gaps remain in the commercialization of breakthrough technologies. **To address this, the European Commission has announced a new state aid initiative valued at EUR 6.9 billion to bolster renewable hydrogen infrastructure[62].**

Borusan Group's Approach to the Trend

As part of our commitment to sustainable energy, our Group Companies are actively advancing green technologies—particularly green hydrogen, which holds strong potential as a key driver of decarbonization. For example, Borçelik has commissioned new hydrogen furnaces through an investment of USD 6 million, marking a major step toward low-carbon production.

In parallel, Supsan is advancing its development of valves for hydrogen engines to align with alternative fuel technologies and support sustainable mobility solutions. The company's ongoing R&D project aims to reduce the impact of hydrogen on engine components, offering durable, high-performance valve solutions. These efforts not only contribute to the transition to sustainable mobility but also position Supsan as a pioneer in adapting to next-generation engine technologies.

Renewable Energy

According to estimates by the International Energy Agency[63], renewable energy consumption across electricity, heating, and transportation is projected to **grow by approximately 60% between 2024 and 2030.** The share of renewables in total final energy consumption is projected to increase to approximately 20% by 2030, up from 13% in 2023. In the power sector specifically, renewables are forecast to increase their share from 30% to 46%, driven largely by solar and wind energy. This rapid expansion triggers a chain reaction that facilitates the decarbonization of other sectors where energy is consumed, including industrial processes, building heating, and electric vehicle charging. Moreover, renewable electricity is a critical input in the production of green hydrogen, which is increasingly used across materials, chemical production, and power generation[64]. These developments point to a significant increase in green hydrogen demand by 2030.

Borusan Group's Approach to the Trend

We prioritize clean, sustainable energy sources and actively invest in renewable energy, contributing to the global shift toward a low-carbon future.

Borusan EnBW Enerji, one of Türkiye's leading renewable energy producers, operates 13 renewable energy plants-including wind power plants (WPPs), solar power plants (SPPs), and hydroelectric power plants (HPPs)- with a total installed capacity of 855 MW. In 2024, the company completed a second capacity expansion at the existing Balabanlı Wind Power Plant, increasing its capacity to 96 MW. Furthermore, renewable energy accounts for 80% of the company's total energy consumption.

Borusan Port commissioned a new rooftop solar power plant. It plays a key role in the domestic wind power supply chain, handling 80% of wind turbine export volume and 50% of project site volume. The port's 2024 export revenue reached USD 13 million.

In addition to Borusan EnBW Enerji, three SPPs are operational at Borusan Port, three at Borusan Lojistik, one at Borusan Otomotiv Group, and one at Borusan Cat. With a total of 22 renewable energy plants across our Group Companies, Borusan's overall renewable energy generation reached 7,112,304.78 GJ in 2024-nearly 2.5 times higher than the previous year.

[59] https://www.sciencedirect.com/science/article/abs/pii/S0360319923045056#:~:text=Tackling%20climate%20change%3A%20green%20hydrogen,fuels%20%5B20%2C21%5D.
[60] https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/641552/EPRS_BRI(2020)641552_EN.pdf
[61] https://publications.jrc.ec.europa.eu/repository/handle/JRC127468
[62] https://media.licdn.com/dms/document/media/v2/D4D1FAQGdBdDDvMjlww/feedshare-document-pdf-analyzed/B4DZSwlb4sHkAY-/0/1738129496616?e=1740009600&v=beta&t=y2-V_p5dEz5kDn_smhgulJ1JRiWkQQSVuvhSdQgSzBE
[63] https://www.iea.org/reports/renewables-2024/global-overview
[64] https://www.iea.org/reports/renewables-2024/global-overview

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Regulatory Trends

Global Sustainability-Related Regulations

EU Green Deal

The European Green Deal represents a comprehensive strategy aimed at addressing climate change and environmental degradation. Its vision is to transform the EU into a competitive, modern, and resource-efficient economy by achieving net-zero emissions and a circular economy by 2050. Within this framework, the Green Deal outlines a series of key step to manage climate risks and ensure sustainable prosperity[65].

Borusan Group's Approach to the Trend

The European market is of strategic importance to Borusan Group, hosting many of our customers and operations. This is why, we closely monitor EU regulations and align our activities to meet all compliance requirements. We actively support the goals of the EU Green Deal by focusing our investments on energy efficiency and emission reduction projects.

To this end, we have been developing carbon measurement and monitoring systems to support low-carbon exports. In logistics, we invest in low-emission vehicles; in energy, we expand renewable energy production. We have also been advancing electrification efforts and enhancing supply chain sustainability through digitalization and data reporting.

Further details on our environmental projects aligned with the EU Green Deal can be found in the **"Climate"** section of this report.



[65] https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Carbon Border Adjustment Mechanism (CBAM) and Emissions Trading System (ETS)

The Carbon Border Adjustment Mechanism (CBAM) imposes carbon pricing on imports of carbon-intensive products to the EU. Its transitional phase began in 2023, requiring companies to report emissions related to certain imported goods. As a core element of the EU Green Deal aimed at emission reduction, the CBAM's transition initially covers sectors such as aluminum, iron and steel, cement, electricity, fertilizers, and hydrogen. Companies importing covered products into the EU are now required to report both product volumes and greenhouse gas emissions generated during production. Although some reporting flexibilities apply during the first year of the CBAM enforcement, carbon pricing will take effect under this scheme as of 2026. This mechanism aims to create a level playing field by balancing fair trade with environmental conservation.

The Emissions Trading System (ETS) was established to contribute to the reduction of the EU's overall emissions and to finance the green transition[66]. Last year, a new Emissions Trading System-2 (ETS-2) was introduced, expanding coverage to include road transport, distinguishing it from the existing EU ETS. By 2027, CO_2 emissions from fuel combustion in buildings, road transport, and additional sectors are expected to fall under this new system[67].

Borusan Group's Approach to the Trend

The Carbon Border Adjustment Mechanism (CBAM) regulates the import of high-emission products into the EU, encouraging local producers to develop lower-carbon alternatives. As an exporter to the EU, Borçelik will be subject to CBAM from 2026, including associated financial obligations. The company is optimizing high-emission production processes and is well-positioned to supply sustainable, low-carbon steel to European markets. Borusan Pipe and Borçelik continue to perform detailed analyses and closely follow developments related to CBAM.

In addition, the introduction of carbon taxes on exports to Europe is impacting the logistics sector. The extension of carbon pricing to logistics, especially road transport under ETS 2, creates cost pressures on high-emission transportation models. In response, Borusan Lojistik is actively developing low-carbon logistics solutions, implementing green logistics practices, and optimizing carbon footprint management. Further information on our green logistics initiatives is available in the **"Climate"** section.

Corporate Sustainability Due Diligence Directive (CSDDD)

The Corporate Sustainability Due Diligence Directive (CSDDD) aims to strengthen sustainable and responsible corporate behavior by emphasizing human rights and environmental considerations in company operations and governance. It requires large companies to conduct human rights and environmental due diligence regarding their own activities, subsidiaries, and business partners across the value chain. The due diligence process follows the six-step framework outlined by the OECD Guidelines for Responsible Business Conduct[68]. The new regulations encourage companies to comprehensively assess adverse impacts stemming from their operations, both within and beyond the EU[69].

Borusan Group's Approach to the Trend

We operate in alignment with the framework of the Corporate Sustainability Due Diligence Directive (CSDDD), proactively taking measures across our activities to address any potential adverse impacts on human rights and the environment. We enforce strict policies across our entire value chain to prevent child labor, forced labor, and other violations of human rights. In 2023, we launched our Sustainable Procurement Policy and expanded the reach of our efforts this year along the value chain with the introduction of the "Sustainable Procurement Supplier Guide" and the "Supplier Self-Assessment Form," which represent pioneering applications in Türkiye. This enabled us to triple the number of suppliers evaluated for sustainability in 2024. Based on these evaluations, we design targeted training programs to address our suppliers' development needs and assess environmental and social risks to establish necessary measures. Our objective is to enhance the sustainability performance of our supplier network in compliance with CSDDD requirements. Training schemes and risk assessments are tailored to help suppliers meet these standards and advance their sustainability efforts.

In 2024, we addressed 51 of 53 human rights-related reports submitted via our ethics hotline, with two cases under review. In addition, we conducted 43 social and environmental audits. These due diligence and corrective actions ensure our business activities align with ethical standards and promote positive environmental and social outcomes in the communities we serve.

[66] https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/about-eu-ets_en
[67] https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/ets2-buildings-road-transport-and-additional-sectors_en
[68] https://mneguidelines.oecd.org/due-diligence-guidance-for-responsible-business-conduct.htm
[69] https://www.corporate-sustainability-due-diligence-directive.com/

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Sustainability Transformation in Türkiye

Sustainability-Related Regulations and Developments in Türkiye

Türkiye Sustainability Reporting Standards (TSRS)

Last year, Türkiye took a significant step forward in sustainability reporting by adopting the core standards issued by the International Sustainability Standards Board (ISSB) under the Sustainability Reporting Standards framework. As of this year, these standards have become mandatory for the companies within the defined scope. With the gradual implementation starting with large enterprises, Türkiye is positioning itself among the leading countries in the field of sustainability reporting. Through this move, Türkiye aims to strengthen its competitiveness in attracting international investments and to seize opportunities such as improved access to green finance[70]. Companies that exceed at least two out of the three threshold criteria specified in the standard for two consecutive financial years (2022–2023) will be required to submit their first mandatory annual report for the year 2024 in 2025.

Borusan Group's Approach to the Trend

Borusan Pipe is among the Group Companies that fall within the scope of TSRS. Having begun its preparations for TSRS last year, Borusan Pipe is currently preparing its TSRS-compliant report. The company aims to achieve its sustainability goals through the framework provided by these standards and adopts a disciplined approach toward building a sustainable future. It also maintains its commitment to transparency and accountability in environmental, social, and governance areas, aligning with the highest reporting standards. Through its TSRS efforts and the data obtained, the company seeks to offer its stakeholders a comprehensive view of its sustainability-oriented practices.

Türkiye's Long-Term Climate Strategy for 2053

Türkiye's Long-Term Climate Strategy for 2053 was developed with a view to reducing greenhouse gas emissions and reaching net-zero emissions by 2053. Accordingly, Türkiye anticipates its greenhouse gas emissions to peak in 2038, followed by a steady decline to achieve net-zero emissions by 2053[71].

The strategy also includes new partnerships and initiatives aimed at supporting its implementation. As outlined in the strategic roadmap presented at COP29, 89 strategies have been identified across 18 sectors. In addition, significant targets have been set for the energy sector, the main source of emissions, including a commitment to increase the share of renewables in primary energy consumption to 50% by 2053[72].

Borusan Group's Approach to the Trend

Together with our Group Companies, we are effectively implementing our emission reduction strategies in alignment with Türkiye's Long-Term Climate Strategy for 2053 and are progressing steadily toward our long-term goals. Compared to the 2021 base year, we have succeeded in reducing our Scope 1 and Scope 2 emissions by 11%.

Moreover, we continue to expand our share of renewable energy and investments each year, advancing our clean energy transition. As part of this effort, we increased our renewable energy generation by a factor of 2.5. What's more, we adopt a zero-waste principle, which is another key component of Türkiye's climate strategy, and carry out various projects to use resources efficiently and minimize waste. We align our long-term climate strategy with Türkiye's national roadmap and work diligently to achieve our sustainability targets. To find more about our projects aligned with Türkiye's Long-Term Climate Strategy for 2053, please refer to the **"Climate"** section.

[70] https://www.kgk.gov.tr/Portalv2Uploads/files/Duyurular/v2/Surdurulebilirlik/Duyuru/Turkiye_Surdurulebilirlik_Raporlama_Standartlari_ve_TSRSlerin_Uygulama_Kapsami_Resmi_Gazetede_Yayimlanmistir.pdf
[71] https://iklim.gov.tr/hedef-2053-net-sifir-emisyon-haber-4337
[72] https://csb.gov.tr/bakan-kurum-cop29-da-turkiye-nin-iklim-vizyonunu-paylasti-bakanlik-faaliyetleri-40361

GLOBAL, SECTORAL, AND REGULATORY TRENDS

Türkiye Green Deal Action Plan

In line with global development goals, Türkiye's transition toward efficient resource use and a green economy is of critical importance for sustaining and advancing its export-driven growth strategy and global economic integration.

The number of international companies and investors setting roadmaps for a low-carbon, green economy continues to rise rapidly.

Green transformation of Türkiye's economy and industry plays a key role in achieving inclusive and sustainable growth and in boosting our country's competitiveness, particularly in exports to the EU. Moreover, related efforts are vital in increasing Türkiye's share of international investments.

The Türkiye Green Deal Action Plan includes the following thematic areas:

- **Border Carbon Adjustments**
- **Green and Circular Economy**
- **Green Finance**
- **Clean, Affordable, and Secure Energy Supply**
- **Sustainable Agriculture**
- **Sustainable and Smart Transportation**
- **Climate Change Mitigation**
- **Diplomacy**
- **Public Awareness and Education on the European Green Deal**

The Action Plan consists of 32 targets and 81 actions organized under 9 main pillars.

Borusan Group's Approach to the Trend

At Borusan Group, we align our operations with the Türkiye Green Deal Action Plan and use our best efforts to contribute to the achievement of its targets by measuring our environmental, social, and economic impacts while focusing on sustainable development.

Among the key areas of the Türkiye Green Deal Action Plan, we closely monitor the CBAM and take the necessary actions. Through our projects and investments, we support the development of a green and circular economy. In the area of sustainable and smart transportation, Borusan Otomotiv Group leads Türkiye's electrification transformation, while Borusan EnBW Enerji continues to invest in both renewable energy and sustainable mobility solutions.

Green Taxonomy of Türkiye

The Green Taxonomy of Türkiye is a national framework that classifies both investments and economic activities according to their alignment with environmental objectives. Designed to guide and support sustainable investments in both the public and private sectors, this taxonomy serves as a strategic tool for accelerating the country's transition to a greener economy. Developed in alignment with the European Union's Green Taxonomy, the Green Taxonomy of Türkiye aims to contribute to climate change mitigation efforts and support broader environmental goals under the green deal.

The National Green Taxonomy Regulation is based on six key objectives:

1. **Reduction of Greenhouse Gas Emissions**
2. **Climate Change Adaptation**
3. **Conservation and Restoration of Biodiversity and Ecosystems**
4. **Pollution Prevention and Control**
5. **Sustainable Use and Protection of Water and Marine Resources**
6. **Transition to a Circular Economy**



GLOBAL, SECTORAL, AND REGULATORY TRENDS

Türkiye Emissions Trading System

Türkiye took its first step toward an emissions trading framework in 2015 by creating a Monitoring- Reporting- Verification (MRV) system. As part of this roadmap, the Türkiye Emissions Trading System (ETS) will be launched in 2026. It will apply to facilities above a certain size operating in sectors including electricity, iron & steel, aluminum, cement, glass, ceramics, lime, mineral wool, paper, refinery products, and chemicals[73].

Borusan Group's Approach to the Trend

One of the most impactful new requirements for the iron & steel sector will come from the EU's Border Carbon Adjustment Mechanism (CBAM)—an extension of its Emissions Trading System (ETS). The transitional implementation of CBAM began in 2023, with financial obligations kicking in from 2026. We view the activation of CBAM as a major milestone in the sector's green transition.

Since the EU is Türkiye's natural trading partner in iron and steel, aligning with green transition trends is vital to maintaining export competitiveness. Borçelik, which we expect will fall under the scope of the applicable legislation, is proactively preparing to comply with the regulatory requirements to be introduced in the coming period. As the EU tightens its carbon reduction targets, Borçelik is developing strategies to monitor and reduce its carbon footprint, optimize energy usage, and invest in cleaner technologies.



[73] https://ticaret.gov.tr/data/64f5ba7713b8769d98615d86/AB%20ETS%20Bilgi%20Notu-23.08.2023.pdf

About Borusan

BORUSAN GROUP AT A GLANCE

BORUSAN HEADQUARTERS

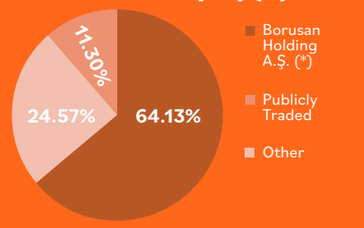
Borusan Holding A.Ş.

Borusan Holding is the corporate headquarters of Borusan Group. As a holding company, we bridge the gap between expectations of shareholders and companies, and inform the Borusan Group from the strategic perspective. We are equipped with a structure that offers views to the Group companies, questions what they do, guides and audits them, and yet does not directly engage in operations.

Borusan Yatırım

Founded in 1977, Borusan Yatırım has joined forces with steel, distribution, logistics, and technology companies, and carved out a portfolio of companies with potential to exponentially grow and lead their line of work. Built on a structure that feeds off each other with Borusan Group companies, Borusan Yatırım has been listed on BIST since 1996 as Borusan Group's second publicly traded company. All Group companies have shares except for Borusan EnBW Enerji.

Shares of the Company (%)



Borusan Kocabıyık Foundation

Advocating that access to education, culture, and the arts is one of the fundamental rights of people, the Borusan Kocabıyık Foundation operates under the mission to promote the formation of a modern community in Türkiye, flourishing along with the community members through the opportunities it offers.

Commercial Businesses: Borusan Contemporary, Borusan Sanat

- Number of young musicians sponsored for music education abroad as part of Borusan Music Scholarship: **13**
- Number of concerts performed by Borusan İstanbul Philharmonic Orchestra: **12**, Number of Borusan Quartet concerts: **8**, Number of Music House concerts: **15**
- **615** students reached out under the project 'English Language Support' in partnership between Borusan Kocabıyık Foundation and Novakid
- Number of visitors to Borusan Contemporary in 2024 **15,820**

Borusan Ventures

It is the corporate venture capital venture of Borusan Group, which concentrates on mobility, logistics, energy & climate and industrial technology, aiming at leveraging early-phase ventures that make a difference all over the world, especially in the US and Europe, and inform the future with an innovative perspective. In 2024, Borusan Ventures invested in a total of 5 startups.

MANUFACTURING GROUP

EBITDA:
USD 167 million
EBITDA Share: 22.3%
Net Sales:
USD 3,144 million
Share in Net Sales:
39.3%

Borusan Pipe**

- A total of 10 production facilities
- Gross Profit: USD 112 million
- Profit Before Tax: USD 1 million
- Total Sales Revenue: USD 1,689 million
- Sales Volume: 1.168 thousand tons
- Total Production Capacity: 1.7 million tons
- Total Exports in 2024: USD 284 million

Borçelik

- Gross Profit: USD 97 million
- Profit Before Tax: USD 24 million
- Net Sales: USD 1.425 million
- Total Sales Volume: 1.617 thousand tons
- Total Sales Volume – Exports: 456 thousand tons
- 5 Registered National Patents
- 7 National Patent Applications
- 10 International Papers Presented
- Cold Rolled Steel Production Capacity: 600 thousand tons
- Hot-Dip Galvanized Steel Capacity: 900 thousand tons
- Metal Processing Capacity: 500 thousand tons
- Total Annual Production Capacity: 1.5 million tons

Supsan

- Exports to 6 countries on 3 continents in 2024
- Gross Profit: EUR 8 million
- Profit Before Tax: EUR 2 million
- Net Sales: EUR 28 million
- Sales Volume: 5.666 thousand tons
- Annual Total Production Capacity: 9 million units
- Total Production in 2024: 5.798 thousand tons
- 5 Registered Patents
- 15 Patent Applications
- 10 Academic Publications
- 50 Products in the Aftermarket
- Valve Manufacturing for BRP Rotax Aircraft Engines
- Operations in Germany, Poland, Italy, France, and the U.S.

MACHINERY AND POWER SYSTEMS GROUP

EBITDA:
USD 105 million
EBITDA Share: 14.1%
Net Sales:
USD 1.122 million
Share in Net Sales:
14%

Borusan Cat

- Gross Profit: USD 196 million • Profit Before Tax: USD 44 million
- Net Sales: USD 1.122 million • Total Number of Sales (Türkiye): 1,341
- Distributor of Türkiye-based Borusan Cat in 5 countries whose international operations span across the Caucasus and Central Asia
- Distributor of both Caterpillar and FG Wilson, one of the world's leading power solutions brands
- Customer base: 85,925
- Boom360 Super Mobile App: 96,000 downloads, 11,000 service requests, 980 daily logins on average
- **Innovative Equipment and Technologies:** VisionLink: Enables fleet management via satellite systems by generating weekly or monthly reports on various parameters such as fault data, hourly fuel consumption, and machine operating hours
- **Digital Solutions:** Müneccim: AI application predicting potential failures using IoT data
WeKing: Digital platform for operational management through technician planning, tracking, and reporting
RFM-S: Predicts sales opportunities to customers with potential to buy new machinery or rent used machinery
- **Industry-Specific Products:** Sound Diagnostic: A trademarked feature powered by a proprietary algorithm that predicts faults before they occur by analyzing field-recorded sounds actively collected via our Boom360 app-with just a 30-second audio sample

AUTOMOTIVE GROUP

EBITDA:
USD 242 million
EBITDA Share: 32.3%
Net Sales:
USD 2.852 million
Share in Net Sales:
35.6%

Borusan Otomotiv Group

- Gross Profit: EUR 316 million
- Profit Before Tax: EUR 177 million
- Retail Sales: 37,163 units
- Consolidated Sales of New Vehicles: 37,896 units
- Consolidated Sales of Used Car: 7,343 units Retail 18,493 units Auction
- Net Sales: EUR 2,645 million
- Services in premium car and motorcycle segments through seven companies: Borusan Otomotiv İthalat, Borusan Otomotiv Pazarlama, Borusan Oto, Borusan Oto Kıbrıs, Borusan Otomotiv Premium, BOM Motor Sports, and Borusan Oto Değerlendirme
- Global Business Partners: GIWA Holding, BMW Group, Jaguar, Land Rover

LOGISTICS GROUP

EBITDA:
USD 109 million
EBITDA Share:
14.5%
Net Sales:
USD 727 million
Share in Net Sales:
9.1%

Borusan Lojistik

- Gross Profit: USD 70 million
- Profit Before Tax: USD 34 million
- Net Sales: USD 567 million (eTA + Borusan Lojistik)

Contract Logistics;

- Number of Warehouses (Domestic): 32
- Total Indoor and Outdoor Storage Area (Domestic): 505,000 m^2
- Total Customs Warehouse Area (Domestic): 17,000 m^2
- Annual Vehicle Handling and Transportation Volume (Automotive Logistics): 683,971 m^3
- 26 Transfer Centers (Less-than-Truck-load Transportation)
- 11 Special Distribution Platforms (Domestic Special Distribution)
- 4,670 Bukoli Delivery Points

International Transportation;

- 30,448 Export Handlings Annually (International Road Transport)
- 23,707 TEU Annual Cargo Capacity (Sea Freight)
- 9.4 million kg Chargeable Weight Annually (Air Freight)
- 11,053 Road Freight Trips in 2024
- 330 Intermodal Trips in 2024 (Green Logistics)

Under eTA;

- eTA Net Sales: USD 145 million
- Total eTA Trips: 369,095
- Total eTA Registered Trucks: 171,211
- Offices in 44 locations across 16 provinces
- Mobile eTA App Downloads: 150,204

Borusan Port

- Gross Profit: USD 29 million
- Profit Before Tax: USD 21 million
- Port Services Revenues: USD 60 million
- Chartering and Project Cargo: USD 71 million
- Heavy Transport: USD 29 million
- Total Revenues: USD 161 million
- Annual General Cargo Capacity: 5 million tons
- Annual Container Capacity: 450,000 TEU
- Annual Vehicle Capacity: 350,000
- Annual Vessel Nomination: 270
- Total Berth Length: 1,930 m
- Terminal Area: 523,000 m^2
- Container Berth Length: 635 m
- Water Depth at Container Berth: 15 m
- Container Yard Capacity: 13,000 TEU
- Vessel Berthing Rate: 98%
- Empty Container Yard Capacity: 5,000 TEU
- Daily Container Freight Station (CFS) Loading: 500 TEU
- Parking Capacity: 7,000 Vehicles

ENERGY GROUP

EBITDA:
USD 126 million
EBITDA Share:
16.8%
Net Sales:
USD 161 million
Share in Net Sales:
2%

Borusan EnBW Enerji

- Gross Profit: USD 127 million
- Profit Before Tax: USD 29 million
- Turnover: USD 161 million
- Sales Volume: 2,142 GWh
- Installed Capacity: 855 MW
- Annual Energy Generation: 2.141 TWh
- Households Supplied: 1 million
- Annual Emission Reduction: 871,875.4 million tons CO_2
- 13 plants generating energy from solar, hydroelectric, and wind sources
- YEK-G certificate application submitted for one Borusan EnBW Enerji facility

**As of June 28, 2024, Borusan İstikbal Ticaret T.A.Ş. has merged with Borusan Holding A.Ş.*
***Our financial information for Borusan Pipe includes consolidated data, whereas our Climate, Human, and Innovation information covers only BBB TR data*

MAP OF BORUSAN GROUP COMPANIES

We continue to manufacture goods and create value with over 14,000 employees in 11 countries* over 3 continents. Drawing strength from our roots, we are progressing toward a sustainable future.

Borusan Group runs operations in manufacturing, machinery and power systems, automotive, logistics, and energy in Türkiye and around the world. As a holding company based in Istanbul, we continue to grow in the global market and create value for our companies and Türkiye in a swift and decisive fashion. We provide services meeting the global standards, create jobs, and take firm steps to grow into a Group that boasts over 200 years of background through new investments and our companies. In the meantime, we place a premium on people, environment, and nature in line with the goal of creating social benefits and value, and develop large-scale projects to offer solutions to social and environmental issues.



*USA, Kyrgyzstan, China, Türkiye, Romania, Kazakhstan, TRNC, Georgia, Azerbaijan, UK, Italy, Germany

OUR STRATEGY AND BUSINESS MODEL

In our 80-year journey of growth from our roots to the future, as we push forward to grow into a Group with a background of 200 years and beyond, we adopt a strategy that opens out to the economy of the future.

We work hard to grow with responsible investments, adapt and transform our way of doing business to the future, and morph into an organization that creates benefits for all stakeholders, which constitute our material objectives. To this end, we intend to grow in “fundamental”, “imminent” and “emerging” lines of business, and invest in start-ups through corporate venture capital. As our strategy is built on sustainability, we consider digitization and talent management as the most influential leverage of what we do, and we develop inclusive projects with the emphasis on them.

Our group companies continue to create added value in manufacturing, machinery and power systems, automotive, logistics, and energy, and develop innovative products and services. We act in line with a vision that sets sight on global markets, and aspire to transparently and effectively take actions to achieve our goals with our partners on our side and thus create value for the community and environment.

With trust in people and achievements thanks to them, our Group builds its culture over the shoulders of people. As we form prospective business processes, we do all we can to pass down our culture that ‘makes us who we are’ and our journey of creating value to the next generations in an effort to adopt a sustainable strategy.

Based on our perspective on sustainability integrated into our business strategy, the whole Group takes influential, benefit-driven, and inclusive actions in its focal points of climate, human, and innovation. We do our best to pass down a habitable planet to the next generations.

We are inspired by the natural cycle, our human resources, and innovative ideas. We inspire a sustainable future thanks to our manufacturing capacity, employees, business models, stakeholders, and partnerships. We are set to trail the blaze in our lines of operations, and continue to place sustainability and giving back to the community at the heart of our priorities.

Our Vision

Adopting a strategy that opens out to the future economies under its new roadmap with a view to growing into a 200-year-old company, Borusan Group focuses on investing in start-ups with corporate venture capital while intending to grow in “fundamental”, “imminent” and “emerging” lines of business. We run all-round projects over sustainability, digitalization, and talent management.

Our Mission

While we keep creating added value in manufacturing, service, and industrial sectors through our Group companies that have bought in Borusan’s long-established values and corporate culture as well as international partners, we act in line with the vision focused on developing innovative products and services and adopting an outward-oriented perspective on the global markets.

Borusan Group takes notes of its commitments and opportunities available to the Group to further add to Türkiye.

Accordingly, our objective has always been growing into a corporation that gives back to the community and environment. We have faith in people and success achieved through people and we build our culture around people in line with the vision of founder Asım Kocabıyık. For a sustainable strategy, we strive to pass on our culture and our understanding of value creation for society and the environment to our coworkers, customers, and future generations.

Borusan has aspired to create benefits since its inception. We work on building a better life and a sustainable future for all. We imagine, design, produce and execute what is new, with full awareness about the signs of the times.

We mobilize all our resources to inspire us all. We know that dreams come true to those who create them.

That is why we combine our creativity and production might. We are inspired by natural cycles, our human resources, and innovative ideas. We infuse inspiration into a sustainable future through our production might, employees, business models, stakeholders, and collaborations.

We are primarily accountable to act based on our vision, add value for our business partners, and serve as a role model for others.

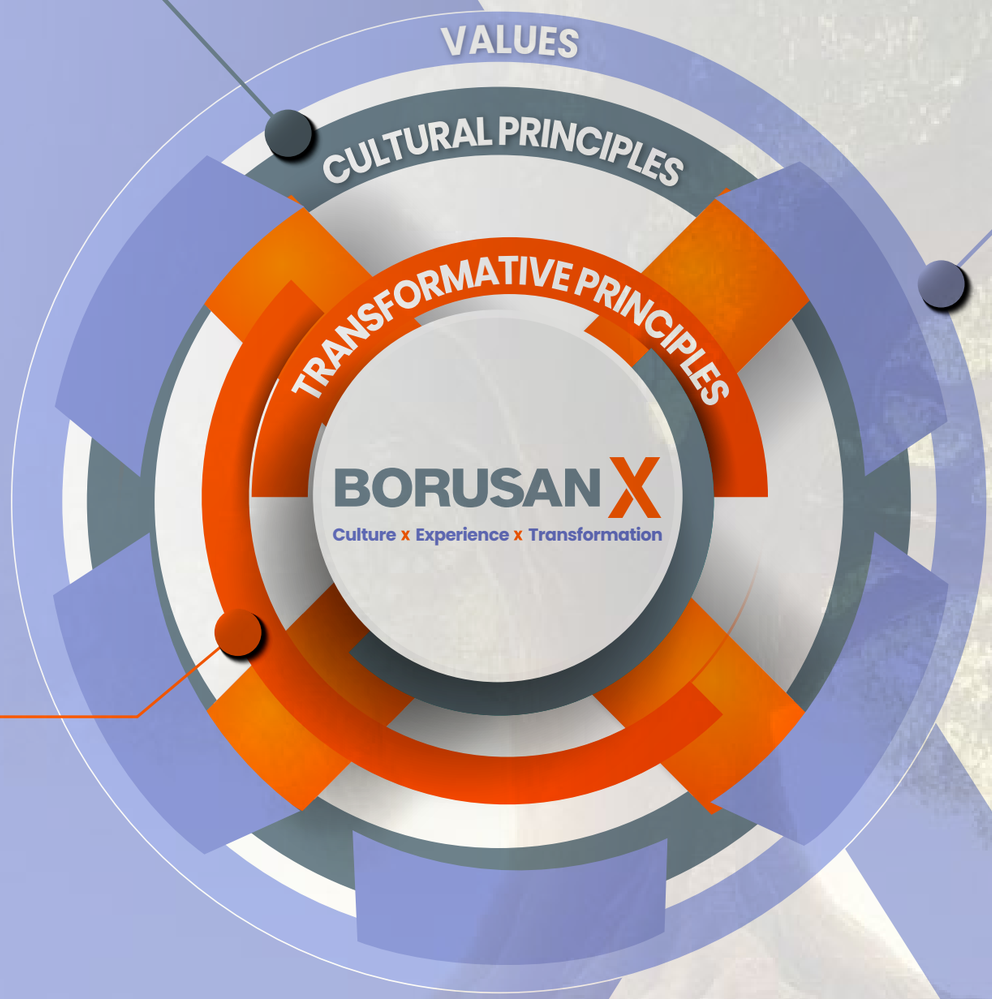
BORUSAN GROUP VALUES, CULTURAL PRINCIPLES AND TRANSFORMATIVE PRINCIPLES

CULTURAL PRINCIPLES

1. Dynamic Mode of Work
2. Sense of Us and Cooperation for Collective Benefits
3. Innovation and Well-Balanced Management of the Present and the Future
4. Creating Value for Clients

TRANSFORMATIVE PRINCIPLES

1. Candour, Dialogue and Constructive Conflict
2. Empowering and Catalyzing Leadership
3. Common Sense and Participatory Management
4. Autonomy and Bold Actions



VALUES

1. Value, Compassion, and Unity for All and One Another
2. Complience with Laws and Ethics, Integrity and Reliability
3. Mutual Trust and Goodwill
4. Equal Borusan: Inclusiveness, Equal Opportunities, and Fairness
5. Sustainability, Responsiveness, and Giving Back to Community and Environment

BORUSAN X
Culture x Experience x Transformation

OUR VALUES

VALUE, COMPASSION, AND UNITY FOR ALL AND ONE ANOTHER

We highly value people and each other, displaying humane and conscionable acts. We are responsive to and mindful of others, looking out for each other, the community, and nature. We cherish and look after each other's life, well-being, knowledge, expertise, development, efforts, views, sentiments, and potential. Each Borusan member and each role and position are an integral and treasured part of the big picture. We follow the principle of cherishing Borusan members, predicating our way of doing business and engaging in relations on that principle. It is not hierarchy but goodwill, trust, compassion, respect, and the sense of us that mould the way we communicate and engage in relations with others. Unity, sense of togetherness, and candour feed off the compassion we have for one another. To us, compassion stands for looking after and caring for each other, and making us feel appreciated. The sense that "we do not have to like each other as respect for one another suffices" does not hold true for us. We make the effort to get to know and care for each other.

COMPLIANCE WITH LAWS, ETHICS, INTEGRITY, AND RELIABILITY

We act in line with applicable laws, the Orange Ethics and disciplinary policies and rules, and sets of procedures and codes. We would like our business partners / stakeholders to act the same way. We keep our promises to stakeholders. We are coherent in what we say and do, and how we make decisions and take actions. As we strive to accomplish results, we take a firm stand on our shared values, principles, and ethics. We take notice of any acts that would undermine them, and provide immediate and transparent feedback, taking actions accordingly.

EQUAL BORUSAN: INCLUSIVENESS, EQUAL OPPORTUNITIES, AND FAIRNESS

'Equal Borusan': Borusan is a fair and equitable company. We embrace one another regardless of our views, gender, generation, religion, language, race, ethnicity, sexual orientation or disability. We create the environment and conditions for diversity to make its presence felt. Justice and fairness stand for striking harmony and balance among the pieces of our Group. Being aware of the fact that equality does not always correspond to fairness, we attach priority to equal opportunities and fairness, and act accordingly. Our systems, procedures, and practices are transparent and accountable. We leave no room for nepotism and discrimination in our company. We set the Group's policies and terms of procedure based on common sense to secure consistency, equal opportunities, and fairness across Borusan as a part of our practices in human resources. We customize the practices of our group companies in line with their sector-specific and operational facts and requirements provided that those practices are compatible with them.

'Career at Borusan = Development' provides equal opportunities in the development process and looks out for fairness. In an effort to stand by the principle of fairness, we recognize and differentiate those who perform beyond and below standards, and act or breach our cultural values and principles. We do not turn a blind eye to mediocrity or failure to comply with our cultural values and principles and take corrective action.

MUTUAL TRUST AND GOODWILL

Every single member of Borusan is held accountable to foster trust in all aspects. We would rather trust one another and take the first step for that to happen and nurture the sense of trust. We break free from biases and indiscriminately rely on each other's goodwill, know-how, expertise, experience, judgement calls, and common sense. We leave no room for draining energy and pretentiousness in relations. Once we sense something is not on the right track, we take immediate action and try to restore trust. We do not confine ourselves to small circles of "us" only as we keep the sense of us alive.

SUSTAINABILITY, RESPONSIVENESS, AND GIVING BACK TO COMMUNITY AND ENVIRONMENT

In line with our vision of growing into a 200-year-old company, we take actions with a view to creating value and upholding collective benefits for our entire ecosystem with a global point of view. We look beyond ourselves and adopt a benefit-oriented conduct in business.

We are aware of being accountable for the future of the world. We strive to offer solutions to build a better world.

We acknowledge that we are accountable not only to ourselves but also to the community, knowing that we owe a debt of gratitude to the community and the country. We run our business and lead our private lives accordingly, and we expect the same from our circles. We address the environmental, social, and economic aspects of sustainability in a body and view climate, humans, and innovation as the cornerstones of our business operations. We exert efforts to raise further awareness about sustainability, and each one of us serves as a role model for others.

BORUSAN GROUP COMPANIES

MANUFACTURING

BORUSAN PIPE

MARKET VALUE

2022	637 million $
2023	2.8 billion $
2024	1.7 billion $

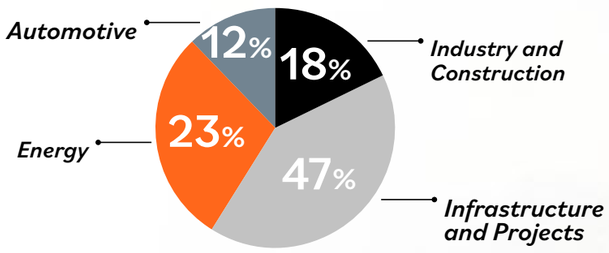
SALES (m$)

2022	U.S.	631
	OTHER	376
	TÜRKİYE	333
	TOTAL	**1,340**
2023	U.S.	1.114
	OTHER	230
	TÜRKİYE	397
	TOTAL	**1,741**
2024	U.S.	1,168
	OTHER	193
	TÜRKİYE	328
	TOTAL	**1,689**

2024 HIGHLIGHTS

Sales Revenue	1.689 million $
EBITDA Margin	6%
Profit Before Tax	1 million $

SERVICES PROVIDED IN 2023 BY INDUSTRIES





Zafer Atabey
CEO of Borusan Pipe

> At Borusan Pipe, we continue to contribute to Borusan Holding's sustainability vision centered on climate, human, and innovation. As a global company, we place sustainability at the heart of our operations, driven by low-carbon production processes, green transition, and digital technologies. In line with our 2030 targets, we aim to manage climate risks as opportunities, establish a responsible value chain, and advance transparently within the framework of non-financial sustainability reporting. By complying with sustainability regulations-especially Border Carbon Adjustments and the Green Deal-we lead transformative change in our industry. We create value for our employees, customers, and stakeholders by taking decisive steps in occupational health and safety, circular economy, water management, and AI-powered digital solutions. Borusan Pipe views sustainability as an inseparable part of its business model and is committed to leaving a livable world for future generations. With this mindset, we will continue to drive industry transformation by developing innovative solutions and supporting the transition to a green economy.

Borusan Pipe operates across 10 facilities on 3 continents, spanning a total area of 1 million square meters. With an annual production capacity of 1.7 million tons and 2,421 employees, it maintains a strong global production and supply network. The company's operations in Türkiye, the USA, Italy, Germany, and Romania exemplify its "local player in global markets" strategy.

In Türkiye, Borusan Pipe manufactures with an 800,000-ton capacity at its facilities in Gemlik, Halkalı, and Bursa, serving the industrial & construction, automotive, and energy pipe sectors. By leveraging local engineering and industrial expertise globally, the company adds significant value to Türkiye's economy and strengthen its industrial ecosystem.

Borusan Pipe's global expansion began in 2001 with the acquisition of Borusan Vobarno Tubi S.p.A. in Italy, securing a strategic position through the production of high value-added specialty pipes for the European automotive and machinery sectors.

The establishment of Borusan Pipe US Inc. in Texas in 2014 marked its entry into oil and gas production. In 2023, the company expanded its energy infrastructure and project operations by acquiring 100% of Berg Europipe Holding Corp., adding facilities in Panama City and Mobile to its portfolio, accelerating growth in the US infrastructure and project segment.

In 2024, the commissioning of a new SRM line in Houston Baytown, which was backed by a USD 50 million investment, positioned Borusan Pipe as a local manufacturer for the industrial and construction sectors in the US market. In the same year, a downstream processing facility was commissioned in Ploiești, Romania, through an investment of EUR 15 million. With a production capacity of 21 million units, the facility serves the automotive industry and supports Borusan Pipe's growth strategy in Europe. The planned USD 68 million advanced forming technology investment at Panama City, scheduled for 2027, will further diversify the company's US product portfolio and boost competitiveness.

Thanks to these investments, Borusan Pipe has firmly established itself as a local producer across the US infrastructure & project, energy, and industrial & construction sectors, generating 53% of total production capacity and 69% of sales revenue from US operations-demonstrating significant global success.

With these strategic global investments and engineering capabilities, Borusan Pipe remains committed to sustainable growth in the steel pipe sector. As a global player grounded in local markets, the company continuously enhance competitiveness, delivering value to stakeholders and shaping the industry's future through innovative solutions, an agile organization, and a talented workforce.

BORUSAN GROUP COMPANIES MANUFACTURING

BORÇELİK

TOTAL SALES (THOUSAND TONS)

2022	LOCAL	1,303
	EXPORTS	364
2023	LOCAL	1,318
	EXPORTS	299
2024	LOCAL	1,144
	EXPORTS	456

2024 HIGHLIGHTS

Sales Volume	1.6 million tons
Sales Revenue	1.4 billion $

Exports to 35 Countries



> As Türkiye’s highest-quality galvanized steel producer, we continue to strengthen our pioneering role in the industry through a work culture centered on sustainable values. Last year, we became the only company in the global steel industry to receive the EDGE Certification, which recognizes our efforts in promoting gender equality on a global scale. We also earned the distinction of being the first steel company in Europe to receive this certification. This significant achievement once again demonstrates Borçelik’s unwavering commitment to equality-driven transformation. In the coming period, we will continue to deliver high-quality products, services, and solutions to all our stakeholders—supporting the evolving needs of export-oriented, value-added manufacturing sectors and contributing to the country’s economic development.

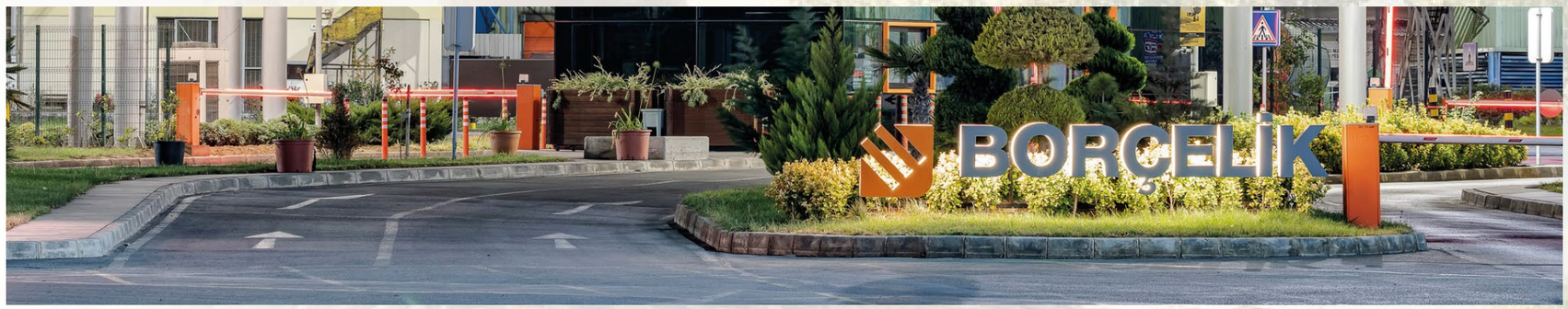
Kerem Çakır
Head of Executive Committee

Founded in 1990 as Türkiye’s first private and second-largest flat steel manufacturer, Borçelik increased its production capacity to 1.5 million tons following investments totaling approximately USD 530 million in 1994, 2003, and 2008. With three cold rolling and three hot-dip galvanizing lines, Borçelik produces 600,000 tons of cold-rolled steel and 900,000 tons of galvanized steel, making it Türkiye’s top producer of high-quality galvanized steel. The company’s product range includes hot-dip galvanized steel, cold-rolled steel, and hot-rolled (pickled and oiled) steel items— all industrial raw materials. Moreover, the Steel Service Centers in Bursa and Manisa provide a total metal processing capacity of 500,000 tons.

The year 2024 was a landmark for Borçelik. Despite challenging market conditions, the company maintained its market position and customer portfolio thanks to flexible business models, achieving total shipments of 1.6 million tons by year-end. Borçelik set a new export record by shipping 456,000 tons to 35 countries. Its innovative product portfolio—including high-performance coating solutions such as Galvaplus and Galvanoks—contributed to record sales levels.

Borçelik remains committed to R&D, investing approximately USD 3.5 million in 2024 to develop innovative business models, products, and services aimed at enhancing global competitiveness. Borçelik is the only steel producer in the world in its sector to hold the EDGE (Equity, Diversity, and Gender Equality) Certification, and the first company in Europe within the industry to receive this distinction.





BORUSAN GROUP COMPANIES MANUFACTURING

SUPSAN
Automotive Components

TOTAL SALES (BİN ADET)

2022	DOMESTIC	2,336
	EXPORTS	4,206
2023	DOMESTIC	3,117
	EXPORTS	3,642
2024	DOMESTIC	3,632
	EXPORTS	2,034

2024 HIGHLIGHTS

Sales Revenue	28 million €

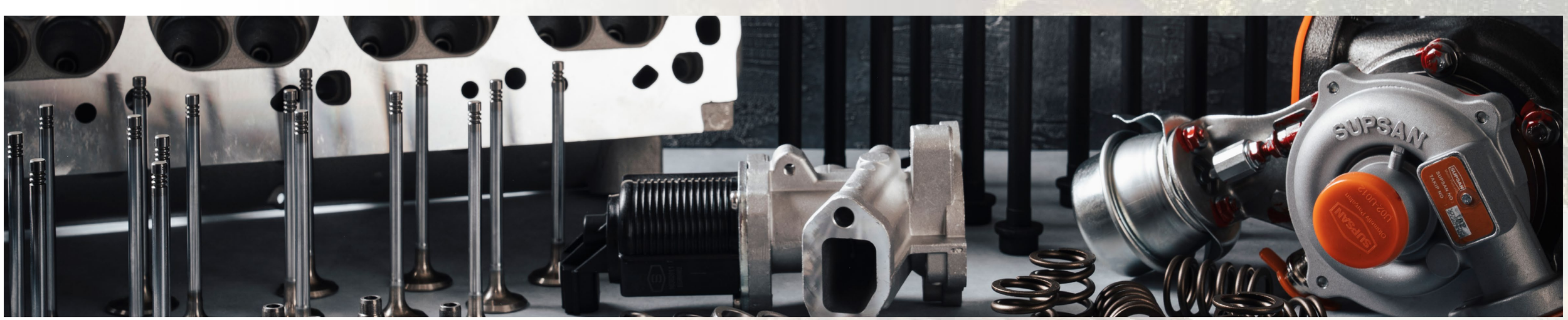


"We take actions for sustainability in line with our focal themes: Climate, human, and innovation. We place people at the heart of our operations. We continue to operate in a mode that creates value for people and community, safeguards the whole ecosystem, and adopts the sense of sustainable growth. In addition to environmentally friendly manufacturing processes, we play a leading role manifested by our inputs for a circular economy, and set innovative solutions in motion accordingly. Promoting improved efficiency and employment of state-of-the-art technology, we intend to save energy, water, and natural resources. Reducing emissions, we continue to take actions for prevention of climate change and conservation of ecosystems. As it has always been the case, Supsan is driven to make efforts for sustainability to build a better and habitable world."

Atınç Ocak
General Manager of Supsan

As Türkiye's leading manufacturer of engine valves with the widest product range in the country, and valve supplier of major global automotive brands, Supsan remained focused in 2024 on creating sustainable value for its stakeholders. The company closed the year with a turnover of EUR 28 million and an EBIT of EUR 2 million. Supsan kept its aftermarket product portfolio stable this year but aims to expand its product range in 2025.

As one of the top engine valve manufacturers in Türkiye and the surrounding region, Supsan continued exporting to global automotive brands, particularly in Europe and the United States. The company also maintained its presence in the Turkish aftermarket segment with products beyond valves. Supsan launched the supply of turbos and steering pumps for OES and OE channels, with the aim of serving OEM customers with non-valve components as well. Despite a decline in OEM and OES sales, the aftermarket segment saw a 30% increase in volume compared to the previous year.



BORUSAN GROUP COMPANIES

MACHINERY AND POWER SYSTEMS

CONSOLIDATED SALES REVENUE

2022	1,152 million $
2023	1,366 million $
2024	1,122 million $

2024 HIGHLIGHTS

Total Number of Products Sold	2,287 Units





Özgür Günaydın
CEO of Borusan Cat

Headquartered in Türkiye, Borusan Cat operates in the construction, mining, energy and transportation industries across the Caucasus and Central Asia under the purpose of “Creating Solutions for a Better World.” With nearly 3,000 coworkers, Borusan Cat serves as a distributor of Caterpillar products and also represents FG Wilson, one of the world’s leading generator brands. With its strategic initiatives and commitment to being a trusted solution partner, Borusan Cat ranks among the leading Caterpillar representatives worldwide. The company also holds the Caterpillar distributorship in the Caucasus and Central Asia for operations outside of Türkiye, strengthening its position in the industry and providing effective solutions tailored to customer needs.

Borusan Cat develops innovative products and solutions that address sectoral demands. It offers sustainable energy solutions for the renewable energy sector, while autonomous mining vehicles and equipment play a key role in improving operational efficiency. The company has also developed new performance management software for field operations, such as smart solutions to optimize equipment efficiency, thereby contributing to the digital transformation process. In addition, nearly 300 robotic process automation (RPA) bots are actively used across accounting, reconciliation, collection, and balancing processes.

At **Borusan Cat**, aligned with our purpose of **“We Create Solutions for a Better World”**, we continue to deliver environmental and social value through innovative business models and digital solutions that not only enhance operational efficiency but also focus on **climate, human, and innovation**.

Thanks to the interactive solutions we have developed to become a reliable **“solution partner”** to our customers, we rank among the top Caterpillar representatives globally. We maintain a leading position in the industry through our **proactive** business model, which detects faults before they occur, and our **interactive** approach that includes customers in the digital lifecycle of our data-driven solutions.

Our **Super App, Boom360**-a first in the industry-provides users with a single channel to manage all their needs. It features AI-powered tools such as **“Sound Diagnostic”**, which identifies faults in less than 30 seconds, and **“Müneccim”**, which predicts potential issues by analyzing equipment data. We utilize nearly 300 AI robots across departments from accounting to sales to optimize business processes, enhancing workforce productivity and strengthening work-life balance.

With low-emission construction equipment, generator models for renewable energy, autonomous mining machines, and digital solutions, we respond to customer needs more swiftly and effectively, keeping sustainability at the core of our business. Our **“Zero Waste”**-certified facilities and **Revision Centers**, which offer second and even third lifetime to machinery and components, help reduce both customer costs and environmental waste by integrating end-of-life products into the circular economy.*

**Through these initiatives, we support the United Nations Sustainable Development Goals-particularly “Responsible Consumption and Production” and “Climate Action.”*

Through its Component Rebuild Centers (CRC), Borusan Cat manufactures high-quality remanufactured components made from original Cat parts, offering them with the same warranty as new products at more accessible prices. In doing so, the company not only lowers costs and saves time for customers but also reduces its carbon footprint during the process, contributing to a more sustainable future.

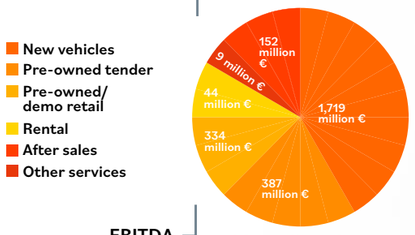
Furthermore, Borusan Cat supports its sustainability goals with low-emission construction equipment for the construction industry and energy-efficient, eco-friendly solutions for the mining sector. The products and services offered by Borusan Cat contribute to higher customer satisfaction while helping to reduce environmental impact.

BORUSAN GROUP COMPANIES AUTOMOTIVE

Borusan Otomotiv

2024 HIGHLIGHTS

Consolidated Net Sales — **2,645 million €**



EBITDA — **224 million €**

Consolidated Number of New Vehicles Sold: — **37,896**



Hakan Tiftik
Chairperson of the Executive Committee

"As Borusan Otomotiv Group, we have integrated our i³ approach-focused on climate, human, and innovation-into all of our strategic and operational decisions with the aim of creating long-term stakeholder value. With our sustainability strategy and our vision of "Being a Pioneer in the Electrification Transformation of the Turkish Automotive Sector" we have continued to advance our goals, which include increasing the share of electric vehicles in our product lineup, contributing to the development of national charging infrastructure, complying with the applicable legislation, and raising consumer awareness in an effort to drive a sustainable cultural transformation through our approach to diversity, equality and inclusion as well as employee training. We have taken concrete actions in our training programs, supply chain processes, and financing methods that align with our sustainability objectives. The year 2024 holds great significance for us-not only for our achievements in the sector, but also for marking the milestone of our 40th anniversary. During our journey of four decades, we have embraced a vision that surpasses the automotive sector; we've fostered lifelong connections with our customers, delivered innovative services, and focused on creating sustainable value while leading transformation in the sector. Drawing strength from our deep-rooted heritage, we continue shaping the future-and as we move toward even greater goals, we say, "We're Just Getting Started."



Borusan Otomotiv Group's consolidated revenue in 2024 reached EUR 2.645 million. This broke down into: EUR 1.719 million from new vehicle sales; EUR 44 million from leasing; EUR 334 million from used/demo retail; EUR 387 million from used vehicle auctions; EUR 152 million from after-sales; and EUR 9 million from other services.

Borusan Otomotiv Group provides services in premium car and motorcycle segments through seven companies: Borusan Otomotiv İthalat, Borusan Otomotiv Pazarlama, Borusan Oto, Borusan Oto Kıbırs, Borusan Otomotiv Premium, BOM Motor Sports, and Borusan Oto Değerlendirme.

Borusan Otomotiv İthalat has been the distributor of BMW, MINI, and BMW Motorrad in Türkiye for 40 years, while **Borusan Otomotiv Pazarlama** operates as the distributor of Range Rover, Defender, Discovery, and Jaguar.

The Group operates with 25 authorized dealers and 46 authorized service centers nationwide. Borusan Oto operates as the Authorized Dealer and Service Provider for all the brands represented by Borusan Otomotiv in Türkiye, delivering both sales and after-sales services across its 11 facilities. Borusan Oto Kıbrıs, on the other hand, serves as the Authorized Dealer and Service Provider for Jaguar and Land Rover at its facility in Northern Cyprus, with a focus on providing the best possible customer experience.

Borusan Otomotiv Premium, operating since 2012, provides rental, finance, and insurance services for BMW, MINI, Range Rover, Defender, Discovery, and Jaguar brands at all authorized dealers.

Established by Borusan Otomotiv in 2008 to support the development of motorsports and promote Türkiye internationally, **Borusan Otomotiv Motorsport (BOM)** has competed on four continents, in 22 countries, at 39 different tracks, participated in nearly 450 races, and won 20 championships. BOM includes BOM Academy, BOM E-Team, and BOM Karting. **BOM Academy** is a licensed educational institution under the Ministry of Youth and Sports and the Turkish Automobile Sports Federation. BOM E-Team was launched in 2018 to enter the rising e-sports industry and represent Türkiye, while **BOM Karting** was established in 2020 to introduce young athletes to motorsport and contribute to the development of the infrastructure of this sport.

Operating since 2001, Borusan Araç İhale- a trusted auction brand for used cars- was incorporated into the Group under the name **Borusan Oto Değerlendirme** in 2023. Under the Borusan Next brand, the company offers cash purchase, trade-in, sales, servicing, as well as finance and insurance solutions for all brands and models meeting set criteria. Under the brand Borusan Next İhale, which is a part of Borusan Next, the company continues to lead with its distinctive auction processes and wide customer base.

BORUSAN GROUP COMPANIES AUTOMOTIVE

Borusan Otomotiv



The Group-wide sustainability roadmap of Borusan Otomotiv Group is guided by the principle of creating value for society, the environment, and its customers, in line with its vision: **“Being a Pioneer in the Electrification Transformation of the Turkish Automotive Sector.”**

Adapting to reshaped customer expectations and habits, Borusan Otomotiv Group launched its a new-generation retail concept “Retail Next,” which merges experience-focused customer satisfaction and sustainable luxury with modern and advanced technologies. Rather than showcasing the car alone, “Retail Next” features the car and customer sharing the stage together. This concept was first implemented with the reopening of the redesigned Borusan Oto İstinye in 2024.

In 2024, Borusan Otomotiv Group took major steps forward in sustainability and digitalization by establishing its R&D Center, registered by the Turkish Ministry of Industry and Technology. Through this initiative, it conducted 12 R&D projects-including one supported by TÜBİTAK-published six research papers, and filed one patent. Looking ahead, integrating AI into processes has been identified as one of the company’s key priorities.

In 2024, Borusan Otomotiv Group kept its title as the **“World’s Largest Distributor”** based on its successful performance with the BMW, MINI, and BMW Motorrad brands.

BMW
BMW maintained growth in Türkiye’s market with 25,784 units sold in 2024. Continuing to lead the electric premium car segment in Türkiye, BMW sold 10,181 fully electric vehicles—accounting for 39.5% of its total sales in the country.

MINI
MINI increased sales by 80.6% to 4,755 units in 2024, becoming the third-fastest growing passenger car brand and the leader in the premium segment. Globally, MINI Türkiye ranked 5th in electric MINI sales with 3,635 units and 1st in the world in fully electric sales share at 76.4%.

With a total of **13,816 electric vehicle** sales across BMW and MINI, it secured a **14% market share** and ranked among the **top three countries** worldwide in electric vehicle sales within the BMW Group.

BMW Motorrad
BMW Motorrad achieved its second-highest-ever sales with 3,980 motorcycles sold in 2024. This performance placed BMW Motorrad among the top 20 global markets and 8th across Europe.

Jaguar Land Rover
2,974 Land Rover and 60 Jaguar vehicles were sold in 2024. With 2,973 passenger vehicle sales, Land Rover achieved the highest annual passenger vehicle sales figure in its history in Türkiye, setting a new record. Jaguar, on the other hand, recorded 60 sales.

BORUSAN GROUP COMPANIES

LOGISTICS

BORUSAN LOJİSTİK

TOTAL SALES

2023	NET SALES	345 million $
	eTA NET SALES	123 million $
2024	NET SALES	422 million $
	eTA NET SALES	145 million $



Serdar Erçal
General Manager of Borusan Lojistik

The year 2024 marked a pivotal stage in Borusan Lojistik's sustainability journey, where environmental responsibility transformed into strategic opportunities. By placing sustainability and digitalization at the core of our operations, we defined our 2050 decarbonization roadmap and directed our efforts with a long-term value creation mindset. Rising e-commerce volumes and shifting consumer behaviors make reducing logistics' environmental impact more crucial than ever. Through our Green Logistics projects, we are decreasing the carbon footprint of our operations while continuously enhancing our digital logistics platform with AI and data analytics solutions. With our "Strong Women, Strong Logistics" approach, which is grounded in equality, diversity, and inclusion, we support the presence of women in the workforce, including female long-haul drivers, operators, and staff at all levels. We continue expanding our proportion of women employees across both white- and blue-collar roles beyond industry averages.

Our social responsibility initiatives aim to raise sustainability awareness among children and youth and involve them in transformation efforts around climate change, circular economy, equality, and technology. Through the Green Kids program, we have reached 560 children, and via the Sustainable Supply Chain Certification Program, we have engaged 85 logistics students.

As we shape the future with our digital logistics platform and progress resolutely toward our 2030 goals, we thank all our stakeholders for their support.



Borusan Lojistik operates as an integrated service provider for domestic and international transport, warehousing and customs clearance with a focus on providing the best customer experience possible. Transitioning beyond traditional industry roles, the company positions itself as a technology enterprise, offering optimized supply chain platforms and solutions that enable stakeholders to benefit from tomorrow's logistics today.

Domestically, it provides warehousing, bonded storage, and customs clearance services across 505,000 m² of indoor and outdoor space. It operates 26 transfer hubs and maintains a daily distribution capacity of 6,000 points, supporting partial shipments, special distribution, vehicle transport, stockpiling, and pre-delivery inspection (PDI). Borusan Lojistik aims for impeccable customer experience in partial services through 'preplanned deliveries integrated into e-commerce networks which are also underpinned by digital solutions such as "tracking and route optimization."

Borusan Lojistik eTA (Electronic Transport Network) provides full-fledged domestic transport services with 340,000 trips. eTA differs from others thanks to the services it provides onthe digital network and boosts its trademark as a technology company. Supported by AI, eTA boosts operational efficiency by enabling customers to quickly find vehicles through its website and allowing truck owners to locate loads via its mobile app, eliminating the need to visit depots. This innovative platform elevates service quality and strengthens Borusan Lojistik's competitive position. Internationally, the company provides road, rail, air, and sea transport with intermodal and multimodal services. In 2024, it operated in 147 countries. Annual road exports handled reached 30,448 trips/year, and total trips numbered 11,053. Annual sea freight capacity reached 23,707 TEUs.

By implementing Green Logistics initiatives last year and conducting over 330 intermodal trips this year, Borusan Lojistik earned one of the first Green Logistics certificates awarded by the Ministry of Transport and Infrastructure, underscoring its continued commitment to sustainable operations.

Financially, 2024 was a successful year with a 22% increase in dollar-based sales compared to the previous year. Volume growth and operational profitability also improved.

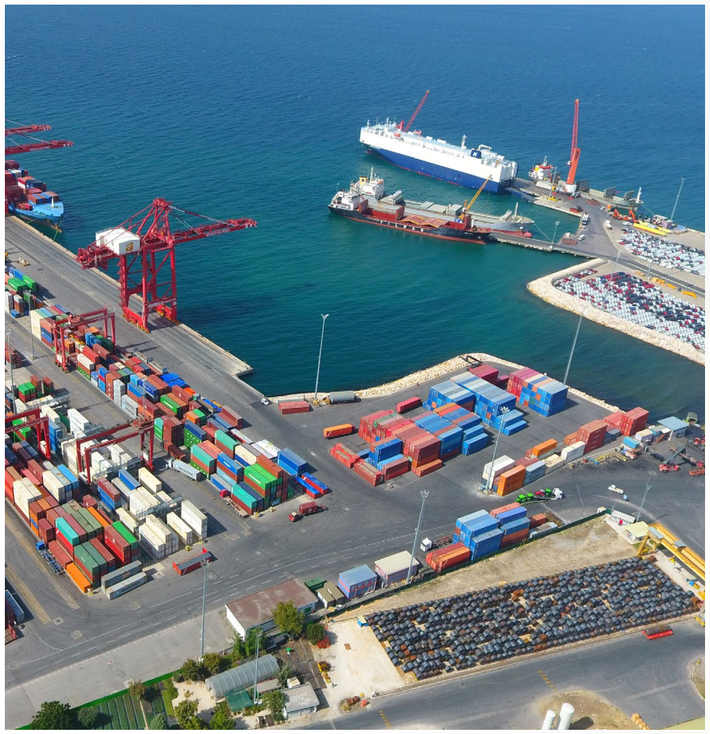
Borusan Lojistik aims to continue leading change, delivering win-win customer relationships, and achieving sustainable growth through tech-enabled efficient operations. While integrating all its operations on a unified digital platform, it focuses on strong cash flow, efficient financing, and adopting an impactful sustainability approach through the BorusanX culture transformation.

BORUSAN GROUP COMPANIES PORT SERVICES

BORUSAN PORT

2024 HIGHLIGHTS

Consolidated Revenue	161 million $
Port Services Net Sales	60 million $
General Cargo Capacity	5,000,000 tons/year
Annual Container Capacity	450,000 TEUs
Annual Vehicle Capacity	350,000 units





Hamdi Erçelik
General Manager of Borusan Port

Borusan Port operates under three main lines of business: Port Services, Ship Chartering, and Heavy Transportation. The company's port services cover General Cargo, Container, and Vehicle operations, offering a broad range of services. Strategically located in the Gemlik region, the port serves a rapidly expanding hinterland and has captured a significant market share. By offering general cargo, container, and vehicle services simultaneously, the port enhances its competitive strength in the sector.

In 2024, the general cargo volume increased from 3.2 million tons to 3.3 million tons. Operations across different segments of the Port contributed positively to financial performance through high flexibility and efficient capacity utilization. Net sales for 2024 were recorded at USD 161 million. Today, Borusan Port holds a leading position in General Cargo and Vehicle operations in the Gemlik region and has become one of the preferred ports for project cargo. Capable of handling project cargo of various sizes and tonnages, including some of the largest loads in Türkiye, the Borusan Port stands out with its specialized capabilities and equipment in this field.

Port services cover General Cargo, Container, and Vehicle operations. In 2024, the General Cargo operation handled 3.3 million tons, the Container operation handled 91,000 TEUs, and the Vehicle operation handled 172,000 units. In terms of revenue, Port Services generated USD 60 million, Ship Chartering USD 71 million, and Heavy Freight Transport USD 29 million.

"For Borusan Port, 2024 was a year in which we clearly demonstrated our operational strength and strategic focus areas.

We completed our new quay with an investment of approximately USD 30 million, delivering it in line with both time and budget plans. As of October, we began partial operations, and by the end of the year, the quay was fully operational.

We maintained our strong position in the sector by reaching handling volumes of 3.3 million tons in General Cargo, 91,000 TEUs in Containers, and 172,000 units in Vehicle operations. Internationally, through our Ship Chartering & Project business unit, we transported more than 1.5 million tons of cargo, primarily for exports to Europe and the Americas.

We crowned our deep expertise in project logistics with the strength of our Borusan Heavy brand. With the capacity to manage 80% of Türkiye's wind power plant (WPP) export operations, our clear leadership and competence in this critical sector are evident. In 2024, we covered approximately 1,740,000 kilometers domestically with our own fleet, reaffirming our logistical strength. We successfully completed the transportation of 12 WPP sites and 101 turbines by loading 945 towers and 893 blades onto 84 vessels.

Our strong performance in 2024 and our successful, forward-looking projects further solidified our leading position in the industry, marking a significant milestone aligned with our growth and sustainability targets."

Project logistics services include domestic and international port handling, all types of inland transport, and consultancy, enabling the provision of integrated door-to-door services for clients. With its expertise in vessel coordination, port organization, and road transportation, Borusan Port offers a competitive service on an international scale.

In Türkiye, Borusan Port stands out with its expertise in WPP equipment and machinery transport and holds a leading position in export-oriented port logistics. It is also among the country's top logistics firms in the transportation of heavy-tonnage project cargo.

BORUSAN GROUP COMPANIES ENERGY

BORUSAN — EnBW Enerji Ortaklığı

2023 HIGHLIGHTS

Installed Capacity	725 MW
Total Energy Generation	2.1 TWh/year
Annual Emissions Reduction	1,300,000 tons CO_2
Sales Revenue	154 million $

2024 HIGHLIGHTS

Installed Capacity	855 MW
Total Energy Generation	2.14 TWh/year
Annual Emissions Reduction	871,875.4 tons CO_2
Sales Revenue	161 million $





Enis Amasyalı
General Manager of Borusan EnBW Enerji

Established in 2009 as a joint venture between Borusan Group and Energie Baden-Württemberg AG (EnBW), Borusan EnBW Enerji celebrated its 15th anniversary in 2024. A key player in Türkiye's green energy transition and a leading producer in wind energy, Borusan EnBW Enerji continues to generate sustainable energy through its portfolio of 13 plants with a total installed capacity of 855 MW, powered entirely by wind, solar, and hydroelectric sources.

The company aims to increase its installed capacity to 935 MW by 2025. In pursuit of this goal, it has been expanding and diversifying its portfolio. A key project would be the Pelit WPP in Sivas' Gürün district-Borusan EnBW Enerji's first investment in the Central Anatolia Region, with a planned installed capacity of 80 MW. The Pelit WPP is considered a critical project for unlocking the region's renewable energy potential. To further strengthen its investments in wind energy, Borusan EnBW Enerji is continuing work on four storage-integrated wind power projects. These projects aim to increase grid flexibility, contribute to grid stability, and enable more effective use of renewable energy.

At Borusan EnBW Enerji, we take pride in successfully completing 2024, a year in which we continued to lead the green transition in energy. It was a year focused on growth and progress for our company. Compared to the previous year, we achieved an 18% increase in installed capacity. Our portfolio now includes 13 plants powered entirely by renewable energy sources, totaling 855 MW in installed capacity.

Through our second capacity expansion project at the Balabanlı Wind Power Plant, we increased the plant's installed capacity from 61 MW to 96 MW. We also enhanced the efficiency of our existing Saros Wind Power Plant by commissioning the 94 MW Saros Solar Power Plant within its area.

We began construction on the 80 MW Pelit Wind Power Plant. Recognizing the importance of energy storage technologies, we are carefully progressing through the permission processes for four storage-integrated WPP projects with a combined capacity of 413 MW. As part of our sustainability vision, we significantly intensified our efforts in 2024 to establish a network of electric vehicle charging stations.

Our sales revenue reached USD 161 million, and thanks to our 100% renewable energy plants, we prevented 1.36 million tons of carbon emissions.

As Borusan EnBW Enerji, we remain firmly committed to leading Türkiye's energy transition and building a more livable world for future generations.

With its exclusive focus on renewable energy and a total portfolio of 1,349 MW, Borusan EnBW Enerji holds a strong market position. The Saros hybrid power plant, combining the existing Saros WPP with the Saros Solar Power Plant in Çanakkale provice, is one of Türkiye's largest WPP-SPP hybrid installations. The company generates over 2 TWh of electricity annually, meeting the energy needs of nearly one million households while preventing approximately 1.3 million tons of carbon emissions each year.

In parallel, Borusan EnBW Enerji is investing in an electric vehicle charging station network to contribute to Türkiye's electrification infrastructure. The year 2024 marked a period of intense investment and development in this area. In light of the growing importance of electric vehicles in daily life, the comprehensive initiatives and strategic investments undertaken during this period have paved the way for a more consistent and widespread expansion of the charging network under a new brand in 2025.

Committed to continuous development, Borusan EnBW Enerji closely monitors scientific and technological advances in the renewable energy sector. It makes intelligent use of the latest technologies in plant construction, operation, and maintenance, and supports its wind and solar energy operations with generative AI projects.

The company actively manages the environmental and social impacts of its operations and implements original community and environmental projects. With initiatives focused on circular economy and biodiversity, it delivers nature-positive outcomes in the field of climate. Under the "People" theme, it continues its "Energy of Girl Students: The New Power of the Green Collar" project, which trains future female technicians. Designed to provide girl students with opportunities to build careers in the energy sector, the project aims to prepare them for the industry through training delivered at vocational high schools, field trips, internship programs, and scholarship support. Through this initiative, the company aspires not only to close the green-collar talent gap, but also to advance gender equality. In the field of innovation, Borusan EnBW Enerji has been launching new business models and applying generative AI in existing lines of business.

RESPONSIBLE INVESTMENT



Borusan Group has grown through significant investments over its 80-year history and remains steadfast in its commitment to becoming a Group with a background of 200 years and more. Drawing strength from our roots, we embrace a responsible investment approach that brings together economic growth with our social and environmental responsibilities.

Each seed we plant in this journey symbolizes the roots of a vision that will flourish and grow in the future. As we carry forward the experience and values we have accumulated over the years, we aim to cultivate them like seeds and direct our investments in ways that are mindful of society and the environment. The strength we draw from our roots enables us to contribute to a more sustainable world, and each "seed" represents a solid step we take toward this goal. This approach contributes not only to our sustainable growth strategy but also to our responsibility for a better future.

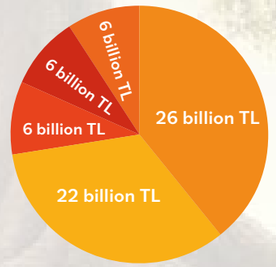
As part of our integrated management approach, we place environmental, social, and governance (ESG) criteria at the core of our investment decisions, ensuring that our portfolio progresses in alignment with our sustainable development and long-term value creation goals. With our efficiency-focused investment perspective, we aim to go beyond delivering high financial returns by identifying opportunities that reduce environmental and social risks. In doing so, we create value for our investors while generating positive impact for society and the environment.

To us, responsible investment is not merely a means to achieve our sustainability goals-it is the key to sustainable value and growth. With this understanding, we seek to build a more resilient, inclusive, and sustainable future. We adopt innovative business models, develop impact-driven projects, and establish strong partnerships with our stakeholders. By steadily increasing our responsible investments and evaluating both financial performance and social and environmental impact, we fulfill our commitment to leaving a more habitable world for future generations.

Over the past six years, we have made total investments of TRY 28 billion and we plan to invest TRY 66 billion in the 2025–2027 period.

2025-2027 Group-Based Investment Plan

- Manufacturing
- Automotive
- Energy
- Machinery and Power Systems
- Logistics



With a competent workforce, we continue to generate innovative ideas across the sectors in which we operate by leveraging perspectives on digitalization and innovation. Through value-added products and services focused on environmental and social benefit, we strive to meet the needs of both our customers and the society we live in.

Within our Group, we position the automotive and energy sectors as key areas of growth. Last year, Borusan Otomotiv Group took major steps in developing Borusan Next—a new-generation automotive retail model designed to consolidate all services an automotive and service customer may need under a single platform. This business model expands the scope of service by incorporating a multi-brand vehicle sales service as well as a multi-brand service network.

We use innovation and R&D as key tools to differentiate ourselves from competitors and to develop customer-centric products and services. Accordingly, we have various R&D centers within our Group that are focused on developing new technologies. In 2024, Borusan Otomotiv Group added a new R&D center to our structure.

A substantial portion of our investment portfolio is allocated to renewable energy, particularly wind and solar energy technologies. These investments contribute to the global clean energy transition while also offering financial returns that reduce climate-related risks. Through our investments in renewable energy, we support the spread of clean technologies and aim to foster sustainable growth. This approach not only positions us as a leader in the energy transition but also demonstrates our commitment to minimizing environmental impact.

With a portfolio made up entirely of renewable energy plants, Borusan EnBW Enerji prevents approximately 1.3 million tons of carbon emissions every year while generating more than 2.2 TWh of electricity. In 2024, Borusan EnBW Enerji completed a second capacity

RESPONSIBLE INVESTMENT





increase project at its existing Balabanlı Wind Power Plant, raising the plant's installed capacity to 96 MW. Moreover, by launching the Saros Solar Power Plant project, it converted Saros WPP into a hybrid facility, thereby improving its efficiency. In addition, the company commenced the Pelit Wind Power Plant project, which is expected to enter into operation in 2025. As a result, the company's total installed capacity reached 855 MW.

Borusan EnBW Enerji also focused heavily on Electric Vehicle Charging Station operations in 2024 to support the expansion of electrification in Türkiye. Under its new business model, it successfully completed numerous fast-charging points within its Electric Charging Station Network and aims to roll out this initiative under a new brand at the beginning of 2025. In the coming years, it plans to reach a total **installed capacity of 1.5 GW** through energy storage investments.

Through Borusan Ventures, we made investments in five start-ups this year.

Our corporate venture capital investments under Borusan Ventures reflect a strategic approach to emerging technology start-ups around the world and aim to generate sustainable value within our Group's business domains. The external innovation approach we have adopted in recent years allows us to develop systematic efforts that support the start-up ecosystem and provide solutions to sectoral challenges. Numerous pilot projects launched with start-ups offer us the opportunity to test these innovative solutions in the field and co-develop them.

Our focus areas include energy and climate technologies, mobility, logistics and supply chain, and industrial technologies. We have observed a significant increase in interest and attention directed at climate and energy technologies in particular. Furthermore, solutions driven by artificial intelligence technology are gaining increasing prominence. With the five investments we made in 2024, we continue to target seed and Series A stage start-ups in the United States and Europe. By focusing on innovative and differentiated start-ups in our defined sectors, we are working toward global growth.

Through our selected investment areas, we maintain our commitment to supporting future-focused, sustainability-driven ventures. We recognize that emerging trends in fields such as energy, mobility, and logistics are increasingly shaped around sustainability, and we are determined to play a leading role in this transformation.

Almost all companies in our portfolio contribute significantly to climate action, human development, and sustainable value creation. For example, one company facilitates circular economy processes by digitalizing the recycling of scrap metals. Another optimizes battery storage assets, helping to increase the adoption of renewable energy sources such as wind and solar. Meanwhile, another start-up in our portfolio focuses on home renovation projects that improve energy efficiency, further diversifying our portfolio.

At Borusan Ventures, we are committed to supporting such innovative ventures, contributing to sustainable growth, and helping shape the technologies of the future.

SUSTAINABLE FINANCIAL PERFORMANCE

As part of a journey that began in 1944, our roots have grown strong-by 2024, we stand strong as a well-established Group operating in 10 countries with more than 14,000 employees. As we celebrate our 80th anniversary with the same excitement we felt on day one, we draw strength from our eight decades of experience to steer confidently toward a more sustainable future, inspired by our deep-rooted values. Guided by our vision of becoming a Group with a background of 200 years and more, we continue to take firm steps to shape the future. 2024 was a year filled with accomplishments, during which we further advanced our sustainable financial performance in line with our long-term vision. We concluded the year 2024 with a consolidated Group revenue of TRY 257 billion, marking a 39% increase in Turkish lira terms compared to TRY 185 billion in 2023. Looking ahead, Borusan Group has an investment plan totaling TRY 66 billion through the end of 2027.

	2024	Growth Rate
Consolidated Group Revenue	TRY 257 billion	39%
Financial Benefit Paid for Stakeholders	TRY 250 billion	43%
Consolidated Group EBITDA	TRY 21 billion	-18%
Return on Equity	14%	
14,000+ Borusan Members		
Operations carried out in 5 main lines of work in 11 countries and 3 continents		
855 MW of Installed Capacity in Renewable Energy		

As part of concerted actions with 14 companies in 5 sectors that we operate, we engage in resilient and sustainable partnerships with the world's top brands, including ArcelorMittal, BMW, BMW Motorrad, Cat, Eaton, EnBW AG, GIWA, Jaguar, Land Rover, and MINI.

ECONOMIC VALUE CREATED AND DISTRIBUTED	
REVENUES	
2024	TRY 257 billion
2023	TRY 185 billion
2022	TRY 106 billion
OPERATİNG EXPENSES	
2024	TRY 225 billion
2023	TRY 154 billion
2022	TRY 90 billion
FINANCIAL BENEFIT PAID FOR STAKEHOLDERS	
EMPLOYEE BENEFITS	
2024	TRY 18 billion
2023	TRY 10 billion
2022	TRY 5 billion
STATE BENEFITS	
2024	TRY 2 billion
2023	TRY 5 billion
2022	TRY 3 billion
BENEFITS FOR CAPITALISTS	
2024	TRY 4 billion
2023	TRY 5 billion
2022	TRY 2 billion
SOCIAL BENEFITS	
2024	TRY 407 million
2023	TRY 219 million
2022	TRY 108 million
TOTAL	
2024	TRY 250 billion
2023	TRY 175 billion
2022	TRY 100 billion

*The details about the table are presented in **Annexes**.

Net sales equal gross sales of goods and services subtracted from returns, discounts, and appropriation.

Revenues from financial investments include interest on financial loans, dividends from shares, franchise fees and cash received as direct revenue from the sale of assets (such as property rent).

Proceeds from the sale of assets include physical assets (such as property, infrastructure and equipment) and non-physical assets (such as intellectual property rights, designs and trademarks).

SUSTAINABLE FINANCING AT BORUSAN GROUP

In an era where environmental challenges are escalating and responsible business practices are more critical than ever; sustainable finance emerges as a powerful enabler of positive change. We fully recognize the pivotal role it plays in achieving our strategic goals. Across all sectors and regions in which we operate, we integrate a sustainability lens into our business processes and continue to make steady progress toward our sustainability targets. Through our investments, we not only grow our business but also strive to create value at every level of sustainability.

With a firm commitment to reducing carbon emissions by 2030, we remain focused on transitioning to a low-carbon economy and minimizing the environmental impact of our operations and investments.

As we advance toward this target at Borusan Group, we are implementing carbon reduction projects while continuing to prioritize biodiversity efforts and clean energy investments.

Through sustainable finance practices, we align our operations with our sustainability objectives, while also reinforcing our model for innovation, resilience, and long-term integrated value creation.

Under our risk management framework, we assess financial risks comprehensively across both company-wide and project-specific activities. In particular, we are evaluating the financial impacts of climate-related risks on performance.

To facilitate access to financing for green transition investments, we are conducting in-depth technical assessments. Creating dedicated financial instruments, adopting international standards and certification processes, and integrating these into our practices are essential for strengthening our financial framework. We understand that access to local, international, and Group-level financial resources is critical to achieving our sustainability goals. That's why we are committed to building and maintaining the financial infrastructure necessary to deliver sustainable projects and reduce environmental impact.

We consider the development and continuation of sustainable financing tools that support our business models as an inseparable part of the process.

Use of Sustainable Financing by Borusan Group Companies

- With a vision to being a pioneer in the electrification transformation of Türkiye's automotive sector, Borusan Otomotiv Group has carried out green financing transactions totaling EUR 158 million to date. These funds have been used to support the import, sale, and leasing of electric and hybrid vehicles, with EUR 80 million secured in 2024.

- In addition to the USD 60 million green climate fund loan it signed with the European Bank for Reconstruction and Development (EBRD) in 2022, Borusan Cat Kazakhstan secured a further USD 20 million in 2024, which is entirely classified as green financing, to support the expansion of its Revision Center and working capital. This partnership with EBRD contributes to both cost-efficiency and environmental sustainability by extending the service life of machinery through overhaul at the Revision Center.

Furthermore, as part of its ongoing Women Employment Project with the EBRD since 2022, Borusan Cat Kazakhstan continues to promote inclusive employment opportunities for women.

- In 2023, Borusan EnBW Enerji secured USD 600 million in financing, strengthening its balance sheet and enabling the consolidation of its energy portfolio under a single legal entity. This initiative marked an important step toward the continuity of its renewable energy investments. Building on the financing of which 85% was classified as green, Borusan EnBW Enerji further expanded its renewable energy generation portfolio in 2024 with an additional USD 120 million, which was secured entirely under the Green Finance category from both domestic and international lenders. Leveraging its strong financial structure, Borusan EnBW Enerji continues to accelerate investments in new business models and remains committed to closing the green-collar talent gap in the renewable energy sector with a focus on gender equality.

Corporate Governance

ORGANIZATIONAL STRUCTURE

BOARD OF DIRECTORS



AHMET KOCABIYIK
Chairperson of the Board

After studying Economics and Mechanical Engineering at the University of Birmingham, UK, Ahmet Kocabıyık went on to hold a master's degree in mechanical engineering at Carnegie Mellon University in Pittsburgh, USA. He then completed his study of Owner/President Management at Harvard University, USA in 1990. Ahmet Kocabıyık began his professional career as a pattern engineer at Blaw-Knox Foundry in Pittsburgh, USA in 1980 and held various positions at Borusan Group since 1983. He currently serves as the Chairperson of the Board of the Directors at Borusan Group.



ZEYNEP HAMEDİ
Vice Chairperson of the Board

She studied Economics and German Language and Literature at University of Pittsburgh, USA. Zeynep Hamedi currently serves as the Vice Chairperson of the Board of Directors at Borusan Holding and the Chairperson of Borusan Kocabıyık Foundation's Board of Directors.



NÜKHET ÖZMEN
Vice Chairperson of the Board

Nükhet Özmen graduated from University of Pittsburgh in 1989, with a degree in Studio Arts. She served as the Manager of Customer Relations at Borusan Oto from 1990 to 1992. She has been serving as the Vice Chairperson of the Board of Directors at Borusan Holding A.Ş. Since 1993. She has been a member of the Board of Trustees at Borusan Kocabıyık Foundation since 1992.



MEHMET HAMEDİ
Board Member

Upon graduation from the department of International Relations at the University of Geneva in 1979, he studied Political Science in the University of Pennsylvania and the University of Pittsburgh, USA. Holding a double master's degree in Business Administration and International Relations from the University of Pittsburgh, Mehmet Hamedi then joined the Executive Leadership Program of Business Administration at Harvard University in 2001. He currently serves as the Chairperson of the Board of Directors at Borçelik Çelik Sanayii Ticaret Anonim Şirketi, Lojistik Dağıtım Depolama Taşımacılık ve Ticaret Anonim Şirketi and Borusan Tedarik Zinciri Çözümleri ve Taşımacılık Anonim Şirketi.



SEMİH ÖZMEN
Board Member

Semih Özmen graduated from the University of Birmingham, UK in 1983 with a BSc and PhD degree in Mechanical Engineering. He has been working for Borusan Pipe (formerly Borusan Mannesmann), which manufactures steel pipes, since 1988.



LEVENT KOCABIYIK
Board Member

Levent Kocabıyık finished his college education in the USA and kicked off his professional career at Borusan Pipe (formerly Borusan Mannesmann) under the Management Trainee Program in 2009. He served as a manager at Borusan Otomotiv as part of the BMW Aftersales team in Türkiye from 2011 to 2014. He has been serving for the Borusan Auditing Board since 2016.

ORGANIZATIONAL STRUCTURE

HOLDING COMPANY'S TOP MANAGEMENT



ERKAN KAFADAR
Borusan Group CEO

After studying Business Administration at Istanbul University, Erkan Kafadar joined Borusan Group as a trainee at Borusan Pipe (formerly Borusan Mannesmann) in 1991. In addition to his role as the Group CEO of Borusan Holding, he serves as the Chairperson of the Board of Directors, Vice Chairperson of the Board of Directors and a Board Member in all operational companies of the Borusan Group.



BARIŞ KÖKOĞLU
Group CFO, and Head of Finance, Financial Affairs and Shared Services

Barış Kökoğlu studied Business Administration in Marmara University. He then went on to study Marketing in Boston University and International Business Administration in Istanbul University.

Having kicked off his career in the banking industry back in 1993, Barış Kökoğlu served as the Director of Treasury at Garanti Bank, founding the department of Corporate Treasury. He is the Head of Finance, Financial Affairs and Shared Services of Borusan Holding, Group CFO, General Manager of the publicly traded Borusan Yatırım, and Chairperson, Vice Chairperson and member of the Board of Directors of Borusan Group Companies. He also acts as a Board Member of the Sustainable Development Association and Integrated Reporting Network Türkiye. He leads sustainable financing strategies at Borusan Group.



NURSEL ÖLMEZ ATEŞ
Group Head of Human, Communication and Sustainability

Nursel Ölmez Ateş studied Industrial Engineering at Istanbul University. In 2018, Nursel Ölmez Ateş started working for Borusan as the Group Head of Human Resources and then as the Head of Human Resources and Corporate Communications in 2019 before serving as the Group Head of Human, Communications and Sustainability, starting from 2022. She leads sustainability projects to set and implement the Group's sustainability strategy and to achieve the Group's 2030 sustainability goals designated in line with global and domestic standards, frameworks, and signatory initiatives. She serves as a Vice Chairman of the Board at UN Global Compact TÜRKİYE and KALDER (Turkish Quality Association).



DENİZ EMRE DAĞ
Assistant General Manager, Strategy and Business Development

Upon graduation from Istanbul Technical University, studying Industrial Engineering, Deniz Emre joined Borusan Group in 2002 as a Financial Affairs Specialist. She then took responsibility for Strategy, Business Development and Central Information Technologies respectively and managed the group's portfolio strategy, merger and acquisition projects, growth investments, coordination of digital transition and venture capital investments. She has been serving as the Assistant General Manager of Strategy and Business Development at Borusan Holding since 2019. She also serves as a member of the Investment Committee of Borusan Ventures and the Steering Committee for the group's new businesses.



SELİN TİFTİKÇİ TUNCER
Head of Legal and Compliance

Graduating from the Faculty of Law in Galatasaray University in 2006, Selin Tiftikci Tuncer completed a master's degree in International Commercial Arbitration from Stockholm University in 2007. In 2021, Tuncer received a diploma in IT Law from Queen Mary University and kicked off her professional career at Paksoy Law Office in 2008. Working then for Kinstellar Law Firm, Tuncer served as the Director of Legal Services and Compliance at the Interbank Card Center from 2012 and 2022 before joining Borusan Group. Tuncer currently serves as the Chief Legal Counsel of Borusan Holding.

CORPORATE GOVERNANCE AT BORUSAN

We continue to successfully realize our forward-looking vision today, guided and strengthened by eight decades of experience. Across our five main business areas-logistics, energy, manufacturing, machinery, and power systems-we uphold a culture built on innovation, collaboration, ethical values, responsibility, and transparency. With a global outlook, we continuously develop and strengthen our governance framework to meet evolving business conditions, guided by our ambition to become a Group with a legacy extending beyond 200 years. Anchored in an integrated approach that is focused on climate, human and innovation, we carry our roots forward into a brighter tomorrow.

We approach governance from an integrated perspective, and recognizing the importance of aligning our strategic goals, sustainability efforts, business objectives, and ethical principles.

While contributing to strengthening our country's position in the global economy, we also maintain our leadership through new products, services, and business models, guided by an outward-looking perspective.

Our culture, ethical values, and sense of accountability built on transparency underlie our operations and guide us in providing our stakeholders with information in an accurate and timely fashion, offering sustainable value, and safeguarding the trust that the whole organization puts in us.

We also have an Auditing Committee and an Ethics and Compliance Committee established by the Board of Directors. Our **Orange Ethical Principles** cover the business ethics set by Borusan Group's Ethics Board for Borusan members to follow and all Borusan members act in accord with them.

At Borusan Holding, we act as a bridge between our stakeholders, shareholders and Group Companies. We adopt an effective sense of management, impart views, make analyses, and perform checks without being involved in the decision-making process behind the operations of our Group Companies.

Being aware of the materiality of sustainability, long-term value creation, and mitigation of potential risks, we view our governance framework and sustainability from an integrated point of view. Inspired by our 80 years of deeply anchored history, we expand our sphere of influence to raise awareness on sustainability and conduct comprehensive practices with all our internal and external stakeholders.

For more information about corporate governance at Borusan, to review our policy commitments, or to contact us, please visit our **website**.



SUSTAINABILITY MANAGEMENT AT BORUSAN

We consider sustainability a core strategic element in shaping our business model, corporate culture, and long-term presence. As a company that manages sustainability with an integrated perspective, we have made it a priority to ensure the active participation of Borusan employees at all levels. We have designed our governance structure to align with our sustainability approach. We aim to involve all Borusan members in the process and fully embrace sustainability at the highest level.

Our Board of Directors closely monitors our sustainability efforts, under the leadership of our Group CEO. The CEO addresses sustainability performance as a key part of our corporate governance strategy. To manage the environmental and social impacts of our operations, we carry out initiatives under the leadership of the Group Head of Human, Communication, and Sustainability.

We do not view sustainability simply as a requirement for tracking and maximizing our sustainability performance. We position it at the heart of our business operations and understanding of governance. This approach shapes our strategies and guides our policies. It also ensures our long-term success and lays a solid foundation in the form of principles, for our continued presence. Every Borusan employee contributes to this process. By embracing this culture, they become a key part of our corporate success.

Borusan Holding's Sustainability Governance Scheme is based on four main components:

Group Sustainability Committee

The Committee convenes to evaluate developments in the process, analyzing and making strategic decisions in order to achieve results effectively, and obtaining external expert opinions on critical issues for the Group. It covers both the Holding and Group Companies.

The Committee is composed of the sustainability leaders of the Holding and companies and the leaders of working groups. It monitors these developments with a holistic approach and takes the necessary strategic decisions. The Committee closely tracks progress toward achieving our sustainability goals, provides guidance on trends in the sector, developments regarding possible legislation and regulations, and ensures the development of sustainability throughout Borusan Group.

Holding Sustainability Working Group

The Holding Sustainability Working Group, composed of representatives from the Board of Directors, Strategy and Business Development, Public Policies and Corporate Affairs, Human Resources and Corporate Communications departments, meets monthly to evaluate the issues on the agenda in depth. It provides direction based on high-level indicators (Macro KPIs) defined by the Holding and progress reports submitted by the companies. It is responsible for managing initiatives under the Holding's responsibility, raising awareness, and supporting organizational sustainability development. In addition, the Holding Sustainability Working Group submits an annual consolidated progress report to shareholders.

Group Company's Sustainability Working Group

These groups follow the specific sustainability agendas of their respective companies. They aim for success by assessing performance based on annual goals and actions integrated into the strategies of their respective companies. Each group includes a sustainability sponsor at the General Manager or Executive Committee level, company sustainability leaders, and working group representatives. They are expected to meet every two months and, when necessary, share progress with the Holding Sustainability Working Group. These groups are responsible for implementing, tracking, and ensuring alignment with sustainability goals. Each company manages the process within its strategic planning cycle and reports to its own board of directors. Sustainability goals and initiatives are included in company scorecards. Progress is monitored and reported by company sustainability officers. Progress is monitored and reported by company sustainability responsible parties.

SUSTAINABILITY MANAGEMENT AT BORUSAN

Thematic Working Groups

Sub-working groups and committees composed of EU Green Deal and Decarbonization, Sustainable Finance, Circular Economy, Occupational Health and Safety, Innovation, Talent, and the Equal Borusan Platform. They support company working groups and the Group Sustainability Council on their specific sustainability agendas. They create spaces for shared learning and experience exchange. The EU Green Deal and Decarbonization, and Circular Economy groups contribute to the theme of “Climate”; OHS, Talent and Equal Borusan groups cover “Human”; Sustainable Finance group covers “Human” and “Climate”; and R&D and Innovation groups work in the field of “Innovation”.

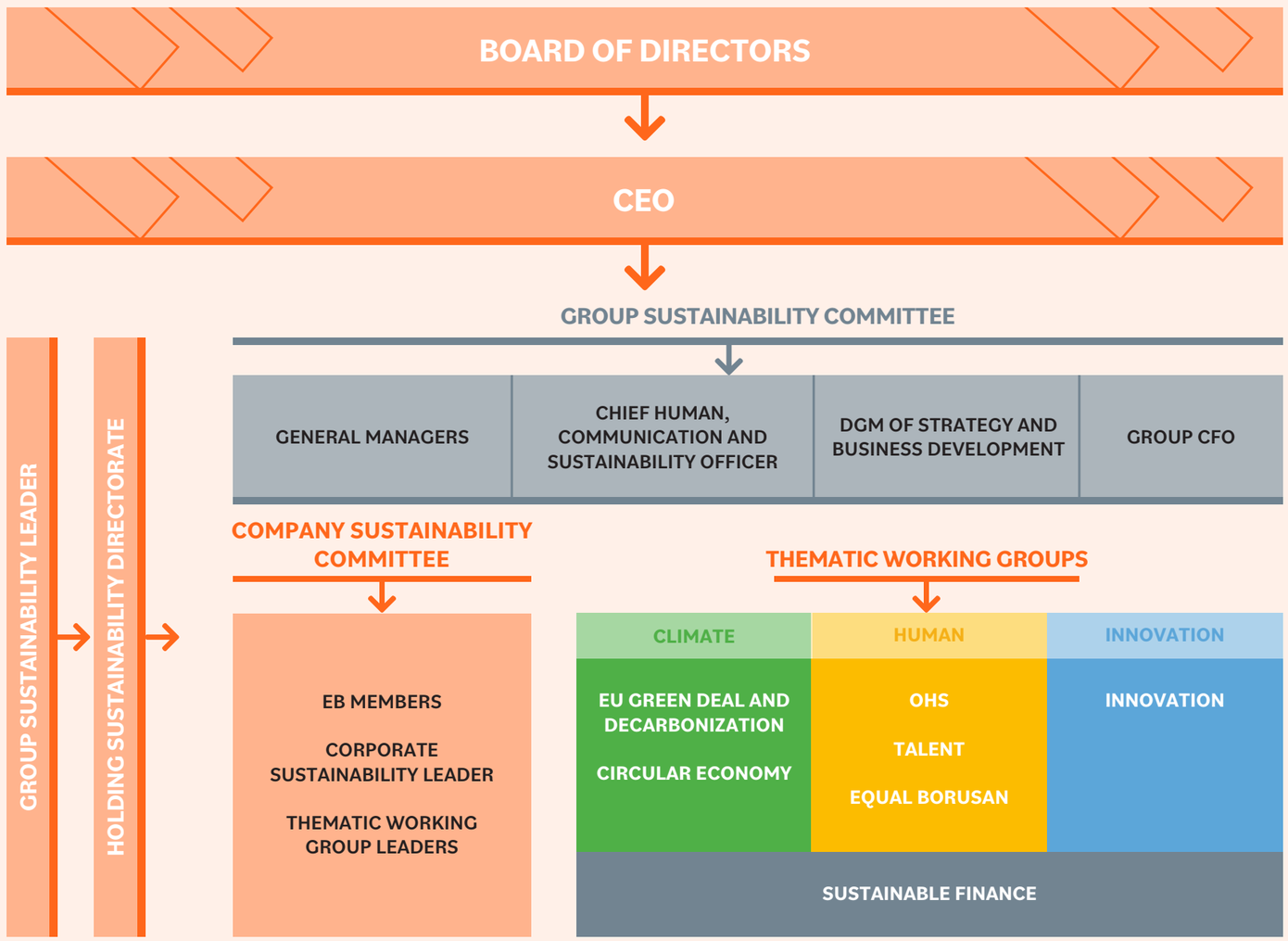
To ensure our sustainability efforts are conducted effectively, efficiently, and consistently, the committees and working groups within our governance structure meet regularly to review activities. They evaluate progress, analyze developments, exchange information, and make future plans. The Group Sustainability Committee meets twice a year for strategic evaluations, and the Holding Sustainability Directorate coordinates the process. Thematic Working Groups meet quarterly, while Group Company’s Sustainability Working Groups meets every two months to track progress and activities aligned with defined strategies and goals. The insights gathered from these regular meetings serve as a vital guide for advancing the sustainability performance of our Group and Group Companies, while also informing necessary improvements to our roadmap in this field. Beyond providing immediate assessments and analyses, the information surfaced during these meetings is used to plan future steps and enhance our sustainability performance. This governance model also plays a key role in fostering a shared understanding across the Group, both in achieving our sustainability targets and in implementing our broader strategy.



SUSTAINABILITY MANAGEMENT AT BORUSAN

Sustainability Structure	Frequency of Convening
Group Sustainability Committee	Twice a year
Holding Sustainability Working Group	Monthly
Thematic Work Groups	Quarterly
Group Company's Sustainability Working Groups	Every two months

SUSTAINABILITY GOVERNANCE AT BORUSAN



**The Innovation Thematic Working Group was established in 2023.*

BUSINESS ETHICS AND COMPLIANCE



At Borusan Group, ethical business conduct has been a cornerstone of our success since the day we were founded. Rooted in our heritage, this approach continues to serve as our most reliable guide in navigating today's dynamic business environment whether we are implementing our strategy, executing our roadmap, or making difficult decisions.

We operate based on a set of seven Fundamental Business Principles and a Code of Ethics that have been embraced as part of our corporate culture by all employees. These principles and ethical rules, which are enforced across Borusan Holding and all Group Companies, give concrete form to our ethical approach based on our core values of transparency, continuity, trust, and integrity. This approach also strengthens our relationships with stakeholders.

In all our operations, we place our values at the forefront and treat them as our highest priority. Our unwavering commitment to ethical values and fundamental principles forms the foundation of our activities and our corporate identity. In today's fast-paced and ever-changing world, where trust is more crucial than ever, we never compromise our ethical standards under any circumstances.

We also expect our stakeholders to act in line with our corporate values, and we do not establish business relationships with any parties that do not share these values. At Borusan Group, which is one of Türkiye's most trusted and respected organizations, we maintain relationships based on mutual trust with our employees, suppliers, competitors, business partners, and all other stakeholders-and refrain from any action that could jeopardize this trust. In cases where the relationship of trust has been compromised and cannot be restored, we terminate our relationship with the party in question.

We view ethical conduct and compliance not merely as legal requirements, but as fundamental principles that support our operations, reputation, and corporate culture. We are committed to upholding high standards of business ethics and regulatory compliance as a foundation for sustaining stakeholder trust and driving long-term success. We consistently emphasize the importance of adopting and promoting a culture of integrity and accountability across the organization, and we expect all employees to embrace this responsibility.

Mandatory business ethics rules within Borusan Group have been defined by the Ethics & Compliance Board at Borusan Holding. While embodying the company's values and culture, our employees act as guides in ensuring adherence to these rules. Our ethics code, the internal **"Orange Guide"**, ensures respect for human rights and helps prevent unethical behavior. Throughout our organization and value chain, we actively promote, monitor, and uphold a culture of ethics and compliance through our Code of Conduct and Orange Guide.

Investigating and resolving reports of violations rests with Borusan Holding's Ethics and Compliance Board. The Board reports to the Chairperson of the Board at Borusan Holding, and all investigations are carried out by Borusan Holding's Internal Audit Directorate. Where violations of Borusan Business Principles or the Code of Ethics occur anywhere in our Group Companies-whether in Türkiye or abroad—the step-by-step process defined by the Ethics and Compliance Board and Company Disciplinary Boards is followed. We protect the confidentiality of all reports submitted to the Ethics Board by employees and third parties. We also work with expert external providers to ensure investigations are conducted confidentially and independently.

In addition to preventive measures, we implement to prevent any unethical incidents, we also regularly assess potential ethical risks. Reports received via our Orange Ethics Hotline, which is designed to detect ethical misconduct and noncompliance, are carefully reviewed by our Fraud Investigation and Prevention Team. Additionally, the team convenes with the Internal Audit division every two weeks and places certain issues in an order of priority based on the audit risk methodology. Results are reported to the Borusan Holding Ethics and Compliance Board to make a decision over what is reviewed.

As part of our annual audit planning, all audits are conducted with a risk management perspective. Throughout error, fraud, or corruption investigations, we exercise the utmost care in adhering to the audit schedule.

In 2024, 134 reports were submitted to the Orange Ethics Reporting Line, and 113 of them were reviewed and resolved within the year in accordance with our ethics and compliance principles.

INTERNAL AUDIT

Our company's long-standing history forms the foundation of our corporate memory and current strong structure. The principles we have built upon this foundation transparency, accountability, and continuous improvement guide the operations of our internal audit function.

As an integral component of our corporate governance framework, internal audit plays a key role in providing independent and objective assurance. In this context, we evaluate the adequacy of our internal controls, risk management processes, and compliance with policies and regulations. By identifying areas for improvement, we contribute to reducing potential risks and further strengthening our organization.



As one of the first groups in Türkiye to embrace corporate risk management principles, we design our processes with this awareness. Within this framework, we consider project-based risk assessments across all Group operations to be of strategic importance. We focus on managing ethics and compliance risks as effectively as possible through policies, procedures, controls, communication, and training aligned with Group strategies and operations. Management units across our Group Companies also actively work to identify risks in line with their roles and responsibilities.

Departments such as Internal Audit and Internal Control offer recommendations regarding areas for improvement within Group Companies and contribute to broadening the Group's overall risk management perspective. This approach allows us to identify, analyze, and direct potential events that could hinder the achievement of strategic goals to the relevant teams. It also supports the economic management of risks within a consistent and comprehensive model.

Within the scope of our annual audit plans, we conduct all audits from a risk management perspective. In 2024, Borusan Holding's Audit Directorate conducted audits at Borusan Holding and Group Companies, covering areas such as Sales, After-Sales Services, Purchasing, Accounting and Finance, Inventory Management and Inventory Management, Manufacturing, Maintenance, Quality, Investment, Human Resources, Foreign Trade, Compliance, Sustainability, Physical Security, and Occupational Health and Safety (OHS). A total of 43 audits were conducted under the internal audit program in 2024, all of which included social and environmental components. In addition, 28 audits were performed in the area of Information Technology. In total, 75 audits were conducted by the Internal Audit Department. Also in 2024, 113 of the 129 reports submitted via the Ethics Hotline were addressed within the scope of fraud investigations. All our audit processes include the examination of errors, fraud, and misconduct. Furthermore, as part of our 2024 audit plan, two production audits were carried out by our Audit Directorate.

In line with our annual audit plan, we also conduct social and environmental audits addressing topics such as occupational health and safety, training, chemical and waste management, and energy efficiency. A total of 35 such audits were carried out. Moreover, Borusan Holding's Internal Audit Unit performed Occupational Health and Safety audits across all Group Companies.

Through the reporting, investigation, and improvement activities conducted in response to the risks identified during these audits, we aim to enhance the effectiveness of control mechanisms.

INTERNAL AUDIT

In a rapidly evolving technology ecosystem, measuring the security, effectiveness, and efficiency of our information systems plays a critical role in identifying potential risk factors and security vulnerabilities. Recognizing the importance of these processes for organizations, our Information Technologies Audit team conducted the following audits across Borusan Holding and Group Companies in 2024: IT General Controls (including Access Management, Change & Program Management, Computer Operations, Cybersecurity, Business Continuity), Robotic Process Automation (RPA) Audits, SAP General IT Controls Audits, SAP License Audits, GRC Policy Compliance Audits (assessing alignment of policies and processes with overarching governance, risk, and compliance frameworks), and Supplier Management Audits (covering IT Infrastructure and Services, Social Media Management, Physical Security of IT Equipment, and Access Controls). These 28 audits reinforced our culture of continuous improvement and development.

In our detailed audits across Borusan Group Companies, we aim to identify potentially risky behaviors in areas such as gifts and hospitality, donations and sponsorships, public tenders, and conflicts of interest. Accordingly, we work to implement necessary measures and carry out detailed risk assessments in these areas. In identifying risks that may require internal audit, we follow the risk methodology developed by our Audit Directorate. We carefully analyze data from both the Holding and Group Companies and perform comprehensive risk assessments. This proactive approach enables us to anticipate and mitigate potential risks throughout all processes. In 2024, in line with the risk methodology of Borusan Holding's Audit Directorate, the audit universe for Borusan Holding and all Group Companies was reviewed, a risk assessment was carried out, and the risk universe was updated.

Beyond the presence and effectiveness of internal audit functions, proper adherence to audit schedules, reporting, and improvement actions are also key to ensuring robust operations. The adequacy and effectiveness of management's responses to identified findings and recommendations are regularly reviewed through process audits and follow-up audits, and results are reported to senior management. To streamline reporting to top management on audit-related matters, we have started using Power BI. As part of this effort, we launched a Data Analytics Project using SAS software, with plans to expand this automation across Group Companies in 2025.

Based on the findings from internal audits, we aim to implement the following improvement and development plans:

- Implementation of system-based controls
- Effective enforcement of segregation of duties and approval mechanisms
- Digitalization and integration of processes into work flows
- Training programs to promote control awareness
- Regular notifications and announcements
- Improvement initiatives designed to strengthen the implementation of preventive, detective, and corrective controls for relevant processes

No findings were reported in 2024 indicating any negative impact of our business operations on local communities, based on audits conducted by the Borusan Holding Internal Audit Department.



RISK MANAGEMENT AND INTERNAL CONTROL

The internal control functions established in 2021 continue to operate under the General Managers at Borusan Holding and Group Companies. Under the guidance of Internal Control Leaders at Borusan Holding, Borusan Pipe, Borçelik, Borusan Otomotiv Group, Borusan Cat, and Borusan Lojistik, these functions are responsible for assessing risk management practices and the existing internal control framework. At the same time, we aim to establish a comprehensive framework to guide internal control and risk management efforts across Borusan Group. To ensure its effective implementation in each Group Company, we support the sharing of knowledge, oversee adherence to established methodologies, and coordinate internal control activities.

By developing joint projects with internal control leaders in each company, we aim to create synergy and strengthen integration across the Group. These efforts reflect our commitment to a sustainable management approach and reinforce our ability to effectively manage potential risks and opportunities. Our internal control structure, built on a risk management approach, enables us to assess risks and opportunities within Borusan Group Companies. In collaboration with process owners, we conduct process risk analyses, organize workshops and one-on-one interviews, carry out control self-assessments, and prepare action plans for high-risk areas.

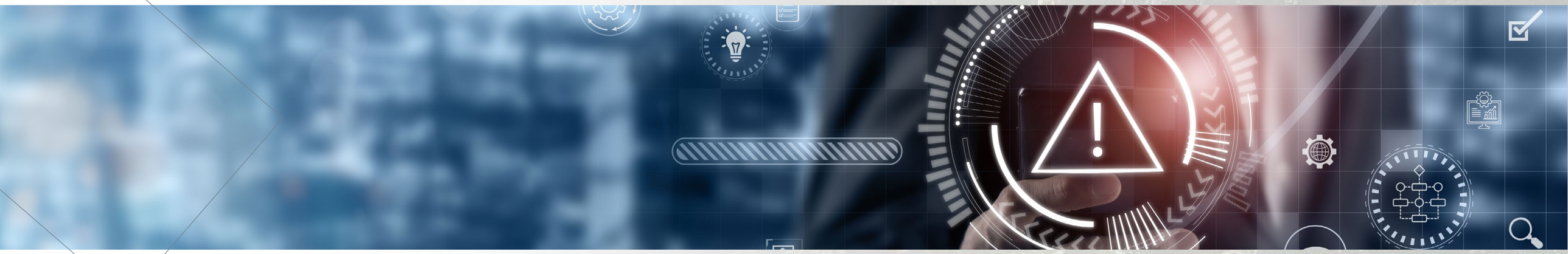
The Internal Control leaders of Borusan Holding, Borusan Pipe, Borçelik, Borusan Otomotiv Group, Borusan Cat and Borusan Lojistik serve as risk and opportunity advisors within their respective companies.

During their onboarding and training process, they receive extensive instruction in areas such as internal control, corporate risk management, auditing, fraud awareness, financial literacy, strategic management, business development, growth management, business analysis, project management, innovation, and effective problem-solving techniques.

Through their fieldwork conducted in line with annual plans, Internal Control Leaders work to embed a culture centered around risks and opportunities. In alignment with their annual plans, they conduct regular reviews with employees and managers and report areas for improvement to company leadership and the Borusan Holding Audit Board. The efforts of our Internal Control Leaders also support the comprehensive assessment of open audit findings across the organization, helping to mainstream a risk- and opportunity-focused mindset throughout the company. We believe this approach promotes knowledge sharing, strengthens cohesion across companies, and lays the foundation for a more efficient and effective governance model. The input of our Internal Control Leaders enables us to address potential risks and opportunities proactively and lay the groundwork for sustainable growth.

As part of our risk transfer approach, we manage the insurable risks of Borusan Group companies by:

- Adapting to evolving business dynamics and needs,
- Employing advanced, purpose-driven risk analysis methods,
- Prioritizing content and cost optimization,
- Maintaining high operational standards,
- And operating on an efficient, secure shared platform.



RISK MANAGEMENT AND INTERNAL CONTROL

We transfer risk to domestic and international insurance markets through **nearly 40 distinct insurance policies to mitigate potential losses**. To further enhance the scope and sustainability of our insurance program, we are also exploring the inclusion of innovative global insurance products. In addition to the measures implemented by our Security Team, we provide coverage under Cyber Risk and Cyber Crime Insurance policies for potential third-party liabilities, financial losses, data recovery costs, lost revenue from business interruption, and financial damages caused by cyber incidents.

To strengthen our risk and internal control processes, we undertake various projects that align with the risk appetites and strategies of our Group Companies. Through the integration of internal control functions, we contribute to the development of a common risk and control inventory. In parallel with existing internal control and risk analysis initiatives, we are also automating risk monitoring and reporting processes through digitalization projects to improve efficiency.

We have launched PowerBI to automate executive-level reporting and enhanced dashboard interfaces. Risk levels, existing controls, effectiveness evaluations, and improvement recommendations for each risk owner are now tracked through PowerBI dashboards and reports. This allows senior management to monitor the current risk and control landscape in real time. Furthermore, tracking sustainability risks, establishing and improving business continuity and crisis management plans, and developing dedicated projects for cybersecurity risks are all considered as part of the internal control projects in place.

Technology-related risks are considered among the most critical risks for our organization, which require close management. Across our Group Companies, IT and cybersecurity risks are identified as potential threats to operations. Accordingly, we prioritize the security of our information systems that store, process, and distribute data across Borusan Holding and its Group Companies. Relevant departments including IT, Infrastructure, Digital Teams, IT Audit, and Internal Control carry out their activities with a strong focus on information security awareness, and continue to conduct audits, improvement initiatives, and projects that consider evolving technologies and emerging environmental risks.

Recognizing that the management of technology-related risks is a dynamic process, we place strong emphasis on adaptability, alignment, and continuous improvement. We also assess the added value of managing these risks from financial savings to reputational gains and reduced losses and shape our actions accordingly.

RISK MANAGEMENT AND INTERNAL CONTROL

In today's increasingly interconnected global risk landscape, organizations are exhibiting diverse risk appetites. Accordingly, managing climate-related risks has become a critical necessity for organizations around the world. The global risk agenda continues to evolve, shaped by geopolitical tensions, technological advances, and climate change making proactive risk management a strategic priority for all companies.

We closely monitor these global developments within Borusan Holding and Group Companies and align our future actions accordingly. In conducting risk assessments, we are guided by the WEF Global Risk Report and COSO (Committee of Sponsoring Organizations of the Treadway Commission). In addition, having already aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) framework, we further strengthened and diversified our approach in 2023 following the full integration of TCFD into the International Sustainability Standards Board (ISSB) standards, which also assumed the responsibility of overseeing companies' progress in climate-related disclosures. Our risk management and internal control framework allows us to identify and assess a wide range of risks that may affect our operations, financial performance, or corporate reputation.

At Borusan Holding, we explore and address our material sustainability topics with a three-dimensional lens focused on impact, risk, and opportunity. With the introduction of new national and international standards in 2024, we continue to strengthen our climate risk management practices. We view Türkiye's Sustainability Reporting Standards 1 and 2 (TSRS) as an important framework that enhances Borusan Group's risk-oriented approach.

The Internal Control and Sustainability departments at Borusan Holding collaborate to monitor the risks identified in comprehensive ESG analyses. Together, they carry out joint efforts to develop the risk inventory, assign risks to process owners, and assess the effectiveness of relevant controls. Processes rolled out for sustainability and climate adaptation are overseen by our Group CEO, who has been delegated authority by the Board of Directors. Borusan adopts sustainability performance as a key element of the corporate governance strategy. To this end, we make efforts to manage environmental and social effects of the corporate operations, identify, assess, and control risks linked to climate change and sustainability, uncover opportunities and implement sustainability strategies and policies. The Group Sustainability Council, which is composed of sustainability leaders and working group heads from the Holding and Group Companies, plays an active role in managing sustainability risks with a holistic perspective.

We continue to monitor risk focal points in line with global trends and operational needs, assess our sustainability performance against our targets, and regularly review our risks and opportunities. We also tap into the risks and opportunities to improve our sustainability performance and cope with barriers to the achievement of our objectives. These efforts help us identify developments, seize emerging opportunities, and guide the implementation of our business strategy centered on the transition to a low-carbon economy.

ACTIONS AGAINST CORRUPTION AND ANTI-COMPETITION

Our experience, the corporate values we have proudly upheld for decades, and our professional business conduct have made our commitment to combating corruption and preventing anti-competitive practices an integral part of our corporate culture. Promoting integrity, transparency, and fair competition is not only central to our ethical conduct but also essential to building trust and sustaining long-term success. The strong foundations of our company enable us to maintain these ethical values consistently and to present a credible and reliable stance in the business world.

Our commitment to ethical conduct and the practices we have implemented in this area play a key role in shaping every decision and action we take. At Borusan, the values that define our corporate culture encompass the prevention of conflicts of interest, the professional management of stakeholder relationships, and the fight against illegal acts. We ensure that the legal frameworks of all countries where we operate are reviewed by our local and central legal departments, and we act with the necessary sensitivity in compliance. Our policies and procedures that demonstrate our commitment to ethical business practices and fair competition define the framework for our operations and reflect our values and culture. In this way, our company's success and credibility are consistently reinforced by our determination to adopt and maintain these standards.

We give top priority to maintaining a strict stance against corruption and bribery across all our business processes. Before acquiring a company or entering into a partnership with high-risk business partners such as dealers, we conduct thorough due diligence to assess the status of the relevant legal entities. When a commercial relationship is being considered, we carry out a comprehensive due diligence process before engagement, using forms based on the risk analyses of our Group Companies as part of the Know Your Customer process.

All reports related to corruption and bribery can be submitted via our online portal, by phone or email, or directly to members of the Ethics and Compliance Committee or the internal audit team. These reports are collected by an independent international firm and disclosed to the Ethics and Compliance Committee only to the extent permitted by the reporting party, allowing us to safeguard the privacy and security of the whistleblower.

Upon receiving a report, we initiate the process by conducting preliminary discussions with the senior management of the relevant company where the incident is suspected to have occurred. Each report is assessed individually with due care, and subject-specific investigations are conducted to verify the facts. If a finding is identified following a comprehensive review, a report is submitted to the Holding Ethics and Compliance Committee to evaluate disciplinary action against the persons involved or found to be negligent. Depending on the severity and extent of the violation, disciplinary measures may be applied in accordance with our Disciplinary Regulations or, where necessary, legal sanctions may be pursued under the Turkish Penal Code. If no violation is found, a risk analysis is conducted to identify any potential negligence, and recommendations for improvements to the internal control structure are shared with the company's senior management. Investigations into cases of corruption and bribery involving employees at manager level and above are carried out solely by the Holding Internal Audit Department.

We manage our stakeholder relationships in line with the Orange Guide, which defines the code of ethics that all Borusan members are expected to follow, and we ensure that all communications are conducted accordingly. In particular, we identify and address risks that may arise in areas such as gifts and hospitality, donations and sponsorship payments, public procurement, and conflicts of interest areas that carry high potential risk from both a corruption and competition perspective. Together with our Group Companies, we take proactive steps to detect and prevent unethical conduct such as bribery, corruption, and abuse of power. We also support global efforts to eliminate such misconduct.

We place great importance on strengthening and sustaining a culture of ethics and integrity through training, posters, and videos. Our Group Companies are committed to ensuring that all employees and third parties acting on behalf of the company adhere to the highest standards of honesty. We emphasize our anti-corruption and anti-bribery policies through the Orange Guide and provide employees with periodic updates on Borusan Group's Business Principles and Code of Ethics.

In 2024, we identified 21 cases of corruption. Of these 21 cases, 19 were fully investigated and resolved, while 2 remain under review. There were no public lawsuits related to corruption during the reporting period.

In Türkiye and all other countries where our company operates, we do not endorse or affiliate with any political ideology, and we do not provide direct or indirect financial or in-kind support to political organizations or individuals. We maintain transparency in our communications with public authorities and act in full compliance with fair competition laws.

Our Journey of Creating Sustainable Value

SUSTAINABILITY MANIFESTO

At Borusan Group, we build the **future** by drawing inspiration from our **roots** to create sustainable stakeholder value. With more awareness than before, we continue to manufacture goods and services in line with a brand-new vision, working hard to make our dreams come true along with our stakeholders. We intend to inspire others, create benefits and make a difference across our value chain as part of our path where we build a sustainable future.

We make progress through firm steps to be able to build a better life for us all. We consider sustainability, digitalization and talent management the mainstay of what we do, and we develop inclusive projects with the emphasis on them.

We dream, design, manufacture, and materialize what is new, as necessitated by the new age. We buy in modern requirements and make the way we do business more resilient.

We know we can make all of our dreams come true by our own efforts. We combine our creativity and faith with our manufacturing capacity to do so. We are inspired by nature, people, and today's innovative world.

Relying on an innovation-driven way of doing business, we create long-term value and improve our partnerships through the entrepreneurship ecosystem. To this end, we continue to invest in start-ups.

We inspire **a sustainable future** thanks to our sustainable manufacturing capacity, employees, business models, stakeholders, and partnerships.

"With our strong roots, we dream, design and produce for the climate."

We imagine, design, and build for a well-functioning climate.

We leverage our innovative ideas, production skills, capabilities, and creativity to resolve the climate crisis. We aim at helping achieve climate restoration. Mobilizing all of our resources, we imagine, design, and build well-functioning climate systems both in our own operations and across our entire value chain.

"We grow with our roots and empower people"

We imagine, design, and build for a human-oriented corporate culture and social development.

We collaborate with our employees and stakeholders to build a promising future. We design innovative relationship models for the interest of the community we serve.

We intend to inspire others for a regenerative and sustainable future. We imagine, design, and build a promising future, relying on our human resources.

"We are rooted in the future and transformed by innovation."

We imagine, design, and build for a new age.

Inspired by innovative ideas, we inspire a brand-new future. Our priority is to introduce future-proof, innovative, and sustainable business models. We imagine, design, and build an innovative future, relying on our corporate resources and innovation capacity.

Borusan is committed to inspiring a sustainable future, building on the inspiration that has driven us since its inception. Those who inspire the future join their forces at Borusan for a new age, a new world, new dreams, and innovative ideas.

OUR JOURNEY OF CREATING SUSTAINABLE VALUE

2006	Ratified the United Nations (UN) Global Compact.
2008	Released our first Report on Sustainability.
2009	Ratified Türkiye Quality Association's "Management is Women's Rights" Manifesto.
2010	One of the first three Turkish companies to ratify the UN 2°C Challenge Communique.
2011	Signed the Manifesto of the World Business Council of Sustainable Development for Energy Efficiency in Buildings.
2012	Signed the Manifesto for Ethics in Business.
2013	Ratified the UN Women's Empowerment Principles.
2014	First Turkish company to join the Leaders in Action for UN Women's Empowerment Principles.
2015	Rolled out the Equal Borusan Platform.
2016	Our Sustainability Report Awarded by the League of American Communication Professionals, Ranking 1st.
2017	Awarded by the Turkish Public Relations Association (TUHID) with the Golden Compass UNDP Special Prize for our Sustainability Report.
2018	Commissioned by Borusan EnBW Enerji in 2015, Harmanlık Wind Power Plant based in Bursa was awarded under the wind category on the occasion of the 2018 Energy Awards of the 24 the ICCI Environment and Energy Exhibition.
2020	Revising the sustainability strategies of the Holding and Group companies, we adopted a perspective inspired by the future.
2021	Borusan Holding and Borusan Lojistik joined the Sustainable Development Association's Business World Plastics Initiative. Borusan Sustainability Guide released.
2022	First ever Integrated Annual Report has been released in Türkiye. Launched the Sustainable Benefit Program with the initial outputs to yield in the 100th anniversary of the Republic of Türkiye. Rolled out the Inspiring the Future Awards, through which we appreciate sustainability projects by Borusan employees. Rolled out the Borusan Equality School. Borçelik, Borusan Cat, Borusan Pipe (formerly known as Borusan Mannesmann) and Borusan Otomotiv Group joined the UN Global Compact, which the Holding Company has been a signatory of since 2006.
2023	Roll-out of the Sustainable Procurement Policy intended to make sure the sustainability culture is bought in by business partners and stakeholders. Borusan EnBW Enerji ratified the UN Global Compact as a signatory. 9 projects were awarded as part of the Inspiring the Future Awards.
2024	Introduced Borusan Sustainable Procurement Platform. Launched a project to digitize our sustainability metrics and targets, enabling us to monitor performance through contemporary and efficient methods. Received international recognition for our 2022 Integrated Annual Report with awards from both the ARC and LACP programs.



BORUSAN GROUP'S MATERIAL SUSTAINABILITY TOPICS AND STAKEHOLDER ENGAGEMENT

We incorporate environmental, social, and governance (ESG) perspectives at every stage of our value chain and place strong emphasis on integrating stakeholder insights into all our business processes. Guided by a forward-looking vision focused on global markets, we continue advancing toward our goals through transparent communication and close collaboration with our business partners.

We consider individuals, organizations, and communities that are either impacted by our activities or help us achieve our objectives as key stakeholders. When identifying our material topics, we ensure these stakeholders are an integral part of the process. This inclusive approach fosters alignment around shared goals and highlights the importance of both social and institutional cooperation. Working collaboratively throughout our operations not only drives sustainable success but also helps create long-term shared value.

We regularly reassess the expectations of all stakeholders in our value chain, taking into account evolving global, sectoral, and national trends. This systematic evaluation enables us to remain agile amid shifting dynamics while uncovering new and innovative opportunities. As we strengthen these stakeholder relationships, we become better equipped to navigate future challenges.

In the final quarter of 2023, we launched a double materiality assessment and have since carried it forward step by step. This process allowed us to evaluate our material topics from multiple stakeholder perspectives and assess the environmental and social impacts of Borusan Holding and Group Company activities in the context of climate, human, and innovation, adopting a comprehensive materiality methodology based on the double materiality principle. We shaped this process in alignment with our i^3 focus areas as well as a holistic overview of our 2030 targets, climate-driven risk management approach, stakeholder expectations, and sectoral developments.

Building on the three-step analysis presented in last year's report, we expanded our framework in this year's report to a four-step double materiality process. This enhanced structure laid the foundation for our strategic transformation model. The material topics identified now form the backbone of our transformation journey, providing a more solid and future-ready basis for our actions.



Step 1:

Identifying and Reviewing Material Topics

We conducted an extensive literature review to identify material topics, drawing from the following sources:

- European Sustainability Reporting Standards (ESRS)
- Corporate Sustainability Reporting Directive - CSRD
- World Economic Forum (WEF) Global Risks Report
- United Nations Sustainable Development Goals (UN SDGs)
- 12th Development Plan of the Republic of Türkiye
- Turkish Sustainability Reporting Standards (TSRS)
- International Financial Reporting Standards (IFRS) S1 and S2 standards
- The European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC) Performance Standards
- World Business Council for Sustainable Development (WBCSD) Macrotrends and Disruptive Events Report
- Materiality Map for different industries created by the Sustainability Accounting Standards Board (SASB)
- Task Force On Climate-Related Financial Disclosures (TCFD) recommendations
- United Nations Principles for Responsible Investment & Principles for Responsible Banking
- Refinitiv Scoring Methodology

We performed a sector analysis for the whole group and created a depository of material topics. We evaluated the listed material topics in the light of Borusan Group Companies and Holding's business strategy, investment focuses, global and sectoral trends, current climate-human innovation (i^3) strategic focus areas and identified 20 material topics.

In alignment with the guidelines of the European Financial Reporting Advisory Group (EFRAG), we assessed our list of material topics with a comprehensive perspective that considers both impact and financial dimensions across our entire value chain, considering the operational activities of Borusan Holding and Group Companies within the framework of the double materiality approach. This assessment served as the groundwork for Step 2.

Step 2:

Gathering Stakeholder Input on Topic Impact

We ran an online survey to seek views from our stakeholders and it was joined by nearly 8,000 stakeholders. As part of the survey, we communicated a list of questions to 6 groups of stakeholders in total: Top management, employees, suppliers, NGOs, universities, financial institutions, and media outlets.

As part of the analysis that took nearly 3 weeks, we asked our stakeholders to assess the level of impact Borusan's activities have on each of the 20 material topics that had been identified, the level of importance each topic might hold for Borusan in the future, and the potential positive or negative impacts of Borusan's activities on them. This approach enabled us to assess sustainability issues in a holistic and multidimensional way.

We thoroughly analyzed the surveys filled out by all of our stakeholders.

Step 3:

Mapping Impacts, Risks, and Opportunities

We examined the potential impacts, risks, and opportunities of each of the 20 material topics across the value chain of Borusan Holding and Group Companies. We assessed how each topic may affect the Group's operations and financial performance, as well as its broader societal and environmental implications. Multiple analytical methods were used to create a comprehensive impact map. Our focus extended beyond present-day risks to include emerging challenges and future opportunities.

We also developed forecasts to assess the financial impact magnitude of each topic across both the Holding and Group Company level.

Step 4:

Reviewing Material Topics for Borusan Group and Stakeholders

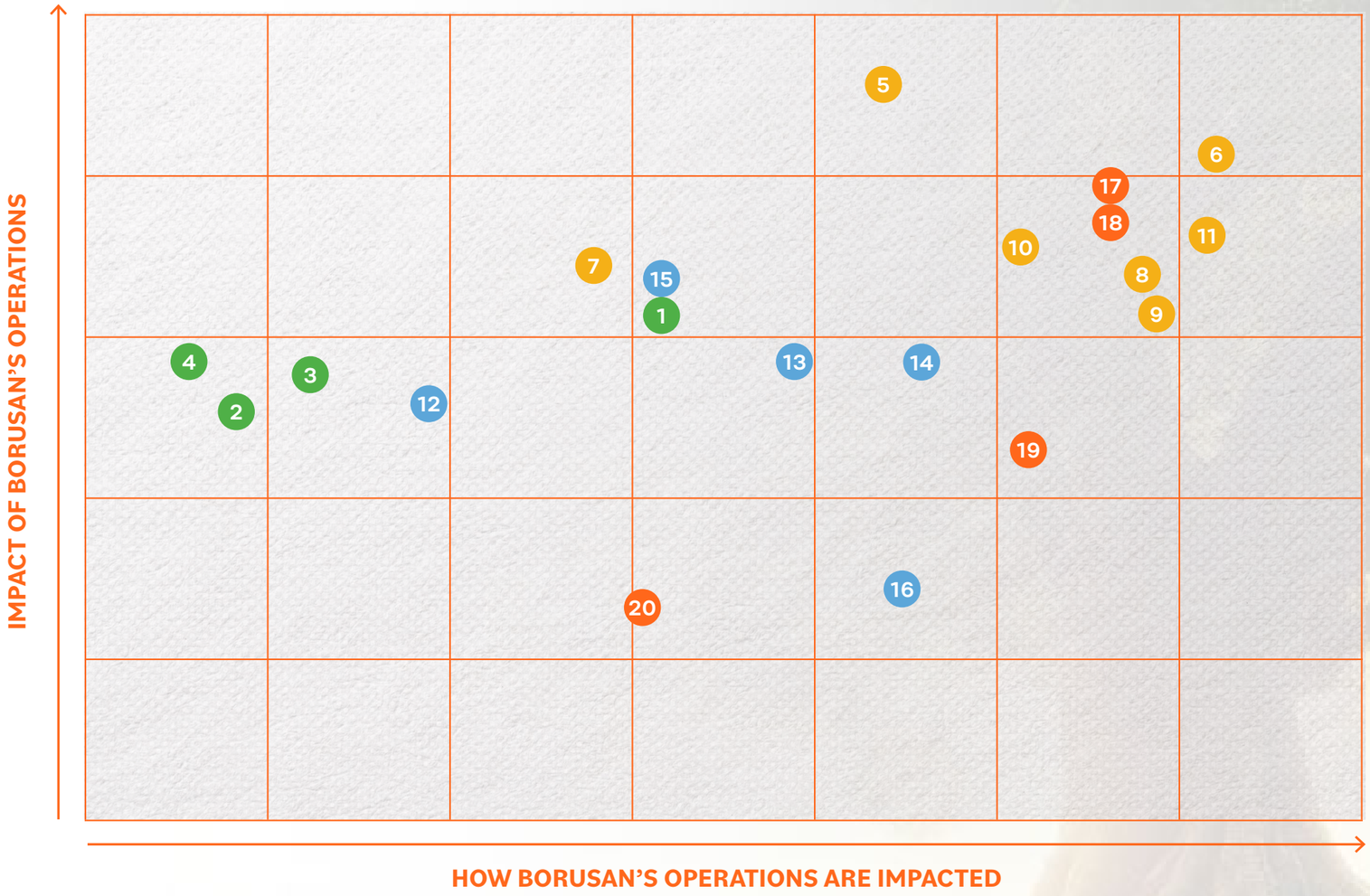
We held a far-reaching workshop along with the executives from the sustainability, strategy, finance, auditing, risk and human resources departments at Borusan Holding and Group Companies.

The outcomes of Steps 1 to 3 were shared in full detail with participants. Each material topic was then thoroughly reviewed and prioritized based on its relevance to the focus areas of climate, human, and innovation, and in terms of impact magnitude, scope, and financial influence. We finalized our internal assessments by considering their specific industry, operational activities, and impact areas within the Holding and Group Companies.

In addition, representatives from Borusan Group Companies, our largest stakeholder, provided an assessment of Borusan Holding based on 20 material topics at the workshop.

BORUSAN GROUP'S MATERIAL SUSTAINABILITY TOPICS AND STAKEHOLDER ENGAGEMENT

Following the completion of our double materiality and stakeholder analysis processes, and with the approval of the Holding Executive Committee and Group Company General Managers, we finalized our list of 20 material topics. For further information on the stakeholder groups, we contacted as part of the analysis, and their respective material topics, please refer to the **Borusan Group's Stakeholder Engagement** section of this report.



CLIMATE

1. Climate Action and Adaptation
2. Conservation of Nature and Biodiversity
3. Circularity and Waste Management
4. Water Management

HUMAN

5. Occupational Health and Safety
6. Human-Centered Corporate Culture
7. Customer Satisfaction and Service Quality
8. Management of Stakeholder Relations
9. Talent Management and Development
10. Inclusiveness, Diversity, and Equal Opportunities
11. Creating Social Benefits

INNOVATION

12. R&D and Innovation
13. Technology and Digital Transition
14. Developing Sustainable Business Models
15. Sustainable Supply Chain Management
16. Promotion of Entrepreneurship and Development of Partnerships

GOVERNANCE

17. Corporate Governance
18. Sustainable Financial Performance
19. Responsible Investment
20. Geopolitical and Human-Related Issues

Listelenen öncelikli konularımız ve detaylı açıklamalarına dair ek bilgiler **Ekler** bölümünde yer almaktadır.

BORUSAN GROUP'S MATERIAL SUSTAINABILITY TOPICS AND STAKEHOLDER ENGAGEMENT

Carried out with the involvement of Borusan Group and Holding key stakeholders, the materiality analysis also incorporated perspectives from Borusan's senior leadership. In line with our sustainability approach, which spans our entire value chain, we continue to focus on aligning our material topics with our strategic direction.

The top material topics established by our senior management are:

1. Occupational Health and Safety
2. Human-Centered Corporate Culture
3. Climate Action and Adaptation
4. Talent Management and Development
5. Technology and Digital Transition
6. Corporate Governance
7. Responsible Investment
8. Sustainable Financial Performance

We address all of our material topics in alignment with the United Nations Sustainable Development Goals (SDGs). In support of the UN's 2030 Sustainable Development Agenda, we are committed to mobilizing our resources to help build a more habitable planet for future generations.

The SDGs at the core of our work and Group targets have been classified by materiality and impact. Our analysis shows that we indirectly contribute to 16 of the goals, while directly impacting three: SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), and SDG 12 (Responsible Consumption and Production). Additional details on our contributions to the other SDGs and their related sub-targets are available in the **Table of Sustainable Development Goals** in the **Annexes** section of this report.



BORUSAN GROUP'S STAKEHOLDER ENGAGEMENT

At Borusan Group, we embrace a stakeholder-oriented approach built on maintaining strong, ongoing communication with our stakeholders, and incorporating their priorities and expectations into our sustainability and business strategies. Borusan Group's key stakeholders include Borusan members, Group Companies, suppliers, media outlets, customers, business partners, local community, students and academics, financial institutions, public and local administrations, NGOs, and trade unions. Across this broad spectrum, we engage in two-way, trust-based dialogue with all stakeholders who are affected by our activities or who influence them. We thoroughly assess how stakeholder expectations, insights, and feedback influence our strategic material issues. Informed by the views of our stakeholders we interact with, our material topics also shed light on contributions made in the context of six capital elements that make up the basis of our integrated perspective. As we continue our work focused on value creation, we place great importance on stakeholder feedback in both the management of our material topics and the promotion of transparent, reciprocal dialogue.

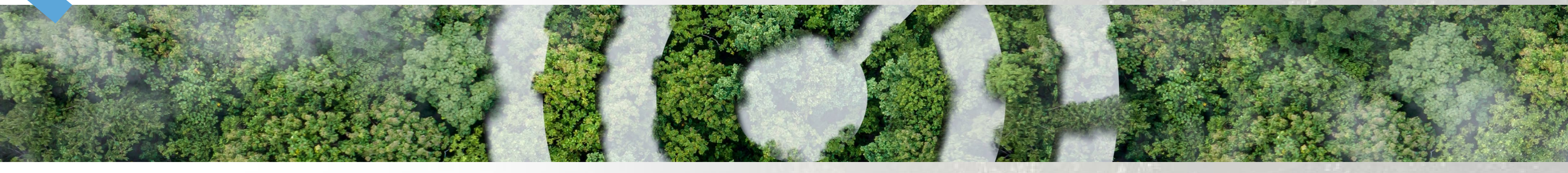
STAKEHOLDER GROUP	IMPORTANCE FOR BORUSAN GROUP	MODE OF COMMUNICATION	FREQUENCY	MATERIAL TOPICS LISTED BY STAKEHOLDER GROUPS	IMPACT ON VALUE CHAIN
Borusan Members	As Borusan Group celebrates its 80th anniversary, we believe that the key to our sustainable success lies in empowering each Borusan member to grow their competencies and work toward shared achievements. We are committed to ensuring that all the solutions we offer our coworkers reflect and support this approach. We foster employee satisfaction and motivation, while making competence and talent development accessible and inclusive.	CEO and GM Memoranda (Special occasion celebrations, informing on key issues)	Periodic	- Climate Action and Adaptation - Corporate Governance - Occupational Health and Safety - Sustainable Financial Performance - Circular Economy and Waste Management	- Upward operations - Operation - Downward operations
		Special Occasions (Digital)	Regular		
		Internal and External Reports	Periodic		
		Social Responsibility Networks and Clubs	Regular		
		Social Media, Corporate Websites, and Borusan Applications	Regular		
		Training Courses, Employee Loyalty, and Client Surveys	Regular		
		Internal and External Meetings, Assessments, and Announcements	Regular		
		Ethical Codes and Ethics Hotline	Regular		
Group Companies	Across every sector in which we operate, we see ourselves as having a responsibility to lead in sustainability and environmental awareness. To foster a collective consciousness around sustainability, Borusan Holding and our Group Companies advance shared, complementary goals under the themes of climate, human, and innovation. As companies that have grown and evolved in Türkiye-and are now inseparable parts of this strong ecosystem-we actively contribute to our goals through initiatives spanning education, arts and culture, and social equity.	Internal and External Reports	Once a Year	- Human-Centered Corporate Culture - Creating Social Benefits - Talent Management and Development - Management of Stakeholder Relations - Sustainable Financial Performance	- Upward operations - Operation - Downward operations
		Internal and External Meetings, Assessments, and Announcements	Regular		
		Ethical Principles	Regular		
		In-House Communication Networks	Regular		
		Social Media, Corporate Websites, and Borusan Applications	Regular		
Suppliers	We prioritize environmental and social sustainability across our supply chain by acting in harmony with every link in our value chain. In this context, we expect all suppliers and contractors-who represent a vital part of the value we generate-to adopt a sustainable procurement mindset within their own organizations.	Internal and External Reports	Once a Year	- Occupational Health and Safety - Water Management - Human-Centered Corporate Culture - Sustainable Supply Chain Management - Customer Satisfaction Management and Service	- Upward operations
		Internal and External Meetings, Assessments, and Announcements	Regular		
		Social Media, Corporate Websites, and Borusan Applications	Regular		
Media Outlets	Through various media outlets and platforms, we strive to keep all stakeholders informed in a clear and transparent manner. We ensure the timely communication of updates and manage all brand-related messaging with great care and precision.	Internal and External Reports	Regular	- Conservation of Nature and Biodiversity - Occupational Health and Safety - Climate Action and Adaptation - Developing Sustainable Business Models - Circular Economy and Waste Management	- Downward operations
		Internal and External Meetings, Assessments, and Announcements	Regular		
		Social Media, Corporate Websites, and Borusan Applications	Regular		
Clients	Creating value for customers is embedded in Borusan Group's business culture. At every stage of the customer experience, we place strong emphasis on feedback. In delivering our products and services, we aim to make each customer feel a sense of distinction and privilege in working with us.	Internal and External Reports	Once a Year	- Occupational Health and Safety - Human-Centered Corporate Culture - Inclusiveness, Diversity, and Equal Opportunities - Developing Sustainable Business Models - Talent Management and Development	- Downward operations
		Training Courses, Employee Loyalty, and Client Surveys	Regular		
		Internal and External Meetings, Assessments, and Announcements	Regular		
		Social Media, Corporate Websites, and Borusan Applications	Regular		
		Ethical Principles	Regular		
Business Partners	We conduct our operations in close collaboration with our business partners as part of our integrated business and sustainability strategy. These strategic partnerships strengthen every step we take toward long-term value creation and a lasting competitive advantage.	Internal and External Reports	Periodic	- Occupational Health and Safety - Sustainable Financial Performance - Circularity and Waste Management - Water Management - Human-Centered Corporate Culture	- Upward operations - Operation - Downward operations
		Internal and External Meetings, Assessments, and Announcements	Regular		
		Ethical Principles	Regular		
		Social Media, Corporate Websites, and Borusan Applications	Regular		
Local Communities	We seek to shape our positive impact on local communities-those within our sphere of influence-through a multidimensional sustainability perspective. In line with our integrated thinking approach, we remain committed to our ethical principles as we contribute to addressing social challenges and advancing community development.	Projects	Project-Based	- Developing Sustainable Business Models - Corporate Governance - R&D and Innovation - Creating Social Benefits - Technology and Digital Transition	- Operation - Downward operations
		Internal and External Meetings, Assessments, and Announcements	Regular		
		Social Media, Corporate Websites, and Borusan Applications	Regular		
Students and Academia	In pursuing our objectives, we place particular importance on advancing science and technology. This includes collaborating on R&D projects, offering internship and employment opportunities to graduates, and supporting other initiatives that foster innovation.	Career Days	Regular	- Climate Action and Adaptation - Developing Sustainable Business Models - Circular Economy and Waste Management - Technology and Digital Transition - Responsible Investment	- Operation - Downward operations
		Training Courses, Employee Loyalty, and Client Surveys	Regular		
		Coaching and Internship Programs for Students	Regular		
		Social Media, Corporate Websites, and Borusan Applications	Regular		
Financial Corporations	To ensure business continuity-particularly in minimizing the potential impacts of risks and damages-we engage with financial institutions for access to financing, insurance solutions, and expert guidance.	Internal and External Reports	Once a Year	- Occupational Health and Safety - Human-Centered Corporate Culture - Creating Social Benefits - Sustainable Financial Performance - Technology and Digital Transition	- Operation - Downward operations
		Social Media, Corporate Websites, and Borusan Applications	Regular		
Public and Local Administrations	We amke sure that all our activities are carried out in full compliance with legal requirements and applicable legislation. Accordingly, we maintain active engagement with public authorities to support audit processes and ensure regulatory compliance.	Internal and External Reports	Once a Year	- Corporate Governance - R&D and Innovation - Occupational Health and Safety - Human-Centered Corporate Culture - Customer Satisfaction Management and Service Quality - Sustainable Financial Performance	- Upward operations - Operation - Downward operations
		Internal and External Meetings, Assessments, and Announcements	Regular		
		Social Media, Corporate Websites, and Borusan Applications	Regular		
		Projects	Project-Based		
		Audits	Random/Periodic		
Non-Governmental Organizations and Trade Unions	Our collaborations with non-governmental organizations provide both strength and direction in generating shared value on social, environmental, and community issues. Through these partnerships, we offer meaningful purpose to our coworkers and stakeholders while contributing to critical societal needs. In addition, our engagement with professional associations gives us foresight into emerging trends and developments across the broad range of sectors in which we operate.	Internal and External Reports	Once a Year	- Climate Action and Adaptation - Developing Sustainable Business Models - Circular Economy and Waste Management - Technology and Digital Transition - Responsible Investment	- Operation - Downward operations
		Internal and External Meetings, Assessments, and Announcements	Regular		
		Projects	Project-Based		
		Social Media, Corporate Websites, and Borusan Applications	Regular		
		Memberships	Regular		
		Donations and Sponsorships	Project-Based		

OUR INTEGRATED VALUE CREATION MODEL

Borusan Holding's sustainability framework draws on the collective sustainability efforts of all companies within our stakeholder network. It reflects how our core sustainability themes-climate, human, and innovation-resonate across Borusan Holding and Group Companies, outlining how value is created in these areas and what contributions are being made.
Our integrated thinking approach represents a holistic sustainability vision that extends beyond the company to deliver broader societal and environmental benefits. Our way of coping with the climate crisis, our efforts to create a human-centered corporate culture, and offer social value, as well as the methods we have adopted for sustainability innovation are presented in this chapter.

CAPITAL	INPUT	MATERIAL TOPIC	VALUE CREATED	UN SDGs	OUTPUT
Financial Capital	- TRY 66 billion of investment from 2025 to 2027 - TRY 72 billion in consolidated equity - Effective financial management and financial risk analysis - Structures and processes built on the Corporate Governance Principle	- Corporate Governance - Sustainable Financial Performance - Responsible Investment	- Creating added value for the Turkish economy in 5 lines of operation, 19 brand agencies, and 3 international partnerships - Manufacturing, exports, and employment - Increase in company value		- Sustainable economic growth - TRY 21 billion of EBITDA - TRY 8 billion of net profit - 14% return on equity - TRY 257 billion in turnover
Natural Capital	- 855 MW of installed capacity in renewable energy - Environmental conservation investment worth over TRY 296,431,710 million - 1,091 megalitres of water extracted - 375,934.79 GJ purchased renewable energy (I-REC)	- Climate Action and Adaptation - Circular Economy and Waste Management - Water Management - Conservation of Nature and Biodiversity	- Assisting Türkiye in achieving the goal of net zero emissions by 2053 - Emission reduction and transition to low-carbon economy in line with the 2030 goals - Building further capacity in renewable energy and mainstreaming the use of renewable energy across Türkiye - Saving 871,875.4 tons of CO_2e emissions thanks to renewable energy generation - Development of low-carbon business models in our value chain - 7,112,304.79 GJ renewable energy consumption - Responsible use of resources - Helping Türkiye play an influential role in transition to green and reliable energy		- 123,730.10 tons of CO_2e direct carbon emissions (Scope 1) - 135,164.19 tons of CO_2e indirect carbon emissions (Scope 2) - Absolute 30,784.71 tons of CO_2e carbon reduction compared to the baseline year 2021 (Scope 1+ 2) - 435.77 megalitres of water consumption - 131,285.2 tons of waste recovered - 8 biodiversity projects across the group
Human Capital	- Various policies and Borusan Orange Guide that promote inclusive, ethical, and fair work environment - Over 14.000 employees in Türkiye and abroad - 919 employees hired - TRY 69,839,517 invested in education - 159 OHS committees with 538 members - TRY 14,125,200 for child care support	- Occupational Health and Safety - Talent Management and Development - Human-Centered Corporate Culture - Inclusiveness, Diversity, and Equal Opportunities	- Helping create jobs in Türkiye and around the world - Capability, talent, and career development - Employee loyalty and retention - Creating safe, happy, and well-functioning work environment - Being one of the most favorite employers		- Over 46,000 hours of training by Borusan Academy - 96.30%, ratio of young talent retention - 20.90%, ratio of female employees - 15.70%, employee turnover - A total of 144,190 hours of OHS training - 74% sustainable loyalty score - Number of articles published on Orange Blog: 214
Social and Relational Capital	- Actions focused on giving back to the community and gender equality - Alpha Young Talent and Internship program across Borusan Group - 57,900 customers in total - 12,083 supplier in total - Partnerships as part of the Sustainable Procurement Policy	- Creating Social Benefits - Management of Stakeholder Relations - Customer Satisfaction Management and Service Quality - Sustainable Supply Chain Management - Geopolitical and Human-Related Issues	- Inspiring young talents and contribution to employment - Review reports, programs, and projects developed as part of Equal Borusan - Helping raise the awareness of our stakeholders and the community about gender equality - Influential reputation as a brand - Effective and solid communication with stakeholders in our value chain - Sustainable supply chain and procurement practices		- Actions by 'Equal Borusan' - Borusan Gender Equality Perception Change Report - "Gender Lens" program - Gender Equality and Domestic Violence Prevention Policy - Borusan Group Parent Guide - 1,535 employees taking part in volunteering efforts - A total of 30,560 people reached out as part of the inclusiveness program - 107 interns reached out as part of the Alpha internship scheme - Membership to over 85 associations, NGOs, and organizations - A total of TRY 14,777,571 donated - 231 suppliers assessed as part of the Sustainable Procurement Policy
Intellectual Capital	- 198 R&D employees - R&D, innovation, and digitalization investments amounting to over TRY 480 million - Borusan culture that promotes entrepreneurship and innovation - Backing projects on development of innovative products and services that add to sustainability - Borusan Orange blog available for all of our stakeholders - Borusan Sustainable Benefits Program - Borusan Inspiring the Future Awards	- Technology and Digital Transition - Promotion of Entrepreneurship and Development of Partnerships - R&D and Innovation	- Improving manufacturing and service processes, being inspired by circular models in the natural environment - Environmental and social benefits created by digitalization of business processes - Electrification transition - Cultivating competent R&D employees - Contribution to R&D and innovation ecosystem		- 24 patent applications - Partnership with 40 universities and 27 start-ups - Charge IQ digital service network - Boom 360 digital platform - Grant and capacity building support to 10 start-ups as part of Borusan Sustainable Benefits Program
Creative Capital	- Borusan Sanat - Borusan Istanbul Philharmonic Orchestra & Borusan Quartet & Borusan Music House - Borusan Kocabıyık Foundation - Borusan Contemporary - Borusan Contemporary Blog	- Creating Social Benefits - Promotion of Entrepreneurship and Development of Partnerships - Management of Stakeholder Relations	- Scholarship for music education of 13 talented young musicians abroad under Borusan Music Scholarship - 25 uninterrupted scholarship and 78 students provided with sponsor scholarship under scholarship and sponsor schemes - 10,888 children reached as part of 552 Face of the Republic workshops organized by Borusan Kocabıyık Foundation - 52nd Istanbul Music Festival sponsored by Borusan Holding and great assistance by Borusan Sanat - Youth Card for those aged 18 to 30 to endear music to young people - borusansanat.tv offering free select concerts for music enthusiasts on online radio Borusan Klasik		- A total of 12 concerts by Borusan Istanbul Philharmonic Orchestra, 8 by Borusan Quartet, and 15 by Borusan Music House - 615 students reached out under the project 'English Language Support' in partnership between Borusan Kocabıyık Foundation and Novakid - 7,382 children reached through 356 psychosocial support workshope held in Hatay by Borusan Kocabıyık Foundation - Over 97,240 books donated to 640 schools in 73 provinces in 2024 under the project 'Dream Partner' by Borusan Kocabıyık Foundation - Concerts as part of Nova Muzak series held in cooperation with Kod Muzik - 75 exhibitions curated by Borusan Contemporary - 15,820 visitors to Borusan Contemporary in 2024 - 588 child participants in 78 kids workshops organized by Borusan Contemporary
Manufactured Capital	- Borusan Pipe: 10 plants across 3 continents - Borçelik, a total of 600,000 tons of cold-rolled and 900,000 tons of hot-dip galvanized manufacturing capacity - Supsan, projects to grow into the OEM turbo supplier of Türkiye - Borusan EnBW Enerji, a total of 13 power plants and 855 MW installed capacity - Borusan Port, a total of 523,000 m² of bonded and unbonded terminal area - Borusan Lojistik, a total of 570,000 m² of storage capacity in 32 storehouses and 17,000 m² of warehouse across Türkiye - Borusan Cat, Makina360 virtual store - Borusan Otomotiv Group, 25 authorized dealers and 46 authorized service	- Customer Satisfaction Management and Service Quality - Developing Sustainable Business Models	- Borusan Pipe, market leader received Environmental Product Declaration (EPD) certificate for a total of 42 products - Borçelik Gemlik Plant, first steel manufacturer in Türkiye to be awarded with RESPONSIBLE STEEL™ Site certificate - Supsan, the largest engine valve in Türkiye and neighboring countries - Borusan EnBW Enerji's inputs for installed capacity of renewable energy in Türkiye - Contribution to the logistics capacity of Türkiye through Borusan Port and Borusan Lojistik - Borusan Cat, used vehicle service with warranty, with no match in Türkiye - Borusan Otomotiv Group, contribution to the transition to electrification of the Turkish automotive sector		- Borusan Pipe with more than 4,000 product varieties - Borçelik, a total of 1.6 million tons in sales volume - Exports of Supsan products to 6 countries in 3 continents in 2024 - Borusan EnBW Enerji, I-REC green energy and Gold Standard carbon certificates - Borusan Port handling 5 million tons of general cargo, 450,000 TEU containers, and 350,000 vehicles handling - Borusan Lojistik, 369,036 'Full Truck Load (FTL) shipments' in Türkiye with eTA, the first digital logistics platform in Türkiye - Borusan Cat achieves a 58% registered customer rate and 96,796 downloads through the Boom360 app - Borusan Otomotiv Group, with its 40 years of experience and 7 companies, delivers services in the premium automobile and motorcycle segments. - 37,163 retail sales carried out by Borusan Otomotiv Group

OUR SUSTAINABILITY GOALS FOR 2030



climate

Borusan Group's Climate Goals for 2030

Adaptation to climate change and the limited nature of every resource we exhaust are the top challenges facing our planet. Borusan Group's responsible actions to cope with them offer a purposeful opportunity to make an everlasting and positive impact on the future of our world.

Decarbonization

- Reducing emissions in line with the 2030 goals
- Establishing emission measurement, monitoring, and reporting mechanisms consistent with the legislation and regulations
- Developing emission-reduction projects that require investment

Circular Economy

- Supply chain management in accordance with sustainable purchasing criteria 50% reduction in water consumption, 50% increase in recovery
- Reducing waste by 50% and 100% recycling of waste
- Setting zero single-use plastics and paper products

human

Borusan Group's Human Oriented Goals for 2030

Opportunities come true at Borusan Group thanks to our coworkers. Relying on our business culture that welcomes different experiences, perspectives, and mindsets, we assist our coworkers to build their career path, nourish their curiosities, and improve their talents.

Sustainable Talent Management

- Ranking among the top 10 employer of choice
- Retaining 9 out of every 10 Alpha interns and 95 out of every 100 Future Leaders
- Increasing Sustainable Engagement Score

Equality and Diversity

- Reaching 10% female employment rate in the field
- Reaching 40% female employment rate in the management and office positions

Safe, Healthy and Happy Workplace

- Zero fatal accidents
- 50% reduction in accident frequency rate
- 30% reduction in accident severity rate

innovation

Borusan Group's Innovation Oriented Goals for 2030

Borusan Group attaches great importance to setting in motion future-proof, innovative, and sustainable business models. We make lasting and positive effects on industries we operate in through the development of state-of-the-art technologies and investments.

Creating Value with Innovation

- Developing circular business and service models
- Developing decarbonized business and service models
- Creating social and environmental benefits based on entrepreneurship ecosystem partnerships

OUR SUSTAINABILITY PERSPECTIVE, TARGETS, AND PERFORMANCE

VALUE AREAS



At Borusan Group, we unite around a common purpose to tackle the most pressing challenges facing the world. Drawing strength from our roots and building on 80 years of experience, we shape our sustainability perspective to create value for our future and for the Turkish economy. With a focus on developing innovative products and services long embedded in our Group Companies we operate with a vision that remains open to global markets. This vision, grounded in a solid and deep-rooted legacy, enables us to seize future opportunities effectively.

We align our sustainability approach with our overall business strategy, structuring it around three core focus areas: Climate, Human, and Innovation (i^3). Strategic processes are coordinated jointly across Borusan Holding and our Group Companies, where strategic alignment and critical developments are considered together. While each company progresses toward its own defined goals and performance indicators, as the Holding, we monitor consolidated performance based on a shared set of indicators shaped by the Group's material sustainability topics and our 2030 goals. We also play a facilitating role, providing the tools and mechanisms our Group Companies may need to support their efforts.

Through this integrated sustainability approach, aligned with our i^3 philosophy, we strive to create meaningful value and contribute to a safer, more sustainable, and inclusive world. This approach not only carries our 80-year legacy into the future but also supports us in creating lasting, meaningful value for all our stakeholders.



OUR SUSTAINABILITY PERSPECTIVE, TARGETS, AND PERFORMANCE

CORE APPROACHES OF OUR GROUP COMPANIES

BORÇELİK

Borçelik has structured its sustainability-focused approach through a strong sense of environmental and social responsibility, taking bold and forward-looking steps toward the future. Accordingly, it continues its efforts with the ambition of being both the developer and implementer of impactful projects aimed at reducing carbon emissions and minimizing its environmental footprint.

Driven by the vision of "building a sustainable future for the steel industry," Borçelik aims to be a responsible flat steel producer that inspires its stakeholders and raises awareness. The company aims to manage risks and seize opportunities effectively by forming collaborations with public institutions, the private sector, and civil society organizations on issues such as carbon emission reduction, circular economy practices, and preservation of natural resources.

Borçelik is the first flat steel producer in Türkiye to be accepted as a member of ResponsibleSteel-the first global, multi-stakeholder international standard and certification body for the steel industry-and has received ResponsibleSteel Site Certification.

Under the Carbon Disclosure Project (CDP), one of the world's leading platforms addressing climate change, Borçelik earned a "Management" level rating for the Climate Change Program and a "Leadership" level rating for the Water Security Program.

Sectoral and Regulatory Trends That the Company Keeps Up With

- **Macroeconomic Outlook**
- **Geopolitical and Human-Related Issues**
- **Technological Advancements**
- **Responsible Investment**
- **Climate Action and Environmental Crises**
- **Transition to a Low-Carbon Economy**
- **Green Steel**
- **Measures of Protectionism**
- **EU Green Deal**
- **Carbon Border Adjustment Mechanism (CBAM) and Emissions Trading System (ETS)**
- **Türkiye Green Deal Action Plan**
- **Türkiye Emissions Trading System**
- **Türkiye's Long-Term Climate Strategy for 2053**

For more information about the trends, please click **here**.

Risks Followed in the Company's Potential Sphere of Influence

- Geopolitical risks
- Measures of protectionism and customs tariffs
- Failure to adapt to decarbonization and low-emission production
- Increasingly limited access to water resources
- High costs of transitioning to low-emission technologies
- Information security and competitive sensitivity
- Regulatory changes and continuity of supply in renewable energy
- Operational sustainability and supply chain risks in circular economy practices
- Increasingly severe extreme weather events

Opportunities Followed in the Company's Potential Sphere of Influence

- Competitive advantage through high-quality products in the domestic market
- Diversification of export strategies and entry into new markets
- Support for localization and sustainability goals in the automotive sector
- Long-term reduction in production costs through investments in energy-efficient technologies
- Access to low-cost green financing and incentives from international financial organizations
- Competitive edge by aligning with the green steel movement through low-carbon steel production
- Environmental and operational benefits through collaboration with low-carbon footprint suppliers
- Compliance with international standards through enhanced transparency and traceability in the supply chain

Material Topics for the Company

- Employee rights
- Operational excellence
- Information security and protection of customer privacy
- Sustainable economic performance
- Creating social benefits
- Inclusion, diversity, and equal opportunities
- Talent management and development
- Management of stakeholder relations
- Customer satisfaction management and service quality
- Sustainable supply chain management
- Compliance with evolving national and international regulations

OUR SUSTAINABILITY PERSPECTIVE, TARGETS, AND PERFORMANCE

CORE APPROACHES OF OUR GROUP COMPANIES

BORUSAN PIPE

Borusan Pipe's value creation strategy is shaped around the pillars of climate, human, and innovation, with a focus on delivering products and services that enhance business processes in collaboration with all internal and external stakeholders. As a global industry leader, the company has built its sustainability approach around low-carbon production processes and alignment with international regulations. In line with the Group's 2030 targets, Borusan Pipe aims to manage physical and climate-related risks, transform them into opportunities, and foster a responsible value chain across its operations. Beyond the green transition, Borusan Pipe embraces digital technologies and human capital investments to support a more inclusive sustainability approach. With a strong Group-wide vision, the company's primary sustainability strategy focuses on adding value to stakeholders' business processes and advancing its corporate mission. Borusan Pipe addresses its sustainability disclosures within the scope of non-financial reporting in accordance with the Türkiye Sustainability Reporting Standards (TSRS) and the Corporate Sustainability Reporting Directive (CSRD). The company's targets have been updated to reflect sustainable strategies aligned with its green transition roadmap, low-carbon economy plans, and science-based targets.

Sectoral and Regulatory Trends That the Company Keeps Up With

- **Geopolitical and economic uncertainties**
- **Carbon Border Adjustment Mechanism (CBAM) and European Green Deal Compliance**
- **Low-carbon production and green transition**
- **Digitalization, data management, and the use of artificial intelligence**
- **Circular economy and waste management**
- **Water management and resource efficiency**
- **Sustainable finance and taxonomy**
- **Regulatory and corporate sustainability compliance**
- **Responsible value chain practices**

For more information about the trends, please click **here**.

Risks Followed in the Company's Potential Sphere of Influence

- Disruptions to commercial activities due to regional tensions
- Operational impacts from raw material price fluctuations
- Growing regulatory pressure on sustainability affecting both operations and suppliers

Material Topics for the Company

- Occupational health and safety
- Information security and protection of customer privacy
- Sustainable economic performance
- Corporate governance, regulatory compliance and follow up
- Climate action and adaptation
- Water management
- Sustainable supply chain management

OUR SUSTAINABILITY PERSPECTIVE, TARGETS, AND PERFORMANCE

CORE APPROACHES OF OUR GROUP COMPANIES

BORUSAN CAT

Borusan Cat has adopted a core approach that goes beyond being an equipment and service provider it positions itself as a true “solution partner” to its customers. The company’s sustainability strategy aligns closely with its overall business goals and global sustainability frameworks. Moving beyond compliance, Borusan Cat seeks to lead the industry by introducing innovative and sustainable practices.

To minimize the environmental impact of its operations, the company implements multi-layered projects aimed at reducing carbon emissions. As part of its climate-related efforts, it focuses on lowering its emissions, using resources efficiently, and developing initiatives to mitigate its environmental footprint. Through energy-efficient machines and alternative energy systems, it also helps customers reduce their own emissions. The company promotes environmental awareness not only within its own operations but also across its supply chain and customer base. Borusan Cat places “human” at the center of its strategy investing in employee development, fostering equality and inclusion, and creating long-term social value. Across the focus area of innovation, it integrates digital solutions, remote monitoring, and reuse technologies to make its business models more sustainable.

Digital transition is not only about boosting efficiency it is a strategic tool for decarbonization and resource management. With remote monitoring and predictive maintenance technologies, Borusan Cat helps customers optimize fuel consumption, extend equipment lifespan, and reduce environmental impact. At Borusan Cat, we are not merely adapting to change-our goal is to act as a catalyst for transformation in our industry through pioneering sustainable solutions.

Sectoral and Regulatory Trends That the Company Keeps Up With

- **Technological Advancements**
- **Shifts in the Supply Chain**
- **Climate Action and Environmental Crises**
- **Transition to a Low-Carbon Economy**
- **Sustainable Technologies**
- **Electrification**
- **Renewable Energy**
- **EU Green Deal**
- **Carbon Border Adjustment Mechanism (CBAM) and Emissions Trading System (ETS)**

For more information about the trends, please click **here**.

Risks Followed in the Company’s Potential Sphere of Influence

- Global and regional economic uncertainties
- Evolving carbon regulations and sustainability legislation
- Risks associated with technological transformation and digitalization
- Talent acquisition and retention challenges
- Risks related to raw materials and supply chain continuity

Opportunities Followed in the Company’s Potential Sphere of Influence

- Alignment with low-carbon economy and green transition initiatives (European Green Deal, CBAM, ETS)
- Opportunities in digitalization and data-driven business models
- Optimization of machine performance and predictive maintenance through IoT-supported data systems and big data analytics Participation in infrastructure and large-scale project investments across industries
- New market potential through equipment and power solutions for renewable energy projects (wind, solar, hydro)
- Supply chain diversification and regional expansion
- Access to green financing and sustainable investment tools.
- Growing customer demand for sustainability-focused solutions

Material Topics for the Company

- Operational excellence
- Information security and protection of customer privacy
- Geopolitical and human-related issues
- Sustainable economic performance
- Creating social benefits
- Inclusion, diversity, and equal opportunities
- Talent management and development
- Management of stakeholder relations
- Customer satisfaction management and service quality
- Sustainable supply chain management

OUR SUSTAINABILITY PERSPECTIVE, TARGETS, AND PERFORMANCE

CORE APPROACHES OF OUR GROUP COMPANIES

BORUSAN — EnBW
Enerji Ortaklığı

With focus on green transition of energy for climate action, Borusan EnBW Enerji generates and sells electricity out of 100% renewable energy resources to add to the sustainable development of Türkiye.

It provides carbon and I-REC certificates for the green transition of its customers and operations for the present and future of our planet with its actions for green business. Under the focal themes of climate and human, the Company considers environmental and social effects of each investment, takes measures to eliminate potential effects and follows policies and processes to minimize the effect where it cannot be possibly avoided. It aims to create environmental and societal benefits as part of nature-positive projects where it does not have an effect. It runs projects to close the gap for green talents in renewable energy based on gender equality.

The company continues to help lay out infrastructure, which is critical for the electrification of the transportation industry as part of climate action, especially with the 'Electric Vehicle Charging Network' that underpins its main line of operations.

Sectoral and Regulatory Trends That the Company Keeps Up With

- **Technological Advancements**
- **Shifts in the Supply Chain**
- **Climate Action and Environmental Crises**
- **Transition to a Low-Carbon Economy**
- **Sustainable Technologies**
- **Renewable Energy**
- **EU Green Deal**
- **Türkiye Green Deal Action Plan**

For more information about the trends, please click **here**.

Risks Followed in the Company's Potential Sphere of Influence

- Risk of failure to comply with the sustainability regulations
- Risk posed by legislative amendments, which may affect investment projects and electricity sales, on revising the project timeline
- Risk of failure to keep up with everchanging market conditions and loss of customers
- Risks to be posed by feasibility studies in new projects
- Risks of failure to lay out the critical infrastructure or of falling short of requirements
- Risk of failure to attract and retain talents and lack of green-collar employees

Opportunities Followed in the Company's Potential Sphere of Influence

- Developing new lines of business for green transition projects
- Greater demand for renewable resources

Material Topics for the Company

- Occupational health and safety
- Climate action adaptation
- Conservation of nature and biodiversity
- Sustainable economic performance
- Human-centered corporate culture
- Developing sustainable business models
- Sustainable infrastructure and mobility
- Inclusion, diversity, and equal opportunities
- Corporate Governance
- Management of stakeholder relations

OUR SUSTAINABILITY PERSPECTIVE, TARGETS, AND PERFORMANCE

CORE APPROACHES OF OUR GROUP COMPANIES

BORUSAN PORT

Borusan Port is a port operator that provides world-class services in general cargo, container, and vehicle handling, aiming to create sustainable value for all stakeholders. In addition to port operations, it also offers ship chartering, project cargo, and heavy transportation services, differentiating itself through a holistic approach in the logistics sector.

With a commitment to continuous improvement and efficiency, Borusan Port works to contribute to the Group's sustainability goals through a series of initiatives, including electrification projects, energy-efficient practices, and environmentally friendly product selection. It is also among the few licensed ports in Türkiye with a waste reception facility that manages bilge water, sludge, and waste oil from ships in line with environmental standards.

Sectoral and Regulatory Trends That the Company Keeps Up With

- **Geopolitical and Human-Related Issues**
- **Responsible Investment**
- **Climate Action and Environmental Crises**
- **Renewable Energy**
- **Electrification**

For more information about the trends, please click **here**.

Risks Followed in the Company's Potential Sphere of Influence

- Risk arising from global political instability and international embargoes
- Risk of investment barriers due to Marmara Region's designation as a Special Environmental Protection Zone, which could prevent legal permits from being granted
- Risk of commercial disruption due to regulatory changes
- Risk of missing carbon targets as electric-powered heavy port equipment models are not yet available

Opportunities Followed in the Company's Potential Sphere of Influence

- Reviewing alternative markets through regular market research
- Effective utilization of current capacity
- Impact of planned partnerships
- Contribution to sustainability goals through Solar Energy Systems (SPP) and Wind Energy Systems (WPP) investments

Material Topics for the Company

- Operational excellence
- Inclusion, diversity, and equal opportunities
- Talent Management and Development
- Corporate Governance
- Climate action adaptation
- Water Management
- Occupational Health and Safety

OUR SUSTAINABILITY PERSPECTIVE, TARGETS, AND PERFORMANCE

CORE APPROACHES OF OUR GROUP COMPANIES

BORUSAN LOJİSTİK

Borusan Lojistik delivers integrated logistics services with a strong supplier network and a lean, fast, and efficient operation structure supported by technology, aiming to be the leading digital logistics platform in Türkiye and the regions it operates. With over 50 years of experience, it offers end-to-end services in domestic and international transportation, warehousing, and customs clearance, all centered on providing the best customer experience.

Within its sustainability framework and focus areas of climate, human, and innovation, Borusan Lojistik pursues decarbonization, responsible services and consumption, social benefit creation, equality, occupational health and safety, and digital transition of operations. These efforts not only benefit company operations but also create long-term value across its stakeholders' value chains. Its core sustainability goals include implementing emission-reducing practices and providing environmental and socioeconomic benefits to employees, customers, and suppliers.

Aiming to become the "Green Player of the Gray Sector," Borusan Lojistik was the first company in its sector to initiate Energy Management System and Greenhouse Gas verification activities. It is also among the first companies in Türkiye to hold a Green Logistics Certificate for three consecutive years.

Sectoral and Regulatory Trends That the Company Keeps Up With

- **Macroeconomic Outlook**
- **Geopolitical and Human-Related Issues**
- **Technological Advancements**
- **Shifts in the Supply Chain**
- **Responsible Investment**
- **Green Logistics**
- **Sustainable Technologies**
- **Sustainable Transportation and Mobility**
- **Renewable Energy**
- **EU Green Deal**
- **Carbon Border Adjustment Mechanism (CBAM) and Emissions Trading System (ETS)**
- **Corporate Sustainability Reporting Directive (CSRD)**
- **Corporate Sustainability Due Diligence Directive (CSDDD)**
- **Türkiye's Long-Term Climate Strategy for 2053**
- **Türkiye Sustainability Reporting Standards (TSRS)**
- **Türkiye Green Deal Action Plan**
- **Türkiye Emissions Trading System**

For more information about the trends, please click **here**.

Risks Followed in the Company's Potential Sphere of Influence

- Emissions resulting from logistics activities
- Change management that does not account for sustainability impact
- Inadequate data quality and ineffective data management
- Compliance risks related to legal and other requirements
- Emergency risks arising from transport and warehousing operations
- Failure to implement effective supplier management

Opportunities Followed in the Company's Potential Sphere of Influence

- Establishing a sustainable procurement policy and evaluation system
- Measuring, calculating, and reducing emissions
- Effective change management and the use of advanced technologies
- Enhancing real-time reporting capabilities through data integration
- Robust information and data security infrastructure
- Efficient resource utilization through optimization projects

Material Topics for the Company

- Occupational health and safety
- Sustainable supply chain management
- Technology and Digital Transition
- Climate action adaptation
- Sustainable economic performance
- Route optimization
- Developing sustainable business models
- Sustainable mobility
- Operational excellence
- R&D Activities and innovation
- Customer satisfaction management and service quality
- Information security and protection of customer privacy
- Human-centered corporate culture
- Creating social benefits
- Inclusion, diversity, and equal opportunities
- Talent management and development
- Corporate Governance
- Management of stakeholder relations
- Hazardous substances management
- Circularity and waste management

OUR SUSTAINABILITY PERSPECTIVE, TARGETS, AND PERFORMANCE

CORE APPROACHES OF OUR GROUP COMPANIES

Borusan Otomotiv

The Group-wide sustainability roadmap of Borusan Otomotiv is guided by the principle of bringing benefit to society, the environment, and customers, under its vision “Being a Pioneer in the Electrification Transformation of the Turkish Automotive Sector.”

The Group’s strategic plan has been developed through a sustainability-integrated, sustainable business approach. It aims to become a pioneering company that introduces a new approach to automobile and motorcycle use in Türkiye by offering environmentally friendly mobility solutions. Sustainability forms the very foundation of Borusan Otomotiv Group’s business strategy and is embraced not merely as a component of strategy, but as a core value. With a broad portfolio of fully electric models offered to the Turkish automotive sector the Group carries out all operations in line with its goal of building a carbon-free future and ensuring a cleaner, more habitable world.

The Borusan Otomotiv Group R&D Center develops innovative products and services that add value for all stakeholders-especially customers-fueled by a corporate culture that promotes both innovation and sustainability. Its research and development efforts cover advanced data analytics, artificial intelligence, generative AI, natural language processing (NLP), sales and after-sales services, cloud computing, and process automation.

Sectoral and Regulatory Trends That the Company Keeps Up With

- **Macroeconomic Outlook**
- **Geopolitical and Human-Related Issues**
- **Technological Advancements**
- **Shifts in the Supply Chain**
- **Climate Action and Environmental Crises**
- **Electrification**
- **Renewable Energy**
- **EU Green Deal**
- **Carbon Border Adjustment Mechanism (CBAM) and Emissions Trading System (ETS)**
- **Türkiye’s Long-Term Climate Strategy for 2053**
- **Türkiye Green Deal Action Plan**
- **Türkiye Emissions Trading System**

For more information about the trends, please click **here**.

Risks Followed in the Company’s Potential Sphere of Influence

- Limited access to financing
- Non-compliance with ESG regulations
- Shortage of skilled technical personnel and workforce attrition
- Lack of adequate EV charging infrastructure and energy supply
- Supply chain-related risks
- Intensified competition for experienced professionals and expertise
- Operational impacts arising from regulatory changes
- Global and regional economic uncertainties

Opportunities Followed in the Company’s Potential Sphere of Influence

- Gaining access to alternative funding through green financing thanks to sustainability efforts
- Taking rapid actions to ensure compliance with emerging regulations through proactive monitoring
- Creating a talent pool through targeted talent management initiatives
- Establishing charging stations and forming new partnerships to expand access to EV charging infrastructure
- Greater level of awareness across the electric vehicle market driven by environmental consciousness and tax incentives
- Leveraging AI to enhance operational efficiency and develop data-driven sales strategies

Material Topics for the Company

- Occupational health and safety
- Electrification
- Brand management and partnerships
- Sustainable mobility
- Operational excellence
- Information security and protection of customer privacy
- Sustainable economic performance
- Creating social benefits
- Inclusion, diversity, and equal opportunities
- Talent management and development
- Management of stakeholder relations
- Customer satisfaction management and service quality
- Energy management
- Circularity and waste management
- R&D activities and innovation
- Water management
- Corporate governance
- Technology and digital transition
- Sustainable supply chain management
- Human-centered corporate culture
- Developing sustainable business models

OUR SUSTAINABILITY PERSPECTIVE, TARGETS, AND PERFORMANCE

CORE APPROACHES OF OUR GROUP COMPANIES

SUPSAN
Automotive Components

At Supsan, sustainability is treated as an integral part of corporate strategy. Through initiatives focused on climate, people, and innovation, the company actively contributes to the transformation of its industry. With projects addressing talent management, gender equality, circular economy, occupational health and safety (OHS), and decarbonization, Supsan aims to create value for society, employees, and stakeholders alike. In parallel with ongoing shifts in the sector, the company also prioritizes serving its customers by adapting to and delivering product engineering, production, and supply solutions based on new technologies.

Sectoral and Regulatory Trends That the Company Keeps Up With

- **Shifts in the Supply Chain**
- **Geopolitical and Human-Related Issues**
- **Technological Advancements**
- **Climate Action and Environmental Crises**
- **Hydrogen**
- **Sustainable Technologies**
- **Renewable Energy**
- **EU Green Deal**
- **Carbon Border Adjustment Mechanism (CBAM) and Emissions Trading System (ETS)**
- **Türkiye Sustainability Reporting Standards (TSRS)**
- **Digitalization**
- **International Taxation Trends**

For more information about the trends, please click **here**.

Risks Followed in the Company's Potential Sphere of Influence

- Volatility in commodity prices and limited predictability
- Risk of regional conflicts such as the Russia-Ukraine war
- Risk of losing customers due to an inability to adapt to changing market conditions
- Supply chain disruptions and ineffective supplier management

Opportunities Followed in the Company's Potential Sphere of Influence

- Diversifying the supplier base through alternative sourcing
- Enhancing operational efficiency through R&D, innovation, and process improvement
- Leveraging strong engineering infrastructure

Material Topics for the Company

- Occupational health and safety efficiency
- Sustainable economic performance
- R&D Activities and innovation
- Digital transition
- Operational excellence
- Information security and protection of customer privacy
- Creating social benefits
- Inclusion, diversity, and equal opportunities
- Talent management and development
- Management of stakeholder relations
- Customer satisfaction management and service quality
- Sustainable supply chain management
- Human-centered corporate culture

SUSTAINABILITY TARGETS

CLIMATE

HUMAN

INNOVATION

THEME OF VALUE	FOCAL THEME	MATERIAL TOPIC	OBJECTIVE FOR 2030	PERFORMANCE INDICATOR FOLLOWED	PERFORMANCE IN BASE YEAR 2021	PERFORMANCE ACHIEVED IN 2024	STATUS OF ACHIEVEMENT FOR 2030 OBJECTIVE
CLIMATE	Decarbonization	- Climate Action and Adaptation - Conservation of Nature and Biodiversity	Developing emission reduction projects that require investments and reducing greenhouse gas emissions (Scope 1+2) by 25%	- Absolute greenhouse gas (Scope 1 + 2) emissions (metric tons of CO_2)	289.679	258.894	↗
			Finishing the calculation of Scope 3 emissions for all Borusan Group Companies	- Number of companies measuring Scope 3 greenhouse gas emissions	4 Companies (Borçelik, Borusan Pipe, Borusan Lojistik, Borusan Port)	7	↗
	Contributing to Circular Economy	- Circularity and Waste Management, - Water Management, - Sustainable Supply Chain Management	Reducing water extraction by 50%	- Water Extraction (in mega liter)	920.3	1,091	↘
			Increasing the amount of water recovered by 50%	- Amount of Water Recovered (in tons)	2.5	115,927.60	↗
			Reducing the amount of waste disposed/incinerated by 50%	- Amount of Waste Disposed/Incinerated (in tons)	917.8	12,502.1	↗
			Incorporating 200 suppliers into the platform as part of the sustainable procurement policy	Number of suppliers involved in the Supplier Self-Assessment process	-	364	↗
HUMAN	Sustainable Talent Management	- Human-Centered Corporate Culture - Talent Management and Development	Retaining 9 out of 10 Alpha	- Ratio of Alpha Quitting in the First Two Years (%)	55	3.60	↗
			Retaining 95 out of 100 Future Leaders	- Ratio of Future Leaders Quitting (%)	10	0.30	↗
	Equality and Diversity	- Inclusion, Diversity, and Equal Opportunities	Ratio of female leaders being raised to 40%	- Ratio of Female Leaders (%) - Ratio of Female Office Employees (%) - Ratio of Female Employees on the Ground/at the Plants (%)	27	29	↗
			Ratio of female office employees being raised to 40%		25.7	28.5	↗
			Ratio of female employees on the ground and at plants being raised to 10%		2.5	5	↗
	Safe and Healthy Workplace	- Occupational Health and Safety	Zero fatal accidents	- Number of Fatal Accidents(#)	0	0	✓
			50% decline in frequency of accidents	- Frequency of Accidents (%)	7.1	6.11	↗
			30% decline in severity of accidents	- Severity Ratio of Accidents (%)	0.2	0.18	↗
INNOVATION	Creating Value with Innovation	- R&D and Innovation - Technology and Digital Transition - Developing Sustainable Business Models - Responsible Investment	Developing decarbonized and circular business and service models	- Budget for R&D and Innovation (in TRY)		480,011,889	↗
				- Number of New Products and Services (#)		39	↗
				- Number of Circular Business Model Projects (#)		12	↗
			Enhancing the social and environmental benefits created in entrepreneurship ecosystem partnerships			- 4 projects funded under the Sustainable Benefit Program - 5 ventures funded through Borusan Ventures	↗

*2021 is the year of reference for the targets. ↗ Efforts are in progress for the objective ↘ Efforts are behind for the stated objective ✓ Achieved

INSPIRING THE FUTURE WITH BORUSAN

Inspiring the Future Awards Program

In 2022, we launched the **"Inspiring the Future Awards"** program, our internal recognition and reward initiative designed to celebrate projects developed by Borusan members. Through this program, we aim to support the project and business development processes of our Group Companies from a sustainability perspective, while enhancing our employees' awareness and capabilities in this area. In doing so, we help transform our sustainability vision into tangible outcomes across our three core focus areas: climate, people, and innovation.

Within the climate category, we evaluated projects in the areas of decarbonization, energy management, waste management, and circular economy. The people category included initiatives related to talent management, inclusion and diversity, and occupational health and safety. In the innovation category, we assessed projects based on predefined criteria. In the program's first year, we introduced a Jury Special Award under the climate category to recognize outstanding biodiversity projects. We continue to improve the program each year, working to inspire the future through innovative and impactful initiatives.

The following projects were recognized in the 2024 Inspiring the Future Awards for delivering value across environmental, social, and economic dimensions:

CLIMATE - Waste Management and Circular Economy
Material and Process Development for Zinc Pot Roll Accessories in the Galvanizing Line - Borçelik

CLIMATE - Decarbonization
Green Logistics - Borusan Lojistik

CLIMATE - Energy Management
Development of a Digital Twin for Galvanizing Lines and Improving Energy Efficiency - Borçelik

CLIMATE - Water Management
Effective Management from Basin to Discharge at Borçelik - Borçelik

CLIMATE - Biodiversity
Protection and Regeneration of the Lilium martagon (Sultan Lily) - Borusan EnBW Enerji

HUMAN - Inclusion and Diversity
This Job is an Equality Job - Borçelik

HUMAN - Talent Management
Next Generation Service - Borusan Otomotiv Group

HUMAN - OHS
Occupational Safety Olympics - Borusan Lojistik

INNOVATION - Innovation
Sound Diagnostic (Malfunction Detection from the Sound of Machinery) - Borusan Cat

JURY SPECIAL AWARD - Innovation
Factory Innovation Network - Borusan Pipe



For more information about the Inspiring the Future Awards, please click **here**.

INSPIRING THE FUTURE WITH BORUSAN

Inspiring the Future Gatherings

We are inspired by the world, people, communities, and innovative ideas with a view to inspiring the future. With this inspiration in mind, we launched the Inspiring the Future Gatherings series in parallel with our sustainability efforts. These events bring inspiring voices to the forefront, helping shape a shared vision for a more sustainable future. Moderated by Barış Doğru, Editor-in-Chief of EKOIQ, these monthly sessions bring together experts and relevant stakeholders to discuss current sustainability-focused themes, including gender equality, youth and the climate crisis, human–nature relationships, and the intersection of humanity and technology. With a new-generation approach to content production, the gatherings are broadcast monthly in video format and shared via Borusan Holding's social media platforms.

Inspiring the Future Bulletins

As part of the Inspiring the Future series, we publish a monthly newsletter. Each issue features two main sections: sustainability news from around the world and Türkiye, and highlights of sustainability initiatives from within our Group. Through the Inspiring the Future Bulletin, we aim to keep our coworkers informed about current sustainability issues as well as the contributions made by Borusan Group companies in this field. Each edition includes a featured quiz question with a prize, designed to boost reader engagement. By continuing to publish the newsletter every month, we support the development of sustainability-related knowledge and awareness across the Borusan Group.

Guests of the Inspiring the Future Gatherings	Themes and Episodes
Sevda Samancı (Crane Operator, Borçelik)	Special Broadcast for International Women's Day (March 8)
Sultan Altıntaş (Process Quality Supervisor, Borusan Pipe)	
Ebru Yaman (GİKA Segment Leader, Borusan Cat)	
Belgüzar Açıkalın (Picker Operator, Borusan Lojistik)	
Kumri Kızmaz (Women Hold The Key Technician, Borusan Otomotiv Group)	
Özgür Günaydın (CEO of Borusan Cat)	How Digitalization and Artificial Intelligence Relate to Sustainability
Nursel Ölmez Ateş, Borusan Holding Chief Human, Communication and Sustainability Officer	Leadership in the Context of Sustainability
Gülşah Özdemir Koryürek (Author and Publisher)	Special Broadcast for National Sovereignty and Children's Day (April 23)
Şermin Yaşar (Author)	Special Broadcast for Mother's Day
Güven İslamoğlu (Nature Activist)	The Plastic-Free July Movement and the Climate Crisis
Attorney Aslı Karataş (Attorney at Law)	Special Broadcast for the International Day for the Elimination of Violence Against Women (November 25)
Serdar Turan (Editor-in-Chief, Harvard Business Review Türkiye)	The Age of Change, the New Generation, and the Business World
Elif Aygül & Zeynep Alioğlu (Co-Leads of the Borusan Ocean Volunteers Platform)	Art and Sustainability
Dr. Kumru Eren (Director, Borusan Contemporary)	Volunteering, Corporate Social Responsibility, and the Borusan Ocean Volunteers Platform
To view the videos from the Inspiring the Future Gatherings series, click **here**.	



With our strong roots, we protect climate

CLIMATE

“With our strong roots, we dream, design and produce for the climate.”

We manage our business processes in an inclusive manner to ensure that our activities, spanning different sectors and continents, progress in line with our climate change mitigation goals. Accordingly, we track the performance of all our operations and evaluate our position on the path from our base year of 2021 to our target years of 2030 and 2050. Each year, we move closer to our climate goals-identified under four material areas: **“Climate Action and Adaptation”, “Circularity and Waste Management,” “Protection of Nature and Biodiversity,” and “Water Management”** following international best practices. As our performance improves, we aim to reduce greenhouse gas emissions, transform our operations to be more environmentally sensitive, and contribute to the circular economy.

Built on our **Climate**, **Human**, **Innovation** (i^3) approach, which forms the foundation of our sustainability vision, the Borusan Group continued to take meaningful steps on climate action throughout 2024. To reduce both direct and indirect emissions, we bolstered the resilience of our supply chain and prioritized sourcing raw materials from low-emission suppliers. At the same time, we increased our renewable energy generation capacity and focused heavily on decarbonization projects, one of our most critical areas of action. These efforts enabled us to gain a more comprehensive perspective on mechanisms such as the Carbon Border Adjustment Mechanism (CBAM) and the Emissions Trading System (ETS). At Borusan Group, we aim to play an active role in the transformation of the sectors in which we operate by positioning ourselves as a pioneer.



CLIMATE ACTION AND ADAPTATION

Climate change profoundly impacts a wide array of critical domains, including human health, economic stability, food security, and the management of water resources. Its far-reaching effects concern all nations and sectors on a global scale.

As a process that increasingly influences various facets of life-from public health to economic stability-climate change poses risks for the entire planet and future generations. At Borusan Group, we view taking action against climate change as one of our most urgent material topics, particularly in terms of anticipating and mitigating potential risks.

To strengthen our climate response, we are transforming all activities across our **Climate**, **Human**, and **Innovation** (i^3) focus areas within the broader context of climate action. We take a holistic view of this challenge and recognize that meaningful progress is not possible without digital transformation and increased societal awareness.

Our **Climate** focus forms the backbone of this overarching effort, offering a structured framework through which we carefully manage the environmental impact of our operations. At the center of this approach is the reduction of greenhouse gas emissions-one of the most influential factors in addressing the climate crisis as part of our efforts in this focus area.

Emissions and Energy Consumption

The reduction of greenhouse gas emissions is vital in the global effort to combat climate change. With this awareness, we regularly identify and evaluate potential areas for emission reduction across all Group operations. We continue to prioritize projects that will both increase our use of renewable energy and decrease our carbon footprint. The climate-related projects we have developed within the Borusan Group-combined with our production capacity-position us to play a significant role in advancing sustainability in Türkiye and beyond.

Among our 2030 targets as a Group is to reduce all sources of greenhouse gas emissions-including Scope 1 and Scope 2-under the broader objective of decarbonization. We actively monitor these emissions and work systematically toward their reduction.

Borusan Group's Consolidated Carbon Emissions, (Scope 1 and Scope 2, tons of CO_2e)



Over the past three years, we have achieved consistent reductions in Scope 1 and Scope 2 emissions across the Group. In 2024, total recorded emissions amounted to 258,894 tons of CO_2e, comprising 123,730 tons of Scope 1 emissions and 135,164 tons of Scope 2 emissions*. In addition, our renewable energy projects prevented approximately 871,875.4 tons of CO_2e greenhouse gas emissions during the same year.

**Our operational boundaries remained unchanged in 2024.*

Decarbonization Target for 2030	Objective for 2024	Achieved in 2024**	Objective for 2030
Developing emission reduction projects that require investments and reducing greenhouse gas emissions (Scope 1+2) by 25%	16%	11%	25%

***Reduction targets are based on the 2021 baseline year.*

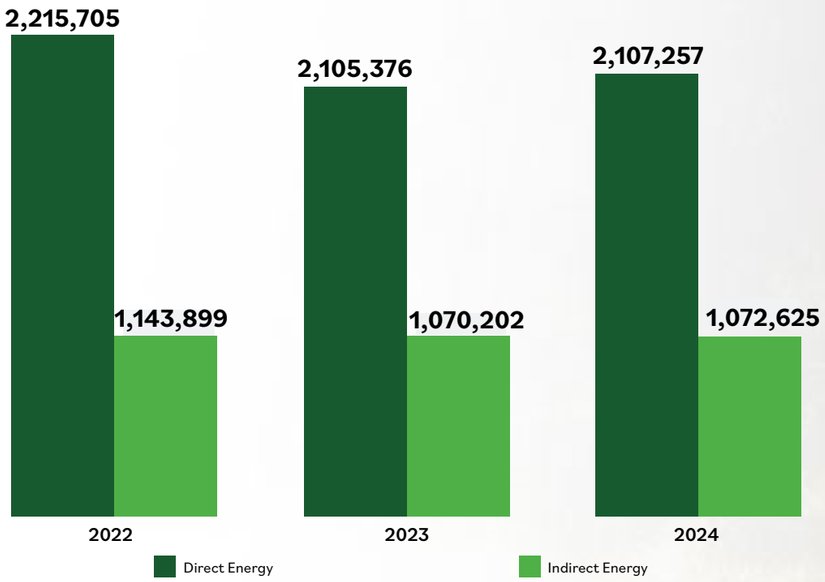
CLIMATE ACTION AND ADAPTATION

Borusan Group companies calculate and verify their carbon emissions using either the Greenhouse Gas Protocol (GHG Protocol)* or the ISO 14064-1:2018 Standard.

These carbon footprint calculations are consolidated across the Group. Efforts are also underway at the Holding level to include Scope 3 emissions in these consolidated calculations. The year 2021 has been designated as the baseline for Scope 1 and Scope 2 emission targets.

In 2024, our total direct energy consumption-including gasoline, diesel/fuel oil, natural gas, and fuel oil-was reported as 2,107,257.2 GJ. Our indirect energy consumption (from electricity) amounted to 1,072,625.3 GJ. Of this total, 375,934.79 GJ of electricity was certified as renewable through I-REC purchases and recorded as such.

Borusan Group's Consolidated Energy Consumption, GJ



**Emission factors are based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, 100-year Global Warming Potential values from the IPCC Second Assessment Report, and Tier 2 country-specific emission factors from the IEA Türkiye 2015 statistics. Included greenhouse gases originate from fuel and electricity consumption, while emission management covers CO_2, CH_4, and N_2O.*
*** For consolidation purposes, operational control boundaries were used.*

Borusan EnBW Enerji - Power Plant	Location	Installed Capacity (MW)	Effective Date
Bandırma WPP	Balıkesir	91.05	2009
Yedigöl HPP	Erzurum	22.4	2011
Aksu HPP	Erzurum	27.88	2011
Balabanlı WPP	Tekirdağ	96.8	2014
Koru WPP	Çanakkale	55.05	2015
Mut WPP	Mersin	55.2	2015
Harmanlık WPP	Bursa	55.2	2016
Fuatres WPP	İzmir	33.9	2016
Dayıcık SPP	Mersin	6.6	2016
Kartaldağı WPP	Gaziantep	65.55	2017
Pamuklu SPP	Mersin	2.2	2017
Kıyıköy WPP	Kırklareli	100	2017-2020 (Increased Capacity)
Saros WPP / SPP	Çanakkale	242.5	2020 / 2024
Borusan Lojistik- Power Plant*	**Location**	**Installed Capacity (KWe)**	**Effective Date**
Tuzla Operations Center	İstanbul	1,500	2020
Antalya Special Distribution	Antalya	2,800	2024
Adana Transfer Center	Adana	4,595	2024
Borusan Port - Power Plant	**Location**	**Installed Capacity (MWe)**	**Effective Date**
S3 Rooftop SPP	Bursa	0.99	2023
Checkweigher – TM2 Rooftop SPP	Bursa	0.03	2020
Borusan Cat - Power Plant	**Location**	**Installed Capacity (MW)**	**Effective Date**
Adana Bölge Binası Industrial Rooftop SPP	Adana	0.14	2022
Doğuşfiberglas Adana Industrial Rooftop SPP	Adana	0.54	2022
Barış Mühendislik Adana Rooftop SPP	Adana	0.30	2022
Tun Gıda Aydın Rooftop SPP	Aydın	0.69	2022
Sabuncular Tarım Aydın Rooftop SPP	Aydın	1.14	2022
Meray Zeytincilik Aydın Rooftop SPP	Aydın	0.25	2022
Vimsa Otomotiv Şanlıurfa Rooftop SPP	Şanlıurfa	0.75	2022
Adana Borusan Cat	Adana	172.82	2022
Borusan Otomotiv Group - Power Plant	**Location**	**Installed Capacity (MWh)**	**Effective Date**
Borusan Oto İstinye Rooftop SPP	İstanbul	0.153	2023
Borçelik - Power Plant	**Location**	**Installed Capacity (MW)**	**Effective Date**
Borçelik Gemlik Plant SPP	Bursa	0.14	2022
Manisa Steel Service Center SPP	Manisa	1,1	2023

**Borusan Lojistik's installations are not owned by the company; they consist of SPPs located above its leased warehouse and used by the company.*

CLIMATE ACTION AND ADAPTATION

Emissions Management at Borçelik

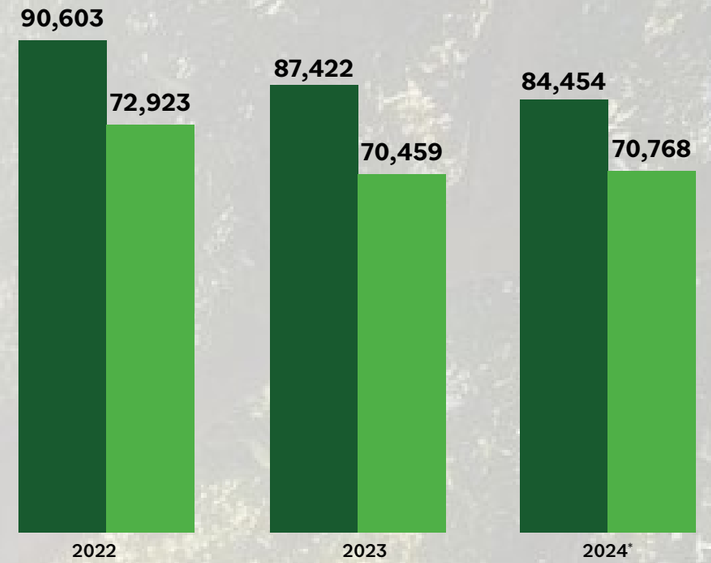
As the first steel producer in Türkiye to obtain ResponsibleSteel™ certification-the first global multistakeholder international standard and certification initiative in the steel industry-Borçelik is developing innovative projects to review all its processes in line with the initiative's 13 governance, environmental, and socioeconomic principles, and to minimize greenhouse gas emissions. In this context, Borçelik continues to invest in renewable energy and has also initiated projects for rooftop solar panels (GES) and wind energy (RES) systems to establish its own renewable energy sources. In addition, improvements are being made to source raw materials-Borçelik's highest contributor to emissions-from suppliers with lower emission profiles.

In line with its climate crisis response and decarbonization goals, Borçelik has been calculating and verifying its greenhouse gas emissions since 2019 on both corporate and product group levels, using a "cradle-to-gate" approach in accordance with the Greenhouse Gas (GHG) Protocol. To reinforce its decarbonization commitments, the company continues to implement ISO 14064-1 for the measurement, reporting, and verification of greenhouse gas emissions. Borçelik also reports to the Carbon Disclosure Project (CDP) in the areas of climate change and water management, aiming to transparently share its environmental commitments and performance with stakeholders.

Borçelik continues to achieve regular reductions in its total direct and indirect (Scope 1 + Scope 2) emissions. In 2024, it recorded a 2% reduction in Scope 1 and Scope 2 emissions compared to the previous reporting period, totaling 155,222 tons of CO_2e.

**Borçelik's operational boundaries remained unchanged from previous reporting years, and the data covers all Borçelik locations. Scope 3 emissions were calculated by assessing emissions from transportation and purchased goods/services.*

Borçelik's Scope 1 and Scope 2 Emissions, tons of CO_2e



**As of 2024, emissions data includes Steel Service Centers. The figures for the previous year reflect only the Gemlik location.*

Borçelik's Air Emissions, tons

NOx	SOx	VOLATILE ORGANIC COMPOUNDS (VOC)	PARTICULATE MATTER (PM)
194.5	1.7	0.5	4.9

Borçelik's Scope 3 Emissions, tons of CO_2e



**As of 2024, emissions data includes Steel Service Centers. The figures for the previous year reflect only the Gemlik location.*
***Data revised retrospectively*

CLIMATE ACTION AND ADAPTATION

Borçelik
Project for Compressed Air Consumption Reduction in RCM Lines

To reduce energy costs in its RCM lines, Borçelik redesigned the air jets, optimized their configuration, and revised the air pipeline systems within the RCM1, RCM2, and RCM3 reverse cold rolling mills. Previously designed as a single unit, the air jets were re-engineered into segmented structures that can be selectively deactivated based on the width of the steel sheet being rolled. In the optimization phase, fluid mechanics analyses were conducted on the new design to minimize air flow rates. Parameters such as air pressure, jet aperture size, nozzle shape, and jet positioning were optimized to reduce compressed air usage. To address air pipeline inefficiencies, existing systems were inspected for leaks, and remediation efforts will be initiated to eliminate unnecessary air consumption.

The redesigned air jets reduce energy use during narrow-width production by allowing segment closure, thereby making production processes more environmentally friendly. As part of the efforts in the focus area of “human”, workplace safety and operational efficiency were prioritized. The project also reduced noise levels within the facility and potential occupational safety risks by eliminating air leaks. Innovative 2D and 3D CFD modeling was used to optimize the relationship between shear stress and air consumption, supporting the development of new nozzle designs. This project presents a leading model in the industry for energy savings, cost efficiency, and environmental sustainability.

Key Achievements

• In 2024, the project resulted in a reduction of 14,101,076 m³ of compressed air consumption and 1,762,634 kWh of electricity.The reduction in electricity consumption corresponds to a CO_2 reduction of 365 tons.

• The reductions in compressed air consumption, electricity usage, and CO_2 emissions exceeded the initial target of 20%. As a result, production costs were reduced by 2%.

• Through the segmented air jet design, the project achieved an 18% improvement in compressed air use for 17% of the product mix, translating to a 9% impact across total production. Including the improvements from nozzle design optimization, total reduction in compressed air consumption reached 20%.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

In alignment with Borçelik’s strategic commitment to building a sustainable future, the **Borçelik Energy Committee** convenes bi-monthly under the **Borçelik Energy and Decarbonization Policy** to monitor the performance of key energy consumers and assess progress toward sustainability targets. The committee includes representatives from production, maintenance, automation, technical services, and management systems departments, who evaluate consumption data and identify improvement opportunities. The Energy Committee operates according to an annual action plan and complies with ISO 50001 standards. In 2024, Borçelik implemented approximately 11 projects within this framework, including initiatives to prevent losses and leaks, raise employee awareness, replace inefficient equipment, and optimize processes. These efforts resulted in a total reduction of 850 tons of CO_2e emissions.



CLIMATE ACTION AND ADAPTATION

Emission Management at Borusan Pipe

Borusan Pipe adopts a business model that supports the development of emission reduction projects as part of its climate goals, specifically targeting the reduction of greenhouse gas emissions. The company conducts emission measurements in line with climate-related legislation and regulations through established monitoring and reporting mechanisms. In calculating and verifying carbon emissions, Borusan Pipe applies the ISO 14064 standard and the GHG Protocol methodology, carrying out its calculations on the digital platform Carbonsmart.

As part of its climate change mitigation efforts, Borusan Pipe invests in decarbonization projects within its factories to reduce energy consumption. On this path toward energy efficiency, the company supports its employees with training and allocates investment resources to realize these projects. In 2024, Borusan Pipe allocated a total budget of USD 1,843,660 for sustainability projects.

Borusan Pipe Green Transition in Auxiliary Facilities

Under the Green Transition in Auxiliary Facilities project, Borusan Pipe aims to reduce both carbon emissions and energy costs in the operational areas managed by auxiliary facilities. Through various initiatives and improvements implemented as part of this project, the company has achieved significant results.

Key Achievements

- In processes where pressurized air is used inside pipes for various purposes, replacing compressors with fans led to annual savings of 655 tons of carbon emissions, 1,508,400 kWh of energy, and USD 172,388.

- Replacing old screw compressors with turbo compressors, and old inefficient boilers with modern Scotch-type boilers, resulted in yearly savings of 858 tons of carbon emissions, 1,000,200 kWh of energy, 215,268 m^3 of natural gas, and USD 202,549.

- Converting cooling tower fans to adjustable “e-glass” fans provided annual savings of 86 tons of carbon emissions, 175,000 kWh of energy, and USD 54,200.

- Addressing internal air leaks within the facility resulted in annual savings of 977 tons of carbon emissions, 2,225,850 kWh of energy, and USD 257,811.

- Repairing faulty pneumatic valves and pistons yielded an annual cost saving of USD 75,850.

- Feeding cooling towers with recovered wastewater and isolating fire lines by location led to savings of 36,200 tons of water and USD 60,000 per year.



CLIMATE ACTION AND ADAPTATION

Borusan Pipe
Let's Not Waste It

In line with its decarbonization goals, Borusan Pipe aims to recover heat and improve energy efficiency by preventing the direct release of high-temperature flue gas from its pipe annealing furnace into the atmosphere. The project prioritizes using waste heat from the system to reduce the load on hot water boilers that operate with natural gas. Through the installation of an economizer system, the project not only enables heat recovery but also significantly reduces emissions. The system contributes strongly to key objectives such as energy savings, cost reduction, and increased environmental responsibility.

The recovery of waste heat in Borusan Pipe's factories has not only reduced the company's carbon footprint but has also enabled the reuse of energy that would otherwise be lost to the atmosphere, promoting more efficient use of resources. Since the system was commissioned in April 2024, its positive impact is expected to become even more significant by 2025.

Key Achievements

- Over a nine-month period, the system saved 137,534 Sm^3 of natural gas and prevented 296 tons of CO_2 emissions. This figure alone is equivalent to approximately a 7% reduction in the plant's natural gas-related emissions.

- The project yielded a measurable financial gain of USD 62,100 per year, with a return on investment achieved in approximately 1.3 years.

- In 2023, the plant's natural gas consumption per ton was 10.36 Sm^3; by 2024, this figure dropped to 7.21 Sm^3, representing a savings rate of over 30%.



CLIMATE ACTION AND ADAPTATION

Borusan Lojistik
Leader in Green Logistics

In 2024, Borusan Lojistik advanced its climate-related efforts with a strong focus on decarbonization, renewable energy use, circular economy principles, and operational strategies aligned with EU regulations. Prioritizing compliance with European legislation, the company conducted sector-specific risk and opportunity analyses to develop a comprehensive roadmap. Feasibility studies were undertaken to improve energy efficiency at warehouses, initiatives were launched to reduce electricity consumption, and projects were implemented to deploy automation-based systems-remotely controlled and digitally integrated-across all warehouse operations. The company continues to track Scope 1, Scope 2, and Scope 3 emissions monthly. To reduce carbon emissions, Borusan Lojistik has focused on:

- Route optimization,
- Expanding the use of intermodal transportation,
- Transitioning to electric and low-emission vehicles,
- Increasing vehicle load ratios,
- Completing service network optimizations,
- Converting warehouse battery systems to Li-ion,
- Switching to LED lighting systems, and
- Increasing the use of renewable energy sources.

Borusan Lojistik
Efficient Warehouses for a Sustainable Future

In the platforms where Borusan Lojistik provides warehousing and logistics services, the company aims to increase space utilization efficiency to store higher volumes of goods, eliminate the need for additional warehouse space, and enhance operational processes. To achieve this, it has removed inter-warehouse shuttle systems to improve labor efficiency, supported more responsible use of natural resources, and developed the ability to manage greater operational volume without increasing warehouse footprint. These efforts also aim to reduce operational costs associated with rent, energy, maintenance, and cleaning.

Unused areas within warehouses were identified, and productivity-enhancing measures were applied to those spaces. Interior layouts were redesigned, and the usable capacity of the optimized space was calculated along with corresponding shelf and pallet numbers. Shelving systems were installed in accordance with these calculations, goods were dispatched, and the decommissioning of old warehouse sections was completed. The outputs of this project are scalable and can be extended across all special distribution and storage operations. The project was successfully completed at warehouses in Manisa, İzmir, and Aksaray. As part of the third phase-focused on expansion-analyses have also begun at the Balıkesir warehouse.

Key Achievements

- The project resulted in a 370-ton reduction in CO_2 emissions. The first two phases generated a total annual financial benefit of TRY 22.6 million.
- Operational improvements led to reduced damage rates and fewer material losses.



Borusan Lojistik has been certified since 2012 under the ISO 14064 Greenhouse Gas Verification and ISO 50001:2018 Energy Management Systems, making it the **first logistics company in Türkiye** to achieve certification under both standards. Sustainability-related energy targets are set individually for each operation and are regularly discussed during weekly sustainability meetings. Energy activities are reviewed every two years before the budget planning period, and action plans for the following year are created accordingly. These activities are systematically documented through Energy Review Reports, and projects under the sustainability business plan that support emission reductions are closely monitored.

In 2024, Borusan Lojistik reduced its absolute Scope 1 emissions by 32% compared to the 2021 baseline. In addition, the following projects contributed to a total reduction of 16,756 tons of CO_2e:

- Fleet modernization
- Increased use of maritime and rail transport
- Service network optimization
- Energy efficiency
- Use of solar energy and I-REC certificates
- Route optimization and mainline efficiency projects
- Transition to electric vehicles
- Improved square meter utilization in warehouses



CLIMATE ACTION AND ADAPTATION

Supsan
Reducing Natural Gas Consumption and Carbon Emissions by Recovering Waste Compressor Heat

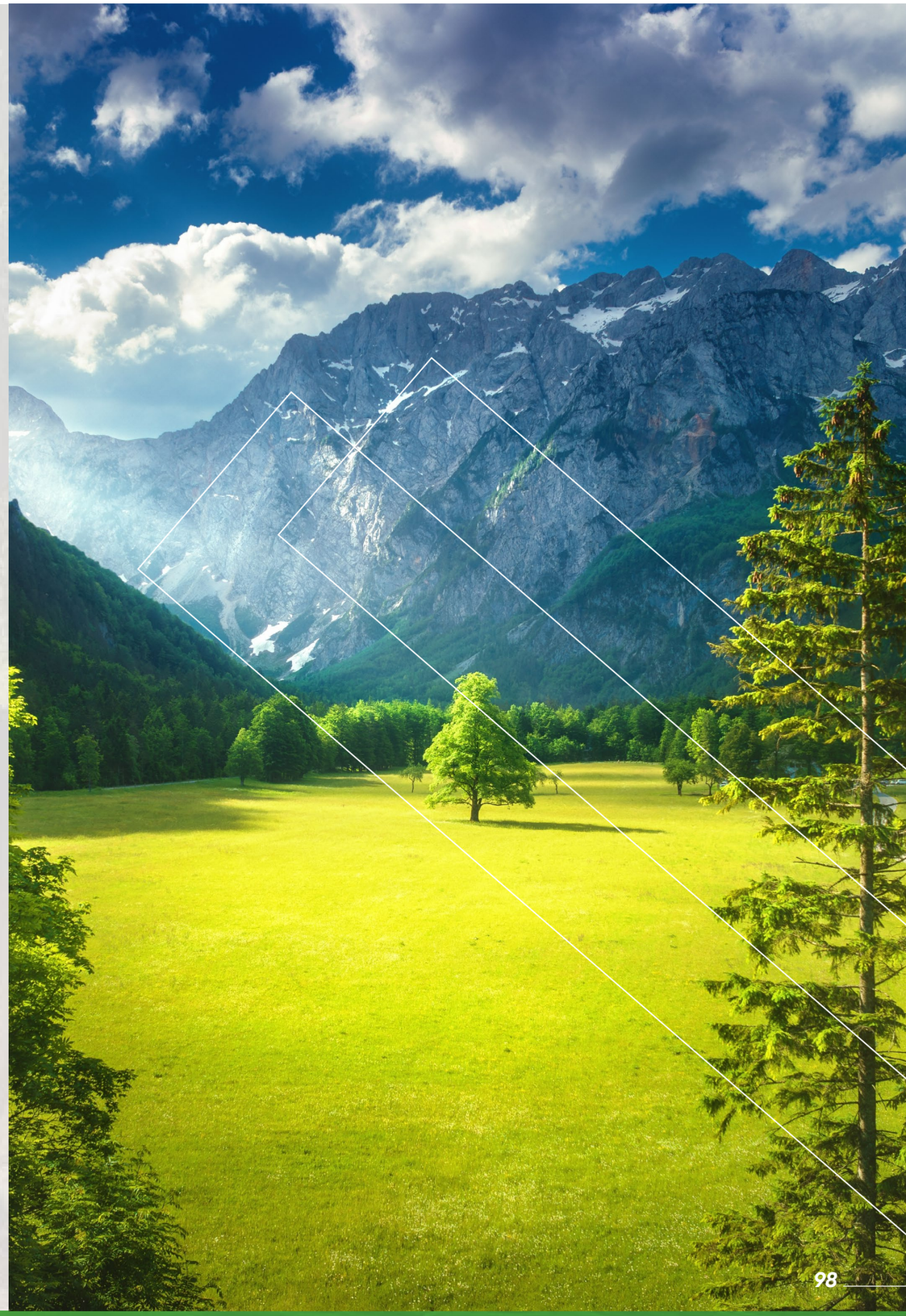
Supsan aims to reduce the electricity consumed by compressors used to generate the compressed air required in its production processes. In manufacturing, compressors typically account for 20–25% of total electricity consumption. However, only about 30% of the electricity consumed by compressors is converted into compressed air; the remaining 70% is lost as heat. Since this waste heat also heats the compressor oil, additional energy is required to cool it-ultimately contributing to atmospheric emissions. To address this inefficiency, Supsan explored systems that recover waste heat and can be integrated into compressors. These systems use a heat exchanger to transfer the waste heat to cold water returning to the boiler, reducing the amount of natural gas needed to heat water and thus lowering emissions.

Key Achievements

- In 2024, the recovery of waste heat reduced natural gas consumption by 24,581 m³, preventing approximately 49 tons of CO_2 emissions.

- This gas saving translated into an annual financial gain of TRY 333,169. Monthly savings included 14,579 m³ (171,045 TRY savings) in February; 7,217 m³ (TRY 84,670 savings) in March; 4,711 m³ (TRY 30,338 savings) in November; and 2,585 m³ (TRY 30,338 savings) in December-valuable data that support the financial viability of the project.

- The project's simple payback period was calculated as 1.68 years according to Ekoenerji. The total cost of purchased services and materials amounted to TRY 867,258, with a depreciation period of 2.6 years.



CIRCULAR ECONOMY AND WASTE MANAGEMENT

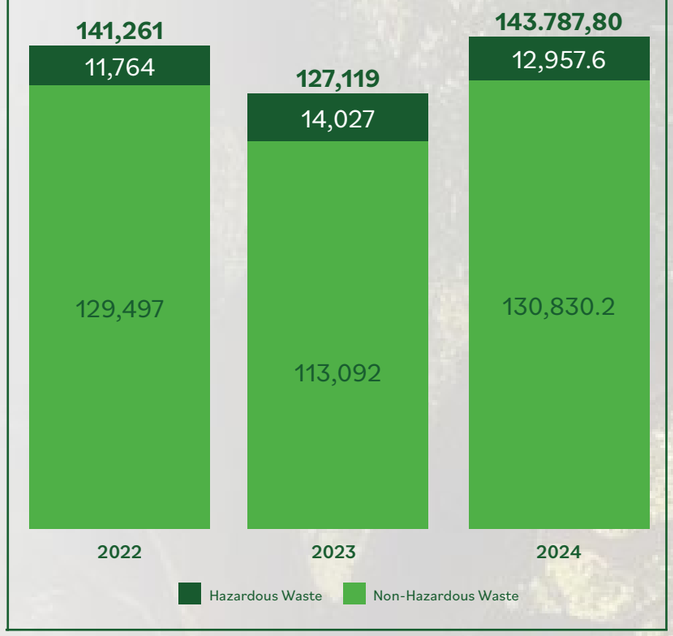
The rapidly growing population and shifting consumer habits continue to drive demand and production volumes upward, resulting in increased waste generation and accelerated depletion of natural resources. Recognizing the crucial role of circularity and waste management in achieving a sustainable future and combating climate change, we are taking significant steps to preserve our natural resources through strategies and actions aligned with our goals. At Borusan Group, we address the concept of a circular economy not merely as a way to reframe waste as a resource or waste management as a disposal tool, but as a strategic framework that actively promotes reuse and recycling.

In 2024, Borusan Group developed a total of 12 circular business model projects, generating approximately TRY 27,065,397.792 in value through these initiatives.

Waste Management

Borusan Group's 2030 Targets emphasize the importance of waste management and its contribution to the circular economy, urging all Group companies to prioritize these areas as part of our collective mission for a sustainable future. Our commitments in this field are embedded in the **"Contribution to the Circular Economy"** focus area and supported by a robust monitoring and improvement mechanism designed to enhance performance across the Group. In pursuit of our 2030 goal-**reducing waste by 50% and 100% recycling of waste**-we continue to implement projects targeting resource efficiency, waste management, and recycling, while systematically tracking their impact on our overarching targets. In 2024, Borusan Group recorded a total waste volume of 131,285.2 tons, reflecting an increase in operations. An analysis of disposal methods reveals that 90% of all waste generated was recovered.

Borusan Group's Consolidated Amount of Waste, in tons



Borusan Group's Consolidated Amount of Waste Recovered, in tons



Borusan Group's Consolidated Amount of Waste Disposed, in tons



CIRCULAR ECONOMY AND WASTE MANAGEMENT

Waste Management at Borçelik

Borçelik produces approximately 85,000 tons of waste annually during its flat steel production process, which reaches a volume of 1.5 million tons per year. More than 95% of this waste is suitable for direct recycling. The waste is recovered through licensed companies approved by the Ministry of Environment, Urbanization, and Climate Change. The remaining 5% is managed through energy recovery or secure landfilling by licensed companies. Borçelik's 2030 targets, in line with circular economy principles, aim to reduce by half the amount of waste that ends up in landfills or is subject to energy recovery. Accordingly, its annual environmental management programs include dedicated projects to support this objective.

Borçelik
Reclaiming Scrap Metal for Spare Part Production

At Borçelik, the steel rolls used in flat steel rolling and surface texturing processes are discarded as scrap after reaching the end of their standard lifecycle, totaling approximately 410 tons of scrap annually. This project was initiated with the idea of repurposing these discarded rolls as a potential raw material source. An initial assessment was conducted to analyze the steel composition and working conditions. Scrap materials were sorted by value, and suitable spare parts for in-house production were identified. A fully circular business model was developed, transforming scrap into usable materials. Pilot areas were selected, and technical analyses were performed. Stakeholders were informed and engaged through briefings and coordination meetings. The performance of the in-house manufactured spare parts was monitored, and performance reports were compiled.

Although the initial focus was on producing spare parts such as edge trimming blades for pickling lines and crane wheels, the project was structured to expand into additional product areas over time. All Borçelik spare parts with suitable steel composition and cost-saving potential fall within the scope of this project. Through this recycling initiative, the company also aims to reduce dependence on external suppliers. Borçelik continues to analyze existing practices in detail to improve recycling techniques and minimize the risk of error.

The project's success is measured through concrete indicators such as financial gains, recovered material volumes, reduced waste rates, and lower environmental impact. The data confirms that the initiative is a cost-effective, environmentally friendly model with short-term returns.

Key Achievements

- Manufacturing 50 edge trimming blades annually in-house, instead of purchasing them externally, is projected to yield approximately USD 36,000 in annual savings.

- The production of the second spare part type-crane wheels-also resulted in an estimated USD 40,000 in annual savings by switching from market purchases to in-house production.



Borçelik
Reducing Scrap in Flat Steel Production Through Machine Learning

At Borçelik, mechanical property samples are taken on the temper mill line used in flat steel production. The temper mill is a process designed to enhance surface quality and achieve the desired mechanical characteristics in the final product. However, during sample collection, the last six meters of each coil are scrapped, production halts, and operational efficiency is reduced. Samples are taken destructively for mechanical testing, which also increases the risk of workplace accidents, adds workload to the testing teams, and generates waste.

To address this inefficiency and improve productivity, Borçelik trained machine learning models using historical mechanical test data. The model performance was validated and integrated into the production management system. The current implementation covers 45% of coils produced on the temper line, with plans to extend this to 70% following broader deployment. Machine learning-based predictions allow for a reduction in physical testing, which not only minimizes scrap generation but also contributes to the preservation of natural resources. The project also aims to enhance the efficient use of human resources and boost workforce satisfaction. In the next phase, the initiative is expected to be rolled out to additional production lines to further reduce test-related scrap.

Key Achievements

- The project is expected to prevent 360 tons of waste annually.

- Eliminating the need for physical sampling on the temper line is expected to unlock an annual production capacity gain of 2,400 tons, translating into an estimated USD 100,000 in financial returns.



CIRCULAR ECONOMY AND WASTE MANAGEMENT



Waste Management at Borusan Pipe

As a company operating in the steel industry, Borusan Pipe recycles a significant portion of the waste generated during production. In addition, the company exhibits a high level of circularity by recycling its pipes into steel at the end of their lifecycle-demonstrating a comprehensive evaluation of both the production process and the final product. According to Borusan Pipe's waste management procedures, all segregated waste is processed within the framework of recovery and is reclaimed through appropriate methods.

To support the circular economy, Borusan Pipe develops a range of projects- from initiatives focused on material recovery within production processes to delivering unused, undamaged, and clearly labeled medicines to those in need.

The company's circular economy and waste management practices are aligned with internationally recognized standards, as evidenced by annual evaluations conducted under the ISO 14001 Environmental Management System. Since 2022, all Borusan Pipe facilities have been certified with the "Zero Waste" certificate issued by the Ministry of Environment, Urbanization, and Climate Change.

Borusan Pipe B'design

The B'design project is an innovative initiative aimed at the upcycling of waste and second-quality pipes produced at Borusan Pipe facilities. By repurposing these "second-quality" pipes through upcycling, B'design offers a climate-friendly solution while adopting a human-centered approach through collaborations with universities.

As part of the project, waste pipes were creatively transformed into industrial design products such as desk lamps, wine holders, and side tables. In the initial phase, workshops were held in collaboration with the industrial design departments of Middle East Technical University (METU), Mimar Sinan Fine Arts University (MSGSÜ), and Yeditepe University. These workshops, organized under the "Academia Collaboration" program of the Factory Innovation Network, enabled young designers to contribute to the project. Three outstanding industrial design students from these universities joined Borusan Pipe to carry out their design and production processes. The resulting prototypes-such as floor lamps, desk lamps, wine holders, and side tables-were exhibited at trade fairs attended by Borusan. In addition, these products were presented to Borusan Pipe employees as part of a special "80th Anniversary Upcycling Collection" in honor of Borusan Group's 80th year.

Key Achievements

- Over 60 designs were developed, and 11 of them entered production and were shared with Borusan Pipe and Holding employees. Although these pipes were previously unusable due to invisible defects, they were reclaimed through upcycling and turned into industrial design products, bringing otherwise discarded materials back into the economy. Producing durable, long-lasting products from steel pipes further contributes to the circular economy.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

CIRCULAR ECONOMY AND WASTE MANAGEMENT

Waste Management at Borusan Lojistik

Fully aware of the environmental impact stemming from high plastic consumption in the logistics sector, Borusan Lojistik has identified “Plastics Reduction” as the second key focus under its “Climate” focus area. In 2021, it became the first logistics company among 34 signatories of the Business Plastics Initiative, a platform founded in partnership with the United Nations Global Compact and the Business Council for Sustainable Development Türkiye. Launched in 2023 and completed in 2024, the “Plastics Reduction and Circular Economy Upcycling Project in the Logistics Sector” involved piloting reusable nets as an alternative to stretch film, as well as testing wheel chocks made from end-of-life tires. Additional activities included repurposing waste pallets into computer risers and transforming hood protectors from vehicles into bags and nets. These efforts supported Borusan Lojistik’s plastic reduction goals, resulting in a 19.2 ton reduction in plastic use.

Borusan Lojistik’s recycling initiatives are designed in accordance with the waste hierarchy to minimize waste through reuse wherever prevention is not possible. When reuse is not feasible, the company focuses on retaining waste within its operations through upcycling and recycling methodologies. Most of Borusan Lojistik’s electronic equipment is leased, and upon expiration of leasing contracts, devices are returned to the supplier. Any electronics that become waste during the contract period are also sent back to the supplier, and disposal records are collected. For company-owned electronic waste, items are collected at each site and sold via public tender to licensed recycling firms. These waste outflows are meticulously tracked through the Integrated Environmental Information System (EÇBS), with declarations made per location each year.

Borusan Lojistik
Box Reuse and Recovery Initiative: Achieving 100% Waste Reduction

This project aims to replace single-use cardboard boxes in logistics processes with reusable plastic transport crates, creating a sustainable and circular packaging system. Driven by the high waste volume and cost of cardboard boxes, the initiative introduced durable, reusable plastic crates as an effective alternative. In the long term, the project is expected to reduce packaging costs and the company’s carbon footprint, contributing significantly to its sustainability targets.

During the pilot phase, crates were tested in a designated logistics operation, and their use and recovery processes were integrated with digital tracking systems to ensure operational transparency. The application was introduced to various customers, and its scope was expanded accordingly.

Key Achievements

- Waste was reduced by 100%.
- Monthly use of an average of 238 boxes (2,856 annually) was fully eliminated.
- The initiative resulted in an annual net revenue of TRY 117,832.



Borusan Lojistik
Digital Customs: Paperless Future Project

This project prioritizes environmental sustainability by reducing paper consumption in both customer-facing and internal company operations, while also enhancing operational efficiency and improving business processes through digitalization. The aim is to offer innovative digital solutions to problems like the high costs and time loss associated with paper-based processes as well as their environmental impact. By identifying the business steps with the highest paper consumption and optimization potential, the project implemented digital tools such as a document upload feature in the customer portal, integration of the SAP system with the Document Management System (DMS), Outlook-DMS archiving connections, and log and task tracking systems. To raise awareness and promote use of the digital systems, site visits and training sessions were conducted for all employees. Awareness sessions and project briefings were also held, starting with Borusan Lojistik’s most paper-intensive customers. Throughout the project, monthly paper consumption data was monitored and performance analyses were carried out. Moreover, preparations began for future integration and communication processes to reduce paper usage in ministry and customs procedures.

Key Achievements

- Paper consumption was reduced by 16%, preventing the use of 4 tons of paper.
- TRY 340,000 in savings was achieved.
- The initiative helped prevent the cutting of 70 trees.



CIRCULAR ECONOMY AND WASTE MANAGEMENT

Waste Management at Supsan

Overshoot Day marks the date when humanity exhausts the natural resources the planet can regenerate in a year. In 2024, Türkiye's Overshoot Day fell on June 11. As this day continues to arrive earlier each year, Supsan has increasingly intensified its efforts to conserve existing resources and build a sustainable future. At its production facility, Supsan monitors both hazardous and non-hazardous waste and implements projects to minimize waste generation. Through benchmarking studies conducted with **Eaton**, the company aims to recover waste that would otherwise be disposed of. With the exception of medical waste, all hazardous waste generated at Supsan is sent for incineration to enable energy recovery. Despite the increasing number and size of valves produced, which contribute to higher waste volumes, Supsan remains committed to continuously improving its waste reduction processes through diverse waste management methodologies.

Supsan
Mold Life Extension and Recovery Project

Supsan developed this project as part of its "Climate" theme, reflecting its recovery-oriented philosophy in production by aiming to extend the lifespan and enable the reuse of valve molds. The project consists of three phases. In the first phase, the mold raw material was changed, resulting in longer mold life. In the second phase, upper molds with extended lifespan were reprocessed and made ready for reuse. At this stage, molds that were easy to process and could be swiftly integrated into production were selected. Based on the positive outcomes, the third phase was initiated, where the most commonly produced lower molds in the factory were selected and repurposed among themselves. While the material change process was carried out for all molds, the recovery process currently covers 25% of molds, with the goal of increasing this rate to 40% in the future. The number of reused upper and lower molds per month, reuse rates, cost savings, and avoided carbon emissions have been defined as key performance indicators for this project.

Key Achievements

- Production Efficiency: Mold change times were reduced by 53.3%.
- Phase 1: Material changes led to a 50% reduction in upper mold usage and a 53% reduction in lower mold usage.
- Phase 2: In the last quarter of 2024, only 238 upper molds were used instead of 475, with 119 of them reprocessed for reuse, resulting in a cost saving of TRY 49,875.
- Phase 3: In the last quarter of 2024, 333 lower molds were used instead of 665, with 84 of them reprocessed for reuse, resulting in a cost saving of TRY 271,890.
- The project's annual gain was recorded as TRY 1,287,060.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Supsan
Recovery of Damaged Turbochargers Project

This project aims to recover and reuse operationally sound subcomponents found within damaged turbochargers that arrive at Supsan's damage unit. In the existing process, sound components are discarded along with defective ones, leading to unnecessary reproduction and an increased environmental footprint. Additionally, the lack of sequential stock slows down production on the assembly line. The project was initiated after a detailed review of scrapped components revealed that many usable parts were being lost.

As part of the project, a dedicated process for separating functional and defective parts was developed, and a special area was allocated in the damage unit for recoverable parts. A tracking form was created to monitor the use of recovered components, enabling full integration between different process steps. A previously inoperable sandblasting machine was repaired and reactivated to clean parts before reuse. The rebuilt turbochargers were tested to verify their performance.

Key Achievements

- 54 kg of aluminum was recovered.
- 493 kg of steel was recovered.
- The project, carried out with USD 560 in labor costs, generated a profit of USD 5,294.40 from recovered turbo parts.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

CIRCULAR ECONOMY AND WASTE MANAGEMENT

Waste Management at Borusan Otomotiv Group

Borusan Otomotiv Group bases its waste management practices on the 4R principle: Reduce, Reuse, Recycle and Recover. Through this approach, waste is not viewed as a burden but as a valuable resource.

The Group's Sustainability Practices serve as a comprehensive umbrella initiative combining environmental and social sustainability. Under this framework, Borusan Otomotiv Group launched a battery collection campaign in 2024 to support the recycling of used batteries. The campaign also helps minimize the risks of improper battery disposal, with waste sites inspected regularly as part of ongoing monitoring efforts. Furthermore, in collaboration with Kurtaran Ev, leftover food is sent to animal shelters to help reduce food waste.

Workshop-generated waste is reported annually via the Integrated Environmental Information System of the Ministry of Environment, Urbanization, and Climate Change. Waste is logged in the digital system and sent to authorized firms for disposal or recovery. The Group also receives Dangerous Goods Safety Advisory (DGSA) services.

To elevate waste management to the level of upcycling, Borusan Otomotiv Group has partnered with Wastespresso to transform coffee waste into sustainable products. In 2024, 98 kg of coffee waste was processed through Wastespresso's micro waste management initiative, preventing the release of 110 kg of CO_2e emissions and generating 229 kg of alternative raw material.

At the Avcılar branch, composting activities are carried out using organic waste from the branch cafeteria and Dixi Cafe, which is frequented by employees. The compost is used in landscaping and hobby gardens. In 2024, approximately 4,883 kg of compost was produced from food and beverage waste, with 88% of such waste being composted.

To further advance its sustainable value creation, Borusan Otomotiv Group held evaluation interviews with 11 startups to explore partnerships in the fields of energy and waste management.

PAUL DE COURTOIS, BMW AG PRESIDENT IMPORTERS REGION EASTERN EUROPE & AFRICA

"At BMW Group, sustainability is an important pillar of our strategy, and we deeply value partners who drive meaningful change in this field. Our importer in Türkiye, Borusan Otomotiv has been at the forefront of this transformation, earning different sustainability awards in recent years, including the Polaris Sustainability Award, which highlights their extraordinary commitment to environmental and social responsibility.

Borusan Otomotiv has focused on driving the electrification transformation, actively promoting electric mobility and supporting the reduction of carbon emissions. Their dedication extends beyond environmental efforts, with impactful initiatives like Equal Borusan, which champions equality, inclusion, and diversity, as well as their corporate social responsibility programs that create long-term value for society.

A key example of their forward-thinking approach is the Unlearner Initiative, which encourages a mindset shift toward sustainability. Projects such as "I Sea Climate Change", raising awareness about ocean conservation and climate change, exemplify their commitment to fostering education and action for a better future. By integrating sustainability into their daily business practice, Borusan Otomotiv demonstrates its responsible leadership approach within the automotive industry.
Their efforts closely align with BMW Group's global sustainability vision, from accelerating electromobility to investing in social impact initiatives. We congratulate Borusan Otomotiv on their achievements and look forward to continuing our partnership in shaping a more sustainable and inclusive future.

CONSERVATION OF NATURE AND BIODIVERSITY

Conserving nature and biodiversity is a core component of Borusan Group's sustainability approach and initiatives. The increasing pressure of climate change on various natural habitats continues to pose a growing threat to living organisms, driving the extinction of many species.

Our commitment to clean air, drinkable water, fertile soil, and the well-being of all living beings and ecosystems around us serves as the main motivation behind our biodiversity conservation efforts.

Our pledge to combat climate change is deeply interconnected with our holistic sustainability approach, which is realized through the actions and initiatives we undertake to preserve biodiversity. At Borusan Group, we view biodiversity conservation as a responsibility toward future generations, the continuation of life and diversity, and the building of a sustainable world. With this perspective, we are committed to developing increasingly conscious projects that contribute to a sustainable future.

Under the United Nations Sustainable Development Goals, the Life on Land objective seeks to protect, restore, and promote the sustainable use of terrestrial ecosystems, ensure sustainable forest management, combat desertification, halt and reverse land degradation, and halt biodiversity loss.

As Borusan Group, we are proud to be carrying out eight biodiversity projects in 2024 that we have developed and continue to support.



CONSERVATION OF NATURE AND BIODIVERSITY

Borusan EnBW Enerji's Biodiversity Efforts

Borusan EnBW Enerji implements protective measures for terrestrial life across all activities, particularly in the development, construction, and operation of renewable energy power plants. To prevent or minimize the impact of its operations, the company implements a comprehensive Biodiversity Management Plan for all projects and energy power plants. Throughout all processes, the protection, relocation, and reproduction of species potentially affected by the company's activities are monitored with great sensitivity.

In this context, comprehensive monitoring studies are conducted prior to the construction phase of each project. These studies aim to assess flora, fauna, birds, and bats within the project area and its surroundings and to identify target species in line with international standards. In addition, the activity levels and densities of birds and bats in and around the project site are determined. Following the monitoring phase, if deemed necessary, off-site (ex-situ) conservation projects are planned to mitigate or prevent any impact on target flora species.

Furthermore, on-site (in-situ) conservation efforts, such as habitat relocation projects, are implemented to ensure that identified flora and fauna species are not adversely affected by operations. During the operational periods of Borusan EnBW Enerji's power plants, the effectiveness of these conservation projects is assessed through regular monitoring.

Borusan EnBW Enerji Egyptian Vulture Population Conservation Project

This project aims to raise awareness about the protection of the Egyptian Vulture (Neophron percnopterus), an endangered bird species. Feeding on decaying animal carcasses, the Egyptian Vulture plays a vital role in ecosystem sanitation. According to BirdLife International, Türkiye is home to half of the European population of this species. Globally, its population has declined by 90% over the past decade and it is now listed as Endangered on the International Union for Conservation of Nature (IUCN) Red List.

Observations have shown that Egyptian Vultures have established nests at a waste storage site located 10 kilometers from Borusan EnBW Enerji's Mut Wind Power Plant, situated between the provinces of Mersin and Karaman. As identified through periodic birdwatching studies, this species-recognized as one of the most important avian species residing near the company's facilities-is often mistaken for other birds and targeted by hunters, which is one of the main causes of its population decline.

Key Achievements

- An awareness campaign was conducted to help hunters visually identify this species in flight and prevent it from being hunted.
- Posters were displayed and verbal briefings were provided to raise awareness among local stakeholders.



Borusan EnBW Enerji Green List Project

The primary goal of the Green List Project is to apply the Red List methodology of the International Union for Conservation of Nature (IUCN-which assesses the conservation status of species worldwide-to endemic species specific to Türkiye. The IUCN Red List is the most comprehensive global inventory for assessing the conservation status plant and animal species around the globe. Based on scientific criteria, it provides a risk assessment about the extinction of plant and animal species. The main purpose of the list is to raise awareness among the public and policymakers and to encourage international cooperation to prevent species extinction. The Red List is also recognized as a global reference document in the field of biodiversity by financial institutions such as the International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD).

For the past 15 years, Borusan EnBW Enerji has collaborated with academics to assess risks and implement protection measures for endemic species in all renewable energy projects. The company also carries out biodiversity initiatives in areas not directly impacted by its operations. However, the impact assessment efforts have so far been limited, as they were not part of a nationwide scientific study.

Key Achievements

- In partnership with the Nature Conservation Center, the organization officially assigned to conduct Türkiye's Red List study, Borusan EnBW Enerji contributed to individual assessments of 50 endemic species by expert academics.
- The project's outputs will serve as reference documentation for investment projects in all regions where the assessed species are found and will define the scope of biodiversity measures to be taken.
- In the future, new conservation and regeneration projects for these species will be carried out.



CONSERVATION OF NATURE AND BIODIVERSITY

Borusan EnBW Enerji Hydroponic Agriculture Project

The innovative soil-free agriculture project launched at Borusan EnBW Enerji's Koru Wind Power Plant was implemented in a small-scale experimental agricultural area established within the plant premises. This project aims to raise awareness about the use of limited water and soil resources while pioneering sustainable agricultural practices. The work carried out within the project involves the use of hydroponic systems, with a particular focus on the efficient recycling of water.

The data and experience generated from this initiative are intended to serve as guidance for agricultural activities in drought-prone regions such as Çanakkale and Thrace in the coming years. In addition, the project is expected to serve as a model for similar agricultural initiatives that can be carried out together with local communities at other Borusan EnBW Enerji sites. This initiative not only supports sustainability in agricultural production but also aims to raise environmental awareness, contribute to the local economy, and develop integrated solutions between the renewable energy and agriculture sectors.

The project is intended to serve as an example of sustainable business models where the energy and agriculture sectors can work together.

Key Achievements

This pilot project at Koru WPP is expected to lay the groundwork for future large-scale projects to be implemented in collaboration with local communities in the fight against climate change and water scarcity.



WATER MANAGEMENT

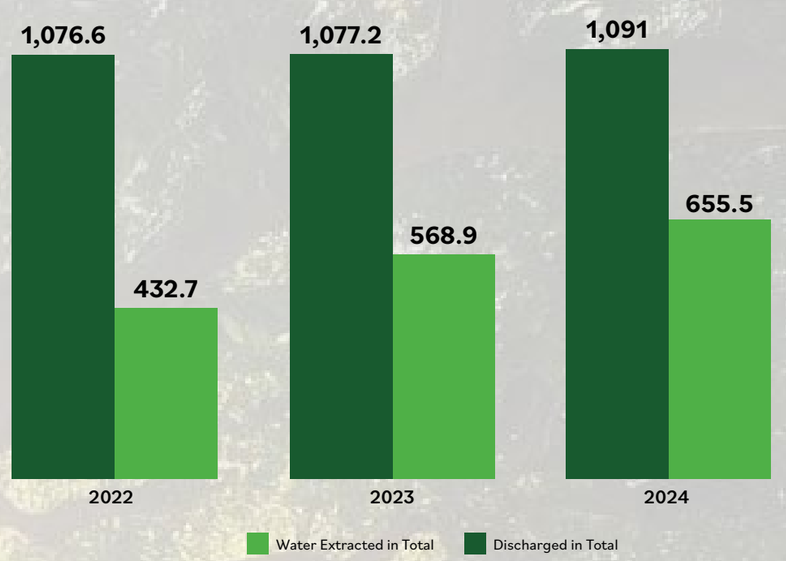
Water management seeks to ensure the long-term conservation and sustainable use of water resources by balancing the benefits for natural habitats and living organisms with the demands of economic sectors. It aims to mitigate and respond to potential negative impacts through policies and plans.

At Borusan Group, we prioritize the implementation of sustainable water management strategies across all areas of operation. We develop projects that prevent water waste, promote environmental sustainability, and deliver tangible benefits. Through the models within our water management approach, we work to reduce water consumption at our facilities and maximize water reuse. Acknowledging water as a social and finite resource, we act with this awareness across the Group and continually strive to raise consciousness. In this context, we assess future risks of water scarcity and take action to minimize the environmental impact of water use in our facilities.

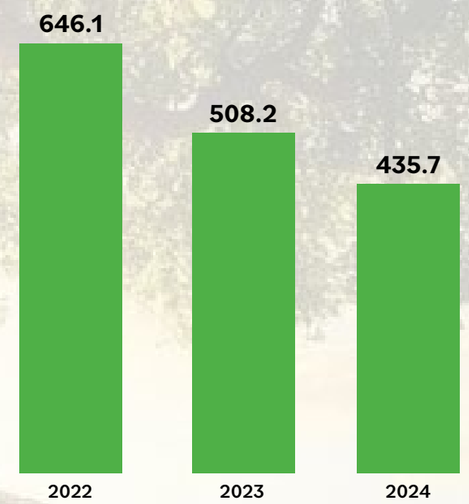
Recognizing the critical role of water management in the long-term success of Borusan Group and its sustainability mission, we have steadily reduced our water consumption over the past four years. With the consistent rise in total wastewater discharge over the years, **our water consumption in 2024 decreased by 14% compared to the previous year, totaling 435.7 megaliters. Moreover, through our water management projects and activities, we recovered approximately 115,927 tons of water in 2024.**

We are on track to meet our **target of reducing water consumption by 50% by 2025 compared to our 2021 baseline.**

Borusan Group Consolidated Amount of Water Extracted and Discharge Volume, megaliters



Borusan Group Consolidated Volume of Water Consumption, megaliters



WATER MANAGEMENT

Water Management at Borçelik

Borçelik's flat steel production facility in Gemlik, with an annual output of 1.5 million tons, requires approximately 700 m^3 of water. This water is sourced from four freshwater wells located in the Engürü Basin. Aligned with Borusan Group's i^3 approach, Borçelik aims to reduce its groundwater consumption by 50% by 2030. To reach this target, Borçelik is conducting four key assessments and initiatives:

- Enhancing the efficiency of water production systems
- Improving and diversifying water sources
- Efficiently meeting the needs of water consumers
- Sustainable management of resulting wastewater

Borçelik
Reducing Demineralized Water Consumption in Cooling Towers Project

Cooling towers account for 45% of Borçelik's total water intake. The need for cooling correlates directly with natural gas and electricity use in production. Industrial cooling towers are energy-efficient systems that cool heated water by allowing it to come into contact with air, transferring the heat to the atmosphere. Approximately 90% of water loss in cooling towers results from evaporation, while 10% comes from blowdown. Groundwater, which maintains a constant temperature-approximately 19°C according to measurements-is utilized in the project.

The project aims to reduce evaporation-related water loss by using a heat exchanger to cool the water returning from the tower with the lower-temperature groundwater. Taking into account the limited groundwater basin, Borçelik developed solution-oriented processes to absorb the thermal energy before consuming the groundwater. This use of groundwater's low temperature helps reduce evaporation loss in the industrial cooling tower. The project was initially implemented in Tower 4 and is planned to be expanded to other towers.

Key Achievements

- A 32% reduction in water consumption was achieved in Tower 4.
- Across Borçelik as a whole, overall water consumption was reduced by 0.85%.



WATER MANAGEMENT

Water Management at Borusan Pipe

In line with the targets set by Borusan Group, Borusan Pipe develops and implements projects to reduce reliance on water resources, introduce alternative wastewater treatment methods, and minimize water use in both products and processes -thereby playing a key role within the framework of sustainable water management. Due to the nature of its sector, water is especially required during the finishing stages of pipe production. Borusan Pipe constantly monitors both the amount of water it draws and the quality of its wastewater, ensuring compliance with regulations and aligning with its stakeholders in adopting sustainable water management practices. All related measures are evaluated on international platforms. Borusan Pipe conducts its water footprint verification processes in accordance with the ISO 14046 standard.

At its Gemlik plant, Borusan Pipe operates one chemical treatment plant for process water and one biological wastewater treatment plant for domestic wastewater. The separately treated waters are discharged into the Sea of Marmara. In 2024, Borusan Pipe recovered approximately 51,500 tons of water.

Water Management at Borusan Lojistik

At Borusan Lojistik, water is used solely for human consumption and is sourced from municipal supply systems. In addition, part of the water used for cleaning and landscape irrigation comes from rainwater harvesting. Various water-saving methods are applied: sensor-activated faucets and dual-flush toilets are installed, dishwashers with water-saving features are used in cafeterias instead of manual washing, and cleaning carts are used for floor cleaning, without using water. Each company vehicle is allowed two washes per month, and pulverized water is used in PDI operations to reduce consumption.

Borusan Lojistik also takes a series of steps to protect freshwater ecosystems. Each facility ensures the proper management of waste, hazardous materials, and chemicals, and designated waste areas are continuously monitored in compliance with legal requirements. Emergency systems and response equipment are in place to prevent spills from contaminating water and soil.

Since 2022, Borusan Lojistik has been calculating its blue and gray water footprints under ISO 14046 and having them independently verified. The report prepared according to the “ISO 14046:2014 Environmental Management – Water Footprint – Principles, Requirements and Guidelines” standard covers both the consumption and pollution aspects of Borusan Lojistik’ water footprint.

Borusan Lojistik Water Is Life Project

According to current projections, Türkiye is expected to become a water-scarce country by 2030, with per capita annual water availability falling below 1,000 m³. With this awareness, Borusan Lojistik reviewed its water management approach, aiming to harvest rainwater for use in suitable applications and reduce the use of high-quality water from municipal supply systems. Rainwater harvesting has been implemented at the Çatalca and Tepeören warehouses. In addition, waterless urinal trials were initiated at the Tepeören site, and sensor-activated faucets were installed across all warehouses and offices to prevent uncontrolled water use.

Here is how rainwater harvesting was carried out:

- Site assessments were conducted.
- The system design was completed.
- IBCs and piping systems were installed.
- Collected water volumes were measured.
- A 2,000-liter system was established at the Çatalca warehouse, and a 15,000-liter tank was installed at the Tom warehouse. Sensor-activated faucets and waterless urinal applications were also launched.

Key Achievements

- 267 tons of rainwater were collected and utilized.
- 7 waterless urinals were installed.
- 8,000 liters of rainwater were harvested in Çatalca and 259,000 liters in Tom Warehouse.
- An annual savings target of 2,100 m³ of water was set.
- Out-of-use IBCs were repurposed to support waste management.



We grow with our roots and empower people

HUMAN-CENTERED CORPORATE CULTURE

"We grow with our roots and empower people."

Achieving sustainable corporate success and building a habitable, fair, and inclusive society is only possible through a people-centered management approach. That is why, fostering a human-centered corporate culture-which is one of the foundational pillars of our corporate success and sustainability approach-remains one of our top priorities. At the core of our approach lies the belief in creating long-term value for both our company and society by supporting people-our coworkers, stakeholders, and communities.

As Borusan Group, we strive with dedication to ensure a safe, inclusive, and equitable work environment for our coworkers across various countries and diverse fields of operational expertise. We develop policies and implement value-creating projects for all stakeholders within our sphere of influence.

While steadily progressing toward our 2030 human-centered sustainability targets, we recognize that cultivating a supportive, inclusive, and innovative environment is essential to success. With this understanding, we prioritize the well-being, development, engagement, and participation of our coworkers, laying the groundwork for a future where human potential drives both development and sustainability.

As we grow from our roots into the future, we remain steadfast in our commitment to strengthening our people-centered corporate culture.

Our holistic approach enables us to continuously progress while creating a positive impact on both our employees and society.

At Borusan Group, we integrate our human-centered corporate culture-shaped by our mission and vision-into all business decisions. We continuously develop projects and explore new practices to offer every Borusan member a working environment that values differences, adheres to ethical principles, supports development, encourages performance, and fosters inclusion. We promote an open dialogue culture that welcomes new ideas and respects diverse perspectives.

Our human-centered corporate culture extends to our supply chains. We expect all our stakeholders, including suppliers and business partners, to embrace and implement the core principles of this culture.

This culture also supports our commitment to being part of the solution to global challenges beyond our company boundaries. As Borusan members, we not only remain aware of global issues but also take concrete action and advance our efforts to drive meaningful change.

Human Resources Approach

We view our coworkers as the cornerstone of our success and sustainability efforts. Our human resources perspective-which prioritizes talent development in an equitable environment, fosters inclusion, and nourishes corporate culture-plays a key role in shaping a setting where individuals can thrive. We place strong emphasis on equipping our team with the skills, resources, and support necessary to drive innovation and contribute to our long-term vision. Accordingly, we aim to create a setting that promotes continuous learning and development. To unlock the full potential of our team, we encourage innovative thinking and provide the tools needed for each individual to grow their talents. This approach supports both individual and organizational success, enabling us to better seize future opportunities. By ensuring ongoing and two-way communication, we foster a trust-based environment and carry our shared language and values from our roots into the future. Our "people first" philosophy allows us to attract, retain, and inspire the talent that will lead us toward a more sustainable future.

We have sustained our human resources activities for years with the vision of **building and maintaining an organization that creates value, adds meaning to life, and draws its strength from its employees.**

Employment

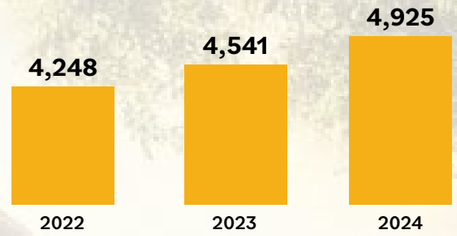
At Borusan Group, we provide our coworkers with a safe working environment and offer a variety of learning opportunities for their development. We ensure respectful communication that upholds human rights at every stage. We encourage Borusan members to contribute to decision-making processes, develop innovative approaches, and realize their full potential.

In addition to our commitment to maintaining continuous and effective communication with our coworkers, attracting talented and high-potential candidates is a fundamental part of our approach. We also place importance on retaining our current employees long term and enabling them to pass on the Borusan culture to new team members. This aligns with our vision of creating long-term value at Borusan Group and progressing from our roots into the future with confidence.

In 2024, we welcomed **652 new office employees** and **267 field employees**, creating a total of 919 employment opportunities within the Group.

Throughout all our operations and communications with stakeholders, we uphold universal principles and standards related to human rights. No child labor is employed at any Borusan Group company or location. All our Group companies fully comply with local, national, and international regulations and legislation regarding child labor.

Number of Borusan Members Working in Our Offices (#)



HUMAN-CENTERED CORPORATE CULTURE

Employee Rights

At the core of our commitment to sustainability lies our view of Borusan members as our most valuable stakeholders. We always consider it a primary responsibility to provide a working nvironment that is safe, equitable, supportive, and respectful.

Employee rights are also one of the fundamental pillars of our strong ethical framework. We ensure decent working conditions for all roles and levels, placing human rights legislation at the center of our operations.

Our coworkers' trust in working at Borusan Group goes beyond compliance with national and international labor regulations and reflects one of the most significant legacies of our 80-year history. We support employees in exercising their rights and uphold our system built on equality and fairness.

Contract	2022	2023	2024
Percentage of factory employees covered by collective bargaining agreements	75.15%	74.76%	72.6%

Laws guarantee the right to collective bargaining to protect the economic and social positions of workers and employers and to regulate working conditions. In this regard, information about unionization rights is shared with employees during the onboarding process by union representatives within the Group. Across three Group Companies, there are 5 union representatives and 11 deputy representatives, totaling 17 representatives and deputies.

As a Group committed to equality, we support maternity leave-a right we consider essential in terms of maternal and infant health, employee satisfaction, and work-life balance. In 2024, all 50 female employees entitled to maternity leave within the Group made use of this right. Every employee who went on leave returned to work upon completion of the leave period and continued working for at least 12 more months. We also provide 14 days of paternity leave to foster stronger father-infant bonding.

Beyond compliance with core legal rights, we offer additional benefits and practices to enhance employee well-being, engagement, and satisfaction. We prioritize uninterrupted access to healthcare and provide all office employees with private health insurance, covering both inpatient and outpatient treatment. Depending on management level, we also offer additional benefits such as annual check-ups and life insurance. Furthermore, we provide a company-contributed Private Pension Scheme to managers with a minimum tenure of six months. In this scheme, Borusan Group supports employee contributions alongside salary deductions. Employees who have completed three years at Borusan Group and are covered by the plan are eligible to withdraw their accumulated savings.

The benefits we offer are determined based on the total compensation approach of each Group Company and according to job group. At Borusan Group, core benefits for all office employees include transportation and meal support, private health insurance, private life insurance, flexible benefits, at least 18 days of paid annual leave, and the right to hybrid employment. In addition, depending on the position, further benefits such as a company car, check-up rights, and a company-contributed private pension plan may be provided. In our fieldwork groups, we also support our coworkers with benefits such as fuel, education support, clothing/footwear, holiday bonuses, and marriage allowances. We prioritize enabling them to spend special occasions with their loved ones and provide 7 days of marriage leave.



INCLUSION, DIVERSITY, AND EQUAL OPPORTUNITIES

We carry our 80-year-strong heritage into the future with the same unwavering commitment to equality-driven values.

Inclusion, diversity, and equal rights are critical to fostering a healthy and productive community. We believe that embracing these values lays the foundation for personal growth by ensuring equal opportunities, encouraging diverse perspectives, and treating every individual with dignity and respect. For companies, cultivating an environment rooted in these principles is a strategic approach that fuels creativity, innovation, and business success.

Promoting inclusion, diversity, and equal opportunities is essential to both our core values and long-term sustainable success. We are aware that a diverse workforce brings with it a wealth of experience and perspectives that improve decision-making and problem-solving processes. We prioritize and promote values such as collaboration, tolerance, and respect across all areas. Regardless of thought, gender, generation, religion, language, race, ethnicity, sexual orientation, disability, or any other characteristic, we strive to ensure that every team member enjoys equal opportunities under universal human rights, and that they feel supported in their career development.

As a human-centered organization, we place the concepts of fairness and equity at the heart of how we do business. By prioritizing equal access to rights for all Borusan members and fostering an inclusive culture, we create an environment where individuals can realize their full potential-leading to stronger employee engagement and enhanced company performance.

We are committed to the principles of transparency and open communication in all our business processes and maintain zero tolerance for discrimination or favoritism. We rigorously uphold impartiality in recruitment, promotions, performance evaluations, and career development processes. We implement a wide range of measures to ensure that no one under the Borusan umbrella experiences discrimination. During the reporting period, there were no incidents of discrimination reported within the Group. Our zero-tolerance stance on discrimination is reflected not only in our decisions and conduct, but throughout our communications. We recognize the impact of inclusive communication on employee satisfaction and engagement and promote a workplace where all coworkers feel free to share their ideas, suggestions, and concerns openly.

Reflecting our company culture, all of our job postings focus solely on competency-based criteria, without distinction based on thought, gender, generation, religion, language, race, ethnicity, sexual orientation, or disability status. In 2024, we created the E**qual Borusan: Job Posting Guide** to ensure our job postings were more inclusive. Moreover, we published the **Equal Borusan: Inclusive and Equitable Interview Guide** for all Borusan members. This guide was developed in line with our Borusan X cultural journey, to promote the principles of inclusion, equal opportunity, and fairness throughout recruitment, and to avoid asking or making comments during interviews that may conflict with these principles.

Employees Who Took the Satisfaction and Loyalty Survey:

7,661

Employee Satisfaction and Loyalty Score:

74%

With the same unwavering commitment to equality, we continue to cultivate the corporate culture whose roots we have nurtured for more than 80 years. We provide regular training to our coworkers and managers on these subjects, preserve our culture, and design best practices and exemplary projects within our sector.



INCLUSION, DIVERSITY, AND EQUAL OPPORTUNITIES

The Journey of Borusan Equal

2012
• We became a signatory of the United Nations Women's Empowerment Principles and were elected as a member of the Leadership Group.
• We also became a signatory of Equality at Work.
• We launched the project My Mother's Job is My Future and established childcare nurseries at organized industrial zones (OIZs).

2015
• We launched the Equal Borusan Social Equality Platform.
• We sponsored the campaign He for She.

2016
• We ran a project titled Let's Code, Girls and provided coding training to the daughters of 200 Borusan employees.

2017
• We published the Guide on How to Avoid Discriminatory Language and Behaviors at Work.
• We launched the initiative Love Begins with Language.

2018
• We ran a campaign titled Call Out Sexism.
• We rolled out the campaign No Job Too Tough For Women in cooperation with Borçelik.
• Borusan Pipe and Borusan Cat became signatories of the United Nations Women's Empowerment Principles.

2019
• We launched the campaign Equal Together in cooperation with Borusan Pipe.
• We rolled out the program First, I am a Father.
• We held seminars on Gender Equality in cooperation with Borusan Pipe.

2020
• We kicked off the program Gender Lens.
• We received an award for the Equal Opportunity Model.
• We published the Gender Equality and Domestic Violence Guide.

2021
• Borçelik became a signatory of the United Nations Women's Empowerment Principles.
• We introduced Child Care Support for our employees.
• We implemented a two-week paternity leave policy.
• We launched the campaign This is an Equal Site in cooperation with Borusan Pipe.
• We launched the project Women Hold the Key in cooperation with Borusan Otomotiv.
• We held the Training Female Appraisers course in cooperation with Borusan Araç İhale.
• In cooperation with Borusan EnBW Enerji, we launched the initiatives Energy of Female Students and Power of Green Collar.
• We offered Customer-Oriented Digital Marketing Training for Female Entrepreneurs: From Ideas to Business in cooperation with Borusan Port.
• We raised awareness about domestic violence through our commercial film titled Those Who Can't Talk.
• In cooperation with Borusan Pipe, we organized the seminar See Life Equally and Leaders with an Equal Outlook.
• We provided Pallet Truck Driving License training to our female employees.

2022
• We rolled out the Borusan Equality School.
• We launched the campaign Zero Tolerance for Violence.
• We held a seminar to mark the International Day for the Elimination of Violence Against Women on November 25.
• We joined the Business Against Domestic Violence – (BADV) initiative.
• We published The Group's Guide for Parents.
• We developed a coaching program with Borusan Port for Gemlik Atatepe AMT High School.
• In collaboration with Borçelik, Borçelik Technical Academy (BTA), Bursa Businesswomen and Executives Association (BUİKAD), and the Nilüfer Organized Industrial Zone (NOSAB), we launched the "This is an Equality Job" project to promote gender equality and support women without a profession in joining the workforce.
• Borusan Cat and Kaltun carried out a project to train female heavy equipment operators.
• We launched the project Women's Touch at Work in cooperation with Supsan.
• We organized a Painting Competition on Equality from the Perspective of Children with Borusan Lojistik.

2023
• We published the book titled Borusan: 10 Years Dedicated to Equality.
• Borusan Otomotiv became a signatory of the United Nations Women's Empowerment Principles.
• Borusan Otomotiv and Borusan Pipe became the first companies in the automotive and steel pipe industries, respectively, to be awarded the Certificate of Equal for Women at Work.
• We implemented the project This Job is an Equality Job in cooperation with Borçelik.
• We completed the project Female Dump Truck Operators with Borusan Cat and launched the project Sister's Club in Azerbaijan.
• We implemented the project Strong Women, Strong Logistics with Borusan Lojistik.

2024
• In this significant year marking the 80th anniversary of our Group, we took an important step on March 8, International Women's Day, by publishing the Borusan Gender Equality Perception Change Report in collaboration with KONDA Research.
• We updated our Gender Equality and Domestic Violence Prevention Policy.
• As part of the International Day for the Elimination of Violence Against Women on November 25, we launched a public awareness campaign and released a film titled So Many Things to draw attention to this critical issue.
• To standardize our approach to equality and inclusion across recruitment procedures, we published two documents: Equal Borusan: Job Posting Guide and Equal Borusan: Inclusive and Equitable Interview Guide.
• Borçelik is the only steel producer in the world in its sector to hold the EDGE (Equity, Diversity, and Gender Equality) Certification, and the first company in Europe within the industry to receive this distinction.

GENDER EQUALITY

Over 10 Years Dedicated to Equality

As a Group, we are deeply committed to promoting gender equality-both within our own organization and in the communities we serve. We recognize that gender equality is fundamental to fostering a diverse, inclusive, and innovative environment.

At Borusan Group, we have taken and continue to take significant steps in this area. In line with our goal to be a role model company in gender equality, we became the first Turkish company to sign the Women's Empowerment Principles (WEPs), a joint initiative by the United Nations Global Compact and UN Women. We also hold the distinction of being the first Turkish company selected for the WEPs Leadership Group.

Through our policies, we promote equal opportunities for all Borusan members regardless of gender and actively work to break down the barriers that limit access to leadership positions and career advancement. By offering mentorship programs, developing targeted projects, and implementing impartial recruitment practices, we strive to build a culture in which everyone can succeed regardless of gender. We also extend our commitment beyond our company boundaries by partnering with organizations that share our values, working together to advance gender equality at a societal level.

Nine years ago, guided by our belief that gender equality must be both institutionally and personally embraced, we established the **Equal Borusan Platform**. More than just a platform, Equal Borusan has become a shared perspective among all Borusan members and is incorporated into the decision-making and implementation processes across all Group Companies. Strengthened by a variety of projects and best practices, this approach aims to promote gender equality, address inequality, and encourage the adoption of inclusive policies through concrete goal-setting.

Through the projects we implement under the Equal Borusan platform, we enrich our gender equality efforts by using diverse perspectives and methodologies. Believing that mindset change starts with language, and wanting to foster internal awareness, we launched the "Love Begins with Language" initiative in 2017 with the message: "If language changes, the world changes." As an extension of this initiative, we introduced the "Call Out Sexism" campaign in 2018. In addition, we set quantifiable targets to help ensure women's inclusion in the workforce at all levels and in all areas.

With our belief in "Success Through People," we are committed to challenging entrenched biases that hinder social equality. In the hiring processes at Borusan Group companies, our sole criterion is a candidate's suitability for the job. We never allow discrimination of any kind. Consistently uphold equal opportunities. We implement practices that promote women's employment in line with our gender equality approach.

In 2020, to demonstrate our zero-tolerance stance on violence and raise awareness, we published the Gender Equality and Domestic Violence Guide. This year, we revised the policy with a broader focus on inclusion, equality, and diversity. We updated the document to include comprehensive information about domestic violence and other forms of violence. The updated version now covers various forms of violence, including not only physical but also psychological, economic, sexual, and cyber violence. This guide also includes detailed information on how to recognize signs of abuse, which support mechanisms are available, and whom to contact. Prioritizing safety and well-being, this policy aims to empower survivors to speak up and access the help they need.

As we celebrate the 80th anniversary of our Group-growing from our roots into the future-we released an important study on March 8, International Women's Day. Together with KONDA Research, we published the **Borusan Gender Equality Perception Change Report**. The report showcases a decade-long trend in societal perceptions of gender equality. The findings suggest that biases have decreased over the past ten years, and perceptions have shifted positively as education levels have risen. Gender equality awareness in Türkiye has improved significantly compared to a decade ago. While the survey responses indicate a positive trajectory, they also reveal the need for further acceleration.

AYDIN ERDEM
GENERAL MANAGER,
KONDA RESEARCH AND CONSULTANCY

At KONDA, we have been working for the past 38 years to observe, interpret, and explain social change from different angles. We see a strong positive correlation between the advancement of women in society, the modernization of perceptions on gender equality, and broader social progress. We value Borusan Holding's commitment to this issue and its efforts to make shifts in public perception visible.

Key insights from the research findings include:

- Improved perceptions as education and workforce participation increase
- Women's consistently higher demand for equality across all issues compared to men
- Employed women being the most egalitarian and liberal across nearly all topics compared to other groups

We believe that the combined efforts of the private sector and civil society will continue to accelerate progress.

As a research company, we measure change-organizations like Borusan Holding shape the course of that change. We are proud to have partnered with Borusan Holding in this valuable initiative to support gender equality.

DR. ECE ÖZTAN
NOTIDEM TRAINING AND CONSULTANCY

"One of the most striking findings of the Gender Equality Perception Report is that, although there has been progress in gender equality perceptions in Türkiye over the past decade, the pace of change remains slow and limited. For instance, in 2015, 70% of men believed that women needed their husband's permission to work, whereas by 2024, this rate had dropped to 51%. Similar declines were observed in beliefs that women cannot be executives. However, nearly half of society still holds traditional views on gender roles. One of the most persistent barriers to equality is the belief that a woman's primary responsibility is household chores and childcare. Working women and younger generations stand out as the key drivers of change in gender equality. Women aged 18–32 hold significantly more egalitarian views than older generations. This shows that change is inevitable, but to accelerate this shift, institutional policies and support mechanisms must be strengthened. Borusan's Equal Borusan initiative plays a crucial role in this effort. Supporting working women not only in their professional lives but also in their unpaid domestic responsibilities is vital. For instance, expanding parental leave policies, increasing paternity leave to encourage shared caregiving, and other similar actions can help alleviate the double burden women face. Another notable finding would be the growing trend toward equality in domestic roles. Over the past decade, more men have taken on tasks such as cleaning and cooking at home. Yet, despite working outside the home, women still shoulder the majority of domestic labor. This highlights the need for companies to develop supportive policies not only for the workplace but also for employees' personal lives. Employee well-being and health are also among the key themes of the report. Over the past ten years, female employees have reported lower levels of happiness and satisfaction with their health. Another significant data point in terms of corporate policy is that the group with the lowest rate of regular health check-ups is male employees. This reveals a clear need to expand health packages and awareness campaigns. In conclusion, although the steps taken toward gender equality are beginning to yield positive results, structural reforms and institutional support are required to accelerate this progress. Borusan continues to play not just a supportive but an active role in this transformation."

GENDER EQUALITY

Gender Lens

In 2020, as part of the Equal Borusan initiative, we launched the Gender Lens program to support the organizational and individual adoption and internalization of gender equality. Acknowledging the need to take action and assume responsibility to address inequalities, we implement equal promotion and pay policies through our Gender Lens Guide, and we never allow gender perceptions to hinder our company's success or employee well-being.

The checklists developed under the Gender Lens framework serve as a practical guide for all Borusan members. One of the core objectives of this program is to ensure that all related processes-such as communication, recruitment, promotion, performance evaluation, and compensation-are assessed through the lens of gender equality. Through this initiative, we place particular emphasis on driving cultural transformation.

We stress that our primary goal is not to seek short-term fixes, but to implement and maintain lasting change through structural shifts. At Borusan, we drive transformation by viewing all activities, decisions, plans, and processes through the gender lens.

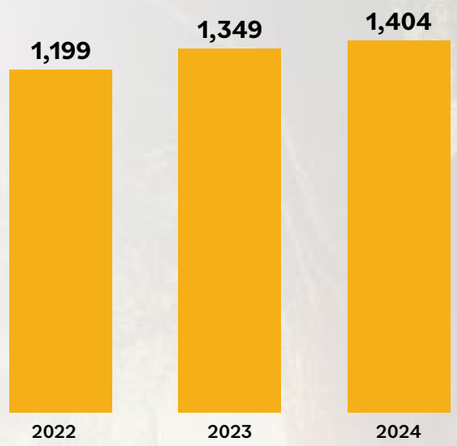
You can access our Gender Lens Program introduction video **here**.

In this context, our long-term targets include a gradual increase across various employee groups by 2030: achieving 40% representation of women among office employees, 10% among field employees, 30% at senior leadership levels, and 40% at middle management levels.

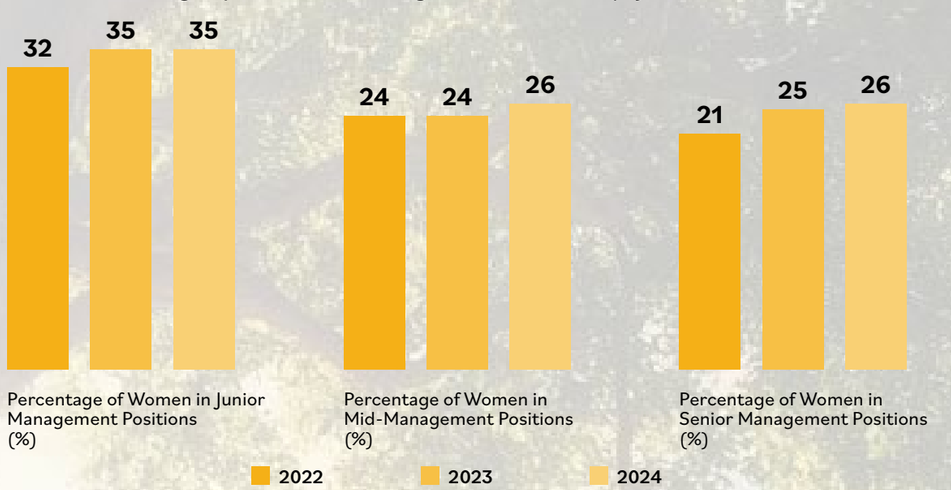
EQUAL BORUSAN

	2022	2023	2024	2030 Hedef
Percentage of Female Employees (%)	18.1	20	20.9	30
Percentage of Female Office Employees (%)	26.4	27.8	28.5	40
Percentage of Female Employees in the field(%)	4.2	5.6	5	10
Percentage of Women in Mid-Management Positions (%)	23	24	26	40
Percentage of Women in Senior Management Positions (%)	25	25	26.4	30

Female office employees (#)



Percentage of Women in Management Positions (%)



We have increased the number of women in middle management by 9% since 2023, moving one step closer to our 2030 gender equality targets.

9%
Increase in women in mid-management roles

GENDER EQUALITY

To achieve our primary goal, we prioritize female candidates with equal qualifications in our recruitment and promotion processes each year. We also run a **Women's Leadership Development Program** to support the careers of our high-potential female employees. Across our Group Companies, we implement special recruitment projects to increase the number of women working in factories and on-site operations.

We are committed to building a future where women and men work in close cooperation under equal conditions, both within our organization and across the world. As a Group operating in male-dominated sectors, we give precedence to women's employment and career development. We advocate for equal representation, equal rights and opportunities, equal promotion, and equal pay, and we continue to advance our efforts in these areas.

A fundamental factor behind our Group's adoption of gender equality at all levels and its development of exemplary projects is the unwavering commitment of our senior leadership. In this regard, the Commitment of Equal Borusan-signed by all our general managers-reinforces our commitments to sustainability and ethical values. This commitment is based on core principles that call for all leaders to embrace a fair, responsible, and sustainable management approach aligned with the company's goals.

At Borusan, our focus on gender equality goes beyond women's inclusion in the workforce. We aim to support fundamental rights more broadly and challenge gender-based stereotypes. Our Guide on Gender Equality and Domestic Violence, published in 2020, reflects our zero-tolerance stance toward violence. Likewise, our Equal Borusan School certificate program-launched in 2022 via the TopTalent career platform-underscores our commitment to raising awareness on gender equality. This educational project, supported by the voluntary contributions of our employees, features free online training modules and mini-quizzes covering various topics related to gender equality. Moreover, this year, we shared the Gender Equality Perception Report to present a 10-year summary of societal awareness on the subject to our stakeholders.

Within the premises of our Group Companies, we are working to improve or establish facilities such as women's changing rooms and lactation rooms. We offer a range of benefits and rights, including private health insurance coverage that includes maternity benefits, the option for women to take uninterrupted maternity leave for 5.5 months, maternity and postpartum support programs, cash nursery allowances, leave on the first and last day of the school year, an additional week of paternity leave beyond the legal entitlement, paternity training, and the right to flexible work arrangements. In addition, we hold feedback meetings with female employees and implement equality-focused initiatives such as the Leadership Faculty to support women.

We compiled the experience we gained through our equality-focused projects in our book "10 Years Dedicated to Equality". This publication includes our Group's efforts on gender equality and inspiring stories from individuals whose lives we've touched. We believe it will serve as a valuable resource for our stakeholders.

You can access the details of our work on gender equality, our book 10 Years Dedicated to Equality, and more **here**.

GENDER EQUALITY

Borçelik
Spread the Word about Our EDGE (Equity, Diversity, and Gender Equality) Journey

Driven by the belief that gender equality is a universal value, Borçelik places this principle at the core of its operations. In line with this commitment, the company launched the **Spread the Word** communication strategy to raise awareness around Gender Equality (GE) and promote this consciousness both within the company and beyond. Guided by the Equal Borusan vision, the Women's Empowerment Principles, and the Sustainable Development Goals, the approach focuses on two key areas: "promoting gender equality at Borçelik" and "mainstreaming gender equality through stakeholder collaboration." The Spread the Word initiative was launched to promote diversity, equality, and inclusion, encourage individuals to question their biases, and make Borçelik's gender equality efforts more visible.

As part of this initiative, Borçelik launched several projects, including No Job Too Tough for Women, which increased the participation of women in the flat steel industry; This Job is an Equality Job, which supported women in Bursa in gaining vocational skills; and A Child Grows Up and Changes the World, which promoted awareness of equal sharing of parental responsibilities.

To align these initiatives with international standards and create sustainable and measurable impact, Borçelik initiated the EDGE (Equity, Diversity, and Gender Equality) gender certification process. Following a comprehensive process aimed at reinforcing diversity, equality, and inclusion principles and promoting equal opportunities, **Borçelik is the only steel producer in the world in its sector to receive the EDGE certification and the first company in its sector in Europe to obtain this distinction.** This milestone marked a significant global recognition of Borçelik's commitment to gender equality.

The certification process focused on five key areas: equal pay for equivalent work, recruitment & promotion, leadership development training & mentoring, flexible working, and company culture. In addition to statistical data, the process was supported by concrete metrics such as policies, practices, and employee perception surveys. The findings were assessed by IFC (International Finance Corporation), and the resulting action plan was formalized with a pledge signed by the Head of Executive Committee. This pledge encompassed key commitments including equal pay for equivalent work, equal opportunities in recruitment and promotion processes, and fostering an inclusive corporate culture. A subsequent independent external audit was completed, and Borçelik has already begun implementing the planned actions.

Key Achievements

- Borçelik is the only steel producer in the world in its sector to hold the EDGE (Equity, Diversity, and Gender Equality) Certification, and the first company in Europe within the industry to receive this distinction.
- The company took a pioneering role in gender equality across the industry and elevated its global recognition.
- Borçelik's commitment to gender equality was solidified through an independent certification process.
- Diversity, equity, and inclusion policies were systematized and integrated into business processes.
- The Gender Equality Perception Index score rose from 7.7 to 7.9.
- Work-life balance policies were strengthened, boosting employee motivation and organizational commitment.
- Equal pay for equal work policies were reinforced, and compensation analyses established an objective evaluation mechanism.
- EDGE certification also contributed to Borçelik's credibility in investment processes, aligning corporate sustainability objectives with its long-term financial strategy.
- The accomplishments achieved through Borçelik's EDGE journey have created a scalable model that can be implemented across other Group Companies and within the wider industry. These outcomes demonstrate that Borçelik's approach to gender equality goes beyond a declaration of intent, being actively supported through concrete action and sustainable transformation. This process has made Borçelik not only a national but also an international example in gender equality.



Borusan Pipe
Equal Leaders Training

In 2023, Borusan Pipe launched the "Equal Leaders Seminars" for unit managers, department heads, and directors with the aim of fostering positive perspectives on gender equality among coworkers, ensuring gender equality is upheld by all-up to the highest levels of leadership- and eliminating gender-based bias at every level. These seminars covered key concepts such as bias, stereotypes, discrimination, and inclusion, and emphasized the importance of embracing diversity and encouraging a variety of perspectives among participants.

In 2024, the gender equality awareness training continued, this time targeting field team leaders. Designed to help these leaders adopt a management style rooted in diversity, inclusion, and equity, the training further reinforced Borusan Pipe's commitment to helping its leaders recognize their own biases, treat employees fairly, and build an inclusive workplace culture.

Key Achievements

- In 2024, 40 employees participated in the training.
- Awareness of gender equality increased among Borusan Pipe managers and field leaders.



GENDER EQUALITY

Borusan EnBW Enerji
Power of Green Collar Project

Although Borusan EnBW Enerji already has a significantly higher proportion of women employees compared to the industry average, the company took on a broader responsibility to help reduce the overall gender imbalance in the energy sector. To this end, it launched the The Energy of Female Students: New Power of Green Collar project in support of gender equality.

The project aims to introduce female students enrolled in renewable energy and electrical departments of Vocational and Technical Anatolian High Schools to career opportunities in the renewable energy sector. It offers information about different roles they could pursue, provides personal development and mentoring trainings, enables field experience through energy facility visits, offers on-the-job learning opportunities through internships, and supports their transition to university and the workforce through scholarships and employment opportunities. The project is designed as a long-term and inclusive initiative, with new students joining each academic year and alumni being supported in their career development.

Key Achievements

- As of 2024, 40 female students were reached through partnerships with four schools.
- In 2025, the program plans to onboard two additional schools.
- The project creates added value by increasing green-collar employment of women, both for Borusan EnBW Enerji and the renewable energy sector as a whole.



Borusan Lojistik
Happy Employees, Stronger Tomorrows: Equitable, Inclusive, and Safe Work Environments

This project aims to create inclusive, safe, and motivating work environments tailored to the needs of Borusan Lojistik employees. Beyond improving employee satisfaction, it seeks to ensure equal opportunities, address the specific needs of women employees, and remove barriers for disadvantaged individuals. The project especially focuses on addressing challenges faced by women and employees with disabilities, helping every individual realize their full potential.

The initiative was developed based on feedback from the field, internal audits, and operational efficiency analyses. Key areas of improvement included adjustments to accommodate the needs of women employees, enhanced accessibility for individuals with disabilities, and overall upgrades to work environments. In response, solutions such as physical improvements, inclusion trainings, awareness initiatives, site evaluation tours, and feedback mechanisms were implemented.

This project supports a workplace culture that prioritizes health, safety, well-being, and inclusion. Designed to be executed simultaneously across 85 locations, it has been overseen by a dedicated team of 38 project members, each area being given equal importance. A budget exceeding TRY 12 million was allocated to enhance physical facilities and address well-being-related needs.

Key Achievements

- A 38-person project team was formed, bringing together experts in human resources, occupational health and safety, talent management, sustainability, and process development. This team conducted training and workshops on the 5S methodology.
- Site visits were conducted across 85 locations in the analysis and planning phase to identify deficiencies and gather feedback, resulting in concrete action plans.
- During implementation, physical improvements were made to create infrastructure aligned with employee needs and improve accessibility, targeting the removal of existing barriers.
- Following the initial site visits, 81% of the planned actions were implemented across 85 locations.
- Employee satisfaction and engagement scores increased by 2 points compared to the previous year.
- The workplace accident frequency rate dropped from 7.57 to 7.12.
- 5S workplace scores improved from 65% to 81%.
- Satisfaction levels among women and employees with disabilities reached 85% following the tailored adjustments.
- The financial costs of workplace accidents decreased by 10%.
- A total of 2,077 actions were identified through 85 site tours, with 1,227 actions already completed.
- A total of 286 human-hours of training were provided.
- These achievements highlight Borusan Lojistik's success in advancing its goal of creating equitable, inclusive, and safe workplaces.



TALENT MANAGEMENT AND DEVELOPMENT

We design our talent management and development activities within the Group as an inclusive, accessible, and dynamic continuous learning cycle enriched by diversity. This approach is part of our core business strategy aimed at creating added value for Türkiye's economy. With the vision of being a Group with a background of 200 years, we pursue professional and personal growth alongside Borusan members who share the same excitement and commitment to a sustainable future. One of our primary goals is to help Borusan members transform their potential into high performance while also delivering a rewarding, meaningful, and differentiated work experience.

Recruitment

In our recruitment processes, we employ comprehensive methods to identify and onboard candidates who align with the values and leadership approach of Borusan Group, possess the knowledge, competencies, and experience required for the role, and who we believe will create added value with their performance.

To attract top talent that will contribute to achieving our Group's strategic goals, we develop innovative recruitment tools, programs, and partnerships. With our strong employer brand and modern, well-structured recruitment practices, we ensure candidates are evaluated fairly.

In addition to competency fit, we evaluate candidates based on their alignment with the BorusanX cultural values and principles, our leadership model, and their potential to contribute to the company in areas beyond their core job.

To strengthen Borusan Group's vision, we run the Alpha Young Talent Program to hire promising young professionals and prepare the future leaders of our Group.

Development

We believe that advancing all our coworkers and Borusan Group begins with the mindset of "Career = Development." We also believe our achievements are made possible through the growth of our coworkers' capabilities and a shared commitment to collective success. To reinforce this approach, we offer value-adding solutions for employee development through **Borusan Academy**, which we established in 2007 with a vision to cultivate "business leaders" who create value. We deliver flexible, digital learning solutions tailored to different learning styles and regularly update Borusan Academy with new methods and resources, supporting each Borusan member in their personalized learning journey.

The Borusan Academy Portal provides a holistic learning experience through specially designed digital trainings for both personal and professional development, along with mentorship, coaching, and experiential learning tools. This enables employees to gain in-depth knowledge and skills in various areas aligned with their career goals and learning needs.

Furthermore, we manage product- and service-focused trainings developed according to the needs of Group Companies in a centralized structure. We strongly believe in the continuity of learning and development and ensure that all our solutions support this perspective. Through Borusan Academy, we delivered over 46,000 hours of training, and in 2024 alone, we invested a total of TRY 69,839,517 in training across the Group.

We keep all training and development initiatives aligned with the Group's strategic focus areas, job-specific requirements, and global trends. We prioritize creating and maintaining high-quality, relevant learning content that benefits all employees. As part of our upcoming objectives, we have also integrated the planning of sustainability training programs into Borusan Academy's agenda.

Borusan Academy, which manages corporate learning and individual development through a holistic and strategic approach:

- Promotes and protects corporate culture and values,
- Embraces lifelong learning and fosters a learning culture within the organization,
- Tracks global trends and provides access to the latest content and methods,
- Supports individual development with diverse resources tailored to personal learning styles and paces.

When it comes to career development, we give the first word to our Borusan members. The career planning process begins with individual awareness and willingness to grow. We expect all Borusan members to invest in their own development and to openly communicate their needs and aspirations. This empowers Borusan members to take greater ownership of their careers and recognize the competencies they need to reach their goals. With this awareness, they develop personalized development plans and take concrete steps to advance themselves. Borusan Group leaders play a key role in this process by providing continuous feedback and acting as development coaches throughout the year. These leaders also contribute to shaping the Group's talent approach.

Faculty and Specialized Programs of Borusan Academy	
Leadership Development	**Functional Professional Development**
• Faculty of Leadership • Coachlike Leadership Development Program • Alpha Young Talent Development • Alpha Internship Development and Mentoring Program	• Expertise on financial affairs • Expertise on procurement

Borusan Alpha Young Talent Program

With the internationally recognized Borusan Alpha Young Talent Program, which received an award from The Peer Awards for Excellence, we have been recruiting and developing high-potential graduates since 1991 to prepare them as future leaders of Borusan Group. We evaluate undergraduate and graduate students who are expected to graduate in June/July using a variety of assessment methods to identify their potential. Selected candidates are hired full-time and enrolled in a structured two-year development program to support their leadership journey. This year, we welcomed 28 new graduates to the program.

In addition, we increased the **Alpha retention rate from 83% last year to 96% this year**. The retention rate of female Alpha participants was recorded as 100%

TALENT MANAGEMENT AND DEVELOPMENT

Borusan Alpha Internship Program

Through the Borusan Alpha Internship Program, we onboard undergraduate and graduate students in their junior or senior years, for long-term internships. These students complete their internships two to three days a week while continuing their studies. Alpha interns work with experienced Borusan members, gaining practical experience, and learning. By taking part in project work, they gain practical experience in project management and execution. In 2024, we welcomed 107 Alpha Interns to our organization.

In addition, we participated in 11 employer branding events in 2024, engaging with over 8,000 university students. These events covered a wide range of topics, including sustainability, teamwork and leadership, engineering, and inspiring women leaders.

Talent Management		2023	Achieved in 2024	2030 Target
Ranking as an employer	Business	Student Votes: 22 Professional Votes: 14	Student Votes: 22 Professional Votes: 13	10
	Engineering	Student Votes: 50+ Professional Votes: 29	Student Votes: 43 Professional Votes: 30	20
Annual Turnover Rate of Future Leaders	%	5.2	0.30	5
Alpha Turnover Rate in the First Two Years	%	17.5	3.60	10

Performance and Career Management

The development and growth of our employees are directly linked to the success of our sustainability initiatives. Effective performance and career management play a critical role in supporting individual growth and contributing meaningfully to the Group's long-term sustainability goals. To this end, we nurture talent and create the foundation for long-term career growth, ensuring that our employees remain engaged, motivated, and well-equipped to lead sustainable practices.

Our performance management perspective is designed to build a "performance management culture" that focuses on personal development and high achievement. The year-round performance management system is a feedback-driven practice consisting of three key stages: goal setting, goal monitoring and evaluation, and year-end performance review. All office employees undergo an annual performance appraisal process based on job-specific and competency-based targets.

In addition to performance evaluations, we also conduct annual career planning processes for our office employees. Through career management, we support Borusan members in identifying how they want to shape their careers-whether it involves leading a team, switching departments, specializing in a particular area, or gaining experience in other Group Companies. Each employee works with their supervisor to formulate career development goals and action plans and monitor their progress throughout the year. Borusan leaders play a central role in this process, offering coaching, guidance, and feedback throughout the year. Since 2020, we have supported leaders in this role through the **Coach-like Leadership Development Program**, which follows a hands-on approach to further enhance coaching skills.

We also hold regular Talent Committee meetings to assess individual potential and implement succession planning. These meetings are conducted transparently and fairly. They are data-driven and aligned with our talent approach. Talent maps and succession plans are jointly created based on shared insights.

When identifying high-potential employees, we evaluate nominated individuals using assessment tools tailored to different levels, supported by our specialists. These assessments help supervisors accurately position their team members within talent maps, identify strengths and areas for development, and track development progress through concrete examples.

360° Competency Assessment

The 360° Competency Assessment is a development tool through which we gather feedback from coworkers based on the competencies and behaviors defined in our Group's leadership model. Every Borusan member may voluntarily initiate an evaluation process at any time and select the coworkers from whom they wish to receive feedback. Through the individual reports generated from the assessment, employees gain insight into their strengths and areas for improvement, allowing them to develop their personal development plans accordingly. This system is one of our key practices for setting individual goals, evaluating results, and providing constructive feedback.

Puantum

To enhance the impact of feedback in our business processes, we launched Puantum, a streamlined digital platform designed to increase accessibility. Puantum, which received international recognition from The Peer Awards for Excellence, enables instant feedback among all Borusan members, regardless of hierarchy. Feedback provided through the Puantum system is transparent and visible to all employees across the organization.

TALENT MANAGEMENT AND DEVELOPMENT

Borçelik
Competency Management for Field Employees

Due to Borçelik's classification in the hazardous and highly hazardous job categories, it is imperative that newly hired employees possess the highest level of professional competence. This requirement necessitates a comprehensive approach to hiring the right people, and the training duration and content for new hires must be equally extensive. Through the Competency Management Project for Field Employees, Borçelik is strengthening the existing skillsets of its workforce. The project aims to build a competency management system aligned with future workforce needs, equipping employees with the necessary competencies to improve operational performance. This system is designed to minimize downtime, increase quality, reinforce occupational health and safety standards, and drive progress in environmental and energy efficiency.

Developing employee competencies plays a critical role in achieving operational efficiency. The project was implemented across Borçelik's three locations (Gemlik, Bursa, Manisa), covering 74 positions and 751 employees, with 482 distinct competency analyses conducted. The project also identified the competencies required for employees to perform their duties successfully.

By addressing limitations in specialized expertise and their negative impact on company performance, the project enhanced existing training and development processes to allow field employees to gain proficiency across multiple domains. It also eliminated inefficiencies in identifying required skills and in resource planning.

Key Achievements

- A total of 751 employees were assessed across 482 competencies, and distinct competency sets were defined for each position.
- Following the analysis of employee competency sets, 285 employees were identified as having lower averages in areas such as training and experience; approximately 150 training sessions were planned for these individuals.
- The use of a digital platform offered a more cost-effective and efficient training infrastructure compared to traditional methods, increasing the impact of training investments.
- The project led to significant cost savings by reducing workforce losses and increasing productivity.
- Employees became more actively involved in their development journeys, improving overall efficiency and accelerating progress toward organizational goals.
- As employees found more opportunities for growth and advancement, their motivation, satisfaction, and commitment increased.





Borusan Port
Gemlik Atatepe Vocational and Technical High School Mentorship Program

Through its collaboration with Gemlik Atatepe Vocational and Technical High School, Borusan Port provides mentoring opportunities for 10th-grade logistics students and internship placements for 11th-grade students each year. The project aims to increase female participation in the port sector. As part of the mentorship program, students receive vocational training related to port operations, and technical materials are also provided to support the school's logistics laboratory.

Key Achievements

- Supported the development of qualified employment in the port industry.
- Brought new talent into the sector.
- Contributed to increasing the proportion of women in the port workforce.
- Helped enhance the quality of the local labor pool.
- Benefited 20 students in 2024.







TALENT MANAGEMENT AND DEVELOPMENT

Borusan Lojistik
A Sustainable Future from Generation to Generation: Green Child and Istanbul University SSC Certification Program

Borusan Logistics aims to build a culture where sustainability is embedded into the way the company does business. As part of this goal, it seeks to raise sustainability awareness particularly among children and young people, and to foster talent development in collaboration with public schools, which may have limited access to information on sustainability-related topics. The primary goal of the project is to raise awareness on critical topics such as climate change, circular economy, equality, and innovation, to instill this awareness in future generations, and to help integrate sustainable thinking into everyday life. The project idea was born out of the understanding that a sustainability culture should not be limited to internal company operations but should extend to various segments of society.

The project consists of two distinct educational programs tailored to different age groups, covering the fundamental principles of sustainability.

The first program, called Green Child, was initially implemented last year at Borusan Lojistik locations for the children of Borusan Lojistik employees and suppliers. This year, it was delivered to primary school students at two separate public schools in the form of an educational program followed by a workshop. The trainings were conducted by certified instructors who specialize in both the subject matter and child education. In selecting public schools, Borusan Lojistik prioritized schools in the Tuzla/Gebze region, where the company's operations are mainly concentrated. At these schools, the United Nations Development Programme (UNDP) "SDG for Kids" training program was implemented. The program was reinforced through games and drawing competitions.

The second program, titled the Sustainable Supply Chain Certificate Program, targeted young individuals.

It aimed to cultivate deeper awareness of sustainability and promote the use of related tools in professional life. To support the development of a sustainability perspective-particularly in the carbon-intensive logistics sector-students of transportation and logistics were identified as the focus group. In this project, Borusan Lojistik collaborated with Istanbul University (IU) Faculty of Transportation and Logistics, Department of Logistics Management-one of the country's most established public universities and home to Türkiye's first four-year logistics faculty-and with the Istanbul University Continuing Education Center (IU SEM). Together with the university, the content of the 48-hour training program was developed, and students were enabled to receive certification through a system in which the program counted as an elective course within the university's credit structure. Of the total 48 hours, 42 hours were delivered by a group of Borusan Lojistik experts representing different areas of specialization. These areas included sustainability, occupational health and safety (OHS) and environment, human resources, artificial intelligence and data analytics, robotic solutions, logistics operations, intermodal transport services that reduce carbon emissions, communication, and marketing. The sessions were held at Istanbul University's Beyazıt Campus. The remaining 6 hours were taught by professors from Istanbul University. Certificates were issued and approved by IU SEM, and exam results were reflected in students' academic credits. The program has now entered its second year, and new registration periods are opened every fall and spring semester.

Key Achievements

- The project enhanced youth leadership potential in the sector and helped children develop sustainability awareness at an early age, contributing to societal transformation.
- Implemented in 4 different public schools.
- Reached 402 children.
- 85 students completed the certificate program.
- Over 2.5 million people were reached through digital platforms.
- 88% of the SEM training content was delivered by Borusan Logistics experts.
- Received 100% positive feedback from parents.



REWARDS AND COMPENSATION

At Borusan Group, we manage our compensation and reward processes through the “Recognition, Appreciation, and Total Rewards Management” approach.

Our Total Rewards Management process comprises motivating and competitive compensation, benefits, and recognition practices that support high performance and center on our coworkers’ contribution to business objectives and their competencies.

All activities across the Group are evaluated using a globally recognized job evaluation methodology. This methodology allows us to assess the scope of each position, its level of responsibility, its relative contribution to the organization, and the knowledge, skills, experience, and competencies it requires.

We shape our compensation policies not only based on the outcomes of job evaluations but also by considering macroeconomic indicators, prevailing market pay trends, and long-term goals. We also regularly review salary adjustment processes based on these inputs.

Our fair, equitable, and performance-based compensation system is managed in accordance with legal obligations and ensures fairness by taking into account the scope of work, individual performance, and both internal and external pay equity. In parallel, we centrally define and operate benefit packages that vary in scope and flexibility based on the role and job size, aligned with the expectations and needs of our employees.

Our performance bonus system is designed to help Group Companies achieve their targets and deliver above-target results within our total rewards framework. By fairly rewarding success, we aim to encourage our coworkers to perform at their best and to foster a performance-driven culture. Based on individual performance outcomes, employees receive performance bonuses at the end of the year, considering their performance ratings and the company’s financial capacity, with payment amounts varying by grade.

With our competitive reward system, we aim to increase productivity in the following focus areas:

- Encourage high performance
- Align reward strategy with business strategy and talent management
- Attract and retain talented employees

By implementing strategic methods that recognize and reward achievements, we aim to reduce the risk of talent loss and strengthen employee engagement.

As a signatory to the United Nations Women’s Empowerment Principles (UN WEPs), we uphold the principle of equal pay for equal work at all times. We never tolerate any gender-based disparities in compensation or rewards among Borusan members with equal seniority and competency levels.



OCCUPATIONAL HEALTH AND SAFETY AT BORUSAN

At Borusan Group, the health and safety of our coworkers form the core of our operational priorities. We are committed to providing a work environment that minimizes risks and reinforces a safety culture across all levels of the organization. Our occupational health and safety (OHS) efforts are designed to prevent accidents, protect our workforce, and promote overall well-being.

We ensure that every Borusan member has access to the necessary resources, training, and support to work in a safe and healthy environment. With our pioneering efforts and projects in OHS across Türkiye, we aim to serve as a model Group in the sectors in which we operate. Through the OHS culture we have developed, we continue to strengthen our commitment to being an employer that offers a healthy, happy, and safe working environment. Moreover, we monitor all OHS-related operations across our value chain, striving to provide the safest and healthiest environment for all our coworkers, subcontractors, customers, and suppliers. We remain focused on continuously improving our safety performance and fulfilling our responsibilities to our employees and society.

With the motto “This is it. This is Health and Safety at Work,” Borusan Group aims for zero fatal workplace accidents and conducts regular operational risk analyses, performance monitoring, OHS-focused training, infrastructure improvements, and emergency drills. Across the Group, we delivered over 144,000 hours of OHS training.

We are committed to providing safe and appropriate working conditions to prevent health deterioration. With the contribution and engagement of our coworkers, we strive to achieve our goal of zero accidents.

Our Key OHS Goals:

- **Zero Fatal Occupational Accidents**
- **50% Reduction in Accident Frequency Rate**
- **30% Reduction in Accident Severity Rate**

To achieve “zero fatal occupational accidents,” we:

- Operate in full compliance with safety standards in all production, operations, and working environments to ensure a healthy and safe workplace
- Take comprehensive precautions against potential hazards and consider the health and safety of our employees as our highest priority
- Record, report, and analyze all accidents, regardless of existing precautions, and share lessons learned with our employees to prevent recurrence
- Assess occupational health risks caused by work-related factors and conduct regular health checks for our employees to prevent occupational diseases
- Define success as achieving our goals without ever compromising the health and safety of our employees
- Consistently emphasize a culture of health and safety and expect all our employees to work in accordance with this culture
- Take firm steps to become a leader in health and safety across the sectors in which we operate and within Türkiye
- Require our business partners to systematically embrace a culture of health and safety and evaluate them accordingly
- Commit to and adopt a management system that embraces continuous improvement

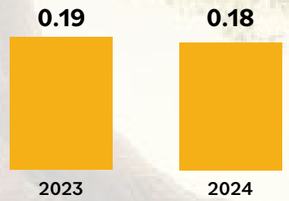
In 2024, a total of 132,000 hours of OHS training were provided to employees and subcontractors across our Group Companies.

Our OHS Performance Goals for 2023 were as follows:

- Reduce accident frequency rate to 5.53
- Reduce accident severity rate to 0.15

	2023	2024 Target	Achieved in 2024
Accident Frequency Rate (%)	6.5	5.5	**6.11**
Accident Severity Rate (%)	0.19	0.15	**0.18**

Accident Severity Rate (%) - Group Companies and Subcontractors



Last year, the combined accident severity rate for employees and subcontractors was recorded at 0.19%. This year, the rate followed a similar trend, reaching 0.18%. Through various ongoing projects and improvement efforts, we aim to reduce this rate even further in the coming year.

OCCUPATIONAL HEALTH AND SAFETY AT BORUSAN

Borçelik
Developing a Positive Safety Culture

The primary objective of Borçelik's project is to engage with people directly and ensure that the culture of occupational safety is fully internalized across the company, with all employees placing workplace safety at the core of every process. Borçelik aims to build a sustainable safety culture in collaboration with its employees. While various practices promoting safe behavior are already in place, Borçelik has conducted an in-depth review of unsafe behaviors and incidents to identify areas for improvement and plan company-wide actions under the Plan-Do-Check-Act strategy.

The Developing a Positive Safety Culture project represents a comprehensive initiative that supports the Group's sustainability (i^3) approach.

The project began with on-site visits for incident detection analysis, followed by a process designed to establish strong communication with employees and reduce unsafe behaviors. The primary aim of this process is to reduce the rate of behavior-based accidents.

Following the incident detection analysis, the first step implemented was **PEK – Monday Safety Talks**, during which all employees attend weekly safety briefings every Monday. These sessions include updates on OHS incidents and actions taken, reminders of important safety topics, and real-life best practice examples suggested by employees. The main purpose of these sessions is to maintain maximum awareness of workplace safety at all times.

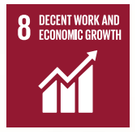
In the second step, **ERD – Early Warning Inspections** were launched. Operational risk checklists were created for each department across all locations, and inspections were carried out with department representatives. The goal is to continuously review high-level risks, raise department heads' awareness of OHS, and foster healthy competition among departments through risk scoring.

Behavior-based accident rate in 2024: 75%
Behavior-based accident rate target for 2025: 50%

Key Achievements

- The project was implemented simultaneously across all locations and included all employees.
- 101 PEK sessions were held, totaling 1,010 minutes, with 7,004 participants, resulting in a measured satisfaction rate of 88%.
- Through ERD, job-specific safety risks were analyzed for 25 departments, control checklists were created accordingly, routine inspection plans were formed with department representatives, and the practice was rolled out to all locations. Under the ERD program, 99 inspections were carried out and 1,089 early warning cases were identified; following initial detection, an improvement rate of 18.67% was recorded.





Borusan Lojistik
Safety Ambassador

Borusan Lojistik systematically monitors the development of its occupational safety culture to assess and visualize its maturity level.

The most fundamental indicator of a strong safety culture is when employees can say, without hesitation, "I am valued" and genuinely feel valued by their company. In this regard, Borusan Lojistik launched the Occupational Safety Olympics in 2023 to foster a positive safety culture and team spirit. This initiative earned the company an "Inspiring the Future Award" from Borusan Group. Building on this success and aiming to embed the occupational health and safety culture into everyday practices, Borusan Lojistik initiated the "Safety Ambassador" project this year.

This project designates volunteers as Safety Ambassadors to facilitate peer learning and share best practices that contribute to the transformation of occupational safety culture. The project is built on voluntary participation.

Each month, one employee is selected as a Safety Ambassador to lead site walks and deliver toolbox trainings. These ambassadors play a key role in enriching Borusan Lojistik's risk-focused safety perspective. In addition, the project strengthens peer-to-peer communication on safety and aims to involve all employees as active links in the safety chain.

Key Achievements

- Helped further internalize a positive safety culture centered around employee health and safety.
- Reduced the accident frequency rate from 5.30% to 1.47%.
- Reduced the accident severity rate from 0.15% to 0.04%.
- A total of 4,681 near-miss/hazardous condition or behavior notifications were recorded in 2024, a 44% increase compared to the previous year.
- Achieved a 99.6% safe working rate across facilities in 2024.
- Toolbox training participation rose to 88% in 2024.





CREATING SOCIAL BENEFITS

Guided by our values and our commitment to the society we live in, we have always regarded creating social benefit as a priority and fundamental responsibility. For 80 years, we have strived to support social progress, contribute to the development of local economies, and address key environmental challenges to generate lasting social value. This approach is a vital part of our value creation mindset. Accordingly, we remain determined to ensure every step we take serves a meaningful purpose.

At Borusan Group, we aim to generate value for all stakeholders within our sphere of influence. Inspired by our coworkers, stakeholders, and society-and backed by the legacy of our 80-year history-we continue to work for the future with a benefit-focused approach at the core of everything we do. With the awareness that the workplace is the first field of impact, we implement practices aligned with our vision of building an equal future in all areas. We work to establish a safe work environment, foster diversity and inclusion, and cultivate a skilled and happy workforce.

In our decision-making processes, we consider stakeholders affected by our activities and value their contributions. Through our volunteer efforts and partnerships, we create value for one of the most critical parts of our stakeholder ecosystem: society. We aim to sustain this value, expand our perspective to address evolving social needs, and broaden our focus accordingly.

As in every process we are involved in, sustainability is also at the heart of our Corporate Volunteering Program. We aim to produce solutions for social challenges through projects led by Borusan Volunteers and, in doing so, to create value for all our stakeholders.

At Borusan, we always prioritize our mission of contributing to society through our sense of social responsibility. Within the scope of our “Borusan Okyanus Volunteers” Platform, we actively participate in various projects to expand our impact.

Through the Sinemasal Academy Defne Campus established in Hatay, we support the development of children and youth by offering workshops and activities in fields such as education, arts, and sports. This project also creates employment opportunities for local teachers, contributing to the strengthening of the local economy.

This year, we supported the Gönül Mutfağı (Heart Kitchen) project, reinforcing the culture of social solidarity and mutual support. Additionally, Borusan volunteers who participated in the Istanbul Marathon raised funds for the Barrier-Free Score Project of the Association for the Visually Impaired in Education and for Darüşşafaka, taking meaningful steps to increase the visibility of these NGOs.

Within the framework of the Borusan Sustainable Benefit Program, we continue to support projects aligned with our social benefit and sustainability priorities, contributing to the empowerment of local communities. These projects stand out as key initiatives that reinforce our Group’s commitment to social value and volunteering culture.

Guided by the values we carry from our roots into the future, we will continue to serve society and work toward a sustainable world. You can access details about the projects we carry out under the Borusan Sustainable Benefit Program **here.**



CREATING SOCIAL BENEFITS

Borusan Okyanus Volunteers

I'm in for a good deed with all my heart!

Number of people reached through our inclusion programs: 30,560
Number of Borusan members participating in volunteering activities: 1,535

Established in 2008, the Borusan Okyanus VolunteersPlatform enables Borusan members to channel their knowledge and skills into volunteer activities that contribute to society. The platform facilitates communication among volunteers and simplifies project application processes.

The platform conducts meaningful projects in areas such as education, culture and arts, the climate crisis, and reducing inequalities. In all these efforts, collaboration with local communities, NGOs, and local governments is a top priority, as the platform aims to build partnerships aligned with its goal of building a sustainable world and the spirit of collective achievement.

Driven by environmental and social responsibility, our volunteers are always committed to being part of the solution. The Borusan Okyanus VolunteersPlatform aligns with Borusan Group'ssustainability perspective and material topics, implementing outcome-oriented projects. Moreover, all projects are designed to reflect the types and focus areas of volunteering defined in the Borusan Corporate Volunteering Policy.

Within the Borusan Corporate Volunteering Program, any volunteer with a project idea can initiate it by following the steps outlined in the Borusan Volunteering Handbook and serve as a volunteer leader. One of the most important steps in developing impactful and successful projects is to establish a strategic NGO partnership in line with the Borusan Group and company strategies. These collaborations aim to generate mutual benefit and expand the impact of our volunteers.

Through our inclusion programs, our Holding has reached **27,000 young people**. The number of **Borusan members participating in volunteering activities has risen to 856**, marking a **19% increase compared to last year**. This growth reflects our deepening commitment to social impact and the strengthening of our volunteering culture.

Borusan Corporate Volunteering Program's Manifesto

We acknowledge that the plant we live in needs us. This is why we volunteer to make the plant habitable and take firm steps into the future as part of sustainable projects. We know for sure that we are powerful enough to pass down a beautiful planet to ourselves and the next generations as long as we are united. If 'you are in for a good deed with all your heart' as part of the journey we set out to give back to the planet, we stand with you.

Our volunteering activities fall under two categories: conventional volunteering and skills-based volunteering. Conventional volunteering is based on goodwill and time commitment, rather than professional skills. Examples include fundraising, participating in charity walks or runs, painting schools, or reading books to children.

Skills-based volunteering involves individuals or groups applying their professional expertise to support a person or institution. Examples include providing coaching or mentoring, or offering IT or accounting support to an NGO.

The program has its own governance model and is fully supported by Borusan Group. The organizational structure is shown below:

Sponsor of Okyanus Volunteers → **Committee of Okyanus Volunteers** → **Head of Okyanus Volunteers** → **Committee of Okyanus Volunteers** → **Voluntary Project Leader**

Our Group Head of People, Communication, and Sustainability serves as the lead sponsor of the Okyanus Volunteers, supporting the implementation, development, and scaling of this important program. They also ensure the integration of the Corporate Volunteering Program into our Group strategies and promote volunteering as an integral part of our corporate culture.

The Okyanus Volunteers Group Committee consists of the Head of Okyanus Volunteers, the Corporate Communication Officer, and Company Leaders, the Group Committee of Okyanus Volunteers. This committee represents the executive team of the Borusan Corporate Volunteering Program. Their primary duties include expanding volunteering across Group companies, nurturing the internal volunteering network, and encouraging company-based volunteer committees to implement projects aligned with the Ocean Volunteers Corporate Volunteering Program's strategic focus areas.

The program is designed to provide a platform where volunteers can apply their knowledge and skills while contributing to Borusan's sustainability goals. Our Borusan volunteers carry out their efforts under the themes of Climate, Human, and Innovation, with the flexibility to update focus areas according to evolving social and environmental needs.

You can access detailed information about the Borusan Volunteering Handbook **here**.

CREATING SOCIAL BENEFITS
BORUSAN KOCABIYIK FOUNDATION

BORUSAN KOCABIYIK VAKFI

Founded in 1992 by Asım Kocabıyık, his wife Z. Nurhan Kocabıyık, and their children, the Asım Kocabıyık Cultural Education Foundation has been operating under the name of the Borusan Kocabıyık Foundation since 2007. The Borusan Kocabıyık Foundation continues its activities with the understanding that education and arts are crucial for a thriving society and remains dedicated to honoring the mission of fulfilling the “debt of gratitude” to the country, as envisioned by Asım Kocabıyık, the Founder and Honorary President of the Borusan Group.

Educational Activities

As the Borusan Kocabıyık Foundation, we continue our efforts with the conviction that reaching contemporary civilization standards in Türkiye, advancing the secular and democratic Republic, and achieving economic development can only be accomplished through education. We support societal and individual development by prioritizing education projects and scholarship programs, and by providing lasting contributions to our country, such as schools, dormitories, libraries, and nurseries. Our educational initiatives are organized under the categories of support to endowed institutions, educational projects, and scholarship and support programs.

Scholarship and Support Programs

The Borusan Kocabıyık Foundation places scholarship programs among its top priorities. Since its establishment, it has been working to support the creation of a bright and knowledge-driven future through scholarship programs developed with an understanding of equal opportunities in education. In 2024, the Foundation awarded scholarships to 25 vocational high school students and 208 university students, and provided conditional and special scholarships to 78 students. As part of the Education Mobilization initiative launched following the earthquakes of February 6, 2023, to improve living and educational conditions in the disaster region, scholarships were provided to 809 students. Furthermore, within the framework of the “Light a Candle!” project by the Association for Supporting Contemporary Life (ÇYDD), scholarships were awarded to 431 students in 2024.

The Borusan Kocabıyık Foundation launched HEP1İZ, a comprehensive support program that complements its scholarship initiatives. Within the scope of this program, in 2024, 70 scholarship recipients received English language training through a partnership with Berlitz. Mentorship was provided to 55 mentees by volunteer mentors from Borusan. Audiobook subscriptions were offered to 87 scholarship recipients. In addition, 207 recipients received Avita Service and Support, which covered a wide range of services including psychological, legal, financial, and medical assistance, as well as healthy nutrition support.

With the awareness that education and art are indispensable components of an advanced society, the Borusan Kocabıyık Foundation has been supporting talented young musicians since 2005 through the **Borusan Music Scholarship**, enabling them to pursue graduate studies abroad. To date, a total of 66 young musicians have benefited from this scholarship program. As of 2024, 13 young musicians have received support.

Lasting Contributions – Improving Education Facilities

Continuing its efforts in the field of education in 2024, the Borusan Kocabıyık Foundation carried out one of its major projects from 2022-the Student Center at Bursa Uludağ University Gemlik Sunğipek Asım Kocabıyık Campus-in cooperation with Gemlik Municipality and Bursa Uludağ University. Launched under a joint protocol, the project was completed at the end of 2023 and opened for service as a student center as of 2024.

Educational Programs

Borusan Story House

Borusan Story House launched its activities in 2023 under a protocol signed between the Borusan Kocabıyık Foundation and the Beyoğlu District Directorate of National Education as part of a broader educational partnership. The initiative functioned as a pilot project in its first year and transitioned into a proven and impactful program in its second. The structured workshops designed for children aged 7 to 9 were developed with an educational philosophy that is direct, liberating, imaginative, non-categorical, and respectful of individual differences-an approach that also reflects the Foundation’s broader vision for education. Unlike standardized methods that can be applied across contexts, these workshops are tailored to the specific needs of each setting, developed exclusively for the Borusan Kocabıyık Foundation. In 2024, the workshops took place in three formats: Weekday Educational Workshops, Weekend Educational Workshops, and Borusan Story House at the Exhibition: “The Face of the Republic.”

During the Weekday Educational Workshops in 2024, a total of 32 workshops were held, reaching 759 students from 17 schools. Between January-May and October-December, 28 classes from 17 schools in Beyoğlu and Şişli.

The Weekend Educational Workshops reached a total of 1,056 children through 48 workshops held between February-May and October-December 2024.

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Psychosocial Support Workshops

Following the earthquakes of February 6, Borusan Story House launched a comprehensive program to provide regular psychosocial support workshops for children and youth in disaster-affected areas. These workshops were conducted monthly in Adıyaman and Hatay with a specialized team of expert instructors. Six months after launching in Adıyaman, the program shifted its full focus to Hatay. Spanning from May 2023 to May 2024, the three-phase initiative held a total of 772 workshops, reaching 14,617 individual contacts.

Borusan Story House at the Exhibition

The Face of the Republic exhibition, created by the Borusan Kocabıyık Foundation in celebration of the 100th anniversary of the Republic, was designed to offer children a joyful and engaging cultural field trip experience. Between January and June 2024, a total of 11,048 students from 296 classrooms across 55 schools-including primary, lower-secondary, and high schools throughout İstanbul-visited the exhibition. The Borusan Story House educational program was nominated for the Astrid Lindgren Memorial Award (ALMA), one of the world’s most prestigious accolades in children’s literature, by the Turkish Association of Children’s and Youth Publications. Borusan Story House became the youngest nominee in the award’s history. In addition, the program published its first wordless picture book, Bazen Öyle, Bazen Böyle (Sometimes Like This, Sometimes Like That), in 2024. The book was selected to represent Türkiye as the sole featured title at the 2025 Bologna Children’s Book Fair.

CREATING SOCIAL BENEFITS
BORUSAN KOCABIYIK FOUNDATION

BORUSAN KOCABIYIK VAKFI

English Language Support
The Borusan Kocabıyık Foundation aims for students attending the schools it has endowed to graduate with a strong command of English. In this context, a project titled English Language Support was developed in collaboration with Novakid. In 2024, a total of 10,557 hours of instruction were delivered to 615 students at Borusan Otomotiv Zehra-Nurhan Kocabıyık Primary School, which was selected as the pilot school. The project, currently covering grades 5, 6, and 7, is planned to be extended throughout the entire school.

Dream Partner Book Project
Launched in 2016, the Dream Partner Book Project encourages students to engage more frequently with books, helps broaden their horizons through carefully selected titles, and supports their educational development by stimulating their imagination. To date, the project has collected over 380,000 donated books. These donations-made to educational institutions at various levels across the country-include works of children's literature, world classics, and distinguished titles by both local and international authors. In 2024 alone, a total of 97,240 books were donated to 640 schools across 73 provinces, supporting the enrichment of school libraries.

Robotics Teams
Founded in 2019 within Borusan Asım Kocabıyık Vocational and Technical Anatolian High School, the BHS Eco Team is a robotics and technology team made up of students from the departments of motor vehicles technology, information technology, machinery and design technology, and electrical-electronics technology. The team includes the 7444 Ay Yıldız and 4972 Borusan Robotics and Vehicle branches. Established to foster students' interest in science and technology and to support their development in the field of robotics, these teams have participated in numerous national and international competitions, winning many awards and continuing their work with passion and dedication.

Collaborations
BIn partnership with the Beyoğlu Municipality and in honor of November 20-World Children's Day, as declared by the United Nations-the Borusan Kocabıyık Foundation established the Beyoğlu Children's Assembly, with the aim of promoting children's rights and a culture of coexistence. The Foundation also hosted the Generation of Love and Respect for the World project, carried out in partnership with the Yuvam Dünya Association and National Geographic. Fourth-graders from Hüviyet Bekir Primary School, which did not have a school building, were hosted at the Foundation's premises for a documentary screening and a biodiversity workshop. Yuvam Dünya played a facilitating role in reaching these students. Among the Foundation's 2024 activities was an event organized by the Borusan Sports Club. During this event, the Foundation came together with Borusan members and held two workshops.

The Foundation also distributed its wordless book Bazen Öyle, Bazen Böyle (Sometimes Like This, Sometimes Like That) to all Borusan members.

Borusan Sanat
Established in 1997 as part of Borusan's initiative to create a center dedicated to advancing the arts in society, Borusan Sanat operates under the Borusan Kocabıyık Foundation at its premises on İstiklal Street.

Borusan Sanat brings together the Borusan Istanbul Philharmonic Orchestra (BIPO)-one of Europe's leading symphonic ensembles composed of Türkiye's most accomplished musicians-and Borusan Quartet, a chamber music group highly acclaimed in Türkiye, under a broader artistic vision. It also reaches art enthusiasts through Borusan Music House, which hosts avant-garde, jazz, and contemporary performers who integrate performance with music; the Borusan Children's Choir, founded in 2002 to cultivate a love of classical music in children; and Borusan Klasik Radio, an internet-based classical music station. In addition, Borusan Sanat broadcasts BIPO and Borusan Quartet concerts live throughout the season via Borusan Klasik Radio, and makes select concerts available free of charge on its digital platform, borusansanat.tv. These efforts contribute to making music more accessible and support the Foundation's mission to inspire a broad audience by contributing to various fields of the arts.

Borusan Contemporary
As Borusan Holding, we founded Borusan Contemporary in 2011-now the institution that holds Türkiye's most comprehensive media art collection. Operating as the economic enterprise of the Foundation at the Perili Köşk, which also houses our headquarters, Borusan Contemporary is a multi-platform contemporary art institution. It hosts exhibitions, events, and educational programs inspired by the Borusan Contemporary Art Collection, while also supporting the production of new artworks and critical writing through commissioned projects.

The Bookbinding Institute
The Borusan Kocabıyık Foundation launched a project titled The Bookbinding Institute (Mücellit Enstitüsü) in collaboration with artists who possess international expertise in their fields. This initiative aims to bring long-overdue recognition to the fading art of bookbinding, with contributions from instructors and artists who play a vital role in preserving this tradition. The project offers training programs to students seeking professional experience, supports the cultivation of new bookbinders, promotes the restoration of old books, and encourages the production of innovative works based on traditional methods.

It also seeks to ensure the continuation of traditional bookbinding techniques through dedicated educational and artistic practices.

CREATING SOCIAL BENEFITS
CULTURE & ARTS

BORUSAN İSTANBUL FİLARMONİ ORKESTRASI

BORUSAN QUARTET

Borusan Sanat

Established in 1997 to support the proliferation of art in society, Borusan Sanat operates under the Borusan Kocabıyık Foundation. Its activities include the Borusan Istanbul Philharmonic Orchestra (BIPO)-comprising some of Türkiye's most accomplished musicians and recognized as one of Europe's leading symphonic ensembles-alongside the Borusan Quartet, Borusan Music House, Borusan Children's Choir, classical music radio station Borusan Klasik, and the online video platform borusansanat.tv.

In 2024, Borusan Sanat continued to promote creativity, foster public engagement with the arts, and broaden access to cultural events. Its efforts, including tours, album recordings, and concert collaborations, serve to establish a strong and lasting presence in the arts. In 2024, a total of 12 BIPO concerts were held at Zorlu PSM, alongside 4 external concerts, 8 Borusan Quartet performances, and 15 concerts at Borusan Music House. Of these, 16 were broadcast on Borusan Klasik radio, and 22 were streamed via borusansanat.tv.

BIPO is scheduled to tour the United Kingdom in April 2025. In preparation, an album was recorded in 2024 under the direction of Carlo Tenan and is set to be released in 2025 under the Onyx label. This album features works by Hungarian and Romanian composers.

In September 2024, BIPO once again performed at the Final Gala of the Leyla Gencer Voice Competition, the only international-level competition of its kind in Türkiye. The orchestra has served as the event's resident ensemble since 2006.

Borusan Quartet continued its concert activities in 2024 both in Türkiye and abroad, in addition to its regular season performances. To celebrate Borusan Holding's 80th anniversary, a concert recording was made at Avdalaz Castle in Afyonkarahisar. The Quartet also performed at Stars of the Night, the 25th Anniversary Celebration of Türkiye's prominent record label Lila Müzik, held at Süreyya Opera House. It participated as one of the label's featured recording artists.

As part of its longstanding collaborations with other institutions, Borusan Sanat has consistently served as a "Highly-Contributing Performance Sponsor" at the Istanbul Music Festival since its inception. Each year, BIPO and Borusan Quartet perform concerts within the festival program. At the 52nd edition of the Istanbul Music Festival in 2024, Borusan Holding served as "Festival Sponsor," while Borusan Sanat was recognized as a "Highly-Contributing Sponsor." Both BIPO and Borusan Quartet gave performances. One of the concerts featured a world premiere of a commissioned piece by composer Steve Reich, performed by members of BIPO and Borusan Quartet. In 2024, BIPO also performed at the Gala Concert commemorating the 100th anniversary of İşbank and at the opening concert of İş Sanat's 2024/25 season, both under the direction of Carlo Tenan.

The Borusan Kocabıyık Foundation continues to offer scholarships to talented young musicians pursuing graduate education abroad under the Borusan Music Scholarship program. Launched in 2005, the program has supported 66 musicians to date. Due to planned revisions to the program, it was not opened for applications for the 2024-2025 period. However, the Foundation continues to support the living and tuition expenses of 7 current scholarship recipients who had been awarded funding in the previous term.

Founded in 2002 with the belief that music ensembles play a foundational role in shaping the cultural landscape and bringing continuity and joy to everyday life, the Borusan Children's Choir seeks to instill a love of music in children. The choir performs polyphonic arrangements of children's songs from different cultures in their original languages. Comprising children aged 9-14, the choir shifted its focus to ages 7-9 in 2024, following changes to its leadership and educational approach. It continued its training activities at Namık Kemal Primary School under the format Choir-Based Music Workshops.

Many of Borusan Sanat's initiatives reflect a commitment to gender equality and equal opportunity. A notable example would be the implementation of the blind audition method in BIPO's musician selection process since 2011. Developed in the United States as a response to discriminatory practices in classical music, this method anonymizes the identity of candidates by having them perform behind a curtain. The order in which the candidates take the stage is determined by drawing of lots while the jury members evaluate them solely on performance and only learn the identity of the selected musician after the audition. In 2024, a viola audition was held to expand BIPO's substitute musician pool. Out of 17 candidates, 3 were accepted into the reserve list.

Moreover, while the role of orchestra conductor has historically been male-dominated, the presence of women conductors is steadily growing worldwide. BIPO is committed to featuring multiple women conductors in its season programming. In 2023, Carolyn Kuan and Emilia Hoving were invited as guest conductors. In 2024, the baton was shared by Nisan Ak and Laurence Equilbey. The final concert of the 2024/25 season was conducted by Nil Venditti. Preparations are currently underway to host conductor and soprano Barbara Hannigan in the 2025/26 season, with whom BIPO previously shared the stage at the 51st Istanbul Music Festival.



CREATING SOCIAL BENEFITS
CULTURE & ARTS

Borusan Contemporary

Established in 2011 as a Borusan Holding partnership and a subsidiary of the Borusan Kocabıyık Foundation, Borusan Contemporary is a multi-platform art institution. Centered around the Borusan Contemporary Art Collection, it designs exhibitions, events, and educational programs while also supporting artistic production and publishing through commissioned works. Positioned within the Yusuf Ziya Pasha Mansion-popularly known as the "Perili Köşk"-which also houses the Group's headquarters, Borusan Contemporary draws upon a contemporary art collection that spans more than three decades. It has established a unique cultural presence by expanding its programming since 2011 with sustainable initiatives such as exhibitions, events, and educational activities centered around new media art and site-specific installations. The Borusan Contemporary Art Collection is the first and only Turkish member of the International Association of Corporate Collections of Contemporary Art (IACCCA).

Borusan Contemporary's core activities include curating temporary exhibitions focused on new media art using works from the Borusan Contemporary Arts Collection, organizing events with artists represented in the collection and guest curators, commissioning new works that promote Türkiye's cultural and natural heritage on an international scale, supporting the development of art writing and contemporary art theory to contribute to Türkiye's cultural memory, and offering educational programs for children.

As of December 2024, Borusan Contemporary had hosted 75 exhibitions in total and welcomed 15,820 visitors in 2024 alone. Among these exhibitions were Mat Collishaw: Arrhythmia and Digital Mythologies, which were on view from September 16, 2023, to August 18, 2024, and Doug Aitken: Naked City, a temporary exhibition that opened on September 14, 2024. Another highlight was the collection exhibition Eternal Prelude. In addition to producing exhibitions and programming, Borusan Contemporary also contributes to the cultural publishing field. One such example from 2024 is the Doug Aitken: Naked City book.

The Face of the Republic Exhibition

With contributions from Borusan Contemporary, the Borusan Kocabıyık Foundation celebrated the 100th anniversary of the Republic of Türkiye with a comprehensive exhibition titled Cumhuriyetin Yüzü - The Face of the Republic ("Yüz" is a homophone in Turkish, meaning both "face" and "one hundred.") Curated by İzzeddin Çalışlar and developed under the academic advisory of Prof. Dr. Haluk Oral, the exhibition explored the cultural, artistic, and social transformations of the early Republican era. It presented a rich and multi-layered perspective on how this period influenced various cultural disciplines-from the visual arts, music, and literature to graphic and architectural design, performing arts, museology, archaeology, and cinema. The exhibition remained open to visitors until June 2024. Following its closure, the structural and mechanical components specially built for the exhibition space were sold to Galataport Istanbul. Materials not intended for reuse under the Foundation were donated to cultural organizations, foundations, municipalities, and schools. Preparations for The Face of the Republic book began in November 2023. In September 2024, 2,500 copies were printed. Approximately a year after the exhibition's opening, on October 29, 2024-coinciding with the 101st anniversary of the Republic-873 copies were distributed free of charge to various stakeholders, institutions, schools, libraries, and NGOs. Additionally, the accompanying documentary, which began production in 2023, premiered on February 24 and is now available to the public free of charge on YouTube.

Talk Series

As part of its "Sensing Tomorrow" event series, Borusan Contemporary organized five talk sessions centered on the conceptual themes presented in the exhibitions Mat Collishaw: Arrhythmia and Digital Mythologies. The program invited scholars, academics, and professionals from various disciplines to engage in dialogue around these exhibitions. A performative event designed for children was also included in the series. All talks were later published on Borusan Contemporary's YouTube channel.

Children's Workshops

In 2024, Borusan Contemporary continued to run its Museum Learning Programs (Children's Workshops), created for age groups 4-6, 6-8, 7-10, and 8-12. These workshops were led by two educator teams and designed around the themes of temporary and permanent exhibitions. Each session began with interactive, dialogue-based tours and progressed into hands-on activities tailored to the developmental levels of each age group, fostering a deeper connection with contemporary art. A total of 78 workshops were held in 2024, reaching 588 children. As of September 2024, Story House-the Borusan Kocabıyık Foundation's long-standing education initiative that has reached thousands of children-was officially integrated into the children's workshop program.

Blog

Now in its sixth year, the BC+ Blog features interviews, artwork interpretations, and exhibition reviews. It aims to deepen the audience's understanding of the collection, extend the reach of the exhibitions and artworks, grow the audience for media art, and strengthen media art literacy.

Commissioned Art Projects:

Each year, Borusan Contemporary invites a different international photographer to contribute to its commissioned artwork series, with the goal of enriching Türkiye's cultural heritage. In 2024, Canadian photographer Robert Polidori carried out a project focused on the architectural works of Mimar Sinan. In addition, as part of a commissioned project developed in collaboration with Italian photographer Olivo Barbieri, drone photography was conducted across 10 ancient cities in Türkiye, including Bergama, Ephesus, Sagalassos, Hierapolis, and Aphrodisias. The project resulted in 13 new works being added to the Borusan Contemporary Art Collection.

BORUSAN CON·TEM·PO·RAR·Y

JÉRÔME SANS
CURATOR OF "THE NAKED CITY" EXHIBITION, ARTISTIC DIRECTOR

"In today's complex world, Borusan Contemporary plays a significant role in Türkiye's cultural landscape. Thanks to its geographic location, it serves as a hub for both local and international art communities. As an innovative institution that brings together contemporary art, technology, and architecture, it stands out as one of the few private organizations in the region dedicated entirely to contemporary art. But Borusan Contemporary does more than organize exhibitions-it fosters global and local artistic dialogue, challenges established conventions, and redefines how audiences interact with art. Its commitment to pushing boundaries and embracing new technologies makes it a driving force in shaping contemporary art, both in Türkiye and internationally. The building itself offers a uniquely dual-purpose use: during the week, it functions as office space; on weekends, it transforms into an art center. This fluid transition brings a sense of vitality, seamlessly weaving culture into the fabric of daily life and giving the venue a distinctive character. Working with Borusan Contemporary on The Naked City was a fantastic, smooth, and genuinely inspiring experience. The historical building, its location, and its background make it exceptional-positioned quite literally at a crossroads, overlooking the Bosphorus and standing at the intersection of multiple realities: Europe and Asia, past and present, future and now. Curating Doug Aitken's first solo show in Türkiye allowed me to create an immersive experience where the works interacted directly with the architecture and the city. From the sweeping views of the Bosphorus to how the exhibition unfolded across various floors, the space made it possible to explore themes of motion, solitude, connection, and the fluid nature of contemporary life. What makes the space truly unique is that each exhibition is dedicated entirely to a single artist-allowing their work to fully inhabit the venue, as if the artist were making it their home. Ultimately, working with the Borusan Foundation team was a collaborative, harmonious, enjoyable, and productive experience."

CUSTOMER SATISFACTION MANAGEMENT AND SERVICE QUALITY

At Borusan, we always place customer satisfaction and solution-oriented communication at the center of our approach when delivering products and services. Each of our Group Companies develops tailored, solution-focused strategies that address the specific needs and expectations of their customers. By carefully analyzing their own sectors, customer profiles, and incoming feedback, each company strives to offer the most suitable solutions.

Our Group Companies adopt a general approach to customer satisfaction management that prioritizes product and service quality and is shaped by the principles of respect, equality, integrity, and courtesy. With this understanding, we aim not only to meet but also to exceed customer expectations, thereby driving long-term success. Our customer-centric approach is an integral part of our corporate culture, and the feedback we receive from our customers plays a guiding role in our business development processes. This feedback loop not only enhances satisfaction but also supports long-term sustainable success.

The events and surveys we organize to strengthen our customer relationships and better understand their perspectives add value to our operations. These efforts enable us to listen more attentively to our customers and adapt our business strategies accordingly. This method of doing business reflects our broader commitment as Borusan Group-not to short-term achievements but to building lasting trust and long-term customer loyalty. Our approach continues to be a source of motivation that propels us forward and forms the foundation of the relationships we maintain with all our stakeholders.

Borusan Pipe, Borusan Cat, Borusan Port, and Borusan Lojistik conduct their operations in accordance with the ISO 10002 Customer Satisfaction Management System to ensure all customer suggestions, opinions, and complaints are carefully reviewed and resolved through solution-oriented strategies. These companies meet the requirements of the certification and implement practices accordingly.

In today's rapidly changing world, information security has become one of the most critical areas of business. As a Group, we follow legal regulations closely and continuously ensure full compliance. Moreover, Borçelik, Borusan Lojistik, Borusan Otomotiv Group, Borusan EnBW Enerji, Borusan Port, and Borusan Cat go beyond regulatory requirements by managing their operations in accordance with the ISO 27001 Data Security Management System.

In 2024, no complaints were reported to our Group Companies by external or regulatory bodies concerning breaches of customer privacy, nor were there any incidents involving the loss of customer data. Any potential complaints are monitored and managed by our relevant departments, and corrective actions are implemented within systems and procedures as needed.

Borçelik collaborates with export-oriented sectors that produce value-added goods to develop joint projects with its customers. It focuses on supplying all required products from a single source, at the desired quality and dimensions, and at optimal cost. In line with this approach, Borçelik offers specialized services through Customer Representatives operating under its Customer Technical Services and Customer Relations Departments. In 2024, Borcelik provided a total of 1,328 hours of customer relations training to its employees.

Borusan Pipe's customer satisfaction policy is based on a customer-centric approach. With a focus on ensuring lasting satisfaction, the company takes customer demands and expectations into account, continuously improves its processes, and prioritizes building long-term relationships.

To maintain sustainable customer satisfaction, Borusan Pipe regularly measures and evaluates whether it is meeting customer expectations. These evaluations are shared across the organization, and product development activities are initiated where necessary. At Borusan Pipe, even the smallest sign of dissatisfaction is addressed with seriousness and met with solution-oriented action. While positive feedback confirms the effectiveness of its efforts, suggestions for improvement serve as valuable input in the company's pursuit of always staying one step ahead. This is why, Borusan Pipe actively encourages its customers to share their feedback.

Borusan Pipe implements the Voice of the Customer (VOC) Management System, which systematically collects, processes, and evaluates customer demands and opinions in a comprehensive and structured manner. The company became the first in the global pipe industry to be awarded the ISO 10002 Customer Satisfaction and Complaints Handling Quality System Certificate and maintained this certification in 2024 through its consistent commitment and system-driven approach.

All processes and targets related to complaint handling have been clearly defined for each function and employee involved. Senior management is committed to conducting complaint assessments based on these factors. In 2024, Borusan Pipe delivered a total of 7,040 hours of customer relations training to its employees.

Borusan Cat provides its customers with a dedicated system through which they can easily share their requests or dissatisfaction. All feedback is handled objectively, fairly, and with careful attention in line with the principle of confidentiality, and in full compliance with legal requirements and company policies. Corrective actions and follow-ups are implemented to ensure that similar issues do not recur. Borusan Cat emphasizes transparency in its customer relations and considers the resolution of all customer dissatisfaction a core principle. With its **Customer Manifesto**, which reflects its customer-centric approach, Borusan Cat commits to providing the highest level of service and ensuring its customers feel both satisfied and secure. In 2023, Borusan Cat's customer satisfaction rate was 81%, and this figure rose to 83% in 2024.

CUSTOMER SATISFACTION MANAGEMENT AND SERVICE QUALITY



At **Borusan Port**, customer satisfaction rates are reviewed meticulously every month as part of the company's goal to enhance the customer experience. Service processes are continuously improved through innovative solutions with a strong focus on customer needs. This process is evaluated using the Net Promoter Score (NPS) model and supported by digital systems.

Feedback from customers is recorded through the Customer Relationship Management (CRM) system and evaluated within the framework of the ISO 10002 Customer Satisfaction Management System. The resulting insights are integrated into business processes and effectively utilized to improve service quality. In this way, innovative steps continue to be taken to raise customer satisfaction. These efforts have played a key role in embedding a culture of customer-oriented innovation throughout the company. At Borusan Port, the customer satisfaction rate for 2024 was measured at 69%.

Borusan Lojistik provides both contracted and non-contracted (spot) services to its customers. Communication with contracted customers is managed by the customer service departments of the relevant business units, depending on the type of service provided. Representatives hold regular KPI meetings as specified in the contract, and customers can monitor their operational KPIs in real time through a web-based customer portal. Integration is ensured wherever technology allows, enabling effective operation management, reporting, and traceability. For non-contracted customers, the process is managed regionally through sales representatives in the field and inside sales, with services delivered by shared customer service teams.

Customer satisfaction is proactively monitored via a one-question NPS survey conducted monthly, and a comprehensive 15-question Customer Satisfaction Survey (CSS) conducted once a year. Feedback gathered during the NPS and CSS interviews, particularly from customers giving low scores, is recorded in the CRM system. Customers can submit complaints and suggestions to customer representatives and can also reach authorized parties through the call center, website, or social media. Borusan Lojistik increased its customer satisfaction rate from 82% in 2023 to 89% in 2024.

All customer interactions-such as visits, calls, proposals, and feedback-as well as the Voice of the Customer (VOC) process, are managed through the CRM system. In line with the ISO 10002 Customer Satisfaction Management System standards, every suggestion and complaint is resolved through root cause analysis followed by a corrective action plan. Once the action is implemented, a satisfaction survey is sent to the customer to gather their views on the resolution process. In 2024, Borusan Lojistik delivered 32 hours of customer relations training to its employees.

Borusan Otomotiv Group adopts a customer-centric approach across all processes and operations. With the aim of delivering the best possible customer experience, the company places customer satisfaction at the core of every process and makes data-driven decisions. It utilizes top-tier technologies and digital solutions across all online and offline channels to ensure customer satisfaction. In 2024, the customer satisfaction rate was measured at 89% for BMW Group and 99% for Jaguar Land Rover. A multichannel marketing strategy accompanies customers throughout their experience journey. From the very first point of contact to the final stage of service, customer feedback is actively sought and used for continuous improvement. Borusan Otomotiv Group provided 290 hours of customer relations training for BMW Group employees and 12 hours for those working with Jaguar Land Rover.

At **Supsan**, the customer feedback process is managed systematically and monitored on a monthly basis. Compliance with targets for both OEM and aftermarket customers is reviewed regularly, and necessary actions are taken based on these evaluations. In addition, customer complaints are assessed under the leadership of the Quality Department, and corrective and preventive actions are implemented accordingly.

MANAGEMENT OF STAKEHOLDER RELATIONS

Operating in five different industries, we bring together many lines of business across our value chain. This means we are in constant interaction with a variety of stakeholder groups that bring different areas of expertise and influence. We understand that to maintain our success, it is critical to engage in transparent and accountable communication with our stakeholders. Therefore, we carefully consider feedback, suggestions, and expectations, incorporating them into our strategy development and business planning processes. In this context, we continuously improve our communication model in response to evolving needs, aiming to establish solution-oriented and effective dialogue.

Our coworkers are our most valuable asset. That is why we make their health, safety, and well-being our top priority and strive to ensure that our work environments go beyond merely decent working conditions. We provide a modern and respectful work environment that allows every coworker to recognize and realize their full potential. Accordingly, we are committed to creating an atmosphere where ideas can be expressed freely and are genuinely valued. We keep our coworkers informed through both digital and in-person communication channels and regularly listen to them through satisfaction surveys and meetings. We use the feedback we receive to improve our business processes, recognizing that our overall success is closely tied to individual development and motivation. We also support the growth of our employees by offering training opportunities that help them build new skills.

At Borusan Holding and Group Companies, we are fully aware that sharing common values and making decisions aligned with our cultural principles is vital to our success. As Borusan Group, we operate across a multi-stakeholder ecosystem in Türkiye and around the world in the fields of manufacturing, machinery and power systems, automotive, logistics, and energy. We believe that our business and sustainability goals can only be achieved through collective awareness. Therefore, we foster two-way dialogue with all our stakeholders through reports, meetings, and digital updates.

We recognize that customer satisfaction is a key factor in achieving sustainable success, and we strive to maintain the highest level of satisfaction across the Group. We quickly assess the feedback we receive from our customers, aiming not only to resolve issues but also to anticipate potential problems and take proactive measures. We view suggestions from our customers as opportunities for improvement and implement development actions accordingly. What's more, we create processes that generate value for the local communities affected by our operations-including children, youth, and entrepreneurs. We maintain our communication with society through social responsibility projects tailored to local needs and expectations, various events we organize, and our social media platforms.

Our Group has an extensive supplier portfolio, and it is critically important to us that all suppliers we work with share our values. For this reason, we refrain from collaborating with any suppliers who do not align with our core values or business principles. We prioritize responsible supply chain management and work to build a resilient supply chain to support uninterrupted operations. Last year, we launched a supplier self-assessment process to evaluate our suppliers' sustainability maturity. During this reporting period, we expanded the number of suppliers we assessed and digitized the process to further mature our sustainable supply chain management practices. Through effective and results-oriented collaboration, we will continue engaging in two-way dialogue with our suppliers to build a more resilient supply chain.

In line with our activities, we remain committed to keeping the public accurately informed through transparency and accountability. Through our professional relationships with the media and other stakeholders, we aim to inspire other players in the business world by sharing our operational successes and promoting best practices.

In both Türkiye and international markets, we place great importance on building processes with all our stakeholders and partners that are rooted in integrity, trust, and value creation. We believe that access to quality education is the foundation of a modern and progressive society. That is why, we develop initiatives that promote equal opportunities in education and collaborate with students and academics on projects that focus on science and technology. We go beyond our legal obligations by partnering with various non-governmental organizations and professional associations to create value for society and the sectors in which we operate.

As Borusan Group, we place utmost importance on stakeholder relations, guided by a spirit of inclusion and collective success. You can access further details on the communication methods and frequency of engagement covered within our stakeholder interaction framework **here**.



GEOPOLITICAL AND HUMAN-RELATED ISSUES

Just like every other business, geopolitical and human-related issues are critical elements that can directly or indirectly affect the way we conduct our business, our operations, and our performance as Borusan Group. It is of strategic importance that we take existing and potential challenges into account when determining our strategies and objectives, and assess these issues from both a risk and opportunity perspective. This approach is key to maintaining our success.

We recognize that our success is not limited to the areas in which we operate. Environmental and social factors beyond our immediate sphere of influence must also be considered. We understand that success will grow if we can create value even in regions outside our impact zone and through relationships with stakeholders we do not actively collaborate with. With this awareness, we continuously monitor developments-both positive and negative-occurring outside the geographies in which we are present, as these may have financial and operational implications. In this context, we conduct risk and opportunity assessments informed by our analyses of global and sectoral trends. Being prepared for changes that may occur in the business world or in the sectors where our Group Companies operate is a foundational requirement for sustaining our presence as a resilient institution. Maintaining this resilience brings with it certain responsibilities within our diverse stakeholder ecosystem. Our foremost duty is to create value for the stakeholders we are in communication with. As a human-centered organization, one of our top priorities is to develop models that benefit stakeholders across our value chain, to find solutions for environmental and social challenges, and to transform those solutions into lasting and impactful processes.

The identification of geopolitical risks is of vital importance, as it allows us to respond swiftly and effectively in the geographies in which we operate or in regions that form part of our supply chain, should such risks materialize. These risks pose threats first and foremost to human security and subsequently to business continuity. Therefore, they are embedded in our strategy development processes.

Defining ourselves as a human-centered institution requires us to remain sensitive to human-related needs and challenges that may arise throughout our value chain. Since our founding, we have implemented inclusive policies that put people at the center. We continue to lead by example in our sector and among our stakeholders by promoting practices that protect human rights, ensure fair and safe working conditions, and foster equal opportunities. Supporting social development, playing an active role in solving societal issues, and listening to our stakeholders are among the most critical-yet undoubtedly challenging-responsibilities of being a responsible organization. At Borusan Group, we are deeply committed to fulfilling this responsibility and constantly refining our strategies in this regard.

In recent years, the world has witnessed significant changes in geopolitical balances and societal needs. One of the main drivers of geopolitical and human-related risks is the growing number of regions experiencing scarcity of natural resources and the increasing difficulty in accessing them. For this reason, the efficient use of natural resources is a matter of vital importance to us and lies at the core of our climate-oriented approach. Within this framework, we set measurable targets and develop a variety of projects to monitor and ensure the most effective use of our resources.

We prefer to approach geopolitical and human-related issues not as insurmountable obstacles, but with a solution-oriented mindset. We believe that these challenges can be addressed through the fair global distribution of resources, efforts to resolve conflicts, and the development of policies that promote societal well-being. This approach reflects Borusan Group's commitment not only to operational sustainability but also to building a fairer and more balanced future on a global scale.

You may access further details and information on the global and sectoral issues that guide our business processes **here**.



Growing roots for the future, developing through innovation

INNOVATION

“Taking root in the future, transforming through innovation”

A step taken 80 years ago has made us one of Türkiye’s most established Groups today. On this journey, we have seen innovation as a powerful resource for developing customer-focused products and services, actively incorporating innovation across our entire organizational structure.

With our i^3 value framework, we place innovation at the center of our efforts to reduce operational risks, utilize resources efficiently and effectively, and design processes powered by cutting-edge technologies. We maintain steady growth fueled by innovation, entrepreneurship, and R&D.

By increasing our responsible investments that contribute to sustainability, we establish meaningful collaborations with our stakeholders. Through **Borusan Ventures**, we make corporate venture capital investments and stand beside the technology ventures of the future. We develop systematic initiatives to address industrial challenges and support the startup ecosystem. We conduct numerous pilot studies with various ventures, testing these solutions in real settings and co-developing them. Our goal is to help scale the value created within the Group’s business areas.

In 2024, we continued to add new initiatives to our track record of countless successful projects. With our highly competent workforce, we generate innovative ideas and deliver value-added products and services. Through the adoption of new technologies and our efforts in digital transformation, we are progressing with confidence toward our Group objectives. The projects we initiated, implemented, or completed in 2024 are helping to shape the future of the business world.



TECHNOLOGY AND DIGITAL TRANSITION

Today, technology is no longer just a tool for process optimization in operations—it has become a force reshaping entire industries. At this point, the twin transition, which supports both digitalization and sustainable growth, introduces a new dimension to the sustainability perspective. The convergence of technologies such as artificial intelligence, big data, and the Internet of Things (IoT) with the goals of the green transition fosters both economic growth and environmental sustainability, creating a strong synergy.

The European Union's "climate neutrality" target further emphasizes the urgency of the twin transition in Türkiye. Through the Carbon Border Adjustment Mechanism (CBAM), carbon emissions generated during the production of goods entering the EU are now being priced, which in turn encourages the use of clean technologies in non-EU countries. The resulting opportunities contribute to competitiveness, productivity, and resilience.

At Borusan Group, we develop transformative technologies that center sustainability in our operations in order to successfully navigate both global and national transformations. In this context, the ongoing wave of technological and digital transition worldwide has become an integral complement to our sustainable value creation processes. Drawing strength from our roots, we implement technology and digital transition projects that leverage this powerful momentum. We are taking confident steps to lead our country and our company into the future.

Borçelik
Real-Time Forklift & Reach Truck Simulator Using Virtual Reality Technology

Through a project launched at Borçelik, training processes in logistics and warehouse management have been transformed, increasing workforce efficiency and safety. Real-time virtual simulations were used to train employees on forklift and reach truck operations in a safe and efficient manner.

By enabling operators to grasp correct maneuvers more quickly, the project has led to significant time savings in daily operations. The simulator-based training offers a more innovative alternative to traditional methods, allowing participants to practice extensively across various scenarios and build strong competencies. Success rates in the simulator were found to be higher than those observed in traditional training approaches.

The simulator provides a modular training environment that includes e-learning, daily checks, PPE selection, multiple-choice tests, a practical driving course, and various scenarios-making it easy to identify areas for improvement. The simulator is now being commercialized under the brand name Nexarium, through a partnership agreement with a third-party company. As part of the project, for the first time globally, instructors have the capability to deliver training remotely in a VR environment.

Key Achievements

- Workplace accidents decreased by 40% after simulator-based training.
- Post-training assessments showed a 35% improvement in employees' operational efficiency.
- Simulator training eliminated maintenance, repair, and operating costs associated with traditional physical machine training, while also preventing carbon emissions caused by equipment usage.
- Reduced equipment wear and more efficient resource utilization resulted in significant annual savings in maintenance costs.



Borusan Port
Route Optimization Project

At Borusan Port's project and heavy transportation division, optimizing the transport of high-tonnage project cargo is one of the top priorities. Through the Route Optimization Project, systematic analyses are carried out to evaluate road risks and safe zones along the route to the final destination-ensuring optimal transport of heavy loads. During these analyses, foremen collect preliminary data along predefined routes by measuring GPS coordinates, bridge heights, and intersection distances. They upload real-time photographs and data onto the map system to generate detailed road reports.

Key Achievements

- Systematic tracking of the data that was previously collected manually for road reports is now ensured, significantly reducing error rates.
- Road reports for projects can now be created more quickly using system-registered data, increasing customer satisfaction.
- Repetitive processes are eliminated for projects using similar routes.



TECHNOLOGY AND DIGITAL TRANSITION

Borusan Otomotiv Group
Copilot Next – AI-Powered Smart Dealer Management System for Automotive After-Sales Processes

Copilot Next is an AI-powered smart dealer management system developed to improve after-sales processes. The project aims to ensure that vehicle repair and maintenance procedures are conducted and monitored in compliance with manufacturer and importer guidelines. It enhances operational efficiency in several areas, including the tracking of stock for original and locally procured parts, accurate timing of orders, customer segmentation, personnel management, digitalization of work orders and invoicing. Considering the limited capabilities of existing systems and the high costs driven by currency fluctuations, this local system was developed using innovative technologies. Key highlights of the project include advanced customer segmentation, intelligent parts ordering, demand forecasting powered by machine learning techniques, automation in stock tracking and warehouse management, a web-based responsive design, integration with online payment systems, and flexible brand-agnostic system configuration.

Key Achievements

- The system offers a flexible infrastructure that can be used across service centers of different automobile brands.

- A locally developed solution has been created that does not require high licensing fees or infrastructure costs.

- Copilot Next has the capacity to generate over 350,000 invoices annually and enables the creation of over 500,000 quotations and work orders.



Borusan Lojistik
Fully Autonomous Pallet Transport and Smart Warehouse Optimization System Project

In an increasingly digitalized world, business processes are undergoing a transformation where expectations for speed, flexibility, and efficiency are constantly rising. In the logistics sector, competition is shifting toward autonomous solutions supported by next-generation technologies, with warehouse management positioned at the heart of this shift. This innovative technology replaces manual processes in logistics warehouse operations, eliminating human-related limitations and increasing operational efficiency.

The project consists of two main phases. In the first phase, the autonomous pallet transport system was successfully deployed during the goods acceptance process to boost operational efficiency. In the second phase, the scope was expanded to include the shipment process. At this stage, the system not only transports pallets from the goods acceptance area but also moves pallets prepared for shipment to the dispatch pool. This enables two different transport operations to be carried out simultaneously, providing a significant coordination advantage in operational processes. In turn, it supports customer trust and loyalty, while allowing high-volume storage and distribution operations to be completed more efficiently and effectively.

Key Achievements

- Operational processes have been modernized through innovative features such as real-time data flow, route optimization, and uninterrupted 24/7 operation.

- Autonomous robots have reduced dependency on manual labor in intra-warehouse transport processes, making operations faster and more error-free.
- With an average of 300 pallets transported daily, workforce productivity doubled.
- Unsafe behaviors observed during the use of manual equipment by operators improved by 70%.



Borusan EnBW Enerji
Daily Generation Forecasting Model

The energy market is characterized by cost fluctuations driven by uncertainty. The project aims to improve electricity generation forecasts for Borusan EnBW Enerji wind farms by 5% to 10%, thereby enhancing operational efficiency.

Renewable energy plants make daily forecasts for the following day's generation, and based on actual market direction, additional costs may arise. The main challenge in forecasting energy generation lies in the irregular nature of wind speed variations. Therefore, technologies such as artificial intelligence and machine learning offer significant opportunities. More accurate forecasts help reduce supply-demand imbalances in energy generation and increase the use of renewable resources. In this respect, the project contributes to Türkiye's clean energy transition and aligns with both global and national sustainability goals.

Key Achievements

- The project brings a new perspective to generation forecasting.

- It supports more accurate short-term energy generation.

- Short-term forecasts help inform better energy trading decisions and contribute to system stability.



SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Geopolitical and socioeconomic shifts across the business ecosystem make it imperative to strengthen supply chain resilience. Enhancing resilience, in turn, requires thorough risk analysis, the adoption of sustainable practices, and a responsible management approach. In this context, we are committed to managing the environmental and social impacts of our activities and to creating added value. Guided by this core principle, we are working to embed sustainable supply chain practices across our entire value chain.

From our founding to our 80th year, we have expected our suppliers to adopt the Borusan Group's Code of Ethics. In cases of unethical conduct, legal non-compliance, or corruption, we act immediately by issuing a written statement and terminating our cooperation with the relevant supplier. We conduct regular audits to eliminate even the slightest risk of violations involving forced labor or child labor. We prioritize responsible procurement principles throughout our international value chain and support Türkiye's socioeconomic development by giving preference to local suppliers.

We are determined to spread sustainable business practices-which are key to building a better life and a sustainable future for all stakeholders-across our value chain. In doing so, we encourage our entire stakeholder ecosystem to adopt the same approach, guided by the principle of "leaving no one behind."

In 2023, we began our sustainable supply chain work by launching and integrating our "Sustainable Procurement Policy" into our business model. Across the Borusan Group, we developed a Supplier Self-Assessment Form based on four main categories and thirteen subcategories-"General Understanding of Sustainability," "Governance," "Environmental," and "Social"-including mandatory criteria such as legal compliance, to assess the sustainability performance of our key suppliers.

In 2024, we expanded the scope of our efforts across our value chain with the introduction of Türkiye's first "Sustainable Procurement Supplier Guide" and the "Supplier Self-Assessment Form." We tripled the number of suppliers included in the assessment and doubled the number of suppliers who completed it. Each supplier who completed the inventory received a report detailing their sustainability maturity.

We shared a performance scorecard with each responding supplier, including their sustainability score based on the Borusan Sustainable Procurement Policy, suggestions for improving their areas of development, and best practice examples to help maintain high performance. While we analyzed the current state of sustainability within our supply chain, we also supported our suppliers in elevating their sustainability performance. To maximize the impact of the results, we are continuing our efforts to develop a supplier engagement roadmap that includes compensation models, penalty policies, and training initiatives.

In addition, we focused on digitalization to improve the efficiency of our expanding efforts. Through a strategic collaboration with PwC Türkiye, we integrated our assessment process into an online portal. This online platform allowed suppliers to complete the Self-Assessment Form more quickly, while also enabling Borusan Procurement Managers to easily analyze the results. Thanks to this system, supplier performance is now tracked live through summary tables and graphics throughout the process, increasing automation.

You can access further details about our Borusan Sustainable Procurement approach and documents including the "Sustainable Procurement Policy," the "Supplier Self-Assessment Form," and the "Sustainable Procurement Supplier Guide" at **www.surdurulebilirsatinalma.com**

Borusan Lojistik Sustainable Supply Chain Gatherings and Customer Decarbonization Initiatives

As part of its journey to build a sustainable supply chain, Borusan Lojistik continues to engage with its customers-the cornerstone of the supply chain. Through these Sustainable Supply Chain Gatherings, it seeks to go beyond merely serving as a supplier and become a value-creating business partner. In line with this aim, Borusan Lojistik develops joint projects with its customers that add value to their products and services, focusing on areas for improvement in environmental, social, economic, and governance aspects, while offering sustainable logistics solutions.

The second edition of the event, which was focused on climate in 2023, was held in 2024 with a focus on innovation. Attended by 406 participants from 206 companies across a variety of industries-including metals, automotive, paint and chemicals, retail, and electronics- the event featured panels on the impact of artificial intelligence, robotics, and next-generation technologies on industries, as well as discussions on the relationship between the economy and sustainability.

Key Achievements

- Feedback gathered through satisfaction surveys yielded a high average score of 4.2 out of 5, informing the focus area for the next event.
- Borusan Lojistik presented its inaugural sustainability report during the event.
- To date, the Sustainable Supply Chain Meetings have reached 1,897 people and involved collaboration with 6 customers.





SUPPORTING ENTREPRENEURSHIP AND FOSTERING COLLABORATION

+ BORUSAN SÜRDÜRÜLEBİLİR FAYDA PROGRAMI

Improving Together

Through the Borusan Sustainable Benefit Program, launched by Borusan Holding, we support high-impact projects in line with our social impact and sustainability priorities—projects that address societal challenges and have strong potential to mobilize target groups. In partnership with Impact Hub Istanbul, we provide capacity building, grants, and mentorship support to selected projects aligned with our social benefit and sustainability priorities, aiming to influence and activate their target audiences. We also organize various training sessions and events. We support projects that place social benefit at the center and serve as agents of social transformation by helping them build their capacities.

First Cycle

In the first cycle of the program, we received 121 applications from 25 cities. Of these applications, 55 focused on combating the climate crisis, 41 on reducing inequalities, and 25 addressed both themes. We supported the following three projects selected by our jury under the Sustainable Benefit Program:

Ayşe Damla İşeri
Education Platform for the Rights of Deaf and Hard-of-Hearing Women

Aims to raise awareness among deaf and hard-of-hearing women in Türkiye about their rights based on gender equality.

Nesra Gürbüz and Gülşah Özdemir Koryürek
Kreta the Time Traveler

Tells the story of the climate crisis through the eyes of an alien, with a focus on children's rights.

Prof. Dr. Mustafa Sarı
Hope Pinna

Aims to protect the Pina populations affected by ecosystem degradation caused by mucilage and climate change in the Marmara Sea, using scientific data, awareness campaigns, and restoration strategies.

You can access the documentary of the first cycle **here**.



Second Cycle

Uğur Mursaloğlu & Çiğdem Bozoğulları
From Farmer to Home

Aims to support rural development by connecting local producers in the earthquake region with consumers via a digital shopping platform.

Serim Yarar & Seben Dayı
Everything Accessible

Focuses on running a communications campaign to raise public awareness and mobilize decision-makers in the earthquake region toward designing accessible cities.

Ayşe Kaşıkırık
Global Network for Equality and Inclusion

Aims to empower women in the earthquake region by providing leadership and capacity-building support and co-developing disaster policies that prioritize gender equality.

Kevser Özcan
Right to Health Association

Seeks to build an ambassador mechanism to improve health literacy among women in the earthquake region regarding reproductive health issues.

You can access the documentary of the second cycle here.

We recognize that generating Sustainable Benefit begins with understanding society's needs and developing solutions to meet them. In the new cycle of the Borusan Sustainable Benefit Program, we plan to focus on projects-whether existing solutions or new designs-that address the climate crisis and reduction of inequalities.

For more information about the Borusan Sustainable Benefit Program, click here.

#SürdürülebilirFayda



In the second cycle of the Sustainable Benefit Program, we aimed to expand the reach of existing or new projects addressing social and environmental issues in the earthquake-affected region. Our goal was to turn these projects into tangible outputs and contribute to the reconstruction process in the medium and long term.

We issued a call for projects under the themes of creating livelihood and employment opportunities, planning and strengthening disaster management with a gender-sensitive approach, facilitating access to healthcare, protecting the environment and ecology, providing quality education, and promoting disability inclusion and accessibility.

We received 142 applications from 38 cities, primarily Istanbul, Hatay, Ankara, Mersin, Urfa, and Izmir. Among these applications, 61 focused on quality education, 77 on employment, 80 on livelihoods, 68 on reducing inequalities, and 64 on environment & ecology. We selected four projects to support during the second cycle.

DEVELOPING SUSTAINABLE BUSINESS MODELS

Sustainability is transforming the driving forces behind competitiveness and growth, reshaping the economic structure. In this context, the ability to quickly and effectively transition to new and sustainable business models is one of the key sources of sustainable competitive advantage. It serves as a significant lever for enhancing an organization's sustainability performance. The adoption of sustainable and innovative business models within our strategies and internal structures enhances our long-term success and social impact in a rapidly changing world. As we integrate innovative business models into our value creation chain for all stakeholders in our ecosystem, we are aware of our responsibility to manage our resources more sustainably. We align with the global business transformation by developing and implementing innovative business models within our Group Companies every year.

As part of our commitment to sustainable business models, we aim to develop carbon-free business and service models. In this direction, we are taking steps that reflect our Group's innovative spirit and improve our ESG performance. Drawing inspiration from our roots through innovation and digital transition tools, we are leading the way in change.

Borusan Otomotiv Group
Borusan Next

Multi-Brand Leasing: Borusan Next is a pre-owned vehicle platform established in line with Borusan Otomotiv Group's multi-brand and multi-channel strategy. The platform aims deliver a seamless, reliable, and engaging car-buying experience through technology-enabled channels, while ensuring the trust and assurance of the Borusan brand. With a strong focus on digital transformation, Borusan Next offers a comprehensive solution within the used vehicle market. It continuously integrates new technologies and business practices to raise the bar on customer satisfaction.

Service: Borusan Next Service locations offer periodic maintenance and mechanical repair services for vehicles of all brands and models, apart from LPG-powered, electric, and commercial vehicles. Maintenance and repair work is performed in line with precise technical standards, based on the vehicle's model year and mileage. This ensures that all maintenance or repair needs are addressed in line with technical requirements. Borusan Next Service centers go beyond identifying problems—they aim to provide the right solution at every stage of the process.

Key Achievements

- Borusan Next streamlines the buying and selling of pre-owned vehicles, making the process simpler and more secure for customers.

- Borusan Next Service has launched its locations in Kağıthane and Balgat.





Borusan Otomotiv Group
ChargeIQ

ChargeIQ is a mobile application developed with a cross-brand approach to serve the entire sector, in line with Borusan Otomotiv's sustainability vision of "Being a Pioneer in the Electrification Transformation of the Turkish Automotive Sector." The app displays the real-time availability of electric vehicle prominent charging stations operating across Türkiye. As Türkiye's first EMSP (e-mobility service provider) model both within Borusan and across the market, ChargeIQ helps eliminate concerns about EV charging by showing the real-time availability of stations throughout the country.

By consolidating data from across the ecosystem, the platform encourages EV adoption and supports the broader shift toward clean mobility.

Currently, ChargeIQ connects 182 charging network operators, covering nearly 26,000 sockets-16,000 AC and 10,000 DC-and serving more than 160,000 EVs nationwide. Its cross-network design brings sustainable innovation to Türkiye's growing electric mobility space, offering a truly forward-thinking solution.

Key Achievements

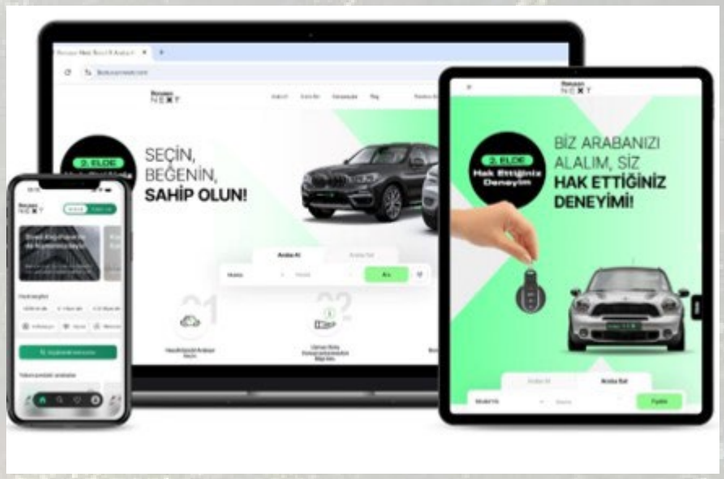
- As of 2024, ChargeIQ has reached a mature operational stage with the addition of new network operators, live socket availability, improved filtering options, a redesigned user interface, and pricing transparency—leading to more than 16,000 downloads.

- By facilitating data integration and promoting transparency, the platform helps optimize the national EV charging infrastructure.

- The app drives adoption of sustainable energy practices among both users and network operators.









R&D AND INNOVATION AT BORUSAN



We draw our strength from Borusan members and our mission to create value for all our stakeholders. As we foster development, we view R&D and innovation activities as key levers to gaining competitive advantage and achieving our goals.

As a business group that has grown and evolved in Türkiye, we continue to build on our success through the experience drawn from our deep-rooted past and our forward-looking vision.

With 198 R&D employees, partnerships with 40 universities and startups, and an R&D budget exceeding TRY 480 million, we are strengthening our vision of becoming a Group with a background of 200 years and more-leaving a lasting mark on our steady journey. We are committed to delivering high value-added products and services that contribute to both the national economy and our global stakeholders.

Through our corporate culture that promotes innovation and entrepreneurship, we develop innovative projects by leveraging our internal resources under the coordination of the R&D departments across our Group Companies.

As we move toward our 2030 sustainability goals, our innovation efforts support our other strategic focus areas, “Climate” and “Human,” creating value across all the industries in which we operate.

R&D AND INNOVATION AT BORUSAN

Borçelik
R&D Center

As a leader in the steel industry, Borçelik has positioned innovation and R&D at the core of its strategic priorities, guided by a vision to develop cutting-edge products and processes. With the aim of contributing more to Türkiye's economy and export capacity, Borçelik launched its R&D Center in 2017, following approval by the Ministry of Industry and Technology. In 2024, the company was awarded second place in the "Innovation Strategy" category at the Inovalig Champions Award Ceremony. Borçelik also collaborates with universities to support the transfer of academic knowledge to industry and promote scientific research.

Key Achievements

- In 2024, 14 new R&D projects were initiated and 13 were completed.
- 10 presentations were delivered at 6 international conferences.
- 7 national patent applications were filed, resulting in 5 approved patents.



Borusan Lojistik
Glass Transport Optimization and Digitalization Project

In 2023, 4.4% of Borusan Logistics' total glass transport volume resulted in breakage. This project addresses the full logistics chain—from glass loading at the customer's site to delivery at the dealer—by evaluating each stage individually. Using AI-based analysis of variables like driver competency, glass type, and route selection, the system estimates the risk of breakage before transport begins. Monthly meetings with customers were held to review updated action plans and improvement metrics. As a result, breakage-related costs were reduced by nearly 50% in 2024. Analysis of vibration data along routes is ongoing, aimed at developing preemptive driver alerts in future deliveries.

Key Achievements

- Achieved up to 50% reduction in breakage during transport in 2024.
- Improved customer satisfaction and loyalty, creating new business opportunities.
- Introduced digital tools for reporting and early-warning systems.



R&D AND INNOVATION AT BORUSAN

Borusan Pipe
FutureUP Intrapreneurship Program

The FutureUP Intrapreneurship Program empowers Borusan Pipe employees to discover and cultivate their interests and talents in innovation, turning individual potential into innovative and sustainable business outcomes aligned with company strategy.
The program promotes a culture of innovation through a holistic approach that includes training, workshops, and hands-on projects focused on creativity, problem-solving, trend analysis, and strategic thinking. It encourages employees to bring their ideas to life, fostering engagement and loyalty while strengthening the employer brand. FutureUP is structured around three dynamic pillars. The first includes a four-stage training module that builds skills in innovation, creativity, technical expertise, business intelligence, and soft skills. The second pillar connects with the external innovation ecosystem through FactoryIN collaborations. The third focuses on transforming innovative ideas into tangible, measurable results. This is how Borusan Pipe strengthens its innovation culture and supports the development of impactful, future-forward projects by unlocking the potential of its employees.

Key Achievements

- Supports sustainable development of employee skills.

- Fosters a lasting culture of innovation across both individual and organizational levels through a systematic approach.

TUNCAY ALAY, INNOVATION UNIT MANAGER, BORUSAN PIPE

“Factory Innovation Network: Shaping the Future Through Collective Innovation

At Borusan Pipe, we view innovation not only as an internal process but also as a strategic priority that must be cultivated together with the broader ecosystem. With this vision, we launched the Factory Innovation Network-a collective innovation platform that brings together entrepreneurs, academics, startups, technology companies, and industry professionals to develop innovative solutions and drive transformation in the sector.

During the development phase of the project, we first aimed to establish a structure aligned with Borusan Pipe’s innovation strategy. We benchmarked various innovation management processes to inform the Factory model. By implementing both internal and external innovation programs, we created synergy with the ecosystem. We aimed for Factory Innovation Network to be more than just a platform-it is now a structure that strengthens Borusan Pipe’s culture of innovation.

To date, we have developed joint innovation projects through various partnerships. By building an expansive network ranging from the startup ecosystem to the industrial sector, we have created a positive impact in the field of entrepreneurship.

In the upcoming period, we plan to further expand the Factory Innovation Network through new collaborations, innovation projects, and international ventures. Our goal is to create an innovation ecosystem that leads the sector while developing sustainable and innovative solutions.”

R&D AND INNOVATION AT BORUSAN

Borusan Pipe
AutoMate: RoboWorker

In pipe production, thread protectors must be attached to pipe ends to prevent damage during shipment. This project developed an automated, unmanned solution to perform this task efficiently while minimizing cost and increasing speed. Image processing technology was used to automatically inspect pipe ends and perform the task without human intervention. This not only eliminated occupational safety risks but also saved labor and reduced error rates.

Key Achievements

- Production teams consolidated two operations into one station, increasing production speed and efficiency.

- Minimized human error and laid the groundwork for further quality-focused measurement projects.

- OHS risks in the designated area were minimized, and safety control processes for the robotic system were developed in collaboration with OHS teams.
- In addition to boosting production efficiency, the project also had a positive environmental impact. Reduced use of oil and varnish helped lower environmental impact and contributed to the circular economy.



Borçelik
Development of a Digital Twin for Galvanizing Lines and Improving Energy Efficiency

The hot-dip galvanizing lines at Borçelik, which are the focus of this project, have an annual production capacity of 900,000 tons of galvanized steel. These products are primarily supplied to the automotive industry. Challenges in precisely predicting the production parameters required for coil manufacturing, and the resulting mechanical properties of the products, has created a need to improve line efficiency, ensure energy efficiency, and enable accurate forecasting of the final product characteristics. To address this, the project developed a thermal model capable of calculating sheet temperature within the furnaces, as well as mechanical property models capable of determining material characteristics such as yield strength, tensile strength, elongation at break, anisotropy coefficient, and strain hardening exponent. These models were then integrated to build a digital twin of the galvanizing line-capable of virtually simulating all critical parameters. This digital twin allows for optimization of process parameters and the creation of new production recipes before the coils even enter the line. The goal is to operate the line at maximum speed while maintaining minimum furnace temperatures-boosting both production efficiency and reducing energy consumption. At the same time, the ability to anticipate mechanical properties before production helps prevent quality issues and minimize deviations.

Key Achievements

- In 2024, 190 tons of CO_2 emissions from natural gas consumption were avoided.



R&D AND INNOVATION AT BORUSAN

Borusan Cat R&D Center

Borusan Cat's strategic goal is to evolve from a traditional machinery dealer into a full-fledged solutions partner, delivering value-added services tailored to customer needs. Under the motto "We Provide Solutions," the company continues to invest in R&D, innovation, and digitalization to serve the broader customer ecosystem. Since being accredited as an R&D Center by the Ministry of Industry and Technology in 2018, Borusan Cat's digital and technology teams have been developing cutting-edge applications to enhance the customer experience. These solutions leverage artificial intelligence, machine learning, data mining, robotic process automation, the Internet of Things, and both mobile and web technologies.

Key Achievements

- In 2024, the company presented research papers at scientific conferences and participated as an industry speaker at several events focused on innovation and R&D.

- Borusan Cat shared its artificial intelligence strategy with industry leaders at the 2024 C-Connect event hosted by BT Haber.



ALPTEKİN ERCAN
FG WILSON ENERGY SOLUTIONS

The strategic partnership between Borusan Cat and FG Wilson continues to have a significant impact on the generator industry. Combining Borusan Cat's broad customer network and field expertise with FG Wilson's global engineering strength has reinforced the companies' leadership position in the market. This partnership offers the following advantages:

- **Market Leadership:** Together, FG Wilson and Borusan Cat lead the generator market. In power ranges where Borusan Cat does not have a strong competitive presence, FG Wilson ensures solid market coverage with its broad product range and competitively priced premium offerings.

- **Competitive Strength:** FG Wilson provides a clear competitive edge in international projects. This, when combined with Borusan Cat's strong local presence, creates a powerful synergy. As a result, the partnership has enabled access to a broader customer base in global markets.

- **Operational Efficiency:** Borusan Cat's responsive, flexible, and customer-focused approach enables the company to respond to customer needs significantly faster than competitors. This is particularly evident in terms of delivery lead times, where Borusan Cat consistently outperforms other market players.

- **Strategic Growth:** The collaboration with Borusan Cat plays a vital role in helping FG Wilson achieve its corporate growth objectives. Together, they are expanding market coverage while driving customer satisfaction and operational excellence.

- **Technical Expertise and EPC Capability:** With its robust engineering solutions and project management expertise across various industries and subsegments, Borusan Cat is able to deliver turnkey solutions for complex projects in diverse geographies.

R&D AND INNOVATION AT BORUSAN

Borusan Otomotiv Group
Identifying Reference Customers with Generative AI

Under this project, a model was developed to identify potential reference customers by analyzing customer data from various sources using Generative AI and machine learning technologies. The project encompasses automatic categorization of customer feedback, generation of recommendation scores, and the development of data-driven customer strategies. Technologies such as Microsoft Azure, Power BI, and Salesforce were used to optimize data integration, analysis, and visualization processes.
A notable innovation in the project would be the use of Large Language Models (LLMs) in a way that directly impacts financial outcomes and customer relations-a first in the industry. This approach marks a pioneering step in applying data analytics and customer relationship management in the automotive sector. Simulation results showed that customers acquired through referrals were also likely to become reference sources themselves, leading to a projected cumulative growth effect over time.

Key Achievements

- Enhanced operational efficiency by strengthening data-driven decision-making processes.

- Won the “Best Generative AI” award at the Future of AI & Cloud Summit.

- Presented a full paper at the 2024 IV. International Research, Development, and Design Conference (RDCONF) and received second place in the “Best Multidisciplinary Project” category.
-
The project is projected to significantly increase sales and service revenues. Over five years of consistent use and engagement, it is expected to contribute an average of EUR 6 million annually to sales and EUR 140,000 annually to service revenues.



Borusan Otomotiv Group
Automated Bonus Calculation System for Employee Performance Awards

Previously handled manually, the bonus calculation processes have now been fully automated through a newly developed system. Users of the application can view which data sets each bonus calculation is based on, as the entire dataset has been integrated into the system. The system was developed to calculate bonuses for all sales and after-sales teams, as well as their supervisors. In total, it covers 78 roles, 1,043 KPIs, and 2,525 metrics. Thanks to the platform, KPIs for all roles and dealer-based bonuses can be instantly shared with supervisors at the click of a button. Since bonus calculation processes are dynamic, the system includes workflow diagrams reflecting the most current regulations. This allows users to clearly see which metrics are used in the calculations. Moreover, when a new KPI or process is introduced, changes can be implemented via configuration-without requiring any software support.

Key Achievements

- A patent application has been filed for the innovative model and system architecture.

- Bonus calculation time has been reduced by 89%, and errors caused by manual processing have been eliminated.

- All bonus data is presented transparently in a digital environment. The calculation process is secured through an approval mechanism.



Borusan Lojistik
AI-Based Warehouse Accident Prevention System

This project aims to improve occupational safety and prevent workplace accidents in logistics warehouse environments. The concept emerged from an in-depth analysis of previous warehouse accidents and the identification of areas where existing safety measures could be enhanced. By leveraging real-time artificial intelligence and computer vision technologies, the system monitors pedestrian and equipment movements within warehouses, predicting potential risks and issuing audible warnings to prevent incidents. The integration of advanced object detection algorithms such as YOLOv7 enables a proactive approach to warehouse safety.

Key Achievements

- Tangible improvements have been made in reducing workforce losses, ensuring operational sustainability, and increasing employee satisfaction.

- The project has led to a 70% reduction in workplace accidents and a 30% reduction in labor costs.

- Potential operational disruptions have been minimized, and equipment repair costs have declined.



ANNEXES

GLOSSARY FOR TECHNICAL TERMS

Focal Theme	Term	Definition
Climate	Scope 1 emissions (direct, in tCO_2e)	Direct greenhouse gas emissions generated by Borusan Group's operations, locations, and companies over the reporting period. Greenhouse gas emissions calculated include emissions caused by consumption of fuel and electricity and Emission Management covers CO_2, CH_4, and N_2O.
	Scope 2 emissions (indirect, in tCO_2e)	Indirect greenhouse gas emissions generated by Borusan Group's operations, locations, and companies over the reporting period as a result of consumption of electricity purchased. Greenhouse gas emissions calculated include emissions caused by consumption of fuel and electricity and Emission Management covers CO_2, CH_4, and N_2O.
	Scope 3 emissions (other indirect, in tCO_2e)	Greenhouse gas emissions that are generated apart from Scope 1 and Scope 2 emissions and not by any companies of ours.
	Renewable energy generation (MWh)	Amount of renewable energy (in MWh) generated by Borusan EnBW Enerji in a year.
	Renewable energy consumption (GJ)	Renewable energy consumed (in GJ) by the companies over the reporting period.
	Non-renewable direct energy consumption (GJ)	Amount of non-renewable energy consumed (in GJ) by the companies over the reporting period. This includes gasoline, diesel oil, gas, and fuel oil (in GJ).
	Non-renewable indirect energy consumption (GJ)	Amount of electricity consumed (in GJ) by the companies over the reporting period as part of their operations.
	Hazardous waste (in tons)	Amount of hazardous waste generated by the companies over the reporting period as part of their operations.
	Non-hazardous waste (in tons)	Amount of non-hazardous waste generated by the companies over the reporting period as part of their operations.
	Energy recovery (in tons)	Tons of waste disposed by energy recovery out of waste generated by the companies covered in the report
	Recovery (in tons)	Tons of waste disposed by recovery out of waste generated by the companies covered in the report
	Landfill (in tons)	Tons of waste disposed by landfill out of waste generated by the companies covered in the report
	Waste incineration (in tons)	Tons of waste disposed by incineration out of waste generated by the companies covered in the report
	Volume of water extracted (in megalitre)	Megalitres of water extracted by the companies covered in the report as part of their operations from sources including third-party water (e.g. municipal water), rainwater and/or ground water.
	Wastewater discharge (in megalitre)	Megalitres of wastewater discharged into third-party (e.g. sewage) water, sea and/or underground by the companies covered in the report as part of their operations.
People	Total workforce (# of people)	Total number of employees of Borusan Group's companies covered in the report over the reporting period.
	Workforce by age (# of people)	Breakdown of total workforce by age groups 18 to 30, 31 to 40, 40 to 50, 51 to 60, and 60+.
	Workforce by type of employment (# of people)	Breakdown of total workforce by white and blue collar employees.
	Workforce by gender (# of people)	Breakdown of total workforce by women and men.
	Workforce by type of contract (# of people)	Breakdown of total workforce by fixed or indefinite term employment.
	Other workforce (# of people)	Number of foreign and disabled employees in total workforce.
	Workforce by level of management (# of people)	Breakdown of top and mid-level executives in total workforce.
	Total number of employment and turnover (# of people)	Total number of employees newly hired and quitting, including white and blue collar employees.
	Total number of employment and turnover by gender (# of people)	Breakdown of total number of employees newly hired and quitting by gender.
	Total number of employment and turnover by age (# of people)	Total number of employees hired and employee turnover by age groups of 18 to 30, 31 to 40, 41 to 50, and 60+
	Employees eligible for paternity leave (# of people)	Number of women and men eligible for maternity/paternity leave over the reporting period in companies covered in the report
	Employees taking maternity/paternity leave (# of people)	Number of women and men who were eligible and took maternity/paternity leave over the reporting period in companies covered in the report
	Employees who took maternity/paternity leave and returned to work for no fewer than 12 months (# of people)	Number of women and men who returned over the reporting period to work for no fewer than 12 months after the end of maternity/paternity leave in the companies covered in the report.
	Data on employees provided with side benefits (life insurance, # of people)	Total number of employees provided with life insurance as a side benefit over the reporting period by the companies covered in the report
	Data on employees provided with side benefits (medical services, # of people)	Total number of employees provided with medical services as a side benefit over the reporting period by the companies covered in the report
	Number of accidents (# of accidents)	Number of occupational accidents resulting in over 3 days of loss over the reporting period in the companies covered in the report.

GLOSSARY FOR TECHNICAL TERMS

Focal Theme	Term	Definition
People	Frequency of accidents	Ratio of accidents that happen every 1 million hours over the reporting period in the companies and subcontractors covered in the report.
	Number of fatal accidents (# of accidents)	Number of occupational accidents resulting in death over the reporting period in the companies covered in the report.
	Severity of accidents	The ratio when the total number of days lost due to fatal and/or non-fatal accidents over the reporting period in the companies and subcontractors covered in the report is divided by the sum of the working hours of the employees and multiply it by a coefficient of 1000.
	Percentage of occupational disease	Temporary or permanent illnesses, physical or mental disabilities suffered by employees in the companies and sub-employers covered in the report over the reporting period due to a repetitive act caused by the nature of their job or the conditions of execution of the job.
Innovation	R&D investments (TRY)	Total R&D investments made over the reporting period by the companies covered in the report.
	Number of R&D employees (# of people)	Total number of R&D employees in the companies covered in the report over the reporting period.
	Number of patent applications (# of patents)	Total number of patent applications lodged over the reporting period by the companies covered in the report.
	Partnerships with universities and start-ups (# of partnerships)	Total number of universities and start-ups that the companies covered in the report partnered with over the reporting period.
	Cost benefit (¨, $, €)	The sum of the cost benefit generated by the companies covered in the report as a result of operations in R&D, innovation, digital transition, robotic process automation over the reporting period.
	Economic Value Created (Revenue in TRY)	Net sales equals gross sales of goods and services subtracted from returns, discounts, and appropriation. Revenues from financial investments include interest on financial loans, dividends from shares, franchise fees and cash received as direct revenue from the sale of assets (such as property rent). Proceeds from the sale of assets include physical assets (such as property, infrastructure and equipment) and non-physical assets (such as intellectual property rights, designs and trademarks)
	Operating expenses (TRY)	Cash payments for outsourced materials, components, facilities, and services. This includes property rent, licence fees, facilitation payments (because they have a clear commercial purpose), concession fees, payments to subcontracted employees, employee training (outsourcing trainers) or employee protective equipment.
	Employee Benefits (TRY)	“Toplam bordro, çalışanlar adına devlet kuruluşlarına ödenen (çalışan vergileri, harçlar ve işsizlik fonları gibi) meblağlar da dahil olacak şekilde çalışan ücretlerini kapsamaktadır. Operasyonel bir rolde görev alan, fakat çalışan olmayan kişiler normalde buraya dahil edilmemekte, bunun yerine satın alınan bir hizmet olarak işletme giderleri kapsamına alınmaktadır. Toplam yan haklar, (emekli maaşları, sigorta, şirket araçları, özel sağlık gibi) düzenli katkıları ve bunların yanı sıra konut, faizsiz kredi, toplu taşıma yardımı, eğitim bursları ve işten çıkarma ödemeleri gibi diğer çalışan desteklerini içermektedir. Bunlar eğitimi, koruyucu ekipman giderlerini veya doğrudan çalışanın mesleki işleviyle ilgili diğer giderleri içermemektedir.”
	Devlete sağlanan faydalar (₺)	“Devletlere yapılan ödemeler Uluslararası, ulusal ve yerel seviyelerde ödenen (kuruluşlar vergisi, gelir vergisi ve emlak vergisi gibi) bütün kuruluş vergileri ve ilgili cezalar. Bu rakama ödenmeyebilecekleri için ertelenmiş vergiler dahil değildir. Birden fazla ülkede faaliyet gösteren kuruluşlarda ödenmiş vergileri ülkeye göre bildiriniz. Kullanılan bölümlendirmenin tanımını bildiriniz.”
	Sermaye sağlayıcılara sağlanan faydalar (₺)	“Sermaye sağlayıcılara ödemeler Bütün hissedarlara dağıtılan temettüler Kredi sağlayıcılara yapılan faiz ödemeleri. Buna (sadece uzun vadeli borçlar olmamak üzere) bütün borç ve ödünç alma biçimlerine ilişkin faizler ve ayrıca öncelikli hissedarlara ödenecek temettü bakiyeleri dahildir.”
	Topluma sağlanan faydalar (₺)	“Toplumsal yatırımlar Hedef lehtarların kuruluş dışında olduğu, toplum geneline gönüllü bağışlar ve fon yatırımları. Bunlara hayır kuruluşlarına, STK’lara ve (kuruluşun ticari Ar-Ge’siyle ilgili olmayan) araştırma kuruluşlarına yapılan bağışlar, (dinlenme tesisleri gibi) toplum altyapısının desteklenmesine yönelik fonlar ve (sanat ve eğitim etkinlikleri de dahil olmak üzere) sosyal programların doğrudan giderleri. Meblağ raporlama dönemi zarfındaki taahhütlere değil fiili harcamalara ait hesapları içermelidir. Altyapı yatırımlarında toplam yatırımın hesaplanmasının sermaye giderlerine ek olarak mal ve işçilik giderlerini de kapsaması gerekmektedir. Devam etmekte olan tesis veya programların desteklenmesinde (bir kamu tesisinin günlük işletimine fon sağlayan bir kuruluşla ilgili durumlar gibi), raporlanan yatırım işletme giderlerini de kapsamaktadır. Buna hukuki ve ticari faaliyetler veya yatırımın amacının tamamen ticari olduğu durumlar dahil değildir. Siyasi partilere yapılan bağışlar dahil olmakla birlikte, bunlar daha ayrıntılı olarak G4-SO6’da ayrıca ele alınmaktadır. Öncelikli olarak temel ticari ihtiyaçlarca güdülenen veya kuruluşun ticari faaliyetlerini kolaylaştırmaya yönelik her tür altyapı yatırımı (bir madene veya fabrikaya giden bir yolun inşa edilmesi gibi) hariçtir. Yatırımın hesabı kuruluşun ana ticari faaliyetleri haricinde inşa edilmiş, çalışanlar ve ailelerine yönelik bir okul veya hastane gibi altyapıyı içerebilecektir.”

PERFORMANCE AND INDICATOR TABLES

FINANCIAL PERFORMANCE INDICATORS*

Economic Value Created and Distributed**	Unit	2022	2023	2024
Economic Value Created (Revenue)	TL	105,590,059,239	184,633,645,029	256,708,001,543
Economic Value Distributed to Stakeholders* **	**Unit**	**2022**	**2023**	**2024**
Operating expenses	TL	89,618,834,761	153,742,174,566	225,382,882,743
Employee benefits	TL	4,917,927,380	10,446,936,014	17,631,356,878
Benefits for the state	TL	2,808,898,382	5,133,928,377	2,428,737,558
Benefits for capitalist investors	TL	2,162,672,927	5,148,455,540	3,974,599,946
Benefits for community	TL	108,465,628	218,527,747	407,452,621
Total* **	**TL**	**99,616,799,078**	**174,690,022,244**	**249,825,029,746**

*For more information about the financial, please refer to the part titled CONSOLIDATED FINANCIAL DATA AND INDEPENDENT AUDIT REPORT AS OF DECEMBER 31, 2024.
**Borusan Group's consolidated financial data.
***Sum of economic values distributed to stakeholders.
Please check the technical glossary within the report for additional notes.

ENVIRONMENTAL PERFORMANCE INDICATORS - ENERGY

	Direct Energy												Indirect Energy			Renewable Energy Purchased (I-REC)	
GJ	Gasoline			Diesel / Diesel Oil			Natural Gas			Fuel Oil			Electricity			Electricity	
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2024	
Borçelik	5,124	5,921.2	5,734.1	1,227	2,388.8	2,088.8	1,556.496	1,500,031.2	1,502,407.9	MD	MD	MD	598,550	577,796.3	581,656.5	0.00	
Borusan Pipe	5,097	5,496.1	5,333.1	9,520	8,775.6	6,179.39	300,010	261,686	262,397.3	MD	MD	MD	388,861	354,683.7	316,100.7	306,328	
Borusan Cat	15,436	17,069.6	18,494.5	26,800	28,426.3	27,363.2	11,341	14,137.4	13,649.3	MD	MD	MD	14,926	13,616.7	13,227.3	3,679	
Borusan EnBW Enerji	2,997	2,435.9	769.5	1,149	1,318	2,314.0	291	271.7	262	MD	MD	MD	17,280	15,876	15,815	0.00	
Borusan Holding	MD	1,544.5	1,690.4	MD	407.3	228.5	MD	1,004.4	797.7	MD	MD	MD	MD	2,333.9	2,573.5	0.00	
Borusan Port	592	1,299.7	1,157.2	54,539	55,304.4	62,370.3	1,841	1,250.8	1,330	MD	MD	MD	15,610	15,451.6	13,267	13,133	
Borusan Lojistik	5,628	8,859.8	7,823.7	157,409	126,023.8	120,000.5	4,482	4,433.1	2,790.7	MD	MD	MD	33,040	27,827.6	36,826.6	20,582	
Borusan Otomotiv Group	774	4.529.0	8,597.99	1,064	3,833.6	5,343.8	42,431	38,664.3	40,072.6	MD	219.4	122.6	39,959	45,944.4	60,945.5	0.00	
Supsan	460	403		214	195	207	10,783	9,446.5	7,731	MD	MD	MD	35,674	16,672	32,212.7	32,213	
TOTAL	**36,109**	**47,558.8**	**49,600.6**	**251,921**	**226,672.7**	**226,095.4**	**1,927,675**	**1,830,925.4**	**1,831,438.5**	**MD**	**219.4**	**122.6**	**1,143,899**	**1,070,202**	**1,072,625.3**	**375,934.8**	

ENVIRONMENTAL PERFORMANCE INDICATORS - EMISSIONS

	Direct CO_2 (Scope 1)			Indirect CO_2 (Scope 2)			
t CO_2 e	2022	2023	2024	2022	2023	2024	
Borçelik	90,603	87,422	84,454	72,923	70,459.1	70,768.2	
Borusan Pipe	18,206	16,246	16,399.9	46,771	42,670.3	41,971.2	
Borusan Cat	3.69	4,082	4,000	1,884	1,660.5	1,588	
Borusan EnBW Enerji	412	279	233	2,376	1,936	1,957	
Borusan Holding	MD	201.6	198.8	MD	285.3	315.97	
Borusan Port	4,970	4,578.6	5,480	1,797	1,884.2	1,667	
Borusan Lojistik	13,398	10,379	9,255.5	2,896	3,393.4	4,979.8	
Borusan Otomotiv Group	2,544	2,799.9	3,234	4,992	5,601.7	7,613.1	
Supsan	667	606.3	474.5	4,905	2,607.9	4,304.0	
TOTAL	**134,490**	**126,593.9**	**123,730.10**	**138,544.3**	**130,498.3**	**135,164.19**	

	2023	2024
Energy Density (GJ/ Million TL)	17.1*	12.34
CO_2 Density (tCO_2e/ Million TRY)	1.4	1
Total CO_2 Reduction (tCO_2e)	-15,675*	1,826.7

*Borusan EnBW Enerji is included in the consolidated calculation based on equity management.

ENVIRONMENTAL PERFORMANCE INDICATORS - AMOUNT OF WASTE (BY TYPE)

	Hazardous Waste			Non-Hazardous Waste		
Tons	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**
Borçelik	3,199	2,532	3,393	83,242	81,941	81,664
Borusan Pipe	7,719	10,507.5	8,520	43,484.5	28,484.8	46,172
Borusan Cat	258.2	385.5	394.1	371.4	371.7	420.7
Borusan EnBW Enerji	45.5	28	56.2	11	11.5	16.9
Borusan Holding	MD	MD	MD	MD	MD	3.5
Borusan Port	25.9	19.2	23	1,280.8	1,232.8	1,423.4
Borusan Lojistik	14.2	2.9	18.95	838.0	666.3	598.9
Borusan Otomotiv Group	223.1	239	287	197.7	325	453.6
Supsan	278.7	313	265	72.2	59	77.5
TOTAL	**11,764**	**14,027.1**	**12,957.6**	**129,497**	**113,092.2**	**130,830.2**

ENVIRONMENTAL PERFORMANCE INDICATORS - AMOUNT OF WASTE (BY DISPOSAL METHOD)

	Energy Recovery			Recovery			Waste Site (Landfill)			Waste Incineration			Other		
Tons	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**
Borçelik	2,552	1,560.7	1,579.0	83,547	82,003.1	81,759.0	342	386.7	531.0	MD	0.03	0.03	MD	522.9	1,188.0
Borusan Pipe	7,173.9	10,115.3	8,580.6	43,336.6	28,272.6	45,969.2	586.3	603.2	142.37	109.6	1.2	-	MD	MD	MD
Borusan Cat	29.2	154	373.15	377.50	452	422.66	MD	MD	MD	6.8	148	0.01	216.1	3	19.06
Borusan EnBW Enerji	MD	17.9	MD	11.20	12.7	66.02	MD	5.4	4.7	MD	MD	MD	45	3.5	2.42
Borusan Holding	MD	MD	MD	MD	MD	3.45	MD	MD	MD	MD	MD	MD	MD	MD	MD
Borusan Port	4.7	MD	0.07	1,302	1,252	1,446	MD	0.02	0.025	MD	MD	MD	MD	MD	MD
Borusan Lojistik	14.2	17.1	0.02	838	650	617.86	MD	0.05	0.04	MD	0.05	0.00	MD	1.96	0.00
Borusan Otomotiv Group	MD	MD	MD	393.30	524	692	MD	MD	MD	MD	MD	MD	24.5	40	48.60
Supsan	MD	5.2	33	351	366.5	309	MD	MD	MD	MD	MD	0.015	MD	MD	MD
TOTAL	**9,774**	**11,870.1**	**10,565.84**	**130,157**	**113,532.9**	**131,285.2**	**928**	**995.4**	**678.1**	**116**	**149.3**	**0.06**	**286**	**571.3**	**1,258.1**
Total Recovery 2024								**131,285.2**							
Total Disposal 2024								**12,502.1**							

ENVIRONMENTAL PERFORMANCE INDICATORS - WATER (TOTAL VOLUME WITHDRAWN)

	Ground Water			Rainwater			Third-Party Water (Tap Water, etc.)		
Megalitre	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**
Borçelik	635	631.2	609.7	MD	MD	0.0	11.2	12.5	11.3
Borusan Pipe	217	242.4	271.7	MD	MD	MD	71.8	61.7	52.4
Borusan Cat	7	7.7	5.1	MD	MD	MD	25.4	25.9	22.5
Borusan EnBW Enerji	MD	1.3	MD	MD	0.1	0.1	4.3	4.4	3.56
Borusan Holding	MD	MD	MD	MD	MD	MD	MD	2.7	2
Borusan Port	MD	0.01	25.9	MD	MD	MD	20.3	MD	MD
Borusan Lojistik	MD	MD	MD	MD	MD	MD	22.7	21.5	19.8
Borusan Otomotiv Group	18	11.8	7.5	3.7	7.2	8.2	32.2	38.4	44.03
Supsan	MD	MD	MD	MD	0.1	0.16	10.1	8.2	7
TOTAL	**876**	**894.4**	**919.90**	**3.7**	**7.5**	**8.5**	**196.9**	**175.3**	**162.6**
Total Water Withdrawn 2023					**1,077.1**				
Total Water Withdrawn 2024					**1,091**				✓

ENVIRONMENTAL PERFORMANCE INDICATORS - WATER (WASTEWATER DISCHARGE)

	Ground Water			Sea Water			Third-Party Water (Sewage, etc.)		
Megalitre	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**
Borçelik	MD	MD	MD	137	327.9	356.1	11	11.3	10.3
Borusan Pipe	MD	MD	MD	87	93.1	87.2	43.6	33.4	78.6
Borusan Cat	MD	MD	MD	MD	MD	MD	32	33.6	27.6
Borusan EnBW Enerji	MD	0.77	MD	MD	MD	MD	MD	2.2	1.2
Borusan Holding	MD	MD	MD	MD	MD	MD	MD	2.7	1.85
Borusan Port	MD	0.01	25.89	27	MD	MD	20	MD	MD
Borusan Lojistik	MD	MD	MD	MD	MD	MD	23	21.5	19.94
Borusan Otomotiv Group	MD	MD	0.876	MD	MD	MD	43	35.4	41.06
Supsan	MD	MD	MD	MD	MD	MD	9	7.2	6.08
TOTAL	**MD**	**0.78**	**26.76**	**251**	**421**	**443.3**	**181.7**	**147.2**	**186.63**
Total Wastewater Discharge 2023					**568.9**				
Total Wastewater Discharge 2024					**655.5**				✓

ENVIRONMENTAL PERFORMANCE INDICATORS - WATER CONSUMPTION

	Total Water Consumption			
Megalitre	**2022**	**2023**	**2024**	
Borçelik	498.2	304.6	254.6	✓
Borusan Pipe	158.2	177.7	159.5	✓
Borusan Cat	0.4	0.0	0.0	✓
Borusan EnBW Enerji	4.3	2.8	2.5	✓
Borusan Holding	0.0	0.0	0.2	✓
Borusan Port	-26.7	0.0	0.0	✓
Borusan Lojistik	-0.3	0.0	0.1	✓
Borusan Otomotiv Group	10.9	22.05	17.8	✓
Supsan	1.1	1.1	1.01	✓
TOTAL	**646.1**	**508.3**	**435.7**	✓

ENVIRONMENTAL PERFORMANCE INDICATORS - ENVIRONMENTAL MANAGEMENT

	Unit	2023	2024	
Total Operating Expenses of Environmental Actions[1]	TL	44,019,864.6	30,797,141	
Environmental Protection Investments in Total[2]	TL	130,898,176.7	296,431,710,9376	✓
Operating Environmental Costs in Total[3]	TL	130,352,447.9	64,156,144	
Benefit Generated From the Business Model[4]	t CO_2 eq	22,952.3	20.070,184	

[1]The consolidated data was compiled out of the data held by Borçelik, Borusan Pipe, Borusan Cat, Borusan Lojistik and Supsan.
[2]Consolidated data compiled with data external to Holding.
[3]The consolidated data was compiled out of the data held by Borusan Pipe, Borusan Port, Borçelik, Borusan Cat, Borusan Lojistik and Supsan.
[4]The consolidated data was compiled out of the data held by Borusan Pipe and Borusan Lojistik.

ENVIRONMENTAL PERFORMANCE INDICATORS - PENALTIES AND SANCTIONS UNDER ENVIRONMENTAL LEGISLATION

	Unit	2023	2024
Number of Environmental Penalties and Sanctions	Number	-	-
Amount of Environmental Penalties and Sanctions	TL	-	-
Amount of Project-Based Environmental Penalties and Sanctions	TL/Project	-	-

ENVIRONMENTAL PERFORMANCE INDICATORS - ENVIRONMENTAL AWARENESS & ACCIDENTS

	Unit	2023	2024
Number of Environmental Accidents[1]	Number	17	10
Spendings on Response to Environmental Accidents[2]	TL/Project	42,000.00	589,235.0
Number of Emergency Drills Performed for Environmental Purposes[3]	Number	36	42

[1]The consolidated data denote the total number of environmental accidents that happened at Borusan Cat, Borusan EnBW Enerji, Borusan Lojistik and Borusan Port.
[2]The consolidated data denotes the amount spent by Borusan Lojistik.
[3]The consolidated data denote the number of drills performed by Borçelik, Borusan Pipe, Borusan Cat, Borusan EnBW Enerji, Borusan Lojistik, Borusan Port and Supsan.

ENVIRONMENTAL PERFORMANCE INDICATORS - AIR EMISSIONS[1]

	Unit	2023 Company	2024 Company	
NOx	tons	227.1	194.5	✓
SOx	tons	43.6	1.7	✓
Volatile Organic Compounds (VOC)	tons	34.7	0.5	✓
Particulate Matter (PM)	tons	18.5	4.9	✓

[1]The consolidated data denote air emissions of Borçelik.

ENVIRONMENTAL PERFORMANCE INDICATORS - OTHER DIRECT ENERGY CONSUMPTION DATA[1]

	Unit	2023 Company	2024 Company
Refrigerant Gas Leak	kg	128.90	144.35
Amount of Fire Extinguisher Leak	kg	5,313.00	10,143.00

[1]The consolidated data denote data collected from Borusan Pipe and Borusan Lojistik.

ENVIRONMENTAL PERFORMANCE INDICATORS - RENEWABLE ENERGY

	Unit	2023 Company	2024 Company	
Renewable Energy Generation[1]	GJ	2,082,220.5	7,112,304.78	✓
Renewable Energy Consumption[2]	GJ	7,372.7	26,150.31	✓

[1]The consolidated data denote data collected from Borçelik, Borusan Cat, Borusan EnBW Enerji, Borusan Port and Borusan Otomotiv Group.
[2]The consolidated data denote data collected from Borçelik, Borusan Cat, Borusan EnBW Enerji, Borusan Port, Borusan Lojistik and Borusan Otomotiv Group.

ENVIRONMENTAL PERFORMANCE INDICATORS - OTHER ENERGY KPIS

	Unit	2023 Company	2024 Company	
Total Energy Savings[1]	GJ	125,410.2	116,380.09	✓
Total Energy Savings[2]	tCO_2e	19,964	17,239.18	✓

[1]The consolidated data denote data collected from Borçelik, Borusan Pipe, Borusan EnBW Enerji and Supsan.
[2]The consolidated data denote data collected from Borusan Lojistik and Borusan Otomotiv Group.

ENVIRONMENTAL PERFORMANCE INDICATORS - AMOUNT OF WATER RECOVERED

	Unit	2023 Company[1]	2024 Company[2]	
Amount of water recovered / reused	tons	134,598	115,927.60	✓

[1]The consolidated data denote data collected from Borçelik, Borusan Pipe and Borusan Otomotiv Group. To this end, Borusan Otomotiv's rainwater is incorporated into the consolidated data.
[2]The consolidated data denote data collected from Borçelik, Borusan Pipe, Supsan and Borusan Otomotiv Group.

ENVIRONMENTAL PERFORMANCE INDICATORS - CIRCULAR BUSINESS MODEL

	Unit	2023 Company	2024 Company
Number of Circular Business Model Projects[1]	Number	10	12
Total Spendings for Circular Business Model[2]	TL	145,000	8,984,750.00
Benefit Generated From the Circular Business Model[3]	TL	6,951,400	27,065,398.00
Revenue Generated From and Cost Reduced by Circular Economy[4]	TL	6,951,400.2	29,900,248.00

[1]The consolidated data denote data collected from Borçelik, Borusan Pipe, Borusan EnBW Enerji, Borusan Lojistik, Borusan Port, Borusan Otomotiv Group and Supsan.
[2]The consolidated data denote data collected from Borusan Lojistik and Supsan.
[3]The consolidated data denote data collected from Borusan Pipe, Borusan Lojistik and Supsan.
[4]The consolidated data denote data collected from Borusan Pipe, Borusan Lojistik and Supsan.

SOCIAL PERFORMANCE INDICATORS - WORKFORCE (BY AGE)

	Unit	2022	2023	2024
Aged 18 to 30	Women	504	512	439
	Share	24%	24%	25%
	Men	1,580	1,616	1,288
	Share	76%	76%	75%
Aged 31 to 40	Women	589	708	750
	Share	19%	22%	24%
	Men	2,475	2,571	2,437
	Share	81%	78%	76%
Aged 41 to 50	Women	200	249	289
	Share	11%	14%	15%
	Men	1,602	1,559	1,661
	Share	89%	86%	85%
Aged 51 to 60	Women	14	27	37
	Share	7%	8%	9%
	Men	181	300	361
	Share	93%	92%	91%
Over 60	Women	1	6	7
	Share	7%	30%	33%
	Men	13	14	14
	Share	93%	70%	67%
TOTAL		**7,224**	**7,562**	**7,283**

SOCIAL PERFORMANCE INDICATORS - WORKFORCE (BY EMPLOYMENT TYPE)

	Unit	2022	2023	2024
While Collar - Women	Number of People	1,199	1,349	1,404
While Collar - Men	Number of People	3,342	3,496	3,521
Blue Collar - Women	Number of People	112	153	118
Blue Collar - Men	Number of People	2,571	2,564	2,240
TOTAL		**7,224**	**7,562**	**7,283**

SOCIAL PERFORMANCE INDICATORS - WORKFORCE (BY GENDER)

	Unit	2022	2023	2024
Women	Number of People	1,311	1,502	1,522
	Share	18%	20%	21%
Men	Number of People	5,913	6,060	5,761
	Share	82%	80%	79%
TOTAL		**7,224**	**7,562**	**7,283**

SOCIAL PERFORMANCE INDICATORS - WORKFORCE (BY CONTRACT TYPE)

	Unit	2022	2023	2024
Indefinite Term - Women	Number of People	1,253	1,448	1,501
Indefinite Term - Men	Number of People	5,550	5,751	5,667
Fixed Term - Women	Number of People	58	54	21
Fixed Term - Men	Number of People	363	309	94
TOPLAM		**7,224**	**7,562**	**7,283**

SOCIAL PERFORMANCE INDICATORS - WORKFORCE (BY OTHER GROUPS)

	Unit	2022	2023	2024
Foreigner	Women	4	4	4
	Share	50%	44%	57%
	Men	4	5	3
	Share	50%	56%	43%
Employees with Disabilities	Women	29	30	36
	Share	16%	16%	2.37%
	Men	156	160	149
	Share	84%	84%	2.59%
TOTAL		**193**	**199**	**192**

SOCIAL PERFORMANCE INDICATORS - WORKFORCE (BY MANAGEMENT CATEGORY)

	Unit	2022	2023	2024
Senior Management	Women	13	14	14
	Share	21%	25%	26%
	Men	49	43	39
	Share	79%	75%	74%
Mid-Level	Women	88	98	107
	Share	24%	24%	26%
	Men	279	316	304
	Share	76%	76%	74%
TOTAL		429	471	464

BORUSAN GROUP'S CONSOLIDATED EMPLOYMENT AND TURNOVER DATA EMPLOYMENT AND TURNOVER (TÜRKİYE)

	Unit	2022	2023	2024
Newly-Hired employees - Total	Number of People	1,260	1,139	919
White Collar	Number of People	864	731	652
Blue Collar	Number of People	396	408	267
Employees who left - Total	Number of People	836	1,072	1,147
White Collar	Number of People	573	560	581
Blue Collar	Number of People	263	512	566

BORUSAN GROUP'S CONSOLIDATED EMPLOYMENT AND TURNOVER DATA EMPLOYEES BY GENDER

	Unit	2022	2023	2024
Men - Recruited	Number of People	948	848	680
	Share	75%	74.5%	74%
Men - Turnover	Number of People	653	902	919
	Share	78%	84.1%	80%
Women - Recruited	Number of People	312	291	239
	Share	25%	25.5%	26%
Women - Turnover	Number of People	183	170	228
	Share	22%	15.9%	20%
RECRUITED IN TOTAL		1,260	1,139	919
TOTAL TURNOVER		836	1,072	1,147

BORUSAN GROUP'S CONSOLIDATED EMPLOYMENT AND TURNOVER DATA (BY AGE)

	Unit	2022	2023	2024
Aged 18 to 30 - Recrutied	Number of People	857	713	473
	Share	68%	62.6%	51%
Aged 18 to 30 - Turnover	Number of People	375	329	486
	Share	45%	30.7%	42%
Aged 31 to 40 - Recrutied	Number of People	320	360	332
	Share	25%	31.6%	36%
Aged 31 to 40 - Turnover	Number of People	279	322	436
	Share	33%	30%	38%
Aged 41 to 50 - Recrutied	Number of People	68	60	93
	Share	5%	5.3%	10%
Aged 41 to 50 - Turnover	Number of People	123	278	183
	Share	15%	25.9%	16%
Aged 51 to 60 - Recrutied	Number of People	14	6	18
	Share	1%	0.5%	2%
Aged 51 to 60 - Turnover	Number of People	56	138	34
	Share	7%	12.9%	3%
Aged Over 60 - Recrutied	Number of People	1	0	3
	Share	0%	0%	0%
Aged Over 60 - Turnover	Number of People	3	5	8
	Share	0%	0.5%	1%
RECRUITED IN TOTAL		1,260	1,139	919
TOTAL TURNOVER		836	1,072	1,147

BORUSAN GROUP'S CONSOLIDATED DATA ON EMPLOYEES TAKING A MATERNAL LEAVE

		Unit	2022	2023	2024
Women	Employees eligible for paternity leave	Number of People	53	58	50 ✓
	Employees taking paternity leave	Number of People	53	58	50 ✓
	Employees returning to work after paternity leave	Number of People	53	57	50 ✓
	Employees who took maternity/paternity leave and returned to work for no fewer than 12 months	Number of People	51	47	52 ✓
Men	Employees eligible for paternity leave	Number of People	202	255	272 ✓
	Employees taking paternity leave	Number of People	202	255	267 ✓
	Employees returning to work after paternity leave	Number of People	202	255	266 ✓
	Employees who took maternity/paternity leave and returned to work for no fewer than 12 months	Number of People	202	269	255 ✓

BORUSAN GROUP'S SUPPLY AND AUDIT PROCESSES

	2022	2023	2024
Total Number of Suppliers (#) 25,565*		487	462 ✓
Number of Suppliers Reviewed for Sustainability	MD	91	231 ✓
Number of Orange Ethics Hotline Reports (#) 181	181	130	129 ✓
Number of Social and Environmental Audits (#) 30	30	23	43 ✓
Number of Audits for Risks of Corruption (#)	1	29	43 ✓

*Number of Holding suppliers only.

NUMBER OF SUPPLIERS

	2023	2024
Holding	487	462
Borusan Cat	234	753
Borusan Pipe	1,032	996
Borçelik	1,696	1,683
Borusan Lojistik	1,687	2,033
Borusan Port	828	3,658
Borusan Otomotiv Group	987	1,411
Supsan	734	335
Borusan EnBW Enerji	716	752
Total Number of Suppliers	**8,401**	**12,083** ✓

BORUSAN GROUP'S DATA ON EMPLOYEE BENEFITS

	Life insurance			Health services		
	2022	2023	2024	2022	2023	2024
Borusan Holding	165	141	225	195	167	192
Borçelik	407	414	433	412	421	423
Supsan	45	44	50	45	44	50
Borusan Pipe	295	312	319	305	320	274
Borusan Cat	1,073	1,103	1,101	1,126	1,159	1,061
Borusan Otomotiv Group	1,101*	1,057	1,377	1,105*	1,255	1,368
Borusan Lojistik & Port	1,307	1,317	1,539	1,311	1,432	1,345
Borusan EnBW Enerji	128	138	148	128	134	151
TOTAL	**4,521**	**4,526**	**5,192**	**4,627**	**4,932**	**4,864**

*Consolidated data for Borusan Otomotiv Group and Borusan Araç İhale.

BORUSAN GROUP CONSOLIDATED DATA ON OTHER EMPLOYEES AND TRAINING

	2023	2024
Employee Loyalty and Satisfaction Score	78	74
Number of Employees Reviewed for Their Performance	4,475	4,622
Ratio of Retaining Young Talents (Alpha) Hired (%)	83%	96.30%
Ratio of Future Leaders Retained (%)	95%	99.49%
Hours of Training Provided by Borusan Academy	36,137	46,451

NURSERY

	2022	2023	2024
Nursery Support (TRY)	3,238,160	8,940,600	14,125,200

BORUSAN GROUP'S STATISTICS ON OCCUPATIONAL ACCIDENTS

	ACCIDENTS																	
	Number of Accidents (regardless of whether it caused a loss of day or not)						Number of Accidents (occupational accidents resulting in over 3 days of loss)						Frequency Rate of Occupational Accidents					
	Company			Subcontractor			Company			Subcontractor			Company			Subcontractor		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Borçelik	MD	60	74*	MD	15	20*	17	13	18*	1	2	1*	8.9	5.31	7.1*	10.5	21.10	10.14*
Supsan	MD	17	15	MD	3	6	7	4	3	2	1	1	16.89	7.07	4.71	0	8.18	18.34
Borusan Pipe	MD	267	176	MD	53	40	23	11	14	3	5	0	6.57	3.48	4.92	4.52	6.36	0.00
Borusan Cat	MD	95	39	MD	13	4	16	10	8	0	4	2	4.79	4.22	3.84	0	14.15	6.02
Borusan Otomotiv Group	MD	36	58	MD	13	24	3	2	0	0	0	2	1.18	0	0	0	18.77	2.56
Borusan Lojistik	MD	6	6	MD	151	166	4	2	0	68	72	71	0.56	0.56	0.00	11.43	11.86	9.96
Borusan Port	MD	19	25	MD	47	71	4	7	4	20	28	24	11.11	13.09	7.3	42.92	41.45	36.69
Borusan EnBW Enerji	MD	27	4	MD	60	29	0	1	0	0	0	8	0	3.17	0	0	0	3.33

*Total of Kerim Çelik and Borçelik data.

BORUSAN GROUP'S STATISTICS ON OCCUPATIONAL ACCIDENTS

	ACCIDENTS																	
	Fatalities						Accident Severty Rate						Occupational Disease Rate					
	Company			Subcontractor			Company			Subcontractor			Company			Subcontractor		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Borçelik	0	0	0	0	0	0	0.10	0.14	0.15	0.21	0.45	0.05	0	0	0	0	0	0
Supsan	0	0	0	0	0	0	0.09	0.13	0.070	0.00	0.04	0.68	0	0	0	0	0	0
Borusan Pipe	0	0	0	0	0	0	0.26	0.40	0.44	0.20	0.50	0.37	0	0	0	0	0	0
Borusan Cat	0	0	0	0	0	0	0.10	0.13	0.05	0.00	0.36	0.16	0	0	0	0	0	0
Borusan Otomotiv Group	0	0	0	0	0	0	0.01	0.06	0	0.00	0.01	0.09	0	0	0	0	0	0
Borusan Lojistik	0	0	0	0	0	0	0.02	0.01	0	0.29	0.24	0.24	0	0	0	0	0	0
Borusan Port	0	0	0	0	0	0	0.24	0.59	0.2	1.29	1.01	1.01	0	0	0	0	0	0
Borusan EnBW Enerji	0	0	0	0	0	0	0	0.06	0	0.00	0	0.08	0	0	0	0	0	0

BORUSAN GROUP'S HOURS OF TRAINING BY GENDER

	Total Hours of Training by Gender 2024		Annual Hours of Training on Average Per Employee by Gender 2024	
	Women	Men	Women	Men
Borusan Cat	2,611	26,471	11.97	29.98
Borusan Pipe	21,516	2,592.28	165.51	2.13
Borçelik	5,956	33,623	38.43	32.87
Borusan Lojistik*	2,661.98	5,510.63	6.95	5.95
Borusan Port*	2,394.00	13,859.00	36.83	41.87
Borusan Otomotiv Group	4,462	13,490	10.99	14.14
Supsan	191.5	1,490.5	5.98	7.24
Borusan EnBW Enerji	579.76	3,258	14.49	29.09
Borusan Holding**	13,763	32,688	13.25	13.30
TOTAL	**54,134.62**	**132,982.90**	**304.41**	**176.57**
	187,118			

*Borusan Lojistik training data excluding OHS data.
**Includes trainings organized by Borusan Academy.

BORUSAN GROUP'S HOURS OF TRAINING BY AGE

	Unit	Aged 18 to 30, Total Hours of Training				Aged 31 to 40, Total Hours of Training				Aged 41 to 50, Total Hours of Training				Aged 51 to 60, Total Hours of Training				Aged 61 and Above, Total Hours of Training			
		2023		2024		2023		2024		2023		2024		2023		2024		2023		2024	
		Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Borusan Cat	hours	1,095	16,331	1,221	11,512	2,607	16,046	1,127	10,251	1,091	7,355	210	3,824	163	1,387	53	885	0	0	0	0
Borusan Pipe	hours	1,536	23,900	1,272	9,407	741	16,816	978.46	7,754.61	198	8,051	341.70	3,896.32	0	1,503	0	458.07	0	0	0	0
Borçelik	hours	2,567	14,931	2,447	12,551.00	3,435	19,033	3,026	12,225.00	620	12,050	342	7,581	38	2,087	138	1,263	10	14	3	3
Borusan Lojistik	hours	1,752	3,317	895	1,424.45	2,923	6,394	1,248	2,158.37	933	4,639	465.98	1,566.20	71	953	53.25	326.62	0	77	0	35
Borusan Port	hours	402	1,477	849	3,197	479	3,019	1,278.00	4,803.00	100	3,315	267.00	4,421.00	0	699	0	1,391.00	0	0	0	46.92
Borusan Otomotiv Group	hours	1,697	3,608	1,756	4,375	1,729	5,353	1,804	5,866	550	2,442	748	2,771	135	515	124	468	28	16	30	10
Supsan	hours	148	669	28	394	254	947	120.5	689.5	46	710	43	368.5	0	143	0	38.5	0	0	0	0
Borusan EnBW Enerji	hours	9	34	188.24	119.9	142	524	268.89	1,568.91	17	215	122.63	1,543.19	0	0	0	26.16	0	0	0	0
Borusan Holding*	hours	MD	MD	3,675	4,931	MD	MD	7,376	14,740	MD	MD	2,399	10,598	MD	MD	290	2,388	MD	MD	23	31
TOTAL	**hours**	**9,206**	**64,267**	**12,330.86**	**47,911.60**	**12,309**	**68,132**	**17,226.85**	**60,055.89**	**3,556**	**38,776**	**4,939.31**	**36,568.71**	**408**	**7,286**	**658.25**	**7,244.35**	**39**	**108**	**56.00**	**125.92**

*Includes trainings organized by Borusan Academy.

BORUSAN GROUP'S HOURS OF TRAINING BY LEVEL OF MANAGEMENT

	Unit	First-Level (N-1) Executive, Total Hours of Training				Mid-Level (N-2) Executive, Total Hours of Training				Top (N-3) Executive, Total Hours of Training			
		2023		2024		2023		2024		2023		2024	
		Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Borusan Cat	hours	634	3,937	236	1,581	745	2,182	152	674	50	47	11	24
Borusan Pipe	hours	134	515	88	285	12	345	0	167.75	0	0	0	0
Borçelik	hours	1,131	1,842	975	951	181	1,009	58	356	21	156	0	16
Borusan Lojistik	hours	507	683	8	20	190	696	98	50	40	85	54.75	172.75
Borusan Port	hours	1	7	72	316	0	35	0	369	0	0	0	36
Borusan Otomotiv Group	hours	842	1,158	747	1,537	382	592	230	694	0	58	44	5
Supsan	hours	50	1	17	0	0	77	0	12	0	4	0	0
Borusan EnBW Enerji	hours	0	0	108.82	75.82	30	122	50.07	275.8	0	0	0	0
Borusan Holding*	hours	(-)	(-)	3,146	5,320	(-)	(-)	1,092	3,114	(-)	(-)	36	121
TOTAL	**hours**	**3,300**	**8,143**	**5,398**	**10,086**	**1,540**	**5,058**	**1,680**	**5,713**	**111**	**350**	**145.75**	**374.75**

*Includes trainings organized by Borusan Academy.

BORUSAN GROUP'S TRAINING AND DEVELOPMENT COSTS

	Total Investment Made in Trainings			Total Cost of Training Per Employee		
	2023	2024		2023	2024	
Borusan Cat	23,485,782	11,335,596	✓	21,448	10,295.73	✓
Borusan Pipe	8,567,999	6,635,925	✓	4,993	4,930.11	✓
Borçelik	7,908,174	16,867,735	✓	6,753	14,270.50	✓
Borusan Lojistik*	2,381,347	1,193,920	✓	1,594	912.00	✓
Borusan Port	1,933,307	2,706,763	✓	3,249	6,750.00	✓
Borusan Otomotiv Group**	0	0	✓	0	0.00	✓
Supsan	524,660	254,733	✓	2,057	1,048.28	✓
Borusan EnBW Enerji	289,322	991,984.00	✓	2,175	6,526.21	✓
Borusan Holding***	(-)	29,852,861		(-)	16,745	
TOTAL	**45,090,602**	**69,839,517**	✓	**42,271**	**61,478**	✓

*Borusan Lojistik investment amount spent on training and training cost data are shared excluding OHS data.
**Borusan Otomotiv Group training costs are within the scope of Borusan Akademy
***Includes trainings conducted by Borusan Academy.

BORUSAN GROUP'S WORKING HOUR

	Working Hour in a Workday	Number of Workdays in the Operating Year	Total Working Hour
	2024	2024	2024
Borusan Cat	7.5	260	2,417,857.6
Borusan Pipe	8	274.5	3,562,446
Borçelik	7.5	300	2,507,698
Borusan Lojistik	8	301	9,970,605
Borusan Port	7.5	302	1,241,076
Borusan Otomotiv Group	8	314	3,970,399
Supsan	8	285	676,264
Borusan EnBW Enerji	8	360	1,525,014

BORUSAN GROUP'S OHS COMPANY EMPLOYEES

	Absence Caused by Accident		Absence	
	2023	2024	2023	2024
Borusan Cat	34	16	425	94
Borusan Pipe	1,260	1,311	14,461	36,073
Borçelik	382	380	6,375	4,694
Borusan Lojistik	53	0	288	512
Borusan Port	39	107	1,027	2,127
Borusan Otomotiv Group	154	20	(-)	20
Supsan	6	6	74	47
Borusan EnBW Enerji	1	0	10	0

BORUSAN GROUP'S OHS CONTRACTOR EMPLOYEES

	Absence Caused by Accident		Absence	
	2023	2024	2023	2024
Borusan Cat	0	2	0	53
Borusan Pipe	390	265	1,679	6,949
Borçelik	48	5	0	MD
Borusan Lojistik	1,484	1,705	MD	16,708
Borusan Port	2	690	20	1,473
Borusan Otomotiv Group	0	0	0	0
Supsan	1	3	5	37
Borusan EnBW Enerji	0	MD	0	97

BORUSAN GROUP'S OHS TRAINING, EMPLOYEES, AND CONTRACTORS/SUBCONTRACTORS

	Total Hours of OHS Training Provided for Employees and Subcontractors	Number of Employees and Subcontractors Trained for OHS	Average Hour of OHS Training Per Employee and Subcontractor
	2024	2024	2024
Borusan Cat	11,888.00 ✓	1,584	16.94
Borusan Pipe	40,533.72 ✓	36,441	15.3
Borçelik	22,836 ✓	1,205	20.92
Borusan Lojistik	21,816 ✓	3,980	8.44
Borusan Port	24,243.77 ✓	1,261	31.34
Borusan Otomotiv Group	9,952 ✓	974	22
Supsan	815.000 ✓	160	39.7
Borusan EnBW Enerji	12,106 ✓	752	44.07

BORUSAN GROUP'S OTHER PERFORMANCE INDICATORS

	Number of Near-Misses	Number of Hazardous Cases	Number of Health, Safety, and Environmental On-Site Checks	Rate of Settling HSE Observations	Percentage of Observations Made by Employees	Percentage of Employees Awarded	Number of Drills Performed
	2024	2024	2024	2024	2024	2024	2024
Borusan Cat	5,199		7,582	MD	MD	MD	10
Borusan Pipe	85	6,439	3,358	0.95	4.86	MD	3
Borçelik	105	13	4,959	96	4.11	0.39	12
Borusan Lojistik	1,613	17,413	27,838	0.88	0.7	0.27	194
Borusan Port	24	210	420	89.8%	70%	50%	11
Borusan Otomotiv Group	94	135	2,306	85%	80%	10%	11
Supsan	1	3	4	(-)	(-)	(-)	1
Borusan EnBW Enerji	13	199	40	(-)	100	0.0666	75

BORUSAN GROUP OCCUPATIONAL HEALTH AND SAFETY

	Number of OHS Committees Established	Total Number of Members in OHS Committees Established	Total Number of Employees in ohs Committees Established
	2024	2024	2024
Borusan Cat	42	39	13
Borusan Pipe	3	44	3
Borçelik	3	54	10
Borusan Lojistik	179	263	100
Borusan Port	6	30	2
Borusan Otomotiv Group	8	135	22
Supsan	1	12	2
Borusan EnBW Enerji	4	26	2
TOTAL	**246**	**603**	**151**

NUMBER OF PEOPLE REACHED OUT AS A PART OF INCLUSIVENESS PROGRAM OF BORUSAN GROUP

	Youth	Children	Women	Migrants	Others	Total	Spendings for Inclusiveness Programs (TL)
	2024	2024	2024	2024	2024	2024	2024
Borusan Cat	MD	MD	MD	MD	MD	MD	MD
Borusan Pipe	MD	MD	MD	MD	MD	MD	MD
Borçelik	2,168	300	42	MD	1	2,511	755,500
Borusan Lojistik	50	264	30	0	0	344	285,000
Borusan Port	20	MD	MD	MD	MD	MD	MD
Borusan Otomotiv Group	498	50	MD	MD	35	583	MD
Supsan	0	25	0	0	2	27	MD
Borusan EnBW Enerji	35	50	10	MD	MD	95	6,000
Borusan Holding	27,000	MD	MD	MD	MD	27,000	MD
TOTAL	**29,771**	**689**	**82**	**0**	**38**	**30,560**	**1,040,500**

BORUSAN GROUP - VOLUNTEERING

	Number of Employees Involved in Volunteering Activities	Total Hours Spent by Employees for Volunteering Activities	Budget Allocated for Volunteering (TL)
	2024	2024	2024
Borusan Cat	335	1,675	200,000
Borusan Pipe	MD	MD	MD
Borçelik	203	711	135,500
Borusan Lojistik	16	72	0
Borusan Port	20	125	98,655
Borusan Otomotiv Group	55	325	120,000
Supsan	7	899	416
Borusan EnBW Enerji	43	355	143,000
Borusan Holding	856	9,517	14,080,000
TOTAL	**1,535**	**13,679**	**14,777,571**

BORUSAN GROUP, CUSTOMERS

	Total Number of Customers	Number of Local Customers	Number of Foreign Customers	Customer Satisfaction Score	Customer Reliability Score	Total number of complaints about violation of customer confidentiality	Total number of cases of customer data leak, theft, or loss	Hours of training provided for employees about customer relations
	2024	2024	2024	2024	2024	2024	2024	2024
Borusan Cat	49,552		0	%83,17	87.82%	MD	MD	MD
Borusan Pipe	457	374	83	Segment 4 domestic market 99 Segment 4 export 100 Segment 2-3 export 85	MD	MD	MD	7,040
Borçelik	620	460	160	MD	MD	MD	MD	1,328
Borusan Lojistik	3,529	2,775	754	89	57	MD	MD	32
Borusan Port	1,979	MD	MD	%69	MD	MD	MD	MD
Borusan Otomotiv Group	MD	MD	MD	“BMW Group: 89% Jaguar Land Rover: 98.8%”	-	MD	MD	“BMW Group: 290 Jaguar Land Rover:12”
Supsan	226	181	45	-	-	MD	MD	-
Borusan EnBW Enerji	1,537		0	100	100	MD	MD	0

*For our 2023 audited data, you can review our **Borusan 2023 Integrated Annual Report.***

QUALITY AND INTEGRATED MANAGEMENT SYSTEMS

	Borçelik	Supsan	Borusan Pipe	Borusan Cat	Borusan Otomotiv Group	Borusan Lojistik	Borusan Port	Borusan EnBW Enerji
ISO 9001 Quality Management System	Gemlik Bursa SSC Manisa SSC	Supsan	Borusan Pipe	Borusan Cat		Borusan Lojistik eTA	Borusan Port	Head Office Bandırma WPP Balabanlı WPP Koru WPP Mut WPP Harmanlık WPP Fuatres WPP Kartaldağı WPP Kıyıköy WPP Saros WPP Yedigöl Aksu HPP
ISO 14001 Environmental Management System	Gemlik Bursa SSC Manisa SSC	Supsan	Borusan Pipe			Borusan Lojistik eTA	Borusan Port	Merkez Ofis Bandırma RES Balabanlı RES Koru RES Mut RES Harmanlık RES Fuatres RES Kartaldağı RES Kıyıköy RES Saros RES Yedigöl Aksu HES
ISO 10002 Customer Satisfaction Management System			Borusan Pipe			Borusan Lojistik	Borusan Port	
ISO 14046 Water Footprint Verification			Borusan Pipe			Borusan Lojistik		
ISO 14064 Greenhouse Gas Verification	Gemlik Bursa SSC Manisa SSC		Borusan Pipe			Borusan Lojistik eTA	Borusan Port	
ISO 16949 IATF Automotive Quality Management System	Gemlik Bursa SSC Manisa SSC	Supsan	Borusan Pipe					
ISO 17024 Accreditation Standard	Gemlik						Borusan Port	
ISO 17025 Accreditation for Competence of Testing and Calibration Laboratories			Borusan Pipe					

QUALITY AND INTEGRATED MANAGEMENT SYSTEMS

	Borçelik	Supsan	Borusan Pipe	Borusan Cat	Borusan Otomotiv Group	Borusan Lojistik	Borusan Port	Borusan EnBW Enerji
ISO 27001 Data Security Management System	Gemlik Bursa SSC Manisa SSC				Borusan Otomotiv (Borusan Otomotiv İthalat ve Dağıtım A.Ş, Borusan Oto Servis ve Ticaret A.Ş. Avcılar, İstinye, Vadi ve Samandıra locations)	Borusan Lojistik	Borusan Port	Head Office Bandırma WPP Balabanlı WPP Koru WPP Mut WPP Harmanlık WPP Fuatres WPP Kartaldağı WPP Kıyıköy WPP Saros WPP Yedigöl Aksu HEPP
ISO 45001 Occupational Health and Safety Management System	Gemlik Bursa SSC Manisa SSC	Supsan	Borusan Pipe	Borusan Cat Gebze Borusan Cat Tuzla	Borusan Oto Servis ve Ticaret A.Ş.	Borusan Lojistik eTA	Borusan Port	Head Office Bandırma WPP Balabanlı WPP Koru WPP Mut WPP Harmanlık WPP Fuatres WPP Kartaldağı WPP Kıyıköy WPP Saros WPP Yedigöl Aksu HEPP
ISO 50001 Energy Management System	Gemlik		Borusan Pipe			Borusan Lojistik	Borusan Port	Head Office Bandırma WPP Balabanlı WPP Koru WPP Mut WPP Harmanlık WPP Fuatres WPP Kartaldağı WPP Kıyıköy WPP Saros WPP Yedigöl Aksu HEPP
API 5CT Specification for Casing and Tubing			Borusan Pipe					
API 5L Specification for Line Pipe			Borusan Pipe					
API Q1 Management System			Borusan Pipe					
Cybervadis Değerlendirmesi						Borusan Lojistik	Borusan Port	
Ecovadis Assessment						Borusan Lojistik		

QUALITY AND INTEGRATED MANAGEMENT SYSTEMS

	Borçelik	Supsan	Borusan Pipe	Borusan Cat	Borusan Otomotiv Group	Borusan Lojistik	Borusan Port	Borusan EnBW Enerji
EDGE (Equity, Diversity, and Gender Equality) Gender Certification Assess Level	Gemlik							
SEDEX SMETA 4 Pillars	Gemlik Bursa ÇSM					Borusan Lojistik		
Examination and Certification Authorization Certificate (MYK)	Gemlik		Borusan Pipe					
TSE COVID-19 Safe Production Certificate	Gemlik							
Dangerous Goods Conformity Certificate			Borusan Pipe				Borusan Port	
Green Port Certificate							Borusan Port	
AEO Certificate						Borusan Lojistik		
AEO-Licensed Consignor and Consignee Certificate						Borusan Lojistik		
Green Logistics Certificate						Borusan Lojistik		
Authorized Economic Operator Certificate (AEO)						Borusan Lojistik		
Responsible Steel	Gemlik							
Transportation Organizing Certificate - TIO						Borusan Lojistik		
L1 License						Borusan Lojistik		
L2 License						Borusan Lojistik		
SQAS						Borusan Lojistik		

MEMBERSHIPS AND AWARDS

MEMBERSHIPS

Organization	Company	Organization	Company
43rd Group Professional Committee (ISO)	Borusan Pipe	Business Plastic Initiative - BCSD Türkiye	Borusan Lojistik
ACC Association of Corporate Counsel	Borusan Pipe	Business World and Sustainable Development Association (SKD Turkey)	Borusan Pipe
Adana Young Businesspeople Association (AGİAD)	Borusan Oto	Business World and Sustainable Development Association (SKD Turkey)	Borusan Cat
AEAA (European Association of Artist Managers)	Borusan Sanat	CCI France Turquie	Borçelik
AEMA (International Artist Managers' Association)	Borusan Sanat	CCIKR (Chamber of Commerce and Industry of the Kyrgyz Republic)	Borusan Cat Kırgızistan
All Battery Importers and Manufacturers Association (TUMAKUDER)	Borusan Otomotiv	Confederation of Italian Entrepreneurs Worldwide	Borusan Pipe
AmCham (American Chamber of Commerce in Kazakhstan)	Borusan Cat Kazakistan	Constructional Steelwork Association	Borusan Pipe
AmCham (American Chamber of Commerce in the Kyrgyz Republic)	Borusan Cat Kırgızistan	Çorlu Chamber of Commerce and Industry (ÇTSO)	Borusan Oto
AmCham Türkiye / ABFT (American Business Foundation)	Borusan Pipe	Corporate Communication Professionals' Association	Borusan Holding
AmCham Türkiye / ABFT (American Business Foundation)	Borusan Cat	Corporate Communication Professionals' Association	Borçelik
Ankara Chamber of Commerce (ATO)	Borusan Oto	Corporate Communication Professionals' Association (KİD)	Borusan Pipe
Ankara Chamber of Industry (ASO)	Borusan Oto	Corporate Communication Professionals' Association (KİD)	Borusan Cat
Association of Cold Rolled, Galvanized and Coated Coil Manufacturers (SOGAD)	Borçelik	Corporate Communication Professionals' Association (KİD)	Borusan EnBW Enerji
ATAMEKEN (The National Chamber of Entrepreneurs of the Republic of Kazakhstan)	Borusan Cat Kazakistan	Corrugated Board Manufacturers Association (OMÜD)	Borusan Lojistik (eTA)
Authorized Automotive Dealers Association (OYDER)	Borusan Oto	Education Reform Initiative	Borusan Kocabıyık Vakfı
Auto Leasing and Rental Companies Association (TOKKDER)	Borusan Otomotiv Premium	Electricity Producers Association (EUD)	Borusan EnBW Enerji
Automotive Distributors' and Mobility Association (ODMD)	Borusan Otomotiv	Energy Monitoring Association	Borusan Cat Kazakistan
Automotive Suppliers Association of Türkiye (TAYSAD)	Borçelik	Energy Traders Association (ETD)	Borusan EnBW Enerji
Automotive Suppliers Association of Türkiye (TAYSAD)	Supsan	Ethics and Reputation Society (TEID)	Borusan Holding
Automotive Technology Platform (OTEP)	Borçelik	Ethics and Reputation Society (TEID)	Borusan Pipe
Bodrum Chamber of Commerce (BODTO)	Borusan Oto	Ethics and Reputation Society (TEID)	Borusan Cat
Boiler and Pressure Vessel Industrialists' Association	Borusan Pipe	Ethics and Reputation Society (TEID)	Borusan Otomotiv
Bursa Association of Engineer Women (BUMKAD)	Borusan Pipe	EUROBAK (European Business Association of Kazakhstan)	Borusan Cat Kazakistan
Bursa Businesswomen and Executives Association (BUIKAD)	Borçelik	Foreign Economic Relations Board (DEIK)	Borçelik
Bursa Chamber of Commerce and Industry (BTSO)	Borçelik	Foreign Economic Relations Board (DEIK)	Borusan Pipe
Bursa Industrialists and Businesspeople Association (BUSIAD)	Borçelik	Foreign Economic Relations Board (DEIK)	Borusan Cat
Bursa Industrialists and Businesspeople Association (BUSIAD)	Borusan Port	Foreign Economic Relations Board (DEIK)	Borusan Otomotiv

MEMBERSHIPS AND AWARDS

MEMBERSHIPS

Organization	Company	Organization	Company
Foreign Trade Association of Türkiye	Borçelik	Steel Exporters' Association (ÇİB)	Borusan Pipe
Gaziantep Chamber of Industry (ASO)	Borusan Oto	Steel Pipe Manufacturers Association (ÇEBID)	Borusan Pipe
Gemlik Chamber of Commerce and Industry	Borçelik	Supply Chain Management Association	Borusan Cat
Gemlik Chamber of Commerce and Industry	Borusan Pipe	Support Foundation for Civil Society.	Borusan Kocabıyık Vakfı
German-Turkish Chamber of Industry and Commerce	Borusan Otomotiv	Sustainability Academy	Borusan Otomotiv
Günyüzü Derneği	Borusan Kocabıyık Vakfı	T-ONE Association	Borusan Holding
GUYAD Energy Investors Association	Borusan EnBW Enerji	Tarsus Chamber of Commerce and Industry (TSO)	Borusan Oto
IICEC (Sabancı University Istanbul International Center for Energy and Climate)	Borusan EnBW Enerji	TAYRAŞ	Borusan Otomotiv
International Business Council (IBC)	Borusan Cat Kırgızistan	TEDAR - Supply Chain Management Association	Borusan Holding
International Investors Association (YASED)	Borçelik	TEDAR - Supply Chain Management Association	Borusan EnBW Enerji
İstanbul Chamber of Commerce (İTO)	Borçelik	TEDAR - Supply Chain Management Association	Borusan Lojistik
İstanbul Chamber of Commerce (İTO)	Borusan Oto	The British Chamber of Commerce in Turkey (BCCT)	Borusan Cat
Istanbul Chamber of Industry (ISO)	Borçelik	The British Chamber of Commerce in Turkey (BCCT)	Borusan Cat
Istanbul Chamber of Industry (ISO)	Borusan Cat	The Institute of Internal Auditing, Türkiye	Borusan Pipe
Istanbul Chamber of Industry (ISO)	Borusan Oto	The Port Operators Association of Türkiye	Borusan Port
İstanbul Mineral and Metals Exporters' Associations (İMMİB)	Borçelik	Third Sector Foundation of Turkey (TÜSEV)	Borusan Kocabıyık Vakfı
İstanbul Mineral and Metals Exporters' Associations (İMMİB)	Borusan Pipe	TUKIB (Association of Legal Entities and Individual Entrepreneurs "Association of Turkish and Kazakh Businessmen")	Borusan Cat Kazakistan
KAZSERVICE (Union of Oilfield Service Companies of Kazakhstan)	Borusan Cat Kazakistan	Turkish Automobile Sports Federation (TOSFED)	BOM Motor Sporları
Materials Handling, Storage & Industrial Equipment Association of Türkiye (ISDER)	Borusan Cat	Turkish Automotive Aftermarket Association (OSS)	Supsan
Mersin Authorized Automotive Dealers Association (MODER)	Borusan Oto	Turkish Chamber of Shipping	Borusan Cat
Motorcycle Industry Association (MOTED)	Borusan Otomotiv	Turkish Cogeneration Association	Borusan Cat
Portable Battery Manufacturers and Importers Association	Borusan Otomotiv	Turkish Employers' Association of Metal Industries (MESS)	Borçelik
Private Label Association of Türkiye (PLAT)	Borusan Lojistik (eTA)	Turkish Employers' Association of Metal Industries (MESS)	Borusan Pipe
Private Sector Volunteers Association (ÖSGD)	Borusan Holding	Turkish Exporters Assembly (TIM)	Borusan Pipe
R&D Centres Communication and Cooperation Platform (ARGEMIP)	Borçelik	Turkish Forwarding and Logistics Association (UTIKAD)	Borusan Lojistik
R&D Centres Communication and Cooperation Platform (ARGEMIP)	Borusan Cat	Turkish Green Building Council (ÇEDBİK)	Borusan Pipe
R&D Centres Communication and Cooperation Platform (ARGEMIP)	Borusan Otomotiv	Türkish Industry and Business Association (TÜSİAD)	Borusan Lojistik

MEMBERSHIPS AND AWARDS

MEMBERSHIPS

Organization	Company	Organization	Company
Turkish Marine Environment Protection Association (TURMEPA)	Supsan	UN Global Compact Network Türkiye	Borusan Cat
Turkish Society for Quality (KALDER)	Borusan Holding	UN Women's Empowerment Principles (WEPs),	Borçelik
Turkish Society for Quality (KALDER)	Borçelik	UN Women's Empowerment Principles (WEPs),	Borusan Pipe
Turkish Society for Quality (KALDER)	Borusan EnBW Enerji	UN Women's Empowerment Principles (WEPs),	Borusan Otomotiv
Turkish Society for Quality (KALDER)	Borusan Lojistik	UND (International Transporters' Association)	Borusan Lojistik
Turkish Tunnelling Society	Borusan Pipe	Union of Chambers and Commodity Exchanges of Türkiye (TOBB)	Borçelik
Turkish Wind Energy Association	Borusan EnBW Enerji	Union of Chambers and Commodity Exchanges of Türkiye (TOBB)	Borusan EnBW Enerji
TurkishWİN	Borusan Kocabıyık Vakfı	Union of Chambers and Commodity Exchanges of Türkiye, Turkish Automotive Trade Council	Borusan Otomotiv
Türkiye Construction Equipment Distributors & Manufacturers Association (IMDER)	Borusan Cat	USKGZBC (US-Kyrgyzstan Business Council)	Borusan Cat Kırgızistan
TÜSİAD	Borusan EnBW Enerji	White Goods Suppliers Association (BEYSAD)	Borçelik
Uludağ Exporters' Union (UIB)	Supsan	Women on Board Turkey Association (YKKD)	Borusan Cat
UN Global Compact	Borusan EnBW Enerji	World Energy Council Türkiye	Borusan EnBW Enerji
UN Global Compact	Borçelik	Yuvam Dünya Association	Borusan Kocabıyık Vakfı
UN Global Compact	Borusan Pipe		
UN Global Compact	Borusan Otomotiv		

MEMBERSHIPS AND AWARDS

AWARDS			
Title of Award	**Awarded by**	**Awarded Company**	**Awarded Project**
Gold	Stevie Awards	Borusan Holding	Sinemasal Akademi Borusan Defne Kampüsü Project
Gold	Stevie Awards	Borusan Holding	Sinemasal Akademi Borusan Defne Kampüsü Project
Silver	Stevie Awards	Borusan Holding	Sinemasal Akademi Borusan Defne Kampüsü Project
Silver	Stevie Awards	Borusan Holding	Borusan Sustainable Benefit Program
Bronze	Stevie Awards	Borusan Holding	Borusan Day
Gold	LACP Vision Awards	Borusan Holding	Integreated Annual Report
Silver	LACP Vision Awards	Borusan Holding	Integreated Annual Report
Silver	LACP Vision Awards	Borusan Holding	Integreated Annual Report
Bronze	LACP Vision Awards	Borusan Holding	Integreated Annual Report
Silver	Brandverse Awards	Borusan Holding	
Bronze	Brandverse Awards	Borusan Holding	SocialBrands Data Analytics (Veri Analitiği) Awards
Bronze	Brandverse Awards	Borusan Holding	
Gold	Golden Bridge Awards	Borusan Holding	Borusan Sustainable Benefit Program
Silver	Golden Bridge Awards	Borusan Holding	Sinemasal Akademi Borusan Defne Kampüsü Project
Winner	Private Sector Volunteers Association (ÖSGD) 16th Awards	Borusan Holding	Sinemasal Akademi Borusan Defne Kampüsü Project
Winner		Borusan Holding	Sinemasal Akademi Borusan Defne Kampüsü Project
Winner	Future of AI & Cloud Zirvesi	Borusan Holding	Integreated Annual Report
Silver	Annual Report Competition Awards – ARC	Borusan Holding	Integreated Annual Report
Second Place	Realta Consulting 2023 Research	Borusan Holding	En Gözde Şirketler (Most Popular Companies)
First Place	Top Talent	Borusan Holding	Alpha Young Talent Program
İSO 500- 2023 Turkey's Top 500 Industrial Enterprises	İSO 500	Borçelik	Türkiye's 31st Largest Industrial Organization
Fortune 500 Türkiye 2023 Survey	Fortune 500	Borçelik	Türkiye's 61st Largest Company
ISO Green Transformation Awards	İSO	Borçelik	3rd Prize in the Sustainability Management Category
Capital 500-2023 List	Capital	Borçelik	82nd Largest Company in Türkiye
			7th Largest Company in the Iron and Steel Category
Top 250 Large Companies Survey - BTSO	BTSO	Borçelik	5th Largest Company in Bursa
			Metal Sector Leader
EDGE Assess Certification	EDGE (Equity, Diversity, and Gender Equality) Gender Certification	Borçelik	Borçelik is the only steel producer in the world in its sector to hold the EDGE (Equity, Diversity, and Gender Equality) Certification, and the first company in Europe within the industry to receive this distinction.
İnovaLİG Awards	Turkey Exporters Assembly (TİM)	Borçelik	2nd Prize in the "Innovation Strategy" Category for Large Scale Companies
Sustainable Business Awards	Sustainability Academy	Borçelik	1st Prize in the "Carbon Management - Scope 3" Category with the "Reducing Embedded Emissions of Raw Materials" Project
Borusan Holding Inspiring the Future Awards	Borusan Holding	Borçelik	1st Rank in the Climate - Energy Management Category with the "Development of Digital Twin of Galvanizing Lines and Ensuring Energy Efficiency" Project

MEMBERSHIPS AND AWARDS

AWARDS

Title of Award	Awarded by	Awarded Company	Awarded Project
Borusan Holding Inspiring the Future Awards	Borusan Holding	Borçelik	1st Rank in the Climate - Water Management Category with the “Borçelik Effective Water Management from Basin to Discharge” Project
Borusan Holding Inspiring the Future Awards	Borusan Holding	Borçelik	1st Rank in the Climate - Waste Management Category with the “Galvanizing Line Zinc Pot Roller Accessories Material and Process Development” Project
Borusan Holding Inspiring the Future Awards	Borusan Holding	Borçelik	1st Rank in the Human - Inclusion and Diversity Category with the “This Job is an Equality Job” Project
TISK Joint Future Award Program	TİSK	Borçelik Technical Academy	Award in the category of Paving the Way for Young People with the Vocational High School Vocational Schools for a Brighter Future Project (Meslek Lisesi Varsa Gelecek Var)
Leaders of Steel Exports in 2023	Steel Exporters’ Association (ÇİB) -Turkish Time	Borçelik	9th in Overall Ranking, 7th in Hot Flat Steel Category
Leaders of Steel Exports in 2023	Steel Exporters’ Association (ÇİB) -Turkish Time	Borçelik	1st in Cold Flat Category
Leaders of Steel Exports in 2023	Steel Exporters’ Association (ÇİB) -Turkish Time	Borçelik	2nd in Flat Coating Category
Adding Value to the Economy BTSO	BTSO	Borçelik	Export Category Award
IDC Future Enterprise Awards	IDC Türkiye	Borçelik	3rd Rank in the Future of Connectedness category with the “Internal Traffic Control System with Smart Routing” Project
MESS Occupational Safety Stars Competition	MESS	Borçelik	Application Award in the Digital OHS Category with the “Automational Improvement of Pickling Line” Project
ISO Green Transformation Awards	Fortune Türkiye	Borusan Pipe	-
2024 ISO Green Transformation Energy Efficiency Project 2th Rank	Istanbul Chamber of Industry (ISO)	Borusan Pipe	SRM Machine Learning Study for Electricity Consumption Analysis
Responsibly Sourced Tubulars Request for Information Gold Medal | 86	B&L PipeCo Services x Intertek	Borusan Pipe US Inc. Texas Baytown Plant	-
Borusan Holding Inspiring the Future Awards	Borusan Holding	Borusan Pipe	Factory Innovation Network
Best Development Program for Frontline Leaders	Brandon Hall Group Excellence	Borusan Pipe	Team Leader Development Program
International Safety Award Distinction	British Safety Council	Borusan Pipe	Health and Safety Management
Investment of the Year Award	Prahova Business Awards	Borusan Pipe	Investment in Romania
Social Responsibility Award	Prahova Business Awards	Borusan Pipe	Sports competitions we sponsor and aid we provided during the earthquake
SAP Transformation Awards - Digital Transformation Award of the Year	SAP Türkiye	Borusan Pipe	-
Capital 500	Capital	Borusan Pipe	Ranked 70th in 2024 and ranked among the largest companies in Türkiye
Fortune 500	Fortune	Borusan Pipe	Ranked 55th in 2024 and ranked among the largest companies in Türkiye
ISO 500	ISO 500	Borusan Pipe	Ranked 65th in 2024 and ranked among the largest companies in Türkiye
Zero Waste	Ministry of Environment, Urbanisation and Climate Change	Borusan Cat	-
Support for Kazakh Culture Award	AmCham Kazakhstan	Borusan Cat Kazakistan	-
Top Three Dealers Among EAME	Caterpillar	Borusan Cat Kazakistan	-
Synesgy Sürdürülebilirlik Sertifikası	Fortune Türkiye & CRIF	Borusan Cat	-
Borusan Holding Inspiring the Future Awards	Borusan Holding	Borusan Cat	Sound Diagnostic Project

MEMBERSHIPS AND AWARDS

AWARDS

Title of Award	Awarded by	Awarded Company	Awarded Project
1st Place in Technology and Innovation Implementation in the Sales Category	Sales Network	Borusan Cat	-
Changemakers Award	PERYÖN	Borusan Cat	-
Capital 500	Capital Magazine	Borusan Cat	-
Fortune 500	Fortune Magazine	Borusan Cat	-
Fast Company 50 Innovative Companies 8th place	Fast Company	Borusan Cat	Sound Diagnostic Project
Equality for Women at Work Certificate	Sustainability Academy	Borusan Cat	
Borusan Holding Inspiring the Future Awards - Biodiversity Awards	Borusan Holding Inspiring the Future Awards	Borusan EnBW Enerji	Protection and Regeneration Project of Sultan Lily
YZF Sustainability and Impact Award - Bronze Award	Artificial Intelligence Factory	Borusan EnBW Enerji	BEE Intraday Production Forecasting Model
Renewable Energy Company of the Year Award	Boğaziçi University Electrotechnology Club	Borusan EnBW Enerji	Borusan EnBW Enerji Sustainability Projects
EMEA Finance Best Central and Eastern Europe Trade Union Loan Award	EMEA Finance	Borusan EnBW Enerji	Borusan EnBW Enerji $600 million Renewable Energy Financing
BUSIAD 6th Innovation Awards “Employee Management” Category	BUSİAD	Borusan Limanı	-
do!Duyarlı ol! Gold Certificate	SKD Türkiye	Borusan Lojistik	do!Duyarlı ol! Project
Environmental Project of the Year Boğaziçi University	Boğaziçi University	Borusan Lojistik	Green Logistics
Best AI Transformation and Implementation	Future of AI & Cloud Summit	Borusan Lojistik	OptiFreight AI
Sustainable Business Award-Carbon Management	Sustainability Academy	Borusan Lojistik	Green Logistics
Borusan Holding Inspiring the Future Awards	Borusan Holding	Borusan Lojistik	Green Logistics
Bronze Level Sustainability Certificate	EBRD	Borusan Lojistik	ESG assessment
Borusan Holding Inspiring the Future Awards	Borusan Holding	Borusan Lojistik	OHS Olympics
A Excellence Level Sustainability Certificate (Fortune 500 companies survey)	Fortune&CRIF	Borusan Lojistik	ESG assessment
ODMD Sales and Communication Awards, 2023 Gladiators	Automotive Distributors’ and Mobility Association (ODMD)	Borusan Otomotiv - BMW Türkiye	Personalized Customer Experience CDP Integration and BMW Pop-Up Store Mandarin Oriental Bodrum
Brandverse Awards	Marketing Türkiye & BoomSonar	Borusan Otomotiv - BMW Türkiye	BMW Türkiye Customer Data Platform (CDP)
Brandverse Awards	Marketing Türkiye & BoomSonar	Borusan Otomotiv - BMW Motorrad Türkiye	-
İstanbul Marketing Awards	İstanbul Marketing Awards	Borusan Otomotiv - BMW Türkiye	BMW i7 M70 ve Birce Akalay Cannes’da!
Outdoor Awards	Outdoor Türkiye Platformu	Borusan Otomotiv - BMW Motorrad Türkiye	Among the brands preferred by outdoor enthusiasts is TOURING MOTORCYCLE.
International MINI Dealer Event	BMW AG	Borusan Otomotiv - MINI Türkiye	MINI Türkiye 2023 Business Results
-	Jaguar Land Rover EIRO	Borusan Otomotiv - Jaguar Land Rover Türkiye	Jaguar Türkiye 2023 Business Results
Women’s Worldwide Car Of The Year (WWCOTY)	Women’s Worldwide Car Of The Year (WWCOTY)	Borusan Otomotiv - BMW Türkiye	The new BMW 5 Series Sedan
Polaris Sustainability Award	BMW AG	Borusan Otomotiv	Borusan Otomotiv Social Sustainability Projects
Youth Awards	Youthall	Borusan Otomotiv	-
Globee Golden Bridge	Globee Golden Bridge	Borusan Otomotiv	Young Talent Recruitment Projects
Borusan Holding Inspiring the Future Awards	Borusan Holding	Borusan Otomotiv	New Generation Service - Young Talent Project

MEMBERSHIPS AND AWARDS

AWARDS			
Title of Award	**Awarded by**	**Awarded Company**	**Awarded Project**
International Safety Awards	British Safety Council	Borusan Otomotiv	OHS Activities in Electrification Transformation, Safe Driving Training, and BorusanX OHS Management Culture
European Technician Olympics (European Technician Of The Year)	Jaguar Land Rover EIRO	Borusan Oto	Ata Besin / Jaguar Land Rover Technician
Stevie International Business Awards	Stevie Awards	Borusan Otomotiv	Technology Operational Model
Stevie International Business Awards	Stevie Awards	Borusan Otomotiv	Digital Transformation Team
Technology Captains Awards	BThaber	Borusan Otomotiv	BOTOFAST
Future of AI&Cloud	Future of AI&Cloud Summit	Borusan Otomotiv	Reference Customer Identification with Generative AI
RDCONF 2024 R&D and Innovation Awards	International Conference on Design, Research and Development (RDCONF 2024)	Borusan Otomotiv	Reference Customer Identification with Generative AI
Best Project Management Office Award	PMI TR	Borusan Otomotiv	Business Excellence and Program Management Office
GT4 European Series	SRO Motorsports Group'	BOM Motor Sporları - Borusan Otomotiv Motorsport	GT4 European Series races
BMW Sport Trophies Top 25 Awards	BMW Motorsport	BOM Motor Sporları - Borusan Otomotiv Motorsport	-
Turkiye Karting Championship	Türkiye Otomobil Sporları Federasyonu (TOSFED)	BOM Motor Sporları - BOM Karting	-
İstanbul Golden Values Award	İstanbul Economy Summit	Borusan Otomotiv	Artificial Intelligence and Sustainability Panel in the Automotive Industry
52nd Istanbul Music Festival - High Contributing Institution Plaque	Istanbul Foundation for Culture and Arts	Borusan Sanat	Borusan Sanat's Support for the Festival

MATERIAL ISSUES AND DESCRIPTIONS

Material Issue	Description	ESRS Mapping
Climate Action and Adaptation	Climate action and adaptation includes actions taken by organisations to establish business strategies for climate change, greenhouse gas emission reduction methods, management of climate-related risks and potential rooms of opportunity.	E1- Climate Change
Corporate Governance	Corporate governance includes compliance of an organization with all laws and regulations in line with the principles of transparency and reliability, and taking measures against corruption, respecting codes of ethics, and taking actions for corporate risk management.	G1- Business Conduct
R&D and Innovation	R&D and innovation includes actions to develop innovative business models, products, and services.	(-)
Technology and Digital Transition	Digital transition includes actions to be taken by organizations to develop new products/services and business processes/models or improve those already available, using means of digital technology.	(-)
Developing Sustainable Business Models	Developing sustainable business models denote products/services designed, produced, and presented in line with the long-term sustainability principles, striking a balance between environmental, financial, and social impacts.	(-)
Conservation of Nature and Biodiversity	The conservation of nature and biodiversity denotes conservation and protection of the terrestrial/aquatic ecosystem well-being and sustainability, in consideration of pollution, overhunting, habitat degradation, and other risks.	E4-Biodiversity and Ecosystems
Circularity and Waste Management	The circular economy is a next-generation perspective intended to make reuse of products and resources, and efficient use of them to reduce waste generation.	E5- Resource Use and Circular Economy
Water Management	Water management is about all actions taken to hand down sufficient and healthy water resources to the future generations.	E3-Water and Marine Resources
Occupational Health and Safety	The occupational health and safety is a set of technical rules to be followed to eliminate or mitigate hazards and risks facing employees as part of their job while intended to maximize their well-being.	S1- Own Workforce S2-Workers in the Value Chain
Human-Centred Corporate Culture	The human-centred corporate culture denotes organizations balancing/improving not only their financial but also environmental and social impacts in consideration of their employees and community at large.	S1- Own Workforce S2-Workers in the Value Chain S3-Affected Communities
Sustainable Supply Chain Management	The sustainable supply chain management is a form of process management where organizations secure their own sustainable development and the development of their suppliers, complying with the principles of transparency, integrity, sustaining quality, and compliance with the international standards.	S2-Workers in the Value Chain
Customer Satisfaction and Service Quality	Customer satisfaction is how satisfied customers are after their emerging/ever-changing needs and demands are met. This concept can also be described as the extent customers are satisfied with services or products.	S4-Consumers and End Users
Management of Stakeholder Relations	The management of stakeholder relations is about methods developed by organizations to effectively manage the communication with suppliers and NGOs, as well as employees in particular.	(-)
Talent Management and Development	The talent management and development is about actions such as provision of training by organizations for their employees to secure qualified workforce, offering career development support, and access to talent development schemes.	S1- Own Workforce
Inclusiveness, Diversity, and Equal Opportunities	Inclusiveness, diversity, and equal opportunities denote respect for human dignity and diversity, and non-discrimination based on one's gender, race, religion, faith, physical appearance, and medical history.	S1- Own Workforce
Creating Social Benefits	Creating social benefits denotes the sense of responsibility for organizations to improve the overall prosperity of the society, going beyond making profits as a result of their operations.	S3-Affected Communities
Sustainable Financial Performance	Sustainable financial performance is the assessment of the economic values of an organisation's ongoing operations and potential/actual sustainable investments based on their profitability and vulnerability.	(-)
Promotion of Entrepreneurship and Development of Partnerships	The promotion of entrepreneurship and development of partnerships refer to the use of corporate venture capital by organizations to encourage/promote businesses/individuals intended to balance out environmental, social and economic impacts, provide social benefits, and create long-term sustainable value.	(-)
Geopolitical and Human-Related Issues	Dealing with geopolitical and human-related issues in from the perspective of sustainability call for a strategy based on international cooperation, fairness, and equality. It also refers to fair share of resources around the globe, settlement of conflşcts, and following policies that would enhance the well-being of people.	S3-Affected Communities
Responsible Investment	Responsible investment is billed as an investment strategy that takes into account Environmental, Social, and Governance factors for investments of organizations.	(-)

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GRI Standard	Disclosures	References	Page Numbers
GRI 1: Baseline 2021			
GRI 2: General Disclosures 2021			
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	About Borusan	page 34-53
	2-2 Entities included in the organization's sustainability reporting	About the Report	page 3
	2-3 Reporting period, frequency, and contact point	About the Report	page 3
	2-4 Restatements of information	Annexes - Financial Performance Indicators Annexes - Environmental Performance Indicators	page 154 page 155-158
	2-5 External assurance	About the Report Limited Assurance Report	page 3 page 191
	2-6 Activities, value chain, and other business relationships	About Borusan	page 34-53
	2-7 Employees	Human-Centred Corporate Culture Inclusiveness, Diversity, and Equal Opportunities Annexes - Social Performance Indicators	page 112-113 page 114-115 page 159-166
	2-8 Workers who are not employees	Borusan Holding may outsource services for auxiliary tasks concerning the manufacturing of goods or services at its location, in a part of a main task or in order to share out responsibilities that require outsourced support such as cleaning and security.	(-)
	2-9 Governance structure and composition	Organizational Structure Corporate Governance at Borusan	page 54-55 page 56
	2-10 Nomination and selection of the highest governance body	Organizational Structure Corporate Governance at Borusan	page 54-55 page 56
	2-11 Chair of the highest governance body	Organizational Structure Corporate Governance at Borusan	page 54-55 page 56
	2-12 Role of the highest governance body in overseeing the management of impacts	Organizational Structure Corporate Governance at Borusan	page 54-55 page 56
	2-13 Delegation of responsibility for managing impacts	Organizational Structure Corporate Governance at Borusan	page 54-55 page 56
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance at Borusan	page 57-59
	2-15 Conflicts of interest	Business Ethics and Compliance	page 60
	2-16 Communication of critical concerns	Business Ethics and Compliance	page 60
	2-17 Collective knowledge of the highest governance body.	Organizational Structure Corporate Governance at Borusan	page 54-55 page 56
	2-18 Evaluation of the performance of the highest governance body.	Organizational Structure Corporate Governance at Borusan	page 54-55 page 56
	2-19 Renumeration policies	Rewarding and Remuneration	page 125
	2-20 Process to determine renumeration	Rewarding and Remuneration	page 125
	2-21 Annual total compensation ratio	Confidentiality constraints: This information is not disclosed due to confidentiality reasons	(-)

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GRI Standard	Disclosures	References	Page Numbers
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Our Sustainability Approach, Goals, and Performance	page 77-86
	2-23 Policy commitments	Corporate Governance at Borusan	page 56
	2-24 Embedding policy commitments	Corporate Governance at Borusan	page 56
	2-25 Processes to remediate negative impacts	Corporate Governance at Borusan	page 56
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics and Compliance	page 60
	2-27 Compliance with laws and regulations	Business Ethics and Compliance Risk Management and Internal Control	page 60 page 63-65
	2-28 Membership associations	Annexes - Memberships and Awards	page 170-176
	2-29 Approach to stakeholder engagement	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
	2-30 Collective bargaining agreements	Human-Centred Corporate Culture	page 112-113
Material Issues			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
	3-2 List of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
Climate Action and Adaptation			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Climate Action and Adaptation Annexes - Environmental Performance Indicators	page 91-98 page 155-158
	302-2 Energy consumption outside of the organization	Climate Action and Adaptation Annexes - Environmental Performance Indicators	page 91-98 page 155-158
	302-3 Energy intensity	Climate Action and Adaptation Annexes - Environmental Performance Indicators	page 91-98 page 155-158
	302-4 Reduction of energy consumption	Climate Action and Adaptation Annexes - Environmental Performance Indicators	page 91-98 page 155-158
	302-5 Reductions in energy requirements of products and services	Climate Action and Adaptation Annexes - Environmental Performance Indicators	page 91-98 page 155-158
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Action and Adaptation Annexes - Environmental Performance Indicators	page 91-98 page 155-158
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Action and Adaptation Annexes - Environmental Performance Indicators	page 91-98 page 155-158
	305-3 Other indirect (Scope 3) GHG emissions	Climate Action and Adaptation Annexes - Environmental Performance Indicators	page 91-98 page 155-158
	305-4 GHG emission intensity	Climate Action and Adaptation Annexes - Environmental Performance Indicators	sayfa 91-98 page 155-158
	305-5 Reduction of GHG emissions	Climate Action and Adaptation Annexes - Environmental Performance Indicators	page 91-98 page 155-158

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GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	Climate Action and Adaptation Annexes – Environmental Performance Indicators	page 91-98 page 155-158
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Climate Action and Adaptation Annexes – Environmental Performance Indicators	page 91-98 page 155-158
Corporate Governance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Actions Against Corruption and Anti-Competition	page 66
	205-2 Communication and training about anti-corruption policies and procedures	Actions Against Corruption and Anti-Competition	page 66
	205-3 Confirmed incidents of corruption and actions taken	Actions Against Corruption and Anti-Competition	page 66
GRI 206: Anti-competitive Behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Actions Against Corruption and Anti-Competition	page 66
GRI 207: Tax 2019	207-1 Approach to tax	Business Ethics and Compliance Limited Assurance Report	page 60 page 191
	207-2 Tax governance, control, and risk management	Business Ethics and Compliance Risk Management and Internal Control Limited Assurance Report	page 60 page 63-65 page 191
	207-3 Stakeholder engagement and management of concerns related to tax	Business Ethics and Compliance Risk Management and Internal Control Limited Assurance Report	page 60 page 63-65 page 191
	207-4 Country-by-country reporting	Limited Assurance Report	page 191
GRI 415: Public Policy 2016	415-1 Political contributions	Corporate Governance at Borusan	page 56
Conservation of Nature and Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Conservation of Nature and Biodiversity	page 105-107
	304-2 Significant impacts of activities, products, and services on biodiversity	Conservation of Nature and Biodiversity	page 105-107
	304-3 Habitats under protection or restored	Conservation of Nature and Biodiversity	page 105-107
Circular Economy and Waste Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circularity and Waste Management Annexes – Environmental Performance Indicators	page 99-104 page 155-158
	306-2 Management of significant waste-related impacts	Circularity and Waste Management Annexes – Environmental Performance Indicators	page 99-104 page 155-158
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GRI 306: Waste 2020	306-4 Waste diverted from disposal	Circularity and Waste Management Annexes – Environmental Performance Indicators	page 99-104 page 155-158
	306-5 Waste directed to disposal	Circularity and Waste Management Annexes – Environmental Performance Indicators	page 99-104 page 155-158
Water Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management	page 108-110
	303-2 Management of water discharge-related impacts	Water Management	page 108-110
	303-3 Water withdrawal	Water Management Annexes – Environmental Performance Indicators	page 108-110 page 155-158
	303-4 Water discharge	Water Management Annexes – Environmental Performance Indicators	page 108-110 page 155-158
	303-5 Water consumption	Water Management Annexes – Environmental Performance Indicators	page 108-110 page 155-158
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
GRI 403: Occupational Health and Safety 2018	403 -1 Occupational health and safety management system	Occupational Health and Safety at Borusan	page 126-127
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety at Borusan	page 126-127
	403-3 Occupational health services	Occupational Health and Safety at Borusan	page 126-127
	403 -4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety at Borusan	page 126-127
	403 -5 Worker training on occupational health and safety	Occupational Health and Safety at Borusan	page 126-127
	403-6 Promotion of worker health	Occupational Health and Safety at Borusan	page 126-127
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety at Borusan	page 126-127
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety at Borusan Annexes – Social Performance Indicators	page 126-127 page 159-166
	403-9 Work-related injury	Occupational Health and Safety at Borusan Annexes – Social Performance Indicators	page 126-127 page 159-166
	403-10 Work-related ill health	Occupational Health and Safety at Borusan Annexes – Social Performance Indicators	page 126-127 page 159-166
Human-Centred Corporate Culture			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human-Centred Corporate Culture Annexes – Social Performance Indicators	page 112-113 page 159-166

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	401-3 Paternal Leave	Human-Centred Corporate Culture Annexes – Social Performance Indicators	page 112-113 page 159-166
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human-Centred Corporate Culture Sustainable Supply Chain Management	page 112-113 page 142
GRI 409: Forced or Compulsary Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human-Centred Corporate Culture Sustainable Supply Chain Management	page 112-113 page 142
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of	Human-Centred Corporate Culture Sustainable Supply Chain Management	page 112-113 page 142
Sustainable Supply Chain Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers screened using environmental criteria	Sustainable Supply Chain Management	page 142
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain Management	page 142
GRI 414: Suppliers Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain Management	page 142
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain Management	page 142
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human-Centred Corporate Culture Sustainable Supply Chain Management	page 112-113 page 142
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	Human-Centred Corporate Culture Sustainable Supply Chain Management	page 112-113 page 142
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human-Centred Corporate Culture Sustainable Supply Chain Management	page 112-113 page 142
GRI 409: Forced Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human-Centred Corporate Culture Sustainable Supply Chain Management	page 112-113 page 142
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainable Supply Chain Management	page 142
Customer Satisfaction Management and Service Quality			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Satisfaction Management and Service Quality	page 134-135
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GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Human-Centred Corporate Culture	page 112-113
GRI 404: Training and Education 2016	404-1 Average Hours of Training Per Year Per Employee	Talent Management and Development Annexes – Social Performance Indicators	page 121-124 page 159-166
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management and Development Annexes – Social Performance Indicators	page 121-124 page 159-166
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Management and Development Annexes – Social Performance Indicators	page 121-124 page 159-166
Inclusiveness, Diversity, and Equal Opportunities			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of Governance Bodies and Employees	Corporate Governance at Borusan Inclusiveness, Diversity, and Equal Opportunities	page 56 page 114-115
	405-2 Ratio of basic salary and remuneration of women to men	Rewarding and Remuneration Inclusiveness, Diversity, and Equal Opportunities	page 120 page 114-115
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Inclusiveness, Diversity, and Equal Opportunities	page 114-115
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GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Creating Social Benefits	page 128-133
	413-2 Operations with significant actual and potential negative impacts on local communities	Creating Social Benefits	page 128-133
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GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Summary of Performance of Borusan Group Companies in 2024 Sustainable Financial Performance Annexes – Financial Performance Indicators	page 40-48 page 51 page 154
	201-2 Financial implications and other risks and opportunities due to climate change	Risk Management and Internal Control	page 63-65
	201-3 Defined benefit plan obligations and other retirement plans	Sustainable Financial Performance	page 51
	201-4 Financial assistance received from government	Sustainable Financial Performance	page 51
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Sustainable Financial Performance	page 51
	203-2 Significant indirect economic impacts	Sustainable Financial Performance	page 51

GRI CONTENT INDEX

GRI Standard	Disclosures	References	Page Numbers
Responsible Investment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Sustainable Financial Performance	page 51
	203-2 Significant indirect economic impacts	Sustainable Financial Performance	page 51
R&D and Innovation			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
Technology and Digital Transition			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
Geopolitical and Human-Related Issues			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
Management of Stakeholder Relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
Developing Sustainable Business Models			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74
Promotion of Entrepreneurship and Development of Partnerships			
GRI 3: Material Topics 2021	3-3 Management of material topics	Borusan Group's Material Sustainability Topics and Stakeholder Engagement	page 70-74

WEF – IBC STAKEHOLDER CAPITALISM INDICATORS

Theme	Key Indicators and Disclosure	Description	Reference
Governing purpose	Setting purpose	The company's stated purpose as the expression of the means by which a business proposes solutions to economic, environmental, and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Corporate Governance, page 53-66 Integrated Value Creation Model, page 75 Sustainability Approach, Goals, and Performance, page 77-86
Quality of governing body	Governance body composition	Composition of the highest governance body and its committees (by competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation)	Our Organization structure, page 54-55 Corporate Governance at Borusan, page 56
Stakeholder engagement	Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified, and how the stakeholders were engaged.	Borusan Group's Material Issues of Sustainability and Stakeholder Engagement, page 70-74
Ethical behaviour	Anti-corruption	1. Total percentage of executives, employees, and business partners provided with training about the company's policies and procedures of action against corruption (by regional breakdown) 2. (a) Total number and nature of cases of corruption detected in the current year concerning previous years (b) The total number and nature of cases of corruption detected in the current year concerning the current year 3. Discussion over attempts and stakeholder engagement to develop a broader work environment and culture for anti-corruption actions	Actions Against Corruption and Anti-Competition, page 66
	Protected ethics advice and reporting mechanisms	A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity, 2. Reporting concerns about unethical or lawful behaviour and organizational integrity.	Business Ethics and Compliance, page 60
Risk and opportunity oversight	Integrating risks and opportunities into business processes	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship.	Risk Management and Internal Control, page 63-65
Planet			
Climate change	Greenhouse gas emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO_2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Climate Action and Adaptation, page 91-98 Annexes - Environmental Performance Indicators, page 155-158

WEF – IBC STAKEHOLDER CAPITALISM INDICATORS

Theme	Key Indicators and Disclosure	Description	Reference
Climate change	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	TCFD actions are in progress.
Nature loss	Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	Conservation of Nature and Biodiversity, page 105-107
	Water consumption and withdrawal in water-stressed areas	Report for operations where material, mega litres of water withdrawn, mega litres of water consumed and the percentage of each in regions with high or extremely high baseline water stress according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	Water Management, page 108-110 Annexes - Environmental Performance Indicators, page 155-158
Human			
Dignity and equality	Diversity and inclusiveness (%)	Ratio of employees by age, gender, and other indicators of diversity	Human-Centred Corporate Culture, page 112, 113 Inclusiveness, Diversity, and Equal Opportunities, page 114, 115 Annexes - Social Performance Indicators, page 159-166
	Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men; minor to major ethnic groups; and other relevant equality areas.	Employee Rights, page 113
	Wage level (%)	Ratios of standard entry-level wage by gender compared to local minimum wage. Ratio of CEO's total annual compensation to median total annual compensation of all employees (excluding the CEO).	Cannot be disclosed for confidentiality.
	Risk for incidents of child, forced or compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to type of operation (such as manufacturing plant) and type of supplier; or countries or geographic areas with operations and suppliers considered at risk.	Sustainable Supply Chain Management, page 142
Skills for the future	Training provided	1. Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of trainings provided to employees divided by the number of employees). 2. Average training and development expenditure per full time employee.	Talent Management and Development, page 121-124
Health and well-being	Health and safety (%)	1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries, main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided for employees and workers.	Occupational Health and Safety at Borusan, page 126, 127 Annexes - Social Performance Indicators, page 159-166

WEF – IBC STAKEHOLDER CAPITALISM INDICATORS

Theme	Key Indicators and Disclosure	Description	Reference
Prosperity			
Employment and wealth generation	Absolute number and rate of employment	1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region	Human-Centred Corporate Culture, page 112, 113 Inclusiveness, Diversity, and Equal Opportunities, page 114, 115 Annexes - Social Performance Indicators, page 159-166
	Economic contribution	1. Direct economic value generated and distributed (EVG&D) – on an accrual basis, covering the basic components for the organization's global operations, ideally split out by: EVG&D can provide a valuable snapshot of the direct monetary value added to local economies through generation of products and services, servicing of capital, payment of wages, taxes and community investment, while the significant financial assistance received from government, when compared with separate disclosures on taxes, can be useful for developing a more balanced and transparent snapshot of the balance of transactions between the company and government. a. Revenue b. Operating costs c. Employee wages and benefits d. Payments to providers of capital e. Payments to government f. Community investment 2. Financial assistance received from the government - Total monetary value of financial assistance received by the company from any government during the reporting period	Sustainable Financial Performance, page 51 Annexes - Financial Performance Indicators, page 154 Financial Statements and Independent Audit Report, page 202-246
	Financial investment contribution disclosure	Total capital expenditures – depreciation and share buybacks + Dividend payments	Financial Statements and Independent Audit Report, page 202-246
Innovation in better products and services	Total R&D expenses ($)	Total costs related to research and development	R&D and Innovation at Borusan, page 145-150
Community and social vitality	Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company, by category of taxes	Sustainable Financial Performance, page 51 Annexes - Financial Performance Indicators, page 154 Financial Statements and Independent Audit Report, page 202-246

For detailed information about WEF - IBC Stakeholder Capitalism Indicators: https://www.weforum.org/stakeholdercapitalism/our-metrics

UN WEPs Progress Report

	UN WEPs Progress Report	Reference
Principle 1	**Establish high-level corporate leadership for gender equality**	Corporate Governance, page 53-66 Inclusiveness, Diversity, and Equal Opportunities, page 114, 115
Principle 2	**Treat all women and men fairly at work – respect and support human rights and nondiscrimination**	Human-Centred Corporate Culture, page 112, 113 Inclusiveness, Diversity, and Equal Opportunities, page 114, 115
Principle 3	**Ensure the health, safety and well-being of all women and men workers**	Employee Rights, page 113 Occupational Health and Safety at Borusan, page 126, 127
Principle 4	**Promote education, training and professional development for women**	Employee Rights, page 113 Talent Management and Development, page 121-124
Principle 5	**Implement enterprise development, supply chain and marketing practices that empower women**	Sustainable Supply Chain Management, page 142 Inclusiveness, Diversity, and Equal Opportunities, page 114, 115
Principle 6	**Promote equality through community initiatives and advocacy**	Inclusiveness, Diversity, and Equal Opportunities, page 114, 115
Principle 7	**Measure and publicly report on progress to achieve gender equality**	Inclusiveness, Diversity, and Equal Opportunities, page 114, 115

CONTRIBUTIONS TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Borusan Group continues to offer goods and services that meet the expectations and demands of its stakeholders in manufacturing, automotive, heavy machine and power systems, energy, and logistics sectors, and makes efforts to create sustainable value for the world as part of its operations. We attach value to the views of our stakeholders, establishing material issues of sustainability, and striving to meet their expectations within the scope of our actions. We revise our material issues in line with the United Nation Sustainable Development Goals, and mobilize all of our resources to hand down a more habitable world for the next generations in a way to align with the UN 2030 Sustainable Development Agenda.

Material Issue	Content & Targets	Sustainable Development Goals (SDG)
Climate Action and Adaptation	7.1. By 2030, ensure universal access to affordable, reliable and modern energy services 7.3 Double the improvement in energy efficiency by 2030 7.a. By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology. 13.2. Integrate climate change measures into national policies, strategies, and planning. 13.3. Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Corporate Governance	8.2. Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors. 12.6. Encourage companies, especially large and trans- national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
R&D and Innovation	8.2. Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors. 9.4. By 2030 upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities. 9.b. Support domestic technology development, research and innovation in developing countries including by ensuring a conducive policy environment for inter alia industrial diversification and value addition to commodities.	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Technology and Digital Transition	9.4. By 2030 upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Developing Sustainable Business Models	8.2. Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors. 9.b. Support domestic technology development, research and innovation in developing countries including by ensuring a conducive policy environment for inter alia industrial diversification and value addition to commodities.	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Material Issue	Content & Targets	Sustainable Development Goals (SDG)
Conservation of Nature and Biodiversity	12.2. By 2030 achieve sustainable management and efficient use of natural resources 14.1. By 2025, prevent and significantly reduce marine pollution of all kinds, particularly from land-based activities, including marine debris and nutrient pollution. 15.9. By 2020, integrate ecosystems and biodiversity values into national and local planning, development processes and poverty reduction strategies, and accounts.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER 15 LIFE ON LAND
Circular Economy and Waste Management	7.1. By 2030, ensure universal access to affordable, reliable and modern energy services 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse 13.3. Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Water Management	6.3. By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	6 CLEAN WATER AND SANITATION
Occupational Health and Safety	8.8. Protect labor rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment	8 DECENT WORK AND ECONOMIC GROWTH
Human-Centred Corporate Culture	8.5. By 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 10.2. By 2030 empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. 10.3. Ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and actions in this regard. 16.7. Ensure responsive, inclusive, participatory and representative decision-making at all levels.	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Sustainable Supply Chain Management	12.a Support developing countries to strengthen their scientific and technological capacities to move towards more sustainable patterns of consumption and production. 13.1. Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

CONTRIBUTIONS TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Material Issue	Content & Targets	Sustainable Development Goals (SDG)
Customer Satisfaction Management and Service Quality	9.c Significantly increase access to ICT and strive to provide universal and affordable access to internet in the least developed countries by 2020. 17.10 Promote a universal, rules-based, open, non- discriminatory and equitable multilateral trading system under the WTO including through the conclusion of negotiations within its Doha Development Agenda.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 17 PARTNERSHIPS FOR THE GOALS
Management of Stakeholder Relations	12.6. Encourage companies, especially large and trans- national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. 16.6. Develop effective, accountable and transparent institutions at all levels 16.7. Ensure responsive, inclusive, participatory and representative decision-making at all levels. 17.17. Encourage and promote effective public, public- private, and civil society partnerships, building on the experience and resourcing strategies of partnerships.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
Talent Management and Development	8.5. By 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	8 DECENT WORK AND ECONOMIC GROWTH
Inclusiveness, Diversity, and Equal Opportunities	5.1. End all forms of discrimination against women and girls everywhere. 5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.	5 GENDER EQUALITY
Creating Social Benefits	10.2. By 2030 empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. 17.16. Enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries.	10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS
Sustainable Financial Performance	8.2. Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors. 16.5. Significantly reducing all forms of corruption and bribery	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Promotion of Entrepreneurship and Development of Partnerships	17.17. Encourage and promote effective public, public- private, and civil society partnerships, building on the experience and resourcing strategies of partnerships.	17 PARTNERSHIPS FOR THE GOALS

Material Issue	Content & Targets	Sustainable Development Goals (SDG)
Geopolitical and Human-Related Issues	11.a Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning 12.2. By 2030 achieve sustainable management and efficient use of natural resources	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Responsible Investment	12.2. By 2030 achieve sustainable management and efficient use of natural resources	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

LIMITED ASSURANCE REPORT

(Convenience translation of an integrated annual report and non-financial independent assurance report originally issued in Turkish)

Building a better working world

Independent Assurance Report

To the Management of Borusan Holding Anonim Sirketi
Istanbul, Turkiye

This independent assurance report is intended solely for the management of Borusan Holding Anonim Sirketi and its group companies ('Borusan' or 'the Group') for the purpose of reporting of Selected ESG Information ("Selected Information") listed below in its 2024 Integrated Annual Report that has been prepared by the Borusan for the period running from January 1, 2024 to 31 December 2024.

Subject Matter Information and Applicable Criteria
In line with the request of Borusan, our responsibility is to provide limited assurance on the Selected Information listed below within the scope of Annex-1: Borusan Group 2024 Integrated Annual Report - Reporting Guideline included in the 2024 Integrated Annual Report.

The Scope of Our Assurance
The scope of our assurance is limited to the examination of environmental and social indicators marked with ✓ listed in the Selected Information shown below, which are reported in pages 155-165 of the 2024 Integrated Annual Report. The performance indicators only cover locations in Turkiye.

Social Indicators

1. Number of Employees
   - Employees by Age
   - Employees by Employment Type
   - Employees by Gender
   - Employees by Contract Type
   - Employees by Management Category
2. Number of Newly Hired Employees
   - Employees Newly Hired by Employment Type
   - Employees Newly Hired by Gender
   - Employees Newly Hired by Age
3. Employment and Turnover
   - Employment and Turnover Data by Employment Type
   - Employment and Turnover Data by Gender
   - Employment and Turnover Data by Age
4. Young Talent Number (Alpha) Retention Rate (%)
5. Future Leaders Retention Rate (%)
6. Employees on Maternity Leave
7. Employee Loyalty and Satisfaction Score
8. Number of Ethics Hotline Notifications
9. Number of Audits on Corruption Risks
10. Number of Social and Environmental Audits
11. Total Training Hours
    - Training Hours by Gender
    - Training Hours by Age
    - Training Hours by Level of Management
12. Total Training Cost
13. Average Training Cost per Person
14. Number of Employees Subject to Regular Performance Evaluation
15. Number of Accidents (Occupational accidents regardless of whether or not resulting in a loss day) (Company)
16. Number of Accidents (Occupational accidents regardless of whether or not resulting in a loss day) (Subcontractor)
17. Number of Accidents (Occupational accidents resulting in loss of more than 3 days) (Company)
18. Number of Accidents (Occupational accidents resulting in loss of more than 3 days) (Subcontractor)
19. Accident Frequency Rate (Company)
20. Accident Frequency Rate (Subcontractor)
21. Number of Fatal Accidents (Company)
22. Number of Fatal Accidents (Subcontractor)
23. Accident Severity Rate (Company)
24. Accident Severity Rate (Subcontractor)
25. Occupational Disease Rate (Company)
26. Occupational Disease Rate (Subcontractor)
27. OHS Training Hours
28. Number of Suppliers Subject to Sustainability Assessment
29. Total Number of Suppliers
30. Nursery Support (TL)
31. Borusan Academy Training Hours

Environmental Indicators

32. Direct Energy Consumption (GJ)
    - Gasoline Consumption
    - Diesel/Diesel Oil Consumption
    - Natural Gas Consumption
    - Fuel-Oil Consumption
33. Indirect Energy Consumption (GJ)
    - Electricity Consumption
34. Renewable Energy Generation
35. Renewable Energy Consumption
36. Purchased Renewable Energy
37. Energy Intensity
38. Total Energy Savings
39. Direct CO_2 Emissions (tCO_2)
40. Indirect CO_2 Emissions (tCO_2e)
41. Greenhouse Gas Intensity
42. Total Greenhouse Gas Emission Change
43. Waste Amounts by Waste Types (tons)
    - Hazardous Wastes
    - Non-Hazardous Wastes
44. Waste Amounts by Waste Disposal Method
    - Total Recovery
    - Total Disposal
45. Air Emissions - NO_x, SO_x, POP, VOC, HAP, PM
46. Total Water Volume Withdrawn (megaliters)
47. Wastewater Discharge (megalitres)
48. Water Consumption
49. Total Reused / Recycled Water
50. Environmental Protection Investments in Total

Borusan's Responsibilities
Borusan management is responsible for the preparation, collection, and presentation of the Selected Information, in accordance with Global Reporting Initiative (GRI) Standards. In addition, Borusan management is responsible for ensuring that the documentation provided to the practitioner (EY) is complete and accurate. This responsibility includes establishing and maintaining internal control systems, maintaining adequate records, and making estimates that are relevant to the preparation of the 2024 Integrated Annual Report, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibilities
We conducted our assurance engagement in accordance with the Assurance Engagement Standard (AES) 3000 Assurance Engagements Other Than Independent Audit or Limited Independent Audit of Historical Financial Information and AES 3410 Assurance Engagements Regarding Greenhouse Gas Declarations which are parts of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). These regulations require that we comply with the ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Selected Information.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures selected depend on the practitioner's judgment. The procedures include inquiry of the personnel responsible for collecting and reporting on the Selected Information and additional procedures aimed at obtaining evidence about the Selected Information.

Procedures Applied
In respect of the Selected Information mentioned above the procedures performed include the following procedures:

1. Interviewed select key senior personnel of the Borusan to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;
2. Reviewed Selected Information with online communications covering Borusan selected location (Borcelik Celik Sanayii Ticaret A.S., Borusan Birlesik Boru Fabrikaları Sanayi ve Ticaret A.S., Borusan Makina ve Güc Sistemleri Sanayi ve Ticaret A.S. , Borusan Otomotiv Ithalat ve Dagitim A.S., Borusan Otomotiv Pazarlama ve Ticaret A.S., Borusan Lojistik Dağitim Depolama Tasımacılık ve Ticaret A.S., Borusan EnBW Enerji Yatırımları ve Uretim A.S., Supsan Motor Supapları Sanayii ve Ticaret A.S.) and reviewing the Selected Information against evidence on a sample basis;
3. Undertook substantive testing, on a sample basis, of the Selected Information;
4. Used the Borusan's internal documentation to evaluate and measure the Selected Information;
5. Evaluated the design and implementation of key processes and controls over the Selected Information;
6. Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period.
7. Evaluated the disclosure and presentation of the Selected Information in the 2024 Integrated Annual Report.

Our Conclusion
Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that Borusan's Selected Information for the year ended in December 31, 2024 has not been prepared, in all material respects with the GRI Standards relevant requirements.

Limitations
We permit this report to be disclosed in addition to Borusan's 2024 Integrated Annual Report for the year ended in December 31, 2024, to enable the management of Borusan to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Borusan for our work, for this independent limited assurance report, or for the conclusions we have reached.

Guney Bagimsiz Denetim ve Serbest Muhasebeci Mali Musavirlik Anonim Sirketi
A member firm of Ernst & Young Global Limited

Zeynep Okuyan Özdemir, SMMM
Partner
26 May 2025
Istanbul, Turkiye

(Convenience translation of an integrated annual report and non-financial independent assurance report originally issued in Turkish)

REPORTING GUIDELINE

Appendix-1: Borusan Group 2024 Integrated Annual Report – Reporting Guideline

General Reporting Principles

This reporting guideline ("Guideline") provides information on the preparation, calculation and reporting methodologies of the data related to the indicators within the scope of the limited assurance audit included in the Borusan 2024 Integrated Annual Report regarding the locations of Borusan Holding Anonim Sirketi and Group Companies ("Borusan Group" or "Group") in Türkiye.

These indicators include environmental, social and economic indicators. It is the responsibility of the Group management to ensure that the appropriate procedures are implemented to prepare these indicators specified above in accordance with the Guideline in all material respects.

The information contained in this guide covers the 2024 fiscal year (January 1 - December 31, 2024) and the relevant operations of the subsidiaries listed below ("Companies") in Türkiye, which are under the responsibility of Borusan Holding, as detailed in the "Key Definitions and Reporting Scope" section.

The selected social performance indicators listed below, published in the Borusan 2024 Integrated Annual Report for the one-year period starting on January 01, 2024, and ending on December 31, 2024, are as follows:

- Borçelik Çelik Sanayii Ticaret A.Ş. ("Borçelik"),
- Borusan Holding A.Ş. ("Borusan Holding")
- Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. ("Borusan Boru"),
- BMB Holding A.Ş.
- Borusan İstikbal Ticaret T.A.Ş. ("İstikbal")*,
- Borusan Makina ve Güç Sistemleri Sanayi ve Ticaret A.Ş. ("BMGS"),
- Borusan Enerji Çözümleri Sanayi ve Ticaret A.Ş.,
- Sitech Eurasia Teknoloji Servis ve Ticaret A.Ş. ("Sitech"),
- Borusan İş Makinaları Kiralama Sanayi ve Ticaret A.Ş. ("BIMK"),
- Borusan Oto Servis ve Ticaret A.Ş. ("Borusan Oto"),
- Borusan Otomotiv İthalat ve Dağıtım A.Ş ("Borusan Otomotiv İthalat"),
- Borusan Otomotiv Pazarlama ve Ticaret A.Ş. ("Borusan Otomotiv Pazarlama"),
- Borusan Otomotiv Premium Kiralama ve Ticaret A.Ş. ("BOPK"),
- BOM Motor Sporları ve Ticaret A.Ş. ("BOM"),
- Borusan Lojistik Dağıtım Depolama Taşımacılık ve Ticaret A.Ş. ("Borusan Lojistik")
- Bukoli Taşımacılık A.Ş. ("Bukoli"),
- Eta Elektronik Taşımacılık Ağı Taşımacılık ve Ticaret A.Ş,
- Hidiv Elektrik Enerjisi Toptan Satış A.Ş. ("Hidiv"),
- Borusan EnBW Enerji Yatırımları ve Üretim A.Ş. ("Borusan Enerji"),
- Kuzey Rüzgarı Enerji Üretim ve Ticaret A.Ş. ("Kuzey Rüzgarı"),
- Borenco Şarj Teknoloji Yatırımları Ticaret A.Ş.,
- Gem Wind Enerji Sanayi Ticaret A.Ş., LS Güneş Enerji Üretim A.Ş.,
- Neptünges Güneş Enerjisi Yatırımları A.Ş., Alenka Enerji Üretim ve Yatırım A.Ş., Borusan Oto Değerlendirme Pazarlama Ve Hizmet A.Ş.,
- Supsan Motor Supapları Sanayii ve Ticaret A.Ş. ("Supsan"),
- Borusan Yatırım ve Pazarlama A.Ş. ("Borusan Yatırım"),
- Dijital Parça Platformu Satış ve Ticaret A.Ş.,
- Borusan Tedarik Zinciri Çözümleri ve Taşımacılık A.Ş.

Within the scope of selected environmental, OHS and economic performance indicators listed below, published in Borusan 2024 Integrated Annual Report for the one-year period starting on January 01, 2024 and ending on December 31, 2024;

- Borçelik Çelik Sanayii Ticaret A.Ş. ("Borçelik"),
- Borusan Holding A.Ş. ("Borusan Holding")
- Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. ("Borusan Boru"),
- Borusan Makina ve Güç Sistemleri Sanayi ve Ticaret A.Ş. ("BMGS"),
- Borusan Otomotiv İthalat ve Dağıtım A.Ş ("Borusan Otomotiv İthalat"),
- Borusan Otomotiv Pazarlama ve Ticaret A.Ş. ("Borusan Otomotiv Pazarlama"),
- Borusan Lojistik Dağıtım Depolama Taşımacılık ve Ticaret A.Ş. ("Borusan Lojistik"),
- Borusan EnBW Enerji Yatırımları ve Üretim A.Ş. ("Borusan Enerji"),
- Supsan Motor Supapları Sanayii ve Ticaret A.Ş. ("Supsan")

Solely Borçelik Çelik Sanayii Ticaret A.Ş. ("Borçelik") is included in the Air Emissions - NO_x, SO_x, POP, VOC, HAP, PM (in tons) indicator in this guideline. Solely Borusan EnBW Enerji Yatırımları ve Üretim A.Ş. ("Borusan Enerji") is included in the Prevented Emission Amount (tCO_2e) indicator in this guideline.

General Reporting Principles

The following principles have been taken into consideration in the preparation of this guideline:

- In the preparation of information; to emphasize the key principles of relevance and reliability of information to the users of the information; and
- In the reporting of information; to emphasize the principles of comparability / consistency of information with other data, including the previous year, and the principles of understandability / transparency that provide clarity to the users.

*(28.06.2024 tarihinde Borusan Holding A.Ş., ("Borusan Holding") Borusan İstikbal Ticaret Türk A.Ş.("Borusan İstikbal")'yi birleşme suretiyle devralmış ve böylece Borusan İstikbal infisah olmuştur.)

REPORTING GUIDELINE

Key Definitions and Reporting Scope

For the purpose of this report, the Group makes the following definitions:

Type	Indicator	Scope
Environmental Indicators	**Direct Energy**	
	Gasoline	It refers to the amount of gasoline consumed due to the use of factory vehicles (off-road) and company vehicles (on-road) in the reporting period, which can be tracked from the invoices received from the service providers of the Group in the relevant Turkish locations (12 months) and mapped with financial reporting systems. Borusan Lojistik's subsidiaries Borusan 3PL, Eta Taşımacılık are also included.
	Diesel/Diesel Oil	It refers to the amount of diesel consumed due to the use of stationary combustion generators, use of factory vehicles (off-road) and company vehicles (on-road) in the reporting period, which can be tracked from the invoices received from the service providers of the Group in the relevant Turkish locations (12 months) and mapped with financial reporting systems. Borusan Lojistik's subsidiaries Borusan 3PL, Eta Taşımacılık are also included.
	Natural Gas	In the reporting period, it refers to the amount of natural gas consumed by the Group in its relevant Turkish locations, tracked from invoices received from service providers (12 months) and mapped with financial reporting systems. The consumption amount includes industrial operations and domestic usage.
	Fuel-oil	In the reporting period, it refers to the amount of fuel-oil consumed by the Group in its relevant Turkish locations, tracked from invoices received from service providers (12 months) and mapped with financial reporting systems, for heating purposes.
	Indirect Energy	
	Electricity	In the reporting period, it refers to the total amount of electricity purchased by the Group in its relevant Turkish locations, tracked from invoices received from service providers (12 months). The consumption amount includes industrial operations and domestic usage.
	Renewable Energy	
	Renewable Energy Generation	In the reporting period, it refers to the total amount of electricity generated by the Group in its relevant Turkish locations from renewable energy sources.
	Renewable Energy Consumption	Indicates the total renewable energy consumption of the Group in the relevant Turkish locations during the reporting period.
	Purchased Renewable Energy	Indicates the total renewable energy purchase (with renewable energy certificates such as I-REC, YEK-G, etc.) by the Group in the relevant Turkish locations during the reporting period.
	Total Energy Savings (GJ)	Indicates the amount of energy savings achieved through sustainability projects of the Group's relevant Turkish locations during the reporting period. BMGS, Borusan Holding, Borusan Lojistik and Borusan Otomotiv is excluded from the scope.

Type	Indicator	Scope
Environmental Indicators	Total Energy Savings (tCO_2e)	Indicates the amount of energy savings achieved through sustainability projects in Turkiye locations of Borusan Lojistik during the reporting period.
	Greenhouse Gas Emission	
	Direct CO_2 Emissions	Indicates the amount of direct greenhouse gas emissions resulting from diesel, gasoline, natural gas, fuel-oil consumption and SF6 gas filling and leakage in the Group's relevant Turkish locations during the reporting period. The Group calculates its greenhouse gas emissions in accordance with the "TS EN ISO 14064-1:2018 Greenhouse Gases-Part 1: Guide and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level" standard.
	Indirect CO_2 Emissions	In the reporting period, it refers to the amount of indirect greenhouse gas emissions generated by the use of electricity purchased at the Group's relevant Türkiye locations. The Group calculates its greenhouse gas emissions in accordance with the "TS EN ISO 14064-1:2018 Greenhouse Gases-Part 1: Guide and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level" standard.
	Prevented Emission Amount	In the reporting period, it refers to the amount of greenhouse gas emissions prevented from the amount of renewable energy produced at Borusan Enerji's Türkiye locations.
	Intensity Indicators	
	Energy Intensity (in MWh/ Million TL)	Indicates the energy consumption of the Group per million TL -revenue in the relevant Türkiye locations during the reporting period.
	Greenhouse Gas Intensity (in tCO_2e/ Million TL)	Indicates the greenhouse gas emissions of the Group per million TL-revenue in the relevant Türkiye locations during the reporting period.
	Total Greenhouse Gas Emission Reduction (tCO_2e)	Indicates the amount of reduction in the Group's greenhouse gas emission data in the relevant Türkiye locations during the reporting period, according to the 2024 data, based on the 2023 greenhouse gas emission data.
	Air Emissions - NO_x, SO_x, POP, VOC, HAP, PM	Indicates the measurement of air pollutants NOx, SOx, POP, VOC, HAP, PM released from the emission stacks of Borçelik's facilities in Türkiye during the reporting period, in accordance with the Industrial Air Pollution Control Regulation.
	Waste Amounts by Waste Types	
	Hazardous Wastes	In the reporting period, it refers to the amount of hazardous waste of the companies of the Group located within the scope of the relevant Türkiye locations, tracked with the MOTAT (Mobile Waste Tracking System) on the Ministry of Environment portal (Integrated Environmental Information System).

REPORTING GUIDELINE

Type	Indicator	Scope
Environmental Indicators	Non-Hazardous Wastes	In the reporting period, it refers to the amount of non-hazardous waste of the companies of the Group located within the scope of the relevant Türkiye locations, tracked with the invoices received from the Ministry of Environment portal (Integrated Environmental Information System) and licensed waste processing facilities.
	Waste Amounts by Waste Disposal Method	
	Total Recovery	In the reporting period, it refers to the amount of non-hazardous waste of the companies of the Group located within the scope of the relevant Türkiye locations, tracked with the invoices received from the Ministry of Environment portal (Integrated Environmental Information System) and licensed waste processing facilities.
	Total Disposal	In the reporting period, it refers to the total amount of waste recovered from the total amount of waste of the companies of the Group located within the scope of the relevant Turkish locations.
	Water Consumption and Wastewater Discharge	
	Total Water Volume Withdrawn	Indicates the total water withdrawal by source as rainwater, groundwater and third-party water (mains water etc.) in the relevant Türkiye locations of the Group during the reporting period.
	Wastewater Discharge	Indicates the wastewater discharged to source as groundwater, seawater and third party water (sewage etc.) in the relevant Türkiye locations of the Group during the reporting period.
	Total Water Consumption	Indicates the total water consumption in relevant Türkiye locations of the Group during the reporting period, which is calculated by subtracting the volume of wastewater discharge from the total water withdrawal.
	Environmental Investments	Indicates the sustainability project expenditures tracked with the Company's accounting data platform that can be mapped with financial reporting systems in the relevant Türkiye locations of the Group during the reporting period. Borusan Holding is excluded from the scope.
Social Indicators	**Total Number of Employees**	
	Employees by Age	In the reporting period, the number of female and male employees tracked by the Human Resources data platform for the Group's Türkiye locations, who have been notified of their employment to the Social Security Institution, including a breakdown by age groups of 18-30, 31-40, 41-50, 51-60, and over 60.
	Employees by Employment Type	In the reporting period, the number of female and male employees tracked by the Human Resources data platform for the Group's Türkiye locations, where monthly wage employees are defined as "white collar" and hourly wage employees are defined as "blue collar".
	Employees by Gender	In the reporting period, the number of female and male employees tracked by the Human Resources data platform for the Group's Türkiye locations, who have been notified of their employment to the Social Security Institution, including a breakdown by gender of female and male.
Social Indicators	Employees by Contract Type	In the reporting period, it refers to the number of female and male employees classified according to the definition of Fixed-Term Employment Contract and Indefinite-Term Employment Contract as defined in the Labor Law No. 4857, tracked by the Human Resources data platform for the Group's Türkiye locations. Intern employees are not included in the number of employees by contract type.
	Employees by Management Category	In the reporting period, it refers to the number of mid-level and senior level employees of the Company whose Employment Entry Declaration was made to the Social Security Institution, tracked by the Human Resources data platform for the Group's Türkiye locations. The Company's mid-level managers are "Chief Engineer, Country Leader, Group Manager, Manager, Legal Counsel, Legal Leader/ Manager, Legal Group Manager, Segment Leader/Manager, Product Leader/Manager" and its senior executives are "Director, Deputy General Manager, Executive Board Member, Board Member, Group President (CFO, CHRO, CDO etc.), General Manager-CEO" and consist of female and male employees.
	Number of Newly Hired Employees	
	Employees Newly Hired by Employment Type	In the reporting period, it refers to the breakdown of the Group's recruitment for Türkiye locations, which was declared to the Social Security Institution with the Job Entry Declaration during the reporting year, and which is tracked with the Group's Human Resources data platform, according to the white-collar and blue-collar distinction.
	Employees Newly Hired by Gender	In the reporting period, the Group's Türkiye locations recruited the number of women and men, declared to the Social Security Institution with the Job Entry Declaration during the reporting year, and tracked in the breakdown of the number of employees at the management level.
	Employees Newly Hired by Age	In the reporting period, the Group's Türkiye locations recruited the number of women and men, declared to the Social Security Institution with the Job Entry Declaration during the reporting year, tracked in the breakdown of the number of employees at the management level, tracked through the Group's Human Resources data platform, according to the age groups of 18-30, 31-40, 41-50, 51-60, and over 60.
	Employment and Turnover	
	Employment and Turnover - by Employment Type	In the reporting period, it refers to the breakdown of the number of employees declared to the Social Security Institution with the Leaving the Job Declaration within the reporting year for the Group's Türkiye locations, and tracked through the Group's Human Resources data platform, according to the white-collar and blue-collar distinction.
	Employment and Turnover - by Gender	In the reporting period, it refers to the number of women and men declared to the Social Security Institution with the Leaving the Job Declaration within the reporting year for the Group's Türkiye locations, and tracked through the

REPORTING GUIDELINE

Type	Indicator	Scope
Social Indicators	Employment and Turnover - by Age	The number of employees hired by the Group for Türkiye locations during the reporting period, declared to the Social Security Institution with a Leaving Job Declaration within the reporting year, tracked by the Group's Human Resources data platform, according to age groups of 18-30, 31-40, 41-50, 51-60, and over 60.
	Employees on Maternity and Paternity Leave	
	Employees Entitled to Maternity/Paternity Leave by Gender	In the reporting period, it refers to the number of female and male employees who are entitled to maternity/paternity leave for the Group's Türkiye locations within the periods specified in the regulation, within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave.
	Employees on Maternity/ Paternity Leave by Gender	In the reporting period, it refers to the number of female and male employees who are granted maternity/paternity leave for the Group's Türkiye locations within the periods specified in the regulation, within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave.
	Employees Returning to Work After Maternity/ Paternity Leave by Gender	In the reporting period, it refers to the number of female and male employees who are returning from maternity/paternity leave for the Group's Türkiye locations within the periods specified in the regulation, within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave.
	Employees Returning to Work After Maternity/ Paternity Leave and Working for at least 12 Months by Gender	In the reporting period, it refers to the number of female and male employees who are returning from maternity/paternity leave for the Group's Türkiye locations within the periods specified in the regulation, within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave, and who are working for at least 12 more months as of the date of return.
	Young Talent Number (Alpha) Retention Rate	In the reporting period, it refers to the ratio of employees who were included in the Alpha recruitment processes and employed by the Group after completing their optional or compulsory internships within the scope of the "intern" definition in the Framework Regulation on Applied Training in Higher Education at the beginning of the reporting period for the Group's Türkiye locations and who were identified as "Alpha" in the Human Resources data platform to the total Alpha employees working in the company as of the end of the reporting period.
	Future Leaders Retention Rate	In the reporting period, it refers to the ratio of employees who were identified as "Future Leader" in the Human Resources data platform at the beginning of the reporting period for the Group's Türkiye locations to the total Future Leader employees working in the company as of the end of the reporting period.
	Employee Loyalty and Satisfaction Score	In the reporting period, it refers to the result of the employee loyalty survey conducted by third party companies once a year for the Group's employees in Türkiye locations and the results of which are shared.
	Number of Employees Subject to Regular Performance Evaluation	In the reporting period, it refers to the number of employees subject to regular performance evaluation conducted by the Group for its employees in Türkiye locations.
Social Indicators	Employee Loyalty and Satisfaction Score	In the reporting period, it refers to the result of the employee loyalty survey conducted by third party companies once a year for the Group's employees in Türkiye locations and the results of which are shared.
	Number of Employees Subject to Regular Performance Evaluation	In the reporting period, it refers to the number of employees subject to regular performance evaluation conducted by the Group for its employees in Türkiye locations.
	Supply Chain and Internal Audits	
	Number of Ethics Hotline Notifications	Represents the number of notifications made to the Company by Borusan Holding employees, business partners and all other parties outside Borusan Holding via telephone, e-mail and written channels, monitored by the Internal Audit Department for the Group's Türkiye locations during the reporting period, and notifications covering issues related to ethical behavior monitored and reported to the Company by a third-party independent auditing organization.
	Number of Audits on Corruption Risks	It refers to the number of audits, classified as issues involving corruption risk, conducted and reported by the Internal Audit Department for the Group's Türkiye locations during the reporting period.
	Number of Social and Environmental Audits	It refers to the number of audits, classified according to social and environmental criteria, conducted and reported by the Internal Audit Department for the Group's Türkiye locations during the reporting period.
	Number of Suppliers Subject to Sustainability Assessment	It refers to the number of suppliers subject to sustainability criteria through direct and indirect suppliers of selected Group Companies that can be mapped with financial reporting systems for the Group's Türkiye locations during the reporting period. The scope includes the Türkiye operations of Borusan Holding, Borçelik, Borusan Pipe, BMGS, Borusan Otomotiv Group, Borusan Lojistik, Borusan Enerji and Supsan.
	Trainings	
	Training Hours by Gender	During the reporting period, it represents the total training provided to employees of the Group Companies selected for the Group's Türkiye locations, in the breakdown of women and men.
	Training Hours by Age	During the reporting period, it represents the total training provided to employees of the Group Companies selected for the Group's Türkiye locations, in the breakdown of age groups 18-30, 31-40, 41-50, 51-60 and over 60. The scope includes the Türkiye operations of Borçelik, Borusan Pipe, BMGS, Borusan Otomotiv Group, Borusan Lojistik, Borusan Enerji and Supsan.
	Training Hours by Level of Management	It represents the breakdown of the total training provided to employees of the Group Companies selected from the Group's Türkiye locations during the reporting period, in terms of middle and senior management levels. The Company's middle managers are "Chief Engineer, Country Leader, Group Manager, Manager, Legal Advisor, Legal Leader/Manager, Legal Group Manager, Segment Leader/Manager, Product Leader/Manager," and its senior executives are "Director, Deputy General Manager, Executive Board Member, Board Member, Group President (CFO, CHRO, CDO etc.), General Manager-CEO", consisting of female and male employees.

REPORTING GUIDELINE

Type	Indicator	Scope
Social Indicators	Borusan Academy Training Hours	During the reporting period, it represents the total hours of training provided under Borusan Academy, which is monitored for the Group's Türkiye locations.
	Total Training and Development Cost	It represents the total cost of training provided to employees of the Group Companies selected from the Group's Türkiye locations during the reporting period.
	Average Training Cost per Person	It represents the ratio of the total training costs provided to the employees of the Group's selected Group Companies for the Group's Türkiye locations during the reporting period to the number of employees included in the scope.
	Occupational Health and Safety	
	Number of Accidents (Regardless of Lost Time)-Company	It refers to the number of injury incidents that occured during a work-related activity in the companies of the Group in the scope for Türkiye lovations during the reporting period and were followed up through notifications made to the Social Security Institution.
	Number of Accidents (Regardless of Lost Time)-Subcontractor	It refers to the number of injury incidents that occurred during a work-related activity of subcontractor employees in the companies included in the scope for the Group's Türkiye locations during the reporting period and were followed up through notifications made to the Social Security Institution.
	Number of Accidents (Resulting in More Than 3 Days of Lost Time) - Company	It refers to the number of injury incidents that occurred during a work-related activity in the companies of the Group in the scope for Türkiye locations during the reporting period and prevented them from coming to the workplace for more than 3 working days, and were followed up through notifications made to the Social Security Institution.
	Number of Accidents (Resulting in More Than 3 Days of Lost Time) - Subcontractor	It refers to the number of injury incidents that occurred during a work-related activity of subcontractor employees in the companies included in the scope for the Group's Türkiye locations during the reporting period, and prevented them from coming to the workplace for more than 3 working days, and were followed up with notifications made to the Social Security Institution.
	Total Accident Frequency Rate (Company)	It refers to the ratio of the total number of injury incidents that occurred during a work-related activity at the companies in the scope of the Group's Türkiye locations during the reporting period and prevented them from coming to the workplace for 3 working days, as reported to the Social Security Institution and followed up, to the total working hours in the reporting period.
	Total Accident Frequency Rate (Subcontractor)	It refers to the ratio of total number of injury incidents that occurred to subcontractor employees in companies included in the scope for the Group's Türkiye locations during a work-related activity and prevented them from coming to the workplace for 3 working days, and were followed up through notifications made to the Social Security Institution, to the total working hours in the reporting period.
	Total Number of Fatal Accidents (Company)	It refers to the number of people whose employees in the companies included in the scope for the Group's Türkiye locations were followed up with notifications made to the Social Security Institution and who fell within the definition of "fatal work accident" within the scope of the Occupational Health and Safety Law No. 6331 during the reporting period.
Social Indicators	Total Number of Fatal Accidents (Subcontractor)	It refers to the number of people whose subcontractor employees in the companies included in the scope for the Group's Türkiye locations, who fell within the definition of "fatal work accident" within the scope of the Occupational Health and Safety Law No. 6331, and who were followed up through notifications made to the Social Security Institution during the reporting period.
	Total Accident Severity Rate (Company)	It refers to the ratio of the total number of lost days due to injuries that occur to employees of the Group's companies in the reporting period during a work-related activity and prevent them from coming to work the next shift or the next business day and prevent them from coming to work for more than 3 business days, as reported to the Social Security Institution, to the total working hours in the reporting period.
	Total Accident Severity Rate (Subcontractor)	It refers to the ratio of the total number of lost days due to injuries that occur to subcontractor employees of the Group's companies in the reporting period during a work-related activity and prevent them from coming to work the next shift or the next business day and prevent them from coming to work for more than 3 business days, as reported to the Social Security Institution, to the total working hours in the reporting period.
	Lost Day Rate	It refers to the ratio of the total number of lost days due to injuries that occurred during a work-related activity in the companies and subcontractor employees of the Group in the scope for Türkiye locations during the reporting period and prevented them from coming to work the next shift or the next business day and prevented them from coming to work for 3 business days, as reported to the Social Security Institution, to the total number of working days in the reporting period.
	Total Occupational Disease Rate (Company)	It refers to the ratio of the number of occupational diseases that fall within the definition of "occupational disease" within the scope of the Occupational Health and Safety Law No. 6331, as reported to the Social Security Institution, to the total working hours in the reporting period.
	Total Occupational Disease Rate (Subcontractor)	It refers to the ratio of the number of occupational diseases that fall within the definition of "occupational disease" under the Occupational Health and Safety Law No. 6331, reported to the Social Security Institution and tracked, to the total working hours in the reporting period for the subcontractor employees of the Group's companies in the scope of Türkiye locations during the reporting period.
	OHS Training Hours	It refers to the total OHS training given to employees and subcontractor employees in addition to the total training hours given to employees, tracked through the Human Resources training tracking platform (Borusan Academy) for the Group's Türkiye locations during the reporting period. The scope includes Borusan Academy data, Borçelik, Borusan Pipe, BMGS, Borusan Otomotiv Group, Borusan Lojistik and Supsan companies' Türkiye operations.
Economic Indicators	Total Number of Suppliers	It refers to the total number of direct and indirect suppliers of the selected Group Companies that can be mapped with financial reporting systems in the relevant Türkiye locations of the Group during the reporting period.
	Nursery Support	In the reporting period, it represents the annual total of nursery assistance support provided to employees in TL, which can be mapped with financial reporting systems for the Group's Türkiye locations and tracked through employee payrolls and the Human Resources portal.

REPORTING GUIDELINE

Preparation of Data

Environmental Performance Indicators

1. Direct Energy Consumption (GJ)

The primary fuel sources for energy consumption data for Borçelik, Borusan Boru, BMGS Borusan Otomotiv Group, Borusan Lojistik, Borusan Enerji, Supsan and Borusan Holding Türkiye locations are reported as gasoline, diesel, natural gas and fuel oil.

The data is obtained from the service providers' meters, invoices, receipts and maintenance-repair forms. Gasoline, diesel and fuel oil data were converted from liters, and natural gas data from cubic meters to gigajoules according to the IPCC 2006 National Greenhouse Gas Inventory Directive.

Net Calorific Values	Value	Unit	Reference
Diesel	43.00	TJ/Gg	IPCC 2006, Volume2, Chapter 1, Table 1.2 - DEFAULT NET CALORIFIC VALUES (NCVs) AND LOWER AND UPPER LIMITS OF THE 95% CONFIDENCE INTERVALS, https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_1_Ch1_Introduction.pdf
Gasoline	44.30	TJ/Gg	IPCC 2006, Volume2, Chapter 1, Table 1.2 - DEFAULT NET CALORIFIC VALUES (NCVs) AND LOWER AND UPPER LIMITS OF THE 95% CONFIDENCE INTERVALS, https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_1_Ch1_Introduction.pdf
Fuel Oil	40.40	TJ/Gg	IPCC 2006, Volume2, Chapter 1, Table 1.2 - DEFAULT NET CALORIFIC VALUES (NCVs) AND LOWER AND UPPER LIMITS OF THE 95% CONFIDENCE INTERVALS, https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_1_Ch1_Introduction.pdf
Natural Gas	48.00	TJ/Gg	IPCC 2006, Volume2, Chapter 1, Table 1.2 - DEFAULT NET CALORIFIC VALUES (NCVs) AND LOWER AND UPPER LIMITS OF THE 95% CONFIDENCE INTERVALS, https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_1_Ch1_Introduction.pdf

Density	Value	Unit	Reference
Diesel	0.83	kg/L	National inventory, https://www.resmigazete.gov.tr/eskiler/2011/10/20111027-5.htm
Gasoline	0.74	kg/L	National inventory, https://www.resmigazete.gov.tr/eskiler/2011/10/20111027-5.htm
Fuel Oil	0.92	kg/L	National inventory, https://www.resmigazete.gov.tr/eskiler/2011/10/20111027-5.htm

2. Indirect Energy Consumption (GJ)

The Group's indirect energy consumption includes primary fuel sources consisting of electricity consumption. Electricity data has been converted from kilowatt-hour to gigajoules according to the IPCC 2006 National Greenhouse Gas Inventory Guidelines.

Electricity (GJ)
1KwH = 0.0036 GJ

3. Renewable Energy (MWh)

- **Renewable Energy Generation (MWh)**
  The Group's electricity generation from renewable energy generated at its facilities is tracked and reported.
- **Purchased Renewable Energy (MWh)**
  The Group's purchased renewable energy is tracked and reported with I-REC (International Renewable Energy Certificate).
- **Renewable Energy Consumption (MWh)**
  The Group's electricity consumption from renewable energy generated at its facilities and the total of purchased consumption.

Renewable energy consumption = purchased renewable energy + consumption from renewable energy produced at the facility

4. Total Energy Savings (MWh)

The amount of energy savings achieved through sustainability projects for the reporting period for Borçelik, Borusan Boru, Borusan Enerji and Supsan Türkiye locations are reported.

5. Total Energy Savings (t CO_2e)

The amount of energy savings achieved through sustainability projects for the reporting period for Borusan Lojistik Turkiye locations are reported.

6. Greenhouse Gas Emissions

Scope 1 and Scope 2 emissions were calculated in accordance with ISO 14064-1, "Greenhouse Gases Protocol: Corporate Accounting and Reporting Standard" and the operational control principle within the framework of the Greenhouse Gas Protocol (GHG Protocol). The emission factors used are detailed in the table below.

- **Direct CO_2 Emissions (t CO_2)**

The base year for the calculations of the Group companies' Scope 1 direct greenhouse gas emissions was 2015. In the calculations made by following the Greenhouse Gas Protocol methodology, the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Global Warming Potential (100-Year) of the IPCC Second Assessment Report were taken as reference for the emission factors used. The greenhouse gases included in the calculation include emissions resulting from fuel consumption activities and emission management covers CO_2, CH_4 and N_2O gases.

REPORTING GUIDELINE

A: Consumption (lt)
B: Emission Factor (tCO_2/ TJ)
C: Net Calorific Value (TJ/Gg)
D: Density (kg/lt)
E: Oxidation Factor = 1
G: Emission tCO_2e = (A x B x C x D x E)/ 1,000,000

Natural Gas:

Natural gas activity data, consumption and emission calculations were performed while converted to normal m^3 unit and reporting was done in the same unit. The operating temperature of the consumed natural gas was 15°C and volume correction was performed according to the ideal gas law.

Borçelik Source: Emission Factor and Net Calorific Value are calculated with the density values obtained from the local supplier company located in the company's location and from which it supplies natural gas.

Natural gas operation data, consumption and emission calculations were performed while converted to normal m^3 unit and reporting was done in the same unit. The operating temperature of the consumed natural gas was 15°C and volume correction was performed according to the ideal gas law.

(P x V = n x R x T(°K))
The conversion from Sm^3 to Nm^3:
P: Pressure
V: Volume (m^3)
n: mol (gr/1 modeki gr)
R: atm x L / mol x K
T: Kelvin
P: Pressure (atm)
V1/V2 = (P2 x T1) / (P1 x T2)

Emission factors

Factor Unit	CO_2	CH_4	N_2O
kg / TJ	56,100	5	0,1

Source: 2006 IPCC Guidelines for National Green House Gas Inventories Volume2, Chapter 2, Table 2.4 - DEFAULT EMISSION FACTORS FOR STATIONARY COMBUSTION IN THE COMMERCIAL/INSTITUTIONAL CATEGORY, https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf

Emission Amount = Consumption x Net Calorific Value x Emission Factor =ton CO_2-e

	Emission factor	Unit	Net Calorific Value	Unit
Borçelik	56.05	tCO_2/TJ	48.93	GJ/1000Nm^3
Borusan Holding	56.1	tCO_2/TJ	37.28	GJ/1000Nm^3
Borusan Lojistik	56.1	tCO_2/TJ	37.28	GJ/1000Nm^3
Borusan Pipe	56.1	tCO_2/TJ	37.28	GJ/1000Nm^3
BMGS	56.1	tCO_2/TJ	48	TJ/Gg
Borusan Otomotiv	56.79	tCO_2/TJ	34.5	TJ/Gg
Borusan Enerji	58.37	tCO_2/TJ	34.6	TJ/Gg
Supsan	56.1	tCO_2/TJ	37.28	GJ/1000Nm^3

Gasoline:

2006 IPCC Guidelines for National Green House Gas Inventories Volume 2 Chapter 3, Table 3.2.2 - ROAD TRANSPORT N2O AND CH4 DEFAULT EMISSION FACTORS AND UNCERTAINTY RANGES, https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_3_Ch3_Mobile_Combustion.pdf

Emission Amount = Consumption x Conversion Factor x Emission factor = ton CO_2-e

Emission Factors

Factor Unit	CO_2	CH_4	N_2O
kg / TJ	69,300	25	8

REPORTING GUIDELINE

Diesel:

Stationary Combustion (Generator):

2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 3, Table 3.2.1 - DEFAULT EMISSION FACTORS FOR OFF-ROAD MOBILE SOURCES AND MACHINERY, https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_3_Ch3_Mobile_Combustion.pdf

Mobile Combustion (Construction Machinery and Vehicle Category)

2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 3, Table 3.2.2 - ROAD TRANSPORT N2O AND CH4 DEFAULT EMISSION FACTORS AND UNCERTAINTY RANGES, https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_3_Ch3_Mobile_Combustion.pdf

Emission Amount = Consumption x Controlled Parameters (Emission Factor)
Emission Amount = Consumption x Net Calorific Value x Emission Factor = ton CO_2-e

Emission Source	Factor Unit	CO_2	CH_4	N_2O
Generator Usage	kg / TJ	74,100	10	0.6
Construction Machinery and Vehicle Category	kg / TJ	74,100	3.9	3.9

Fuel Oil:

Soruce :2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 2, Table 2.4 - DEFAULT EMISSION FACTORS FOR STATIONARY COMBUSTION IN THE COMMERCIAL/INSTITUTIONAL CATEGORY, https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf

Emission Amount = Consumption x Net Calorific Value x Emission Factor = ton CO_2-e

Factor Unit	CO_2	CH_4	N_2O
kg / TJ	77,400	10	0.6

o Indirect CO_2 Emissions (t CO_2)
In the calculations made by following the Greenhouse Gas Protocol methodology, the emission factor information form sources belonging to the Turkish Electricity Transmission Inc. (TEİAŞ) were taken as reference for the emission factors used. It includes the emissions resulting from the electricity consumption activities included in the calculation and the Emission Management covers CO_2, CH_4 and N_2O gases.

Emission Amount = Electricity Consumption (GWh) x Emission Factor (ton/GWh)=ton CO_2-e

Factor Type	Value	Unit
National Electricity Generation Emission Factor for Türkiye	0.442	tCO_2e/MWh

Source: Türkiye electricity production and electricity consumption point emission factors information form, published by the Turkish Electricity Transmission Inc. (TEİAŞ) on 06.12.2024 https://enerji.gov.tr/Media/Dizin/EVCED/tr/%C3%87evreVe%C4%B0klim/%C4%B0klimDe%C4%9Fi%C5%-9Fikli%C4%9Fi/EmisyonFaktorleri/TEUVETN_Emisyon_Fakt%C3%B6rleri_Bilgi_Formu.pdf

o Prevented Emission Amount (t CO_2)
Solely Borusan EnBW Enerji Yatırımları ve Üretim A.Ş. (“Borusan Enerji”) is included in the scope of the Prevented Emission Amount (tCO_2e) indicator. It is obtained by multiplying the renewable energy amount included in the portfolio by the RES coefficient when losses are subtracted from the total renewable energy production.

7. Greenhouse Gas and Energy Intensity Indicators

Greenhouse gas intensity is calculated by dividing the sum of scope 1 and scope 2 emissions of the Group’s subsidiaries in Türkiye by the total TL revenues in the reporting period.

Energy intensity is calculated by dividing the total energy consumption of the Group’s subsidiaries in Türkiye by the total TL revenues in the reporting period. Total TL revenues represent the Group’s combined revenues in the Borusan Holding Annual Report.

o Energy Intensity (MWh/ million TL)

Formulas:
Energy Intensity = Total energy consumption / Total TL income

o Greenhouse Gas Intensity (t CO_2 / million TL)

Formulas:
Greenhouse Gas Intensity = tCO_2 e / Total TL income

8. Total Greenhouse Gas Emission Reduction (t CO_2)

Formulas:
Total Greenhouse Gas Emission Reduction = Total greenhouse gas emissions in 2023 - Total greenhouse gas emissions in 2024

9. Air Emissions - NO_x, SO_x, POP, VOC, HAP, PM (ton)

Solely Borçelik Çelik Sanayii Ticaret A.Ş. (“Borçelik”) is included in the Air Emissions - NO_x, SO_x, POP, VOC, HAP, PM (in tons) indicator.

REPORTING GUIDELINE

10. Water Consumption and Wastewater Discharge

The company's total water consumption is monitored monthly with the service providers' meter and bill information.

- Total Water Volume Withdrawn (m^3)

Formulas:
Total Water Volume Withdrawn (m^3) = Groundwater Use (m^3) + Rainwater (m^3) + 3rd Party Water (Municipal Water) (m^3)

- Wastewater Discharge (megaliters)

Formulas:
Wastewater Discharge (megaliters) = Underground + Sea + 3rd Party (Municipal) + Sewerage

- Water Consumption (megaliters)

Formulas:
Water Consumption = Total Water Volume Withdrawn – Wastewater Discharge

11. Environmental Investments

The amount reported within the scope of environmental investments for the Türkiye locations of Borçelik, Borusan Boru, BMGS, Borusan Lojistik, Borusan Otomotiv,Borusan Enerji and Supsan subsidiaries consists of investments made within the budget through sustainability projects monitored with the accounting data platform.

REPORTING GUIDELINE

2. Social Indicators

Number of Young Talent Hired (Alpha) Retention Rate (%)

Formula:
Number of Young Talent Hired (Alpha) Retention Rate = Number of Alpha Employees Active as of the end of the reporting period / Number of Alpha Employees Active as of the beginning of the reporting period

Number of Future Leaders Retention Rate (%)

Formula:
Number of Future Leaders Retention Rate = Number of Future Leader Employees Active as of the end of the reporting period / Number of Future Leader Employees Active as of the beginning of the reporting period

Number of Ethics Hotline Notifications (#)

Formula:
Number of Ethics Line Notifications = Number of Notifications Made Through Other Channels (e-mail, phone, written) + Number of Notifications Reported by Third Party Independent Firm

Total Accident Frequency Rate (Company) (%)

Formula:
Total Accident Frequency Rate (Company) = (Number of Company Employee Accidents) x 1,000,000) / Total Company Working Hours

Total Accident Frequency Rate (Subcontractor) (%)

Formula:
Total Accident Frequency Rate (Subcontractor) = (Number of Subcontractor Employee Accidents x 1,000,000) / Total Subcontractor Working Hours

Total Accident Severity Rate (Company) (%)

Formula:
Total Accident Severity Rate = (Number of Company Employee Lost Days) x 1,000) / Total Company Working Hours

Total Accident Severity Rate (Subcontractor) (%)

Formula:
Total Accident Severity Rate = (Number of Company Subcontractor Lost Days) x 1,000) / Total Subcontractor Company Working Hours

Lost Day Rate

The total working day is included in the calculation based on the assumption that daily working hours are 9 hours.

Formula:
Lost Day Rate = (Number of Company Employee Accidents + Number of Subcontractor Employee Lost Days) x 1,000) / Total Working Days

Total Occupational Disease Rate (Company) (%)

Formula:
Total Occupational Disease Rate (Company) = (Number of Company Employee Occupational Diseases x 1,000,000) / Total Working Hours

Total Occupational Disease Rate (Subcontractor) (%)

Formula:
Total Occupational Disease Rate (Subcontractor) = (Number of Subcontractor Employee Occupational Diseases x 1,000,000) / Total Working Hours

OHS Training Hours

For Türkiye locations, through the Human Resources training tracking platform (Borusan Academy) and Borçelik, Borusan Boru, BMGS, Borusan Otomotiv Group, Borusan Lojistik, Borusan Enerji and Supsan represents training provided to employees and subcontractors by its subsidiaries during the reporting period.

Restatement of Opinion

Measuring and reporting limited assurance data inevitably involves a degree of estimation. Where there is a change in the data at the group level of more than 5%, a restatement of opinion may be considered.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

Prepared as of December 31, 2024.
Consolidated Financial Statements and Independent Auditor's Report

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FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Borusan Holding Anonim Şirketi

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Borusan Holding Anonim Şirketi ("the Company") and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Tolga Özdemir, SMMM
Partner

March 5, 2025
İstanbul, Turkey

BORUSAN HOLDING A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024
(Currency - US Dollars ("USD") unless otherwise indicated)

ASSETS

	Notes	31 December 2024	31 December 2023
Current assets			
Cash and cash equivalents	6	**298.443.507**	519.785.469
Trade receivables	7	**699.511.908**	719.607.954
Inventories	8	**1.098.462.004**	1.439.084.595
Other receivables and assets	9	**217.663.245**	204.084.282
		2.314.080.664	**2.882.562.300**
Assets classified as held for sale and discontinued operations	22	**50.260.109**	113.393.319
Total current assets		**2.364.340.773**	**2.995.955.619**
Non-current assets			
Trade receivables	7	**10.926.767**	16.466.568
Investments in financial assets		**4.234.905**	1.350.279
Property, plant and equipment	11	**1.931.558.194**	1.791.555.619
Right of use assets	13	**116.436.208**	77.871.883
Advances given for property, plant and equipment		**5.456.161**	6.003.697
Intangible assets	12	**26.819.546**	34.971.700
Goodwill	10	**47.444.958**	47.444.958
Investments in a joint venture	30	**194.869.529**	189.848.598
Deferred tax assets	18	**22.684.368**	22.237.254
Other receivables and assets	9	**25.850.040**	28.887.520
Total non-current assets		**2.386.280.676**	**2.216.638.076**
Total assets		**4.750.621.449**	**5.212.593.695**

The accompanying policies and explanatory notes on pages 200 through 238 from an integral part of the consolidated financial statements.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

BORUSAN HOLDING A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024
(Currency - US Dollars ("USD") unless otherwise indicated)

LIABILITIES AND EQUITY

	Notes	31 December 2024	31 December 2023
Current liabilities			
Trade payables	14	**742.666.390**	1.025.893.126
Short-term borrowings	15	**866.212.972**	851.980.912
Lease liabilities	15	**42.425.461**	23.446.838
Other payables and expense accruals	17	**444.920.726**	714.272.461
Income tax payable	18	**53.723.284**	65.788.431
Total current liabilities		**2.149.948.833**	**2.681.381.768**
Non-current liabilities			
Trade payables	14	**32.218.357**	63.189.911
Long-term borrowings	16	**233.886.016**	266.479.242
Lease liabilities	16	**58.610.580**	33.913.840
Employee benefit obligations	19	**37.959.285**	35.410.752
Deferred tax liabilities	18	**158.380.054**	178.561.077
Other payables, provisions and expense accruals	17	**30.436.337**	13.691.287
Total non-current liabilities		**551.490.629**	**591.246.109**
Total liabilities		**2.701.439.462**	**3.272.627.877**
Equity			
Paid-in share capital	20	**46.044.080**	46.044.080
Currency translation reserves		**(14.291.369)**	(6.019.396)
Revaluation reserve, net		**246.616.594**	270.293.226
Cash flow hedge reserve		**474.717**	(2.918.677)
Actuarial loss from employee benefits	19	**(8.016.370)**	(8.065.894)
Legal reserves and retained earnings		**1.085.324.166**	937.881.041
Equity attributable to equity holders of the parent		**1.356.151.818**	1.237.214.380
Non-controlling interests		**693.030.169**	702.751.438
Total equity		**2.049.181.987**	1.939.965.818
Total liabilities and equity		**4.750.621.449**	5.212.593.695

The accompanying policies and explanatory notes on pages 200 through 238 from an integral part of the consolidated financial statements.

BORUSAN HOLDING A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(Currency - US Dollars ("USD") unless otherwise indicated)

	Notes	1 January-31 December 2024	1 January-31 December 2023
Net sales	23	**7.826.845.259**	7.765.024.436
Cost of goods sold and services provided	24	**(6.957.483.511)**	(6.491.371.333)
Gross profit		**869.361.748**	1.273.653.103
Selling, general and administrative expenses	25	**(464.271.582)**	(423.020.293)
Other operating (expense)/income, net	28	**50.144.641**	30.505.642
Financial income	29	**68.493.595**	72.828.511
Financial expense	29	**(231.046.017)**	(221.529.560)
Share of gain/(loss) of a joint venture	30	**2.717.232**	26.552.765
Translation gain		**5.925.551**	18.204.109
Profit before tax		**301.325.168**	777.194.277
Taxation on income			
- Current (statutory)	18	**(74.050.489)**	(215.914.490)
- Deferred	18	**14.502.810**	(6.146.134)
Net profit for the year		**241.777.489**	555.133.653
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Actuarial loss net off tax		**(126.974)**	(5.176.397)
- Changes in revaluation fund, net off tax		**14.535.219**	24.054.479
Items that may be reclassified subsequently to profit or loss			
- (Loss)/gain on cash flow hedge instruments net-off tax		**4.384.106**	(2.526.567)
- Currency translation reserve		**(20.138.628)**	17.234.775
Total comprehensive income/(loss) for the year		**240.431.212**	588.719.943
Net profit for the year			
Non-controlling interests		**100.686.966**	260.535.269
Equity holders of the parent		**141.090.523**	294.598.384
		241.777.489	555.133.653
Total comprehensive income/(loss) for the year			
Non-controlling interests		**96.464.544**	291.888.031
Equity holders of the parent		**143.966.668**	296.831.912
		240.431.212	588.719.943

The accompanying policies and explanatory notes on pages 200 through 238 from an integral part of the consolidated financial statements.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

BORUSAN HOLDING A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(Currency - US Dollars ("USD") unless otherwise indicated)

		Items that may not be reclassified subsequently to profit or loss		Items that may be reclassified subsequently to profit or loss					
	Paid-in share capital	Actuarial gain / (loss)	Revaluation reserve	Currency translation reserve	Cash flow hedge reserve	Legal reserves and retained earnings	Equity attributable to equity holders' of the parent	Non-controlling interests	Total equity
Balance at 31 December 2022	46.044.080	(4.803.536)	213.752.887	(3.761.828)	(724.144)	720.262.396	970.769.855	807.035.650	1.777.805.505
Balance at 1 January 2023	46.044.080	(4.803.536)	213.752.887	(3.761.828)	(724.144)	720.262.396	970.769.855	807.035.650	1.777.805.505
Total comprehensive income	-	(3.262.358)	9.947.987	(2.257.568)	(2.194.533)	294.598.384	296.831.912	291.888.031	588.719.943
Effect of sale without control of a subsidiary shares	-	-	52.421.571	-	-	(80.219.407)	(27.797.836)	(182.236.344)	(210.034.180)
Transfers	-	-	(5.829.219)	-	-	5.829.219	-	-	-
Dividends paid	-	-	-	-	-	(2.589.551)	(2.589.551)	(213.935.899)	(216.525.450)
Balance at 31 December 2023	46.044.080	(8.065.894)	270.293.226	(6.019.396)	(2.918.677)	937.881.041	1.237.214.380	702.751.438	1.939.965.818
Balance at 1 January 2024	**46.044.080**	**(8.065.894)**	**270.293.226**	**(6.019.396)**	**(2.918.677)**	**937.881.041**	**1.237.214.380**	**702.751.438**	**1.939.965.818**
Total comprehensive income	**-**	**49.524**	**7.705.200**	**(8.271.973)**	**3.393.394**	**141.090.523**	**143.966.668**	**96.464.544**	**240.431.212**
Effect of sale without control of a subsidiary shares	**-**	**-**	**(8.485.072)**	**-**	**-**	**(12.879.980)**	**(21.365.052)**	**11.332.748**	**(10.032.304)**
Transfers	**-**	**-**	**(22.896.760)**	**-**	**-**	**22.896.760**	**-**	**-**	**-**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(3.664.178)**	**(3.664.178)**	**(117.518.561)**	**(121.182.739)**
Balance at 31 December 2024	**46.044.080**	**(8.016.370)**	**246.616.594**	**(14.291.369)**	**474.717**	**1.085.324.166**	**1.356.151.818**	**693.030.169**	**2.049.181.987**

The accompanying policies and explanatory notes on pages 200 through 238 from an integral part of the consolidated financial statements.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

BORUSAN HOLDING A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
(Currency - US Dollars ("USD") unless otherwise indicated)

	Notes	1 January-31 December 2024	1 January-31 December 2023
Cash flows provided from operating activities:			
Profit before taxation on income, non-controlling interest		**301.325.168**	777.194.277
Adjustments to reconcile profit before taxation to net cash provided by operating activities:			
Depreciation	27	**152.497.196**	137.284.197
Amortization of intangible assets	27	**11.669.113**	13.397.207
Interest income	29	**(30.743.713)**	(29.163.560)
Due date income, net	29	**(34.726.497)**	(41.371.128)
Interest expense	29	**152.922.355**	138.111.693
Impairment on inventory recognised in profit or loss	8	**1.571.466**	1.641.726
Reversal of prior year impairment on inventory	8	**(7.011.230)**	(2.007.870)
Provision for reserve for employee benefit obligations	19	**14.819.986**	15.285.666
(Gain)/loss on sale of property,	28	**10.805.174**	9.778.470
Net change in currency translation reserve		**(3.842.529)**	5.307.932
Provision for doubtful receivables	7	**1.377.194**	8.792.506
Share of loss / (gain) of a joint venture	30	**(2.717.232)**	(26.552.765)
Operating profit before working capital changes		**567.946.451**	1.007.698.351
Working capital changes			
Trade receivables		**22.526.753**	51.370.401
Inventories		**345.224.999**	(365.474.051)
Other current assets and liabilities – net		**(215.379.212)**	183.369.142
Trade payables		**(314.198.290)**	143.407.025
Other non-current assets and liabilities – net		**14.782.530**	(13.380.062)
Employee benefit obligations paid	19	**(7.880.449)**	(8.979.086)
Taxes paid	18	**(78.770.027)**	(187.921.718)
Net cash provided by operating activities of continuing operations		**334.252.755**	810.090.002

BORUSAN HOLDING A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
(Currency - US Dollars ("USD") unless otherwise indicated)

	Notes	1 January-31 December 2024	1 January-31 December 2023
Investing activities:			
Purchase of property, plant and equipment (*)	11	**(357.978.548)**	(366.282.513)
Purchase of intangible assets	12	**(26.794.961)**	(8.088.115)
Proceeds from sale of subsidiary without a loss of control		**(10.032.304)**	(210.034.180)
Proceeds from sale of property, plant and equipment and intangibles	11	**69.201.776**	109.764.309
Interest received		**65.470.210**	70.534.688
Other inflows (outflows) of cash		**(2.884.626)**	2.190.082
Net cash used in investing activities		**(263.018.453)**	(401.915.729)
Financing activities:			
Redemption of borrowings		**(2.304.037.930)**	(2.212.298.642)
Proceeds from borrowings		**2.186.307.990**	1.853.015.797
Change in financial receivables from non-consolidated related parties		**3.758.158**	78.649.051
Dividends paid (including dividends of non-controlling interests)		**(121.182.739)**	(216.525.450)
Interest paid		**(18.771.135)**	(134.150.698)
Payments for leasing contracts		**(38.650.608)**	(27.830.540)
Net cash provided by / (used in) financing activities of continuing		**(292.576.264)**	(659.140.482)
Net increase in cash and cash equivalents		**(221.341.962)**	(250.966.209)
Net cash inflow/(outflow) on acquisition of subsidiary			
Cash and cash equivalents at the beginning of the year		**520.944.206**	771.910.415
Cash and cash equivalents at the end of the year	6	**299.602.244**	520.944.206

(*) Increase in "advances given for property, plant and equipment" amounting to USD 547.536 is net-off with "purchase of property, plant and equipment" for the year ended 31 December 2024 (31 December 2023: Increase USD 3.751.779 is included).

The accompanying policies and explanatory notes on pages 200 through 238 from an integral part of the consolidated financial statements.

The accompanying policies and explanatory notes on pages 200 through 238 from an integral part of the consolidated financial statements.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

BORUSAN HOLDING A.Ş. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(Currency - US Dollars ("USD") unless otherwise indicated)

1. CORPORATE INFORMATION

General

Borusan Holding A.Ş. and its Subsidiaries (hereafter referred to as the "Borusan Group" or the "Group") commenced operations in 1944 as Borusan İstikbal Ticaret T.A.Ş., a company, trading steel products and exporting dried fruit.

Borusan Holding A.Ş. ("Borusan Holding" or the "Holding") was established in December 1972 as a corporation to coordinate the activities of and liaise between companies operating in different fields including steel business (pipe and flat steel production), distributorship of leading brands (BMW, MINI, Jaguar, Land Rover and Caterpillar) and integrated logistics. Borusan Holding is registered in Turkey and owned by members of the Kocabıyık Family (see Note 20). The registered address of the Holding is as follows:

Meclis-i Mebusan Caddesi No: 35-37 34427
Fındıklı - Istanbul – Turkey

Approval of the consolidated financial statements

This consolidated financial statements as of and for the year end 31 December 2024 has been approved for the issue by the management on 5 March 2025. This consolidated financial statement will be finalized following their approval in the general assembly.

Nature of Activities of the Group

The principal activities of Borusan Group comprise the following:

- manufacturing of steel pipes longitudinally and spirally welded for sale in domestic and foreign markets;
- manufacturing of cold rolled coils, galvanized coils and metal sheets for sale in domestic and foreign markets;
- exclusive sales and after sales services of BMW, MINI, Land Rover and Jaguar vehicles and car rental and used car services in Turkey;
- exclusive sales and after sales services of Caterpillar, earthmoving equipment and power systems, in Turkey, Central Asia and Far East Russia,
- providing integrated logistic services, shipping, port activities, warehousing and customs clearance services;
- manufacturing of engine valves for the automotive industry for sale in domestic and foreign markets;
- generation and wholesaling of electricity.

Since September 1998, Borusan Holding has a controlling interest in a sub-holding company, BMB Holding A.Ş., which was established to coordinate the activities of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş., a listed company in the Istanbul Stock Exchange (the "ISE"). In addition, Borusan Holding controls an investment company; Borusan Yatırım ve Pazarlama A.Ş., a listed company in the ISE.

The Group is organized into four main business segments:

- Steel segment
- Distributorship segment
- Energy segment
- Logistics segment

Other operations of the Group mainly comprise valves production.

BORUSAN HOLDING A.Ş. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(Currency - US Dollars ("USD") unless otherwise indicated)

1. CORPORATE INFORMATION (*continued*)

Borusan Holding has the following subsidiaries ("the Subsidiaries"). Business segments and the locations of Subsidiaries are as follows:

Business Segment	Subsidiary	Location / Incorporated in
Flat Steel	Borçelik Çelik Sanayii Ticaret A.Ş. ("Borçelik")	Gemlik – Turkey
Steel Pipe	Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. ("Borusan Birleşik Boru")	Istanbul – Turkey
	Borusan Pipe US Inc. ("Borusan Pipe")	USA
	BMB Holding A.Ş.	Istanbul – Turkey
	Borusan Vobarno Tubi SPA ("Vobarno")	Italy
	Borusan Tube Products S.A. ("Borusan Tube Romania")	Romania
	Borusan Pipe Holding BV ("BP Holding BV")	Netherlands
	Borusan Tube International Gmbh ("Borusan Tube Germany")	Germany
	Borusan Pipe Cooperative U.A. ("BP Coop")	Netherlands
	Borusan Pipe Espana S.A. ("BP Espana")	Spain
	Borusan Berg Pipe Holding Corp. ("Berg Pipe")	USA
	Berg Pipe Mobile Corp.	USA
	Berg Pipe Panama City Corp.	USA
	Borusan İstikbal Ticaret T.A.Ş. ("İstikbal") (1)	Istanbul – Turkey
Distributorship	Borusan Makina ve Güç Sistemleri Sanayi ve Ticaret A.Ş. ("BMGS")	Istanbul – Turkey
	Borusan Enerji Çözümleri Sanayi ve Ticaret A.Ş.	Istanbul – Turkey
	Machinery Intertrade Limited ("UK")	United Kingdom
	MIT Machine International Trade Limited ("MIT Machine")	Malta
	MIT Machine Holding Limited ("MIT Machine Holding")	Malta
	Machinery International Trade B.V. ("Machinery International")	Netherlands
	Borusan Makina Kazakhstan LLP ("Kazakhstan")	Kazakhstan
	Borusan Enerji Çözümleri Kazakistan Limited (2)	Kazakhstan
	Sitech Eurasia Teknoloji Servis ve Ticaret A.Ş. ("Sitech")	Istanbul – Turkey
	Borusan İş Makinaları Kiralama Sanayi ve Ticaret A.Ş. ("BIMK")	Istanbul – Turkey
	Sitech Dalnii Vostok	Russia
	Limited Liability Company Amur Machinery and Services ("Amur")	Russia
	Limited Liability Company Technica Dalnii Vostok ("TDV")	Russia
	Borusan Makina Kyrgyzstan LLP	Kyrgyzstan
	Borusan Machinery Switzerland AG	Switzerland
	FG Wilson Energy Solutions LLC (3)	Uzbekistan
	Borusan Oto Servis ve Ticaret A.Ş. ("Borusan Oto")	Istanbul – Turkey
	Borusan Oto Değerlendirme Pazarlama ve Hizmet A.Ş. ("BOD")	Istanbul – Turkey
	Borusan Otomotiv İthalat ve Dağıtım A.Ş ("Borusan Otomotiv İthalat")	Istanbul – Turkey
	Borusan Oto Kıbrıs Limited ("Borusan Oto Kıbrıs")	Northern Cyprus
	Borusan Otomotiv Pazarlama ve Ticaret A.Ş. ("Borusan Otomotiv Pazarlama")	Istanbul – Turkey
	Borusan Otomotiv Premium Kiralama ve Ticaret A.Ş. ("BOPK")	Istanbul – Turkey
	BOM Motor Sporları ve Ticaret A.Ş. ("BOM")	Istanbul – Turkey
Logistics	Borusan Lojistik Dağıtım Depolama Taşımacılık ve Ticaret A.Ş. ("Borusan Lojistik")	Istanbul – Turkey
	Borusan Logistics International Algeria SPA	Algeria
	Borusan Logistics International Europe GmbH	Germany
	Borusan Logistics International Bulgaria EOOD (4)	Bulgaria
	Borusan Logistics International Kazakhstan Limited Liability Partnership	Kazakhstan
	Bukoli Taşımacılık A.Ş. ("Bukoli")	Istanbul – Turkey
	Daybreak Global Logistics Company Limited	HongKong – China
	Daybreak Global Logistics Company Limited	Shanghai – China
	Eta Elektronik Taşımacılık Ağı Taşımacılık ve Ticaret A.Ş	Istanbul – Turkey

(1) Borusan İstikbal Ticaret T.A.Ş. ("İstikbal") merged with Borusan Holding A.Ş. on 28 June 2024.
(2) The title of Sitech Central Asia LLP has changed to Borusan Enerji Çözümleri Kazakistan Limited on 6 November 2024.
(3) FG Wilson Energy Solutions LLC was established on 18 September 2024.
(4) Borusan Logistics International Bulgaria EOOD was established on 22 March 2024.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

1. CORPORATE INFORMATION (*continued*)

Business Segment	Subsidiary	Location / Incorporated in
Energy	Hidiv Elektrik Enerjisi Toptan Satış A.Ş. ("Hidiv")	Istanbul – Turkey
	Borusan EnBW Enerji Yatırımları ve Üretim A.Ş. ("Borusan Enerji")	Istanbul – Turkey
	Kuzey Rüzgarı Enerji Üretim ve Ticaret A.Ş. ("Kuzey Rüzgarı")	Istanbul – Turkey
	Borusan Ezine Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Ezine")	Istanbul – Turkey
	Sincan Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Sincan")	Istanbul – Turkey
	Borusan Trakya Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Trakya")	Istanbul – Turkey
	Borenco Şarj Teknoloji Yatırımları Ticaret A.Ş.	Istanbul – Turkey
	GemWind Enerji Sanayi Ticaret A.Ş.	Istanbul – Turkey
	Dardanos B.V	Netherlands
	Bendis B.V	Netherlands
	Tarhunt B.V	Netherlands
	CFI International B.V	Netherlands
	SFI International B.V	Netherlands
	TFI International B.V	Netherlands
Other	Supsan Motor Supapları Sanayii ve Ticaret A.Ş. ("Supsan")	Istanbul – Turkey
	Borusan Yatırım ve Pazarlama A.Ş. ("Borusan Yatırım")	Istanbul – Turkey
	Dijital Parça Platformu Satış ve Ticaret A.Ş.	Istanbul – Turkey
	Borusan Tedarik Zinciri Çözümleri ve Teknoloji A.Ş. (5)	Istanbul – Turkey
	Borusan Ventures Corp. (6)	USA

(5) The title of Borusan Tedarik Zinciri Çözümleri ve Taşımacılık A.Ş. has changed to Borusan Tedarik Zinciri Çözümleri ve Teknoloji A.Ş. on 12 November 2024.
(6) Borusan Ventures Corp. was established on 11 October 2024.

BORUSAN HOLDING A.Ş. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(Currency - US Dollars ("USD") unless otherwise indicated)

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

New and amended International Financial Reporting Standards
The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2024 and thereafter. The effects of these standards and interpretations on the the Group's financial position and performance have been disclosed in the related paragraphs.

New and amended IFRS Standards that are effective for the current year

Amendments to IAS 1	*Classification of Liabilities as Current and Non-Current Liabilities*
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 7 and IFRS 7	*Disclosures: Supplier Finance Arrangements*

Amendments to IAS 1- Classification of Liabilities as Current and Non-Current Liabilities
In January 2020 and October 2022, IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in October 2022 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, October 2022 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with IAS 8.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
In September 2022, the Board issued amendments to IFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. In applying requirements of IFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued in May 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (*continued*)

New and revised IFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Amendments to IAS 21	*Lack of exchangeability*
Amendments to IFRS 9 and IFRS 7	*Classification and measurement of financial instruments*
Annual Improvements to IFRS Accounting Standards	*Volume 11*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
IFRS 18	*The new Standard for Presentation and Disclosure in Financial Statements*
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*

The Group is in the process of assessing the impact of the standards and amendments on financial position or performance of the Group.

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2015, IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, the Board issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

BORUSAN HOLDING A.Ş. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
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2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (*continued*)

New and amended International Financial Reporting Standards (*continued*)

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

In May 2024, the Board issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The amendment will be effective for annual periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings.

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price".
- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent': The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.
- IAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

Improvements are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted for all.

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendment will be effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted but will need to be disclosed. The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (*continued*)

New and amended International Financial Reporting Standards (*continued*)

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34. IFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. IFRS 18 will be applied retrospectively.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, the Board issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under IFRS 19.

The amendments which are effective immediately upon issuance

The effects of the amendment on the Group's financial position and performance have been evaluated. The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules*

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

BORUSAN HOLDING A.Ş. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(Currency - US Dollars ("USD") unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of Compliance

The consolidated financial statements of Borusan Holding A.Ş. and its Subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

3.2 Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for land, buildings, flat steel and steel pipe machinery are carried at revalued amounts (Note 11); and certain financial instruments and derivative financial instruments which are carried at fair values.

3.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of Borusan Holding A.Ş. and its Subsidiaries as at 31 December 2024 on the basis set out below:

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.3 Basis of Consolidation *(continued)*

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

BORUSAN HOLDING A.Ş. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.3 Basis of Consolidation *(continued)*

The following is a list of the operating subsidiaries as of 31 December 2024 and 2023 detailing the Group's controlling interest by direct voting power and the Group's ultimate effective shareholding in such joint ventures' and subsidiaries' equity at those dates:

	Direct Shareholding by Borusan Holding		Effective Shareholding by Borusan Holding		Consolidation method	
	2024 (%)	2023 (%)	2024 (%)	2023 (%)	2024 (%)	2023 (%)
Borçelik Çelik Sanayii Ticaret A.Ş. ("Borçelik") (1)	22,92	22,92	41,74	41,97	line by line	line by line
Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret A.Ş. ("Borusan Birleşik Boru")	-	-	70,63	70,76	line by line	line by line
Borusan Pipe US Inc. ("Borusan Pipe")	-	-	70,63	70,76	line by line	line by line
BMB Holding A.Ş.	87,64	73,84	96,12	96,30	line by line	line by line
Borusan Vobarno Tubi SPA ("Vobarno")	-	-	70,89	71,01	line by line	line by line
Borusan Tube Products SA ("Romania")	0,01	-	70,63	70,76	line by line	line by line
Borusan Pipe Holding BV ("BP Holding BV")	-	-	70,63	70,76	line by line	line by line
Borusan Tube International Gmbh ("Borusan Tube Germany")	-	-	70,63	70,76	line by line	line by line
Borusan Pipe Cooperative U.A. ("BP Coop")	-	-	70,93	71,05	line by line	line by line
Borusan Pipe Espana S.A. ("BP Espana")	-	-	70,93	71,05	line by line	line by line
Borusan Berg Pipe Holding Corp.	-	-	70,63	70,76	line by line	line by line
Berg Pipe Mobile Corp.	-	-	70,63	70,76	line by line	line by line
Berg Pipe Panama City Corp.	-	-	70,63	70,76	line by line	line by line
Borusan İstikbal Ticaret T.A.Ş. ("İstikbal") (2)	-	100,00	-	100,00	line by line	line by line
Borusan Makina ve Güç Sistemleri Sanayi ve Ticaret A.Ş. ("BMGS")	62,59	62,59	89,92	90,36	line by line	line by line
Borusan Enerji Çözümleri Sanayi ve Ticaret A.Ş.	-	-	89,92	90,36	line by line	line by line
Machinery Intertrade Limited ("UK")	-	-	89,92	90,36	line by line	line by line
MIT Machine International Trade Limited ("MIT Machine")	-	-	89,74	90,18	line by line	line by line
MIT Machine Holding Limited ("MIT Machine Holding")	-	-	89,83	90,27	line by line	line by line
Machinery International Trade B.V. ("Machinery International")	-	-	89,92	90,36	line by line	line by line
Borusan Makina Kazakhstan LLP ("Kazakhstan")	-	-	89,92	90,36	line by line	line by line
Borusan Enerji Çözümleri Kazakistan Limited (3)	-	-	89,92	90,36	line by line	line by line
Sitech Eurasia Teknoloji Servis ve Tic. A.Ş. ("Sitech")	1,00	0,75	90,02	90,46	line by line	line by line
Borusan İş Makinaları Kiralama Sanayi ve Ticaret A.Ş. ("BIMK")	-	-	89,92	90,36	line by line	line by line
Sitech Dalnii Vostok	-	-	89,92	90,36	line by line	line by line
Limited Liability Company Amur Machinery and Services ("Amur")	-	-	89,92	90,36	line by line	line by line
Limited Liability Company Technica Dalnii Vostok ("TDV")	-	-	89,92	90,36	line by line	line by line
Borusan Makina Kyrgyzystan LLP	-	-	89,92	90,36	line by line	line by line
Borusan Machinery Switzerland AG	-	-	89,92	90,36	line by line	line by line
FG Wilson Energy Solutions LLC (4)	-	-	89,92	-	line by line	line by line
Borusan Oto Servis ve Ticaret A.Ş. ("Borusan Oto") (1)	29,05	29,05	42,78	43,06	line by line	line by line
Borusan Oto Değerlendirme Pazarlama ve Hizmet A.Ş. ("BOD") (1)	-	-	42,78	43,06	line by line	line by line
Borusan Otomotiv İthalat ve Dağıtım A.Ş ("Borusan Otomotiv İthalat") (1)	22,25	21,25	41,00	41,38	line by line	line by line
Borusan Oto Kıbrıs Limited ("Borusan Oto Kıbrıs") (1)	-	-	41,89	42,22	line by line	line by line
Borusan Otomotiv Pazarlama ve Ticaret A.Ş. ("Borusan Otomotiv Pazarlama") (1)	22,25	21,25	41,00	41,38	line by line	line by line
Borusan Otomotiv Premium Kiralama ve Ticaret A.Ş. ("BOPK") (1)	22,25	21,25	41,00	41,37	line by line	line by line
BOM Motor Sporları ve Ticaret A.Ş. ("BOM") (1)	-	-	42,78	43,06	line by line	line by line
Borusan Lojistik Dağıtım Depolama Taşımacılık ve Ticaret A.Ş. ("Borusan Lojistik") (9)	69,47	69,47	90,43	91,59	line by line	line by line
Borusan Logistics International Algeria SPA	-	-	90,42	91,59	line by line	line by line
Borusan Logistics International Europe GmbH	-	-	90,43	91,59	line by line	line by line
Borusan Logistics International Kazakhstan LLP	-	-	90,43	91,59	line by line	line by line
Borusan Logistics International Bulgaria EOOD (5)	-	-	90,43	-	line by line	line by line
Bukoli Taşımacılık A.Ş.	-	-	90,43	91,59	line by line	line by line
Daybreak Global Logistics Company Limited HongKong	-	-	90,43	91,59	line by line	line by line
Daybreak Global Logistics Company Limited Shangai	-	-	90,43	91,59	line by line	line by line
Eta Elektronik Taşımacılık Ağı Taşımacılık ve Ticaret A.Ş	-	-	90,43	91,59	line by line	line by line

(1) These subsidiaries are consolidated on the basis set below:
a) power to govern the financial and operating policies of the entity under an agreement; or,
b) power to appoint or remove the majority of the members of the board of the directors or equivalent governing body; or,
c) power to cast the majority of votes at meetings of the board of directors or equivalent governing body.
(2) Borusan İstikbal Ticaret T.A.Ş. ("İstikbal") merged with Borusan Holding A.Ş. on 28 June 2024.
(3) The title of Sitech Central Asia LLP has changed to Borusan Enerji Çözümleri Kazakistan Limited on 6 November 2024.
(4) FG Wilson Energy Solutions LLC was established on 18 September 2024.
(5) Borusan Logistics International Bulgaria EOOD was established on 22 March 2024.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.3 Basis of Consolidation *(continued)*

	Direct Shareholding by Borusan Holding		Effective Shareholding by Borusan Holding		Consolidation method	
	2024 (%)	2023 (%)	2024 (%)	2023 (%)	2024 (%)	2023 (%)
Yedigöl Hidroelektrik Üretim ve Ticaret A.Ş. ("Yedigöl")	-	-	-	-	equity pick up	equity pick up
Hidiv Elektrik Enerjisi Toptan Satış A.Ş. ("Hidiv")	0,03	0,02	49,96	49,97	equity pick up	equity pick up
Borusan EnBW Enerji Yatırımları ve Üretim A.Ş. ("Borusan Enerji")	49,50	49,25	49,95	49,95	equity pick up	equity pick up
Kuzey Rüzgarı Enerji Üretim ve Ticaret A.Ş. ("Kuzey Rüzgarı")	-	-	49,95	49,95	equity pick up	equity pick up
Baltalimanı Enerji Yatırımları Üretim ve Ticaret A.Ş. ("Baltalimanı")	-	-	-	-	equity pick up	equity pick up
Beylerbeyi Enerji Yatırımları Üretim ve Ticaret A.Ş. ("Beylerbeyi")	-	-	-	-	equity pick up	equity pick up
Balabanlı Rüzgar Enerjisinden Elektrik Üretim A.Ş. (Balabanlı)	-	-	-	-	equity pick up	equity pick up
Maray Enerji Sanayi ve Ticaret A.Ş. ("Maray")	-	-	-	-	equity pick up	equity pick up
Bandırma Enerji ve Elektrik Üretim Ticaret A.Ş. ("Bandırma")	-	-	-	-	equity pick up	equity pick up
Fuatres Elektrik Üretim A.Ş. ("Fuatres")	-	-	-	-	equity pick up	equity pick up
Pelit Yenilenebilir Enerji ve Elektrik Üretim A.Ş.	-	-	-	-	equity pick up	equity pick up
Birincil Yenilenebilir Enerji ve Elektrik Üretim A.Ş.	-	-	-	-	equity pick up	equity pick up
İkincil Yenilenebilir Enerji ve Elektrik Üretim A.Ş.	-	-	-	-	equity pick up	equity pick up
Baranges Elektrik Üretim A.Ş.	-	-	-	-	equity pick up	equity pick up
Borenco Şarj Teknoloji Yatırımları Ticaret A.Ş.	-	-	49,95	49,95	equity pick up	equity pick up
Efil Enerji Üretim Tic.ve San. A.Ş.	-	-	-	-	equity pick up	equity pick up
Fotoelektron Güneş Enerjisi Yatırım A.Ş.	-	-	-	-	equity pick up	equity pick up
GemWind Enerji San. Tic. A.Ş.	-	-	49,95	49,95	equity pick up	equity pick up
Has Mutlu Güneş Enerjisi San. Ve Tic. Ltd. Şti.	-	-	-	-	equity pick up	equity pick up
LS Güneş Enerji Üretim A.Ş.	-	-	-	-	equity pick up	equity pick up
Neptünges Güneş Enerjisi Yatırımları A.Ş.	-	-	-	-	equity pick up	equity pick up
Alenka Enerji Üretim ve Yatırım A.Ş.	-	-	-	-	equity pick up	equity pick up
Borusan Ezine Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Ezine")	-	-	100,00	100,00	line by line	line by line
Sincan Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Sincan")	-	-	100,00	100,00	line by line	line by line
Borusan Trakya Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Trakya")	50,00	-	100,00	100,00	line by line	line by line
Dardanos B.V	-	-	100,00	100,00	line by line	line by line
Bendis B.V	-	-	100,00	100,00	line by line	line by line
Tarhunt B.V	-	-	100,00	100,00	line by line	line by line
CFI International B.V	-	-	100,00	100,00	line by line	line by line
SFI International B.V	-	-	100,00	100,00	line by line	line by line
TFI International B.V	-	-	100,00	100,00	line by line	line by line
Borusan Elektronik Motorlu Araçlar Açık Artırma Ticareti İletişim ve Bilgi Hizmetleri A.Ş. ("Otomax")	-	-	-	-	line by line	line by line
Supsan Motor Supapları Sanayii ve Ticaret A.Ş. ("Supsan")	47,96	7,96	54,83	54,97	line by line	line by line
Borusan Yatırım ve Pazarlama A.Ş. ("Borusan Yatırım") (8) (9) (10)	64,13	36,64	68,64	70,04	line by line	line by line
Dijital Parça Platformu Satış ve Ticaret A.Ş.	49,96	49,94	94,93	95,13	line by line	line by line
Borusan Tedarik Zinciri Çözümleri ve Teknoloji A.Ş. (6) (10)	69,47	69,47	90,43	91,59	line by line	line by line
Borusan Ventures Corp. (7)	100,00	-	100,00	-	line by line	line by line

(6) The title of Borusan Tedarik Zinciri Çözümleri ve Taşımacılık A.Ş. has changed to Borusan Tedarik Zinciri Çözümleri ve Teknoloji A.Ş. on 12 November 2024.
(7) Borusan Ventures Corp. was established on 11 October 2024.
(8) Borusan Holding A.Ş. sold 372,692 shares in Borusan Yatırım ve Pazarlama A.Ş., representing approximately 1.33% of the issued share capital on March 18 2024.
(9) Borusan İstikbal Ticaret T.A.Ş. transferred all of its shares in Borusan Lojistik Dağıtım Depolama Taşımacılık ve Ticaret A.Ş. to Borusan Yatırım ve Pazarlama A.Ş. on 4 June 2024.
(10) Borusan İstikbal Ticaret T.A.Ş. transferred all of its shares in Borusan Tedarik Zinciri Çözümleri ve Teknoloji A.Ş. to Borusan Yatırım ve Pazarlama A.Ş. on 27 June 2024.

BORUSAN HOLDING A.Ş. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.4 Foreign Currency Translation

The consolidated financial statements are presented in USD, which is also the Holding's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The USD is used to a significant extent, or has a significant impact on the operations of the Group and reflects the economic substance of the underlying events and circumstances relevant to the Group. Therefore, the Group companies mainly use USD as functional currency. All currencies other than the functional currency selected for measuring items in the financial statements are treated as foreign currencies.

Based on the economic substance of the underlying events and circumstances relevant to the Group, the functional currency of certain subsidiaries of the Group has been determined to be USD as defined by IAS 21, *The Effects of Changes in Foreign Exchange Rates* due to the following reasons:

- The purchase and sales prices of the Group companies and the main services and products are mainly quoted in USD,
- A significant part of the financing and related finance costs of the Group is denominated in USD.

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to translation gain / (loss) in the consolidated income statement. Non-monetary items and equity balances (excluding profit or loss) that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

As at the reporting date, the assets and liabilities of subsidiaries are translated into the presentation currency of Borusan Holding A.Ş. (USD) at the rate of exchange ruling at the balance sheet date and their income statements are translated at the average exchange rates for the year.

The exchange differences arising on the translation are taken directly to a separate component of other comprehensive income as currency translation reserve. On disposal of such subsidiaries, the deferred cumulative amount recognised in other comprehensive income relating to that particular subsidiary is recognised in the statement of comprehensive income.

The Turkish countrywide producer price index (PPI) published by Turkish Statistical Institute and TL exchange rates for the purchases of USD announced by the Central Bank of the Republic of Turkey for the last three years were as follows:

	Year End	%	
	USD/TL	USD/TL Rate	Producer Price Index
Year	Exchange Rates	Annual Change	(PPI)
2022	18,6983	40,28	97,72
2023	29,4382	57,44	44,22
2024	35,2803	19,85	28,52

3.5 Business Combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.5 Business Combinations *(continued)*

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

BORUSAN HOLDING A.Ş. AND ITS SUBSIDIARIES

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Business Combinations *(continued)*

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss and other comprehensive income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.7 Related Parties

Parties are considered related to the Group if;

(a) directly, or indirectly through one or more intermediaries, the party

  (i) controls, is controlled by, or is under common control with the Group (this includes parent, subsidiaries and fellow subsidiaries);
  (ii) has an interest in the Group that gives it significant influence over the Group; or
  (iii) has joint control over the Group;

(b) the party is an associate of the Group;

(c) the party is a joint venture in which the Group is a venturer;

(d) the party is member of the key management personnel of the Group as its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);

A related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged.

Disclosures regarding related party transactions and outstanding balances are given in Note 34.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.8 Inventories

Inventories are valued at the lower of cost or net realizable value ("NRV") after provision for obsolete items. Cost is determined using the monthly weighted average method or specific identification method depending on nature of production or actual cost for trading goods. Cost of work in progress and finished goods inventories include materials, direct labor and an appropriate portion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Unrealizable inventory has been fully written off. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

3.9 Property, Plant and Equipment

Property, plant and equipment ("PP&E") is initially stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such costs which are initially recognized include the cost of replacing part of such property, plant and equipment when that cost is incurred if the recognition criteria are met. Following initial recognition at cost, land, buildings, flat steel and steel pipe machinery are carried at revalued amounts, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the consolidated statement of comprehensive income. However, the decrease in the carrying value of an asset is debited to the equity to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or has decreased. The reversal is recorded in consolidated statement of comprehensive income.

For items of property, plant and equipment carried at revalued amount, valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to the asset revaluation reserve included in the statement of comprehensive income.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.9 Property, Plant and Equipment *(continued)*

The cost or revalued amount of depreciable assets is depreciated at rates based on the estimated useful lives of assets. The estimated useful lives and the methods of depreciation are as follows:

	Years	Method
Buildings	15 - 50	Straight-line
Machinary and equipment	5 - 40	Straight-line
Furniture and fixtures	3 - 5	Straight-line
Motor vehicles	3 - 8	Straight-line
Other tangible assets	3 - 10	Straight-line
Leasehold improvements	over the lease period	Straight-line

3.10 Intangible Assets

Intangible assets, which mainly comprise computer software, energy licenses and license applications, are measured initially at cost. Intangible assets are recognized, if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and the cost of the asset can be measured reliably. Following initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets excluding development costs created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized on a straight-line basis over the best estimate of their useful lives (3-15 years). The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible asset with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

Intangible assets acquired in a business combination

Intangible assets (customer list) acquired in a business combination and recognized separately from goodwill are initially recognized at fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Customer list is amortized on a straight-line basis over the best estimate of its useful life which is determined as 10 years.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.11 Non-current Assets Held For Sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale and measured at the lower of carrying value and fair value less costs to sell if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sales, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interests in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

3.12 Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflect current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the statement of income in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill and intangible assests with indefined useful life

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.13 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The Group classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Company reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.13 Financial instruments *(continued)*

Financial assets *(continued)*

(i) Amortised cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

(a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Company applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.
(b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Company applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.13 Financial instruments *(continued)*

Financial assets *(continued)*

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss;. Other exchange differences are recognised in other comprehensive income;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.13 Financial instruments *(continued)*

Financial assets *(continued)*

Derecognition of financial assets *(continued)*

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognised at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognised in the fair value.

A financial liability is subsequently classified at amortized cost except:

(a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.
(b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognised in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Company continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.
(c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where IFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

The Company does not reclassify any financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.13 Financial instruments *(continued)*

Financial liabilities *(continued)*

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again. The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.14 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The Group did not make any such adjustments during the periods presented.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.14 Leases *(continued)*

The Group as lessee (continued)

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. The Group also rents equipment to retailers necessary for the presentation and customer fitting and testing of footwear and equipment manufactured by the Group.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.14 Leases (continued)

3.15 Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

3.16 Research and Development Costs

Research costs are expensed as incurred and development costs recognized as assets are amortized over their estimated useful lives.

3.17 Taxation and Deferred Income Taxes

Income tax represents the sum of the tax currently payable and deferred taxes.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Holding and its Subsidiaries' liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.17 Taxation and Deferred Income Taxes (continued)

Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company and its Subsidiaries' expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to other comprehensive income, in which case the tax is also recognised directly in other comprehensive income, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

3.18 Employee Benefits

(a) Defined Benefit Plan:

In accordance with existing social legislation in Turkey, the Group is required to make lump-sum termination indemnities to each employee whose employment is terminated due to retirement or for reasons other than resignation or misconduct and who has completed at least one year of service with the Group companies.

Such defined benefit plan is unfunded. The cost of providing benefits under the defined benefit is determined using the "Projected Unit Credit Method" based upon estimates of the Group's obligations to personnel terminating their services and being eligible to receive such benefits, discounting using the current market yield at the balance sheet date on government bonds. All actuarial gains and losses are recognized in the other comprehensive income as incurred.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.18 Employee Benefits *(continued)*

(b) Defined Contribution Plan:

The Group pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

3.19 Revenue Recognition

The Group recognises revenue from the following major sources:

- manufacturing of steel pipes longitudinally and spirally welded for sale in domestic and foreign markets;
- manufacturing of cold rolled coils, galvanized coils and metal sheets for sale in domestic and foreign markets;
- exclusive sales and after sales services of BMW, MINI, Land Rover and Jaguar vehicles and car rental services in Turkey;
- exclusive sales and after sales services of Caterpillar, earthmoving equipment and power systems, in Turkey, Central Asia and Far East Russia,
- providing integrated logistic services, shipping, port activities, warehousing and customs clearance services;

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled.

The Group recognizes revenue based on the following main principles:

a) Identification of customer contracts
b) Identification of performance obligations
c) Determination of transaction price in the contract
d) Allocation of price to performance obligations
e) Recognition of revenue when the performance obligations are fulfilled.

The Group recognized revenue from its customers only when all of the following criteria are met:

a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,

b) Group can identify each party's rights regarding the goods or services to be transferred,

c) Group can identify the payment terms for the goods or services to be transferred;

d) The contract has commercial substance,

e) It is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.20 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in the statement of income/ (loss) in the period in which they are incurred.

3.21 Contingent Assets and Liabilities

Contingent liabilities are not recognised but disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

3.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

3.23 Subsequent Events

Post year-end events that provide additional information about the Group's position at the date of the statement of financial position (adjusting events), are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

3.24 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.24 Investments in associates and joint ventures *(continued)*

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or a joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or a joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or a joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or a joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IFRS 9 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.25 Earth moving equipment and motor vehicles held for operating lease

Earth moving equipment held for operating lease:

Earth moving equipment held for operating lease are equipment which are originally recognized in inventory and transferred to long term assets once they became part of the rental fleet. They are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement as revenue and cost of sales similar to original equipment revenue.
Depreciation is computed on a straight-line basis based over the lease term.

Motor vehicles held for operating lease:

Motor vehicles held for operating lease are vehicles which are originally recognized in long term assets once they became part of the rental fleet. They are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement as revenue and cost of sales similar to original equipment revenue.
Depreciation is computed on a straight-line basis based over the lease term.

3.26 Significant Accounting Judgments and Estimates

The preparation of the financial statements in accordance with IFRS requires the Group Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the periods in which they become known. The significant management estimates are as follows:

Impairment of inventory:

When the net realizable value of inventory is less than its cost, the inventory is written down to the net realizable value and the expense is included in the statement of income / (loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below its cost no longer exist or when there is clear evidence of an increase in the net realizable value due to change in the economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

Useful lives of property, plant and equipment:

Tangible and intangible assets are depreciated and amortized over the useful lives determined by the Group Management (Note 3). The Group periodically reviews its useful live estimates to ensure that they reflect the actual use and expected remaining future benefits to be derived from the use of these property, plant and equipment.

Revaluation of property, plant and equipment:

The Group Management periodically performs independent valuation for land, buildings and flat steel, steel pipe machinery asset groups. These valuations are performed frequently enough to ensure that the fair value of the revalued assets does not differ materially from its carrying amount. If the Group Management believes that the carrying amount of the revalued assets does not differ significantly from its fair value, they do not perform a new revaluation exercise. As of 31 December 2024 the Group Management has performed a valuation exercise that resulted in USD 14.535.219 million increase in revaluation reserve in 2024.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.26 Significant Accounting Judgments and Estimates *(continued)*

Deferred tax assets:

Deferred tax assets are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities. Currently, there are deferred tax assets resulting from tax loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realised. The main factors taken into consideration include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realise the deferred tax asset. If based on the weight of all available evidence, it is the Group's belief that taxable profit will not be available sufficient to utilise some portion of these deferred tax assets, therefore some portion of or all of the deferred tax assets are not recognised. The Group has not recognized deferred tax assets in certain entities because it is not probable that sufficient taxable profit will be available to recognise deferred tax assets in those entities. If market conditions improve and future results of operations exceed the Group's current expectations, the existing unrecognised deferred tax assets may be recognised, resulting in future tax benefits.

Impairment of goodwill and intangible assets of indefinite useful lives

The Group tests annually whether goodwill and intangible assests of indefinite useful lives have suffered any impairment, in accordance with the accounting policy stated in Note 3. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

Impairment in financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

3.26 Business Combination

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Within the scope of TFRS-3 "Business Combinations" standard, the Group is affiliated with Berg EuroPipe Holding Corp., which operates in the cities of Panama City and Mobile in the field of steel pipe production in the USA. It purchased the shares representing the entire capital of , on April 13, 2023. In accordance with the share purchase agreement, the purchase price has been determined as 3.132.379 thousand TL, equivalent to 162 million US Dollars, and negotiations are continuing to finalize the purchase price.

The purchase price and the fair values of the acquired assets and liabilities within the scope of TFRS 3 are summarized in the table below:

	13 April 2023
Cash and cash equivalents	112.622.859
Trade receivables	24.077.423
Inventories	85.542.184
Other current asset	2.104.959
Tangible and intangible assets	128.357.163
Right of use assets	5.905.444
Other non-current asset	4.732.707
Deferred tax assets	17.520.872
Trade payables and other payables	(153.136.193)
Deferred tax liabilities	(26.559.430)
Other liabilities	(7.221.232)
Value of total identifiable net assets (%100)	**193.946.756**
Gain from purchase (Not 28)	(31.852.263)
Total purchase price	**162.094.493**

Net amount paid for Subsidiary acquisition

The details of the cash outflow resulting from the acquisition are as follows:

Total amount paid in cash for the purchase	112.094.493
Less: Cash and cash equivalents - acquired	112.622.859
Cash (inflow)/outflow from acquisition, net	**(528.366)**

Amount to be paid in advance for the purchase	50.000.000

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

4. CHANGES IN GROUP'S ORGANIZATION

- Borusan İstikbal Ticaret T.A.Ş. ("İstikbal") merged with Borusan Holding A.Ş. on 28 June 2024.
- The title of Sitech Central Asia LLP has changed to Borusan Enerji Çözümleri Kazakistan Limited on 6 November 2024.
- FG Wilson Energy Solutions LLC was established on 18 September 2024.
- Borusan Logistics International Bulgaria EOOD was established on 22 March 2024.
- The title of Borusan Tedarik Zinciri Çözümleri ve Taşımacılık A.Ş. has changed to Borusan Tedarik Zinciri Çözümleri ve Teknoloji A.Ş. on 12 November 2024.
- Borusan Ventures Corp. was established on 11 October 2024.
- Borusan Holding A.Ş. sold 372,692 shares in Borusan Yatırım ve Pazarlama A.Ş, representing approximately 1.33% of the issued share capital on 18 March 2024.
- Borusan İstikbal Ticaret T.A.Ş. transferred all of its shares in Borusan Lojistik Dağıtım Depolama Taşımacılık ve Ticaret A.Ş. to Borusan Yatırım ve Pazarlama A.Ş. on 4 June 2024.
- Borusan İstikbal Ticaret T.A.Ş. transferred all of its shares in Borusan Tedarik Zinciri Çözümleri ve Teknoloji A.Ş. to Borusan Yatırım ve Pazarlama A.Ş. on 27 June 2024.

5. DIVIDENDS

In 2024, a dividend of USD 0.634 (2023: USD 0.462) per thousand share (total USD 3.553.107) (2023: USD 2.589.551) was paid to shareholders.

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6. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Banks		
- Time deposits	**161.135.057**	244.784.384
- Demand deposits	**136.889.678**	275.426.886
Cash on hand	**45.305**	57.187
Other cash and cash equivalents	**1.532.204**	675.749
	299.602.244	520.944.206
Loss allowance (-)	**(1.158.737)**	(1.158.737)
Total	**298.443.507**	519.785.469

Effective interest rate of time deposits as of 31 December 2024 is between 20,00% - 50,00% (2023 15,00% - 42,00%) per annum for TL deposits and between 0,01% - 4,50% (2023: 0,01% - 5,00%) per annum for the currencies other than TL deposits.

Maturities of these time deposits range from 2 days to 19 days (2023: 4 days to 36 days).

Currency breakdown of cash and cash equivalents is as follows:

	31 December 2024		31 December 2023	
Currency	**Amount**	**USD Equivalent**	Currency Amount	USD Equivalent
USD	**169.082.346**	**169.082.346**	319.500.403	319.500.403
EUR	**67.492.646**	**70.277.842**	119.502.031	132.228.997
TL	**1.609.239.936**	**45.612.989**	1.459.514.634	49.578.936
TENGE	**3.703.184.556**	**7.065.171**	3.347.551.468	7.334.527
ROUBLE	**380.296.715**	**3.525.368**	902.628.355	10.056.020
GBP	**193.198**	**242.083**	239.396	304.991
Other (*)		**3.796.445**		1.940.332
		299.602.244		520.944.206
Effect of IFRS 9		**(1.158.737)**		(1.158.737)
Total		**298.443.507**		519.785.469

(*) Other currencies consist of AZN, GEL, KGS, CHF, CNY and JPY.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

7. TRADE RECEIVABLES, net

	31 December 2024	31 December 2023
Current trade receivables		
Trade receivables	**749.046.716**	772.114.599
Trade receivables from related parties (Note 34)	**1.856.087**	2.278.657
Less : Allowance for doubtful receivables (-)	**(51.390.895)**	(54.785.302)
	699.511.908	719.607.954

As of 31 December 2024, trade receivables of USD 630.728.532 (2023: USD 668.961.195) were neither past due nor impaired. The average credit period on sales of goods and services provided is 40 days (2023: 40 days).

The Group has offset USD 1.884.622 (31 December 2023: USD 43.437.694) from its trade receivables that are collected from factoring companies as a part of irrevocable factoring agreements as of 31 December 2024.

Collateral received in relation to trade receivables that are neither past due nor impaired is as follows:

	31 December 2024	31 December 2023
Insured receivables	**13.242.792**	14.086.763
Mortgages	**19.873**	23.736
Guarantee through direct debiting system	**145.739.495**	158.803.131
Letter of credit related to export receivables	**4.624.442**	1.010.682
Letter of guarantee	**93.196.755**	76.990.733
Other	**1.207.198**	613.925
	258.030.555	251.528.970

As of 31 December 2024, trade receivables of USD 68.783.377 (2023: USD 50.646.759) were past due but not impaired. Trade receivables disclosed below include amounts that are past due at the end of the reporting period for which the Group has not recognized an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The aging analysis of these trade receivables is as follows:

	31 December 2024	31 December 2023
Up to 30 days	**38.514.564**	31.411.251
30 to 90 days	**14.902.338**	9.941.107
90 to 180 days	**4.718.868**	5.423.272
Over 180 days	**10.647.607**	3.871.129
	68.783.377	50.646.759

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7. TRADE RECEIVABLES, net *(continued)*

Collaterals held for trade receivables that are past due but not impaired at the balance sheet date are as follows:

	31 December 2024	31 December 2023
Letter of guarantee	**1.192.624**	5.092.109
Insured receivables	**74**	1.717
Guarantee through direct debiting system	**1.057.922**	157.670
Mortgages	**–**	25.090
	2.250.620	5.276.586

As at 31 December 2024, there is no trade receivables that would otherwise be past due or impaired whose terms have been renegotiated (2023: None). Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. As the Group provides services and products to a large number of customers, collection risk is widely distributed amongst these customers and there is no significant credit risk exposure. Therefore, the Group does not provide for any further provision beyond the doubtful receivables provisions that the Group has already provided for in the consolidated financial statements. As at 31 December 2024, USD 51.390.895 (2023: USD 54.785.302) were impaired and provided for. The aging of these receivables is as follows:

	31 December 2024	31 December 2023
Up to 90 days	**65.457**	--
90 to 180 days	**743.768**	--
Over 180 days	**50.581.670**	54.785.302
	51.390.895	54.785.302

Movement of allowance of trade receivables is as follows:

	31 December 2024	31 December 2023
At the beginning of the year	**54.785.302**	51.128.802
Allowance provided during the year	**1.377.194**	8.792.506
Amounts recovered during the year	**(1.583.986)**	(1.705.783)
Amounts written-off as uncollectable during the year	**(1.180.269)**	(3.418.008)
Amounts from acquisition of subsidiary	**(275.446)**	650.270
Currency translation reserve	**(1.731.900)**	(662.485)
	51.390.895	54.785.302

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7. TRADE RECEIVABLES, net *(continued)*

	31 December 2024	31 December 2023
Non - current trade receivable		
Trade receivables (net off discount)	**24.199**	1.817.056
Trade receivables from related parties (Note 34)	**10.902.568**	14.649.512
	10.926.767	16.466.568

As of 31 December 2024, non-current trade receivables were neither past due nor impaired (2023: None).

Currency breakdown of current and non - current trade receivables is as follows:

	31 December 2024		31 December 2023	
Currency	**Currency Amount**	**USD Equivalent**	Currency Amount	USD Equivalent
USD	**351.941.525**	**351.941.525**	377.422.232	377.422.232
EUR	**245.461.866**	**255.591.257**	195.429.386	216.242.616
TL	**2.003.539.462**	**56.789.184**	2.473.185.225	84.012.787
TENGE	**23.635.950.763**	**45.094.170**	21.551.696.631	47.220.036
ROUBLE	**-**	**-**	66.511.980	740.998
GBP	**816.053**	**1.022.539**	8.191.407	10.435.853
		710.438.675		736.074.522

8. INVENTORIES, net

	31 December 2024	31 December 2023
Merchandise inventories (trade goods)	**344.710.137**	451.860.857
Raw metarials	**292.775.013**	282.687.949
Finished goods	**168.504.219**	316.277.006
Goods in transit	**154.396.766**	212.625.046
Work in process (WIP)	**71.410.853**	95.006.460
Spare parts and operating supplies	**74.825.828**	95.065.209
Less : Allwance for NRV of trade goods	**(8.160.812)**	(14.437.932)
	1.098.462.004	1.439.084.595

Movement of allowance for NRV is as follows:

	31 December 2024	31 December 2023
At the beginning of the year	**14.437.932**	12.712.203
Charge for the year	**1.571.466**	1.641.726
Provision released	**(7.011.230)**	(2.007.870)
Currency translation reserve	**(837.356)**	2.091.873
	8.160.812	14.437.932

Provision released during the year represents reversal of NRV impairment, due to the fact that the impaired inventory is sold during the year.

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9. OTHER RECEIVABLES AND ASSETS

	31 December 2024	31 December 2023
Current assets		
Other receivables from non-consolidated related companies (Note 34)	**6.975.087**	5.733.245
Income accruals	**30.701.322**	30.779.084
Value added tax (VAT) receivable	**77.765.573**	52.996.949
Prepaid expenses	**21.204.456**	43.503.542
Prepaid taxes, funds and receivables	**37.285.516**	23.136.083
Advances given	**4.214.930**	10.319.862
Due from personnel (Note 34)	**768.221**	1.116.203
Derivative Instruments (Note 33)	**5.648.816**	490.674
Other	**33.099.324**	36.008.640
	217.663.245	204.084.282

	31 December 2024	31 December 2023
Non-current assets		
Other receivables from non-consolidated related parties (Note 34)	**14.764.635**	19.764.635
Prepaid expenses	**5.375.356**	7.829.190
Other	**5.710.049**	1.293.695
	25.850.040	28.887.520

10. GOODWILL

	31 December 2024	31 December 2023
Goodwill	**47.444.958**	47.444.958
	47.444.958	47.444.958

The recoverable amount of the logistic operations was assessed by reference to value in use. A discount factor of 30,3% per annum was applied in the value in use model. The Group assesses goodwill for impairment annually. Recoverable amount is determined by calculating the value in use. Principal estimates such as discount rate, growth rate, sale prices and direct costs are taken into account in assessing the value in use. As of 31 December 2024, the Group assessed the recoverable amount of goodwill and determined that goodwill associated with the Group's operations was not impaired.

The recoverable amount of the logistics was assessed by reference to value in use. The calculation of the value in use was based on the following key assumptions:

Cash flows beyond the five-year period are projected by using a terminal growth rate of 2,9% (2023: 1,8%) and a discount factor of 30,3% (2023: 16,9%) per annum was applied in the value in use model.

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11. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment, related accumulated depreciation and provision for impairment for the year ended 31 December 2024 is as follows:

	31 December 2023	Additions	Disposals	Transfers (*)	Revaluation fund	Accumulated depreciation net-off of valued fixed assets	Currency translation reserve	31 December 2024
Cost								
Land and buildings	831.234.367	21.157.320	(119.507)	39.730.640	16.618.667	--	(21.730.347)	886.891.140
Machinery and equipment	776.311.547	19.610.713	(13.218.279)	77.382.821	1.003.885	--	(446.707)	860.643.980
Motor vehicles	443.731.974	129.087.908	(110.838.315)	275.371	--	--	(23.570.667)	438.686.271
Furniture and fixtures	203.600.682	12.084.529	(3.599.712)	3.338.987	--	--	(4.734.631)	210.689.855
Leasehold improvements	166.149.237	6.118.936	(4.825)	3.596.960	--	--	(1.959.271)	173.901.037
Other tangible assets	707.175	--	(514.593)	--	--	--	(719)	191.863
Construction in progress	112.812.507	170.466.678	(6.131.928)	(124.815.452)	--	--	(218.400)	152.113.405
	2.534.547.489	**358.526.084**	**(134.427.159)**	**(490.673)**	**17.622.552**	**--**	**(52.660.742)**	**2.723.117.551**
Less: Accumulated depreciation								
Buildings	(131.221.001)	(14.787.095)	107.577	--	(256.173)	--	19.930.270	(126.226.422)
Machinery and equipment	(239.586.545)	(58.934.743)	7.141.158	--	(75.582)	--	(2.056.423)	(293.512.135)
Motor vehicles	(116.713.610)	(19.750.566)	19.936.096	--	--	--	3.344.980	(113.183.100)
Furniture and fixtures	(166.743.390)	(9.533.439)	10.118.806	--	--	--	3.139.359	(163.018.664)
Leasehold improvements	(88.325.992)	(7.644.101)	233	--	--	--	388.707	(95.581.153)
Other tangible assets	(401.332)	--	360.593	--	--	--	2.856	(37.883)
	(742.991.870)	**(110.649.944)**	**37.664.463**	**--**	**(331.755)**	**--**	**24.749.749**	**(791.559.357)**
Net book value	**1.791.555.619**	**247.876.140**	**(96.762.696)**	**(490.673)**	**17.290.797**	**--**	**(27.910.993)**	**1.931.558.194**

(*) As of 31 December 2024, USD 490.673 of transfer made from tangible assets to intangible assets.

There is no borrowing cost capitalized amounting as of 31 December 2024 (2023: USD None).

The net book value of machinery and equipment comprise of earth moving equipment amounting to USD 26.649.752 (31 December 2023: USD 26.670.616) and motor vehicles held for operating lease comprise of rental vehicles amounting to USD 208.817.266 (31 December 2023: USD 213.056.269).

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11. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Movement of property, plant and equipment, related accumulated depreciation and provision for impairment for the year ended 31 December 2023 is as follows:

	31 December 2022	Additions	Disposals	Transfers (*)	Revaluation fund	Accumulated depreciation net-off of valued fixed assets	Currency translation reserve	31 December 2023
Cost								
Land and buildings	880.903.589	30.922.268	(71.649.262)	(88.355.239)	28.072.215	40.943.050	10.397.746	831.234.367
Machinery and equipment	697.052.574	47.055.057	(61.230.107)	31.296.984	(16.179.729)	74.219.146	4.097.622	776.311.547
Motor vehicles	335.636.265	167.991.735	(71.593.851)	245.626	--	3.071.421	8.380.778	443.731.974
Furniture and fixtures	191.464.699	9.271.959	(3.352.093)	2.843.749	--	1.171.868	2.200.500	203.600.682
Leasehold improvements	156.690.538	3.814.441	(28.769)	122.609	--	4.413.193	1.137.225	166.149.237
Other tangible assets	2.381.857	--	(1.683.760)	8.000	--	--	1.078	707.175
Construction in progress	64.128.683	103.475.274	(6.801.986)	(51.195.200)	--	5.562.606	(2.356.870)	112.812.507
	2.328.258.205	**362.530.734**	**(216.339.828)**	**(105.033.471)**	**11.892.486**	**129.381.284**	**23.858.079**	**2.534.547.489**
Less: Accumulated depreciation								
Buildings	(126.720.741)	(19.350.357)	15.266.414	1.048.679	2.174.785	--	(3.639.781)	(131.221.001)
Machinery and equipment	(202.772.354)	(62.601.880)	21.623.461	2.773.620	--	--	1.390.608	(239.586.545)
Motor vehicles	(108.764.912)	(19.260.977)	13.545.521	--	--	(994.201)	(1.239.041)	(116.713.610)
Furniture and fixtures	(157.856.142)	(8.927.280)	1.676.952	345.614	--	--	(1.982.534)	(166.743.390)
Leasehold improvements	(81.833.157)	(5.692.869)	19.917	--	--	--	(819.883)	(88.325.992)
Other tangible assets	(1.758.652)	(158.000)	1.517.760	--	--	--	(2.440)	(401.332)
	(679.705.958)	**(115.991.363)**	**53.650.025**	**4.167.913**	**2.174.785**	**(994.201)**	**(6.293.071)**	**(742.991.870)**
Net book value	**1.648.552.247**	**246.539.371**	**(162.689.803)**	**(100.865.558)**	**14.067.271**	**128.387.083**	**17.565.008**	**1.791.555.619**

(*) As of 31 December 2023, USD 1.582.558 of transfer made from tangible assets to intangible assets and USD 99.283.000 of transfer made from tangible assets to assets held for sale.

There is no borrowing cost capitalized amounting as of 31 December 2023 (2022: USD None).

The net book value of machinery and equipment comprise of earth moving equipment amounting to USD 26.670.616 (31 December 2022: USD 24.720.160) and motor vehicles held for operating lease comprise of rental vehicles amounting to USD 213.056.269 (31 December 2022: USD 165.402.778).

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11. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Market Valuation (fair value assessment)

Land, buildings, flat steel and steel pipe machinery of the Group are revalued in December 2024 by independent professional appraiser, TSKB Gayrimenkul Değerleme A.Ş, of which the effective date is 31 December 2024. Valuations for those assets were made on the basis of the market value. Initially, the book values of such assets were adjusted to the revalued amounts and the resultant initial surplus (reserve) net of deferred taxes was credited to revaluation reserve in equity. Accumulated depreciation of the revalued buildings and machinery and equipment have been eliminated against the gross carrying amounts of related assets as at 31 December 2024 and the net amount is restated to the revalued amount.

Details of the Group's fair value hierarchy as at 31 December 2024 and 2023 are as follows:

	Fair value as at 31 December 2024			
	Level 1	Level 2	Level 3	Total
Land & Buildings & Machinery	--	1.327.796.563	--	1.327.796.563

	Fair value as at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Land & Buildings & Machinery	--	1.236.738.368	--	1.236.738.368

On disposal of revalued assets, amounts in revaluation reserves relating to that asset are transferred to retained earnings. Further, the depreciation difference realized from the revaluation surplus is transferred to retained earnings on annual basis as the asset is used by the Group.

Movements in revaluation surplus of land, buildings, machinery and equipment before allocation of non-controlling interest are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
At the beginning of the year	460.898.932	452.405.161
Change in revaluation reserve	14.535.219	24.054.479
Transfer of depreciation difference (net of deferred tax) between revalued and original value of assets realized from revaluation reserve into retained earnings pursuant to IAS 16	(33.575.995)	(15.560.708)
At the end of the year	**441.858.156**	**460.898.932**

	31 December 2024	31 December 2023
Revaluation reserve attributable to equity holders of the parent	246.616.594	270.293.226
Revaluation reserve attributable to non-controlling interest	195.241.562	190.605.706
At the end of the year	**441.858.156**	**460.898.932**

Revaluation reserve included in the consolidated financial statements comprises the following:

Mortgages and Pledges on Assets

As of 31 December 2024, there is no mortgages on property, plant and equipment (2023: None).

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12. INTANGIBLE ASSETS, net

Movement of intangible assets during the year ended 31 December 2024 is as follows:

	Rights	Other Intangibles	Customer List	Total
Cost at 1 January 2024	126.741.300	117.437.432	32.285.000	276.463.732
Additions	10.089.698	16.705.263	--	26.794.961
Disposals	(398.992)	(1.340)	--	(400.332)
Transfers	5.936.205	(5.445.531)	--	490.674
Currency translation reserve	(7.824.713)	(5.910.135)	--	(13.734.848)
Cost at 31 December 2024	**134.543.498**	**122.785.689**	**32.285.000**	**289.614.187**
Accumulated amortization at 1 January 2024	(105.107.968)	(104.099.064)	(32.285.000)	(241.492.032)
Charge for the year	(6.102.535)	(5.566.578)	--	(11.669.113)
Disposals	(134.720)	--	--	(134.720)
Currency translation reserve	(5.271.896)	(4.226.880)	--	(9.498.776)
Accumulated amortization at 31 December 2024	**(116.617.119)**	**(113.892.522)**	**(32.285.000)**	**(262.794.641)**
Net book value at 31 December 2024	**17.926.379**	**8.893.167**	**--**	**26.819.546**

Movement of intangible assets during the year ended 31 December 2023 is as follows:

	Rights	Other Intangibles	Customer List	Total
Cost at 1 January 2023	112.133.823	108.137.987	32.285.000	252.556.810
Additions	10.216.781	8.088.657	--	18.305.438
Disposals	(402.789)	(74.247)	--	(477.036)
Transfers	1.742.404	(159.846)	--	1.582.558
Currency translation reserve	3.051.081	1.444.881	--	4.495.962
Cost at 31 December 2023	**126.741.300**	**117.437.432**	**32.285.000**	**276.463.732**
Accumulated amortization at 1 January 2023	(96.784.716)	(94.063.720)	(32.285.000)	(223.133.436)
Charge for the year	(8.312.618)	(5.084.589)	--	(13.397.207)
Disposals	452.706	--	--	452.706
Currency translation reserve	(463.340)	(4.950.755)	--	(5.414.095)
Accumulated amortization at 31 December 2023	**(105.107.968)**	**(104.099.064)**	**(32.285.000)**	**(241.492.032)**
Net book value at 31 December 2023	**21.633.332**	**13.338.368**	**--**	**34.971.700**

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

13. RIGHT OF USE ASSETS

	Right to use land, warehouse and office buildings	Vehicle	31 December 2024
Cost at 1 January 2024	135.347.480	22.680.228	158.027.708
Transfer with Business Combination	1.850.000	--	1.850.000
Change in contract	233.000	--	233.000
Additions	45.998.805	30.510.614	76.509.419
Modifications	14.550.314	--	14.550.314
Disposals	(7.266.191)	(11.776.120)	(19.042.311)
Currency translation reserve	(4.175.827)	(280.319)	(4.456.146)
Cost at 31 December 2024	**186.537.581**	**41.134.403**	**227.671.984**
Depreciation at 1 January 2024	(67.763.182)	(12.392.643)	(80.155.825)
Transfer with Business Combination	(823.000)	(4.000)	(827.000)
Charge for the year	(36.322.971)	(5.524.281)	(41.847.252)
Disposals	5.861.755	3.190.794	9.052.549
Currency translation reserve	2.341.422	200.330	2.541.752
Depreciation at 31 December 2024	**(96.705.976)**	**(14.529.800)**	**(111.235.776)**
Net book value at 31 December 2024	**89.831.605**	**26.604.603**	**116.436.208**

	Right to use land, warehouse and office buildings	Vehicle	31 December 2023
Cost at 1 January 2023	89.918.285	33.200.074	123.118.359
The effect of change in accounting policy	6.412.452	47.272	6.459.724
Additions	24.919.865	2.545.306	27.465.171
Modifications	12.734.653	--	12.734.653
Disposals	(10.620.524)	(4.154.440)	(14.774.964)
Currency translation reserve	11.982.749	(8.957.984)	3.024.765
Cost at 31 December 2023	**135.347.480**	**22.680.228**	**158.027.708**
Depreciation at 1 January 2023	(56.644.898)	(11.087.655)	(67.732.553)
The effect of change in accounting policy	(1.288.527)	(40.582)	(1.329.109)
Charge for the year	(18.789.317)	(2.503.517)	(21.292.834)
Disposals	9.291.050	1.373.789	10.664.839
Currency translation reserve	(331.490)	(134.678)	(466.168)
Depreciation at 31 December 2023	**(67.763.182)**	**(12.392.643)**	**(80.155.825)**
Net book value at 31 December 2023	**67.584.298**	**10.287.585**	**77.871.883**

The useful life of the right of use assets as follows:

	Years
Right to use land, warehouse and office buildings	6
Right to use vehicles	3

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14. TRADE PAYABLES, net

	31 December 2024	31 December 2023
Current trade payables		
Trade payables (*)	**742.665.634**	1.025.892.284
Due to related parties (Note 34)	**756**	842
	742.666.390	1.025.893.126

	31 December 2024	31 December 2023
Non-current trade payables		
Trade payables (*)	**32.218.357**	63.189.911
	32.218.357	63.189.911

(*) As of December 31, 2024, in the amount of USD $156.593.809 loans are classified under trade payable and the largest ones are stated as follow. Within trade payables, in 2024, BİMK has USD 48.346.730 vendor financing from CAT Financial Services Limited. The final maturity of the financing agreements is in 2027. The average interest rate is fixed at 5.53%. BMGS has obtained USD 64.220.770 of vendor financing from ING Belgium SA/NV. The maturity of the financing agreement is 2025 and the interest rate is 3,92% as of 2024.

As of December 31, 2023, total of loans amount USD 241.662.967 that classified under trade payable and the largest loans are stated as follow. Within trade payables, in 2023, BİMK has USD 40.842.282 vendor financing from CAT Financial Services Limited. The final maturity of the financing agreements is in 2027. The average interest rate is fixed at 5.08%. BMGS has USD 67.741.984 of vendor financing from ING Belgium SA/NV. The maturity of the financing agreement is 2024 and the interest rate is 4,31% as of 2023. BMGS has USD 66.390.949 of vendor financing from Citi Bank NA. The maturity of the financing agreement is 2024 and the interest rate is 4,5 % as of 2023.

Currency breakdown of current and non - current trade payables is as follows:

	31 December 2024		31 December 2023	
Currency	**Currency Amount**	**USD Equivalent**	Currency Amount	USD Equivalent
EUR	**254.999.656**	**265.522.639**	339.715.530	375.895.234
USD	**452.157.524**	**452.157.524**	674.889.347	674.889.347
TL	**1.916.237.985**	**54.314.674**	932.489.857	31.676.187
ROUBLE	**630.637**	**5.846**	32.520.089	362.300
TENGE	**1.455.660.719**	**2.777.202**	2.025.340.519	4.437.546
GBP	-	-	1.402.022	1.786.176
Other (*)		**106.861**	-	36.247
		774.884.747		1.089.083.037

(*) Other currencies consist of CHF, SEK and DZD.

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

15. SHORT-TERM BORROWINGS

	31 December 2024	31 December 2023
Short term bank borrowings	**818.603.772**	729.631.823
Current portion of long term borrowings	**47.597.385**	122.275.252
Other financial liabilities	**11.815**	73.837
	866.212.972	851.980.912

The weighted average interest rates for TL borrowings are 44,40% (2023: 42,08%). Weighted average interest rates for EUR borrowings is 5,57% (2023: 6,70%). For USD denominated borrowings, weighted average interest rates is 6,45% (2023: 8,75%).

There are no secured short-term borrowings as of 31 December 2024 and 2023.

Currency breakdown of short-term borrowings is as follows:

	31 December 2024		31 December 2023	
Currency	**Currency Amount**	**USD Equivalent**	Currency Amount	USD Equivalent
USD	**458.009.455**	**458.009.455**	444.739.097	444.739.097
EUR	**305.132.364**	**317.724.156**	280.196.739	310.037.692
TRY	**1.973.383.541**	**55.934.432**	2.031.846.702	69.020.751
KZT	**17.611.540.512**	**33.600.417**	12.478.684.815	27.340.954
AZN	**1.005.647**	**588.235**	800.000	470.588
GEL	**1.002.032**	**356.277**	1.000.000	371.830
		866.212.972		851.980.912

The details of short-term lease liabilities as of 31 December 2024 is as follows:

	Effective Interest Rates						
Short-term lease	TL	EUR	USD	KZT	RUB	AZN	GEL
Land, warehouse and office buildings	22%	6%	4%	-	-	-	-
Vehicles	31%	3%	5%	-	-	10%	10%

	Currency Breakdown							
Short-term lease	TL	EUR	USD	KZT	RUB	AZN	GEL	Total
Land, warehouse and office buildings	27.608.060	155.357	4.434.639	-	-	-	-	32.198.056
Vehicles	7.111.478	16.705	2.729.357	-	-	83.789	286.076	10.227.405
	34.719.538	172.062	7.163.996	-	-	83.789	286.076	42.425.461

The details of short-term lease liabilities as of 31 December 2023 is as follows:

	Effective Interest Rates						
Short-term lease	TL	EUR	USD	KZT	RUB	AZN	GEL
Land, warehouse and office buildings	22%	6%	5%	-	-	0%	0%
Vehicles	13%	3%	5%	-	-	10%	10%

	Currency Breakdown							
Short-term lease	TL	EUR	USD	KZT	RUB	AZN	GEL	Total
Land, warehouse and office buildings	15.981.846	345.465	3.749.308	-	-	-	-	20.076.619
Vehicles	563.851	25.567	2.528.386	-	-	83.764	168.651	3.370.219
	16.545.697	371.032	6.277.694	-	-	83.764	168.651	23.446.838

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16. LONG-TERM BORROWINGS

31 December 2024				
			Effective interest rates p.a. (%)	
			USD	EUR
		Fixed / Variable	Average	Average
Long-term borrowings	233.886.016	Variable	SOFR + 3,51%	EUR + 3,02%
		Fixed	5,88%	6,38%
Total Loans	**233.886.016**			

31 December 2023				
			Effective interest rates p.a. (%)	
			USD	EUR
		Fixed / Variable	Average	Average
Long-term borrowings	266.479.242	Variable	SOFR + 4,03%	E + 3,19%
		Fixed	5,90%	6,80%
Total Loans	**266.479.242**			

There is no secured long term borrowing as of 31 December 2024 (2023: None). In 2021, The Group obtained a syndicated loan of USD 155.000.000 and EUR 87.000.000 at a consortium. This loan is subject to covenant clauses, whereby the Group is required to meet certain key performance indicators.

The redemption schedules of long-term borrowings and long-term financial lease obligations as at 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Between 1-2 years	**99.873.622**	80.652.294
Between 2-3 years	**92.006.428**	133.171.822
Between 3-4 years	**18.073.428**	24.365.885
Between 4-5 years	**13.086.225**	18.380.385
More than 5 years	**10.846.313**	9.908.856
	233.886.016	266.479.242

Currency breakdown of long-term and current portion of long-term borrowings are as follows:

	31 December 2024		31 December 2023	
Currency	**Currency Amount**	**USD Equivalent**	Currency Amount	USD Equivalent
USD	**127.752.360**	**127.752.360**	161.067.061	161.067.061
EUR	**95.898.366**	**99.855.771**	83.478.925	92.369.431
KZT	**3.290.282.395**	**6.277.410**	5.952.841.528	13.042.750
TRY	**16.758**	**475**	-	-
		233.886.016		266.479.242

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16. LONG-TERM BORROWINGS (continued)

The details of long term lease liabilities as of 31 December 2024 are as follows:

	Effective Interest Rates						
Long-term lease	TL	EUR	USD	KZT	RUB	AZN	GEL
Land, warehouse and office buildings	22%	7%	4%	-	-	-	-
Vehicles	31%	3%	5%	-	-	10%	-

	Currency Breakdown							
Long-term lease	TL	EUR	USD	KZT	RUB	AZN	GEL	Total
Land, warehouse and office buildings	30.209.516	66.266	17.192.544	-	-	-	-	47.468.326
Vehicles	6.025.887	9.276	5.044.167	-	-	62.924	-	11.142.254
	36.235.403	75.542	22.236.711	-	-	62.924	-	58.610.580

The details of long term lease liabilities as of 31 December 2023 are as follows:

	Effective Interest Rates						
Long-term lease	TL	EUR	USD	KZT	RUB	AZN	GEL
Land, warehouse and office buildings	22%	6%	5%	-	-	0%	-
Vehicles	18%	4%	5%	-	-	10%	-

	Currency Breakdown							
Long-term lease	TL	EUR	USD	KZT	RUB	AZN	GEL	Total
Land, warehouse and office buildings	15.972.135	179.081	12.994.654	-	-	-	-	29.145.870
Vehicles	309.723	26.801	4.300.499	-	-	130.947	-	4.767.970
	16.281.858	205.882	17.295.153	-	-	130.947	-	33.913.840

17. OTHER PAYABLES, PROVISIONS AND EXPENSE ACCRUALS

	31 December 2024	31 December 2023
Current payables and expenses accruals		
Accrued expenses	**150.515.352**	170.406.671
Advances received	**101.438.966**	315.826.086
Taxes and dues payable	**66.247.823**	65.166.205
Accruals for personnel and Board of Directors (BOD) premiums	**34.840.845**	49.357.817
Deferred income	**22.429.640**	35.661.981
Provision for litigation	**5.491.028**	3.633.430
Derivative Financial Instruments (Note 33)	**172.565**	2.181.470
Due to personnel (Note 34)	**10.064.913**	9.012.843
Due to related parties (Note 34)	**23.124.367**	46.094.578
Other	**30.595.227**	16.931.380
	444.920.726	714.272.461

	31 December 2024	31 December 2023
Non - current payables and expense accruals		
Derivative Financial Instruments (Note 33)	**8.953.664**	8.018.625
Deferred income	**6.603.929**	5.672.662
Other	**14.878.744**	--
	30.436.337	13.691.287

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18. TAXATION ON INCOME

a) Corporate Tax

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective tax rate in 2024 is 25% (2023: 25%) for the Group.

The law numbered 7061 on amendment on certain taxes and laws and other acts was published on the official gazette dated 5 December 2017 and numbered 30261, the 20% corporate tax rate, will be applied as 22% for entities' corporate income belonging to the taxation periods of 2018, 2019 and 2020 as amended in the provisional clause of article 10 of the Law. However, the corporate tax rate, which is 20% in accordance with the provisional Article 13 added to the Corporate Tax Code, will be applied at a rate of 25% for corporate earnings in 2021 and 23% for corporate earnings in 2022.

Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

Furthermore, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

The Law numbered 7061 on Amendment of Certain Taxes and Laws and Other Acts was published on the Official Gazette dated December 5, 2017 and numbered 30261. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 – 22 July 2006 is 10% and commencing from 23 July 2006, this rate has been changed to 15% upon the Council of Minister's' Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Withholding tax at the rate of 19.8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, the investments without investment incentive certificates do not qualify for tax allowance.

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18. TAXATION ON INCOME *(continued)*

Current statutory income tax payable for the years ended 31 December 2024 and 2023 are summarized as follows:

	31 December 2024	31 December 2023
Provision for current taxes as per statement of income		
- Turkey	**67.345.448**	199.325.225
- Malta	**3.739.694**	11.733.813
- Effect of recoverable (Malta) (*)	**(3.205.452)**	(10.057.554)
- Other tax charge	**6.170.799**	14.913.006
Total statutory income tax charge for the year	**74.050.489**	215.914.490
Prepaid taxes	**(21.413.634)**	(69.240.689)
Currency translation reserve	**(2.119.023)**	(90.942.924)
Tax receivable (Malta) (*)	**3.205.452**	10.057.554
Income tax payable	**53.723.284**	65.788.431

(*) MIT Holding has a tax receivable amounting to USD 3.205.452 classified under current assets. (2023: USD 10.057.554).

b) Deferred Tax

Deferred tax assets and liabilities are based on temporary differences arising between the financial statements as reported for IFRS purposes and the statutory tax financial statements. Such temporary differences usually result in the recognition of income and expenses in different reporting periods for IFRS and tax purposes. Deferred taxes reflected in the consolidated statement of financial positions are summarized as follows:

	31 December 2024	31 December 2023
Deferred tax assets	**22.684.368**	22.237.254
Deferred tax liabilities	**(158.380.054)**	(178.561.077)
Deferred tax assets/(liabilities), net	**(135.695.686)**	(156.323.823)

Deferred tax assets are recognized for the carry forward of unused tax losses and unused tax credits to the extent that is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Tax rate used in the calculation of deferred tax assets and liabilities is %25 over temporary timing differences (2023: %25).

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18. TAXATION ON INCOME *(continued)*

b) Deferred Tax (continued)

The breakdown of deferred tax assets/ (liabilities) as of 31 December 2024 and 2023 using the current effective tax rates, are as follows:

	Balance Sheet	
	31 December 2024	31 December 2023
Net difference between the tax base and the carrying value of inventories	**(9.726.894)**	(3.869.556)
Provision for employee benefit obligations	**9.225.123**	8.596.606
Tax losses carried forward	**21.116.623**	25.821.464
Other provisions and accruals	**15.734.465**	16.833.562
Net difference between the tax base and the carrying value of property, plant and equipment mainly arising from remeasurement pursuant to IAS 21	**(181.987.716)**	(207.366.648)
Other temporary difference	**9.942.713**	52.358.827
Total	**(135.695.686)**	(107.625.745)
Less: Valuation allowance for deferred taxes (*)	**--**	(48.698.078)
Deferred tax assets/(liabilities), net	**(135.695.686)**	(156.323.823)

(*) Deferred tax asset allowance is provided for specific subsidiaries since sufficient taxable profits will not be available in the foreseeable future. At the balance sheet date, the Group has tax losses of USD 184.047.699 (2023: USD 203.616.239) available for offset against future profits. A deferred tax asset has been recognized in respect of USD 84.466.492 (2023: USD 103.285.856) of such losses. No deferred tax asset has been recognized in respect of the remaining USD 99.581.207 (2023: USD 100.330.383) due to the unpredictability of future profit streams.

Expiration schedule of unused carry forward tax losses is as follows:

	31 December 2024	31 December 2023
Expiring in 2024	**--**	3.082.071
Expiring in 2025	**500.000**	5.034.583
Expiring in 2026	**21.284.909**	28.776.948
Expiring in 2027	**10.787.598**	15.125.328
Expiring in 2028	**19.403.346**	48.311.453
Expiring in 2029	**47.605.354**	--
	99.581.207	100.330.383

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18. TAXATION ON INCOME *(continued)*

b) Deferred Tax (continued)

Movements of deferred tax balances during the years ended 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Beginning balance	**(157.570.608)**	(148.215.789)
Tax charge recognized in the statement of income	**14.502.810**	(6.146.134)
Tax credited/(charged) to equity (*)	**(15.599.502)**	(22.128.738)
Currency translation reserve	**22.971.614**	20.166.838
	(135.695.686)	(156.323.823)

(*) USD 1.096.027 (2023: USD 842.189) charge to equity is related to cash flow hedge, USD (31.344) (2023 USD 1.725.466) charge to equity is related to actuarial losses from Employee Benefits Obligation and USD (14.535.219) (2023 USD: 24.054.479) charge to equity which is related to revaluation of property, plant and equipment.

Reconciliation of taxes by applying the effective tax rates to profit before tax provision as reflected in the statement of comprehensive income for the years ended 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Net income from ordinary activities before income tax	**301.325.168**	777.194.277
At statutory income tax rate	**(75.331.292)**	(194.298.570)
Effect of:		
Disallowable expenses	**(5.151.577)**	(14.601.211)
Tax exempt income	**8.724.822**	18.568.714
Non tax deductible translation gaing arising from remeasurement	**4.259.589**	(29.293.226)
Unusued tax losses and tax offsets not recognised as deferred tax assets and other items	**7.950.779**	(2.436.331)
	(59.547.679)	(222.060.624)

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19. EMPLOYEE BENEFITS OBLIGATION

Under the Turkish Labor Law, the Group is required to pay termination benefits to each employee whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women), achieves the retirement age (58 for women and 60 for men) if the employee has completed one year of service. The amount payable consists of one month's salary limited to a maximum for each year of service as of 31 December 2024 of TL 41.828,42 (USD 1.185,60) (2023: TL 23.489,83 (USD 797,937)).

The maximum payment for retirement payment liability per year of employment is increased to TL 46.655,43 (USD: 1.322,42) (1 January 2024: TL 35.058,58 (USD: 1.190,921) as of 1 January 2025.

International Accounting Standard No. 19 ("IAS 19") "Employee Benefits" requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. As detailed in Note 18, such actuarial gains/losses are recognized within other comprehensive income starting from 31 December 2012.

IFRS requires actuarial valuation methods to be developed to estimate the Group's obligation under defined benefit plans. The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Accordingly, as of 31 December 2024 and 2023, the following actuarial assumptions were used in the calculation of the liability:

	31 December 2024	31 December 2023
Interest rate	**27,15%**	25,05%
Expected inflation rate	**21,67%**	20,55%
Turnover rate	**4,50%**	3,73%

Movements of the provision for employee benefits obligation during the years ended 31 December 2024 and 2023 are as follows:

	2024	2023
Beginning of the year	**35.410.752**	30.072.753
Actuarial gain / loss	**158.718**	6.470.496
Interest expense	**4.877.562**	4.637.586
Current service cost	**9.942.424**	10.648.080
Payments	**(7.880.449)**	(8.979.086)
Currency translation reserve	**(4.549.722)**	(7.439.077)
	37.959.285	35.410.752

Equity reconciliation of actuarial gains and losses from employee benefits obligation is as follows:

	2024	2023
Acturial loss	**17.556.906**	17.398.188
Deferred tax	**(3.511.383)**	(3.479.639)
Actuarial loss (net)	**14.045.523**	13.918.549
Non controlling interest	**(6.029.153)**	(5.852.655)
Actuarial loss attributable to equity holders' of the parent	**8.016.370**	8.065.894

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19. EMPLOYEE BENEFITS OBLIGATION *(continued)*

Of the total charge of provision for employee benefits obligations, USD 8.344.045 is charged to cost of sales, (2023: USD 6.387.885 is credited) and USD 3.985.499 (2023: USD 4.277.863) is charged to marketing and general administrative expenses.

Average number of personnel for the year ended 31 December 2024 was 10.519 (2023: 10.305). The average number of personnel working abroad during 2024 was 3.066 (2023: 3.022), of which 1.856 (2023: 1.941) are located in Asia, 1.050 (2023: 966) in America, 160 (2023: 115) in Europe.

20. SHARE CAPITAL

Holding's historical statutory share capital (authorized) consists of 5.605.332.500 shares with a par value of TL 0,01 each as of 31 December 2024 and 2023. The share groups and privileges assigned to each share group are as follows:

			2024		2023	
	Group	Voting Rights	**TL**	**Share %**	TL	Share %
Yeni Nesil Yönetim ve Danışmanlık A.Ş.	A	1,2,3	**16.816.038**	**30,00**	16.816.038	30,00
Ali Ahmet Kocabıyık	B	1,3	**10.650.122**	**19,00**	10.650.122	19,00
Ayşe Nükhet Özmen	B	1,3	**10.509.988**	**18,75**	10.509.988	18,75
Fatma Zeynep Hamedi	B	1,3	**10.509.988**	**18,75**	10.509.988	18,75
Zehra Nurhan Kocabıyık	B	1,3	**4.904.656**	**8,75**	4.904.656	8,75
İsmail Sefa Batıbayı	B	1,3	**2.634.506**	**4,70**	2.634.506	4,70
Cemil Bülent Demircioğlu	B	1,3	**28.027**	**0,05**	28.027	0,05
			56.053.325	**100,00**	56.053.325	100,00
USD Equivalent			**46.044.080**		46.044.080	

1. Voting right.
2. Nomination of majority of board members.
3. Board membership nomination.

	2024		2023	
Common shares	**Shares (thousand)**	**Amount (TL)**	Shares (thousand)	Amount (TL)
At 1 January	**5.605.333**	**56.053.325**	5.605.333	56.053.325
31 December	**5.605.333**	**56.053.325**	5.605.333	56.053.325

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21. RETAINED EARNINGS AND LEGAL RESERVES

Under Turkish Tax Law and Turkish Commercial Code ("TCC"), consolidated reporting for tax and statutory purposes is not recognized. Each company within the Group is treated as an individual tax paying and statutory entity. The ability of an individual company to distribute dividends to its direct shareholders is dependent on its statutory profits.

Retained earnings as per the statutory financial statements, other than legal reserves, are available for distribution subject to the legal reserve requirement referred to below:

The statutory legal reserves consist of first and second reserves, appropriated in accordance with TCC. TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the entity's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital. Dividend distributions are made in TL in accordance with its Articles of Association, after deducting taxes and setting aside the legal reserves as discussed above.

Revaluation fund from participations and special funds cannot be distributed to the shareholders, but can be added to the share capital.

As of 31 December 2024 and 2023 general and legal reserves including inflation corrections (as per statutory financial statements of the Holding) are as follows (TL):

	31 December 2024	31 December 2023
Legal reserves	**1.845.574.793**	1.386.250.992
Revaluation fund from participations	**552.191.566**	312.876.416
Retained earnings	**8.543.462.006**	9.729.953.245
Special funds	**442.237.594**	342.592.001
Inflation adjustment on capital	**4.858.065.164**	2.506.601.163
Gain on sale of investment to be added onto capital	**439.664.931**	350.187.492
	16.681.196.054	14.628.461.309

22. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

As of December 31, 2024, Gemlik spiral factory of Borusan Birleşik Boru Fabrikaları was sold to Borçelik.

The details of assets classified as held for sale and discontinued operations are as follows:

	31 December 2024	31 December 2023
Assets classified as held for sale	**50.260.109**	113.393.319
Assets classified as held for sale & discontinued operations	**50.260.109**	113.393.319

	31 December 2024	31 December 2023
Beginning balance of the year	**113.393.319**	14.110.319
Addition	**--**	99.283.000
Disposal	**(63.133.210)**	--
Balance at end of year	**50.260.109**	113.393.319

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23. NET SALES

	1 January - 31 December 2024		
	Domestic sales	**Exports**	**Total**
Steel segment			
Galvanized sheets	**499.170.922**	**259.836.711**	**759.007.633**
Steel pipes	**328.000.250**	**1.398.465.382**	**1.726.465.632**
Cold rolled coils	**431.518.583**	**154.031.957**	**585.550.540**
Steel servicing	**102.698.726**	**--**	**102.698.726**
	1.361.388.481	**1.812.334.050**	**3.173.722.531**
Distributorship segment			
Motor vehicles	**2.688.143.964**	**--**	**2.688.143.964**
Earth moving equipments (EME)	**355.324.030**	**181.783.334**	**537.107.364**
EME and PS spare parts and services	**156.795.364**	**260.611.440**	**417.406.804**
Auto spare parts and services	**164.217.456**	**--**	**164.217.456**
Power systems (PS)	**151.759.703**	**16.061.379**	**167.821.082**
	3.516.240.517	**458.456.153**	**3.974.696.670**
Other segment			
Logistic services	**535.134.269**	**95.625.321**	**630.759.590**
Miscellaneous	**27.185.413**	**17.622**	**27.203.035**
Valves	**12.253.344**	**8.210.089**	**20.463.433**
	574.573.026	**103.853.032**	**678.426.058**
	5.452.202.024	**2.374.643.235**	**7.826.845.259**

	1 January - 31 December 2023		
	Domestic sales	**Exports**	**Total**
Steel segment			
Galvanized sheets	564.193.054	160.779.924	724.972.978
Steel pipes	359.104.325	1.417.464.385	1.776.568.710
Cold rolled coils	568.152.047	115.877.878	684.029.925
Steel servicing	158.234.448	--	158.234.448
	1.649.683.874	**1.694.122.187**	**3.343.806.061**
Distributorship segment			
Motor vehicles	2.373.347.551	--	2.373.347.551
Earth moving equipments (EME)	386.602.733	391.071.640	777.674.373
EME and PS spare parts and services	140.260.204	300.327.444	440.587.648
Auto spare parts and services	104.301.829	--	104.301.829
Power systems (PS)	125.430.775	22.249.471	147.680.246
	3.129.943.092	**713.648.555**	**3.843.591.647**
Other segment			
Logistic services	434.959.858	94.322.988	529.282.846
Miscellaneous	25.748.325	15.015	25.763.340
Valves	10.565.012	12.015.530	22.580.542
	471.273.195	**106.353.533**	**577.626.728**
	5.250.900.161	**2.514.124.275**	**7.765.024.436**

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24. COST OF GOODS SOLD AND SERVICES PROVIDED

	1 January - 31 December 2024	1 January - 31 December 2023
Direct raw materials	**2.324.911.467**	2.587.330.001
Cost of merchandise inventories sold	**3.322.516.393**	2.624.621.901
Cost of services	**588.770.403**	789.167.196
Labor	**278.560.382**	210.742.968
Depreciation and amortization expenses	**137.840.488**	118.539.270
Net changes in finished goods	**40.830.659**	(42.413.749)
Net changes in WIP inventories	**3.827.450**	(5.404.140)
Other production overheads including utilities, repair, maintenance	**230.072.908**	137.666.456
Cost of other sales	**30.153.361**	71.121.430
	6.957.483.511	6.491.371.333

25. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	**259.007.209**	228.617.439
Depreciation and amortization expenses	**37.550.271**	34.562.918
Consulting, audit and legal fees	**43.152.824**	46.603.403
Advertising expenses	**27.010.072**	28.490.979
Sales distribution expenses	**1.806.771**	944.645
Outsourcing expenses	**17.175.747**	11.257.757
Donations sponsorship	**12.422.942**	9.190.488
Representation and meeting	**7.611.669**	6.857.010
Travel expenses	**8.227.538**	8.394.406
Rent expenses	**3.121.431**	3.913.086
Insurance	**9.378.161**	6.634.158
Car rentals and other car expense	**9.186.091**	6.880.303
Taxes	**3.755.623**	5.286.703
Energy	**2.551.994**	2.575.631
Repair and maintenance expenses	**3.467.151**	2.989.313
Communication	**2.490.273**	2.978.848
Food expenses	**3.799.634**	2.178.889
Training	**1.831.822**	2.346.189
Stationary	**553.348**	546.654
Other	**10.171.011**	11.771.474
	464.271.582	423.020.293

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26. PERSONNEL EXPENSES

	1 January - 31 December 2024	1 January - 31 December 2023
Wages, salaries and other social expenses	**488.910.933**	393.591.731
Cost of defined contribution plan (employer's share of social security premiums)	**38.714.234**	35.120.596
Termination Benefits	**9.942.424**	10.648.080
	537.567.591	439.360.407

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	**259.007.209**	228.617.439
Labor	**278.560.382**	210.742.968
	537.567.591	439.360.407

27. DEPRECIATION AND AMORTIZATION EXPENSES

	1 January - 31 December 2024	1 January - 31 December 2023
Cost of production	**108.464.915**	101.103.749
Selling, general and administrative expenses	**11.959.823**	18.568.071
Total depreciation charge	**120.424.738**	119.671.820
Currency translation reserve	**(9.774.794)**	(3.680.457)
Total depreciation	**110.649.944**	115.991.363
Cost of production	**3.982.304**	4.514.848
Selling, general and administrative expenses	**9.136.465**	7.622.686
Total amortization charge	**13.118.769**	12.137.534
Currency translation reserve	**(1.449.656)**	1.259.673
Total amortization	**11.669.113**	13.397.207
Operating lease amortization expense on cost of production	**25.393.269**	12.920.673
Operating lease amortization expense on selling, general and administrative expenses	**16.453.983**	8.372.161
Total depreciation and amortization expenses	**164.166.309**	150.681.404

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28. OTHER OPERATING (EXPENSE)/ INCOME, net

	1 January - 31 December 2024	1 January - 31 December 2023
Gain from purchase of subsidiaries	**--**	31.852.263
Commission expense	**(2.636.435)**	(4.398.908)
Warranty expense	**(6.003.881)**	(8.288.411)
Provision for doubtful receivable, net of recoveries	**(8.244.200)**	(8.129.426)
Dividend income	**7.385.232**	2.419.927
Scrap sales	**856.501**	1.108.681
Rent income	**313.813**	200.926
Gain on sale of property, plant and equipment	**10.805.174**	9.778.470
Earnout income	**--**	11.411.698
Goodwill impairment	**(194.541)**	(10.217.323)
Share sale income	**36.201.991**	--
Other, net	**11.660.987**	4.767.745
	50.144.641	30.505.642

29. FINANCIAL (EXPENSE)/ INCOME, net

	1 January - 31 December 2024	1 January - 31 December 2023
Financial income		
Interest income	**30.743.713**	29.163.560
Due date income, net	**34.726.497**	41.371.128
Other financial income	**3.023.385**	2.293.823
Total financial income	**68.493.595**	**72.828.511**
Financial expense		
Interest expense	**(152.922.355)**	(138.111.693)
Other financial expense (*)	**(78.123.662)**	(83.417.867)
Total financial expense	**(231.046.017)**	(221.529.560)
Financial expense, net	**(162.552.422)**	(148.701.049)

(*) Other financial expense mainly comprises foreign exchange losses on loans, factoring expenses, letter of guarantee expenses, bank and credit card commissions, certain bank expenses paid for the loans obtained and other bank expenses.

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30. JOINT VENTURES

Summarized financial information in respect of the Group's material joint ventures is set out below. The summarized financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS.

	31 December 2024	31 December 2023
	Borusan Enerji	Borusan Enerji
Current assets	**82.715.957**	105.733.108
Non-current assets	**888.593.727**	827.892.252
Current liabilities	**(118.791.857)**	(96.516.450)
Non-current liabilities	**(462.778.769)**	(457.411.714)
Total	**389.739.058**	379.697.196
The above amounts of assets and liabilities include the following		
Cash and cash equivalents	**63.370.938**	88.409.890
Current financial liabilities (excluding trade and other payables and provision)	**(90.020.353)**	(70.736.651)
Non-current financial liabilities (excluding trade and other payables and provision)	**(452.501.005)**	(457.108.186)

	31 December 2024	31 December 2023
	Borusan Enerji	Borusan Enerji
Net assets of the joint venture	**389.739.058**	379.697.196
Proportion of the Group's ownership interest in the joint venture	**50%**	50%
Carrying amount of the Group's interest in the joint venture	**194.869.529**	189.848.598

	1 January - 31 December 2024	1 January - 31 December 2023
	Borusan Enerji	Borusan Enerji
Revenue	**160.911.813**	153.677.792
Net profit/ (loss) for the year	**5.434.463**	53.105.530
Selling, general and administrative expenses	**(10.616.420)**	(8.780.904)
Other operating income/(expense), net	**(12.424)**	555.399
Financial income/(expense), net	**(54.753.053)**	(58.362.334)
Other extraordinary (expense)/income,net	**13.139.701**	8.662.788

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30. JOINT VENTURES *(continued)*

The movement of Joint Ventures is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
	Borusan Enerji	Borusan Enerji
Beginning of the period - 1 January	**189.848.598**	166.981.244
Shares of profit/(loss)	**2.717.232**	26.552.765
Hedge reserve	**2.303.699**	(3.685.411)
End of the period - 31 December	**194.869.529**	189.848.598

	1 January - 31 December 2024	1 January - 31 December 2023
	Borusan Enerji	Borusan Enerji
Net profit for the year	**5.434.463**	53.105.530
Proportion of the Group's ownership interest in the joint venture	50%	50%
Share a loss of a joint venture	**2.717.232**	26.552.765

31. FINANCIAL RISK MANAGEMENT

(a) Capital risk management

Capital risk management of the Group aims to maximize the profitability through the optimization of the debt and equity balance, while maintaining the continuity of its business operations.

The capital structure of the Group includes of issued capital, reserves and equity items consisting of retained earnings disclosed in Notes 21.

The Group's cost of capital and capital risks associated with each capital item are assessed by the Board of Directors and the Management of the Holding. Decisions on the dividend payments or capital increase are made based on those assessments and the Holding aims at balancing its capital structure by borrowing loans or settling its debt amounts.

The Group's overall strategy is determined in accordance with the financial risk management application framework.

(b) Significant accounting policies

The details of the Group's significant accounting policies in respect of financial instruments are disclosed in Note 3 "Summary of significant accounting policies" to the financial statements.

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31. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Categories of financial instruments

31 December 2024

Balance Sheet	FVTPL	Amortized cost	FVOCI - designated	Total	Note
Financial Assets					
Cash and cash equivalents	--	298.443.507	--	298.443.507	6
Trade receivables	--	699.536.107	--	699.536.107	7
Other assets	--	61.317.316	--	61.317.316	9
Investments	--	--	4.234.905	4.234.905	
Derivative financial assets	5.648.816	--	--	5.648.816	9
	5.648.816	**1.059.296.930**	**4.234.905**	**1.069.180.651**	
Financial Liabilities					
Borrowings	--	1.100.098.988	--	1.100.098.988	15, 16
Trade payables	--	774.884.747	--	774.884.747	14
Other payables	--	218.545.477	--	218.545.477	
Derivative financial liabilities	172.565	--	8.953.664	9.126.229	17
	172.565	**2.093.529.212**	**8.953.664**	**2.102.655.441**	

The carrying value of the financial instruments listed above approximates their fair values as of 31 December 2024.

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31. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Categories of financial instruments *(continued)*

31 December 2023

Balance Sheet	FVTPL	Amortized cost	FVTOCI - designated	Total	Note
Financial Assets					
Cash and cash equivalents	--	519.785.469	--	519.785.469	6
Trade receivables	--	721.425.010	--	721.425.010	7
Other assets	--	63.916.418	--	63.916.418	9
Investments	--	--	1.350.279	1.350.279	
Derivative financial assets	490.674	--	--	490.674	9
	490.674	**1.305.126.897**	**1.350.279**	**1.306.967.850**	
Financial Liabilities					
Borrowings	--	1.118.460.154	--	1.118.460.154	15, 16
Trade payables	--	1.089.083.037	--	1.089.083.037	14
Other payables	--	274.871.909	--	274.871.909	
Derivative financial liabilities	2.181.470	--	8.018.625	10.200.095	17
	2.181.470	**2.482.415.100**	**8.018.625**	**2.492.615.195**	

The carrying value of the financial instruments listed above approximates their fair values as of 31 December 2023.

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31. FINANCIAL RISK MANAGEMENT *(continued)*

(d) Objectives of financial risk management

The Group’s treasury is managed by finance departments of subsidiaries and the Holding’s finance department, which is responsible for the control and coordination and the Group’s finance functions are responsible for determining, assessing and managing the financial risks that the Group companies are exposed to using a proactive approach. This responsibility includes maintaining a systematical access to international and local markets as well as monitoring and managing the Group’s risk exposure using the in-house reports which analyze the level and extent of risks. Such risks consist of market risk (including currency risk, interest rate risk and price risk), cash flow risk, maturity risk and liquidity risk.

Risks that are attributable to the Group companies are managed by using the Value-at Risk (VaR) method and policies that are approved by the Board of Directors of each company. Such policies prescribe the written procedures on the currency risk, interest risk and the use of derivative or non-derivative financial instruments and investments in excess of liquidity. Compliance with the policies and risk limits are monitored by the Holding’s Finance Function on a daily basis. Idle liquidity is used to utilize alternative earnings via financial instruments within the limits specified by the BOD.

When appropriate, the Group uses forward agreements as derivative financial instruments to minimize and hedge its risks. The Group has no financial instruments (including derivative financial instruments) used for speculative purposes.

In order to minimize risk exposure, Borusan Holding Finance Department reports to Group’s Management on a monthly basis, and reports to the Board of Directors of the Holding on a quarterly basis.

VaR represents the amount of possible loss in one day, with a confidence level of 99%, considering the market volatility in foreign currency exchange rates, capital markets and interest rates.

(e) Market risk

At the subsidiary level, the Group uses VaR analyses, which is the estimation of maximum loss within a given confidence level (99% probability) over a given period of time.

Risk management is assessed based on the functional currency of each company. The overall Group monitoring is performed in USD which is the functional currency of the Group. Risk reports are reviewed on a daily, weekly and monthly basis in order to perform a proactive and efficient management.

(f) Foreign currency and interest risk management

The Group’s Treasury Management manages and controls such risk by offsetting the foreign currency assets and liabilities within the Group as well as using forward transactions and options. Fixed/variable costs of current loans are managed using derivative instruments within the VaR limits by monitoring the global market interest movements, for hedging purposes.

According to VaR analysis performed by Group Management; the Group is primarily exposed to TL and EUR foreign currency risks. As a result of open position follow-up, as of 31 December 2024, the Group has short position in TL for a USD equivalent amount of USD 41.195.528 and long position in EUR for a USD equivalent amount of USD 5.818.048 (31 December 2023: the Group has long position in TL for a USD equivalent amount of USD 37.974.209 and long position in EUR for a USD equivalent amount of USD 3.072.639).

If volatility in capital markets, interest rates and foreign exchange rates is increased by 10% against as of 31 December 2024 keeping all other variables constant, value-at risk amounting to USD 4.944.937 (2023: USD 2.852.101) as of 31 December 2024 would have been higher by USD 4.708.155 (2023: USD 710.049).

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31. FINANCIAL RISK MANAGEMENT *(continued)*

(g) Credit risk management

The Group’s credit risk primarily arises from its trade receivables. Such credit risk is managed by limiting the risk through the collaterals received and insuring the receivables. In managing credit risk, the Group uses instruments such as; Direct Debit System, non-recourse factoring, letters of guarantee, credit insurances and mortgages. The Group monitors its customer risks on a consistent basis and creditworthiness of the customers are systematically assessed based on the financial position, past experience and other factors. Group’s exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually. Trade receivables are reviewed depending on the Group policies and procedures and they are carried at net amounts in the consolidated statement of financial position subsequent to any provision for doubtful receivables (Note 7). As of 31 December 2024, trade receivables amounting to USD 17.824.946 (2023: USD 16.929.278) have been insured by the Group.

In order to minimize the credit risk, the Group has performed credit ratings considering the default risks of the counterparties and categorized the related parties. The Group's current credit risk rating methodology includes the following categories:

Category	Description	Basis for recognizing expected credit losses
Secured receivables	Consist of secured receivables	Not generating credit losses
Recoverable receivables	The counterparty has a low risk of default and secured	Not generating credit losses
Doubtful or past due receivables	Amount is past due or there has been a significant indicator that the asset may be impaired.	100% allowance for unsecured receivables
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

(h) Price risk

The Group is exposed to price risks arising from the impact of the price changes on the steel raw materials and trade inventories. The Group does not use commodity hedge instruments other than zinc swaps. The Group’s Treasury Management uses derivative financial instruments to mitigate the risk of rising of only zinc prices. There are no global derivative instruments to be utilized against the adverse price changes on the sales margins. The Group optimizes inventory turnover rates by reviewing the sale-production-purchase balance on a consistent basis considering the price trend of the steel raw materials and trade goods for future periods and reflects the steel price to the selling prices.

(i) Liquidity risk management

The Group manages its liquidity risk by monitoring its expected and actual cash flows on a consistent basis considering its short, medium and long-time funding and liquidity requirements.

Liquidity risk tables

Conservative liquidity risk management requires maintaining sufficient cash on hand, availability of sufficient loan transactions and fund sources and ability to close market positions.

Funding risk on current and future potential loan requirements is managed by maintaining the availability of sufficient number of creditors with high quality.

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31. FINANCIAL RISK MANAGEMENT *(continued)*

The below table shows the contractual maturity analysis of the Group's non-derivative financial liabilities:

(i) Liquidity risk management *(continued)*

Liquidity risk tables *(continued)*

	31 December 2024						
	Up to 1 Month	**1 Month - 3 Month**	**3 Months - 1 Year**	**1 Year - 5 Years**	**More than 5 Years**	**Total**	**Carrying value**
Borrowings & Lease Liability	87.117.347	434.976.034	917.679.556	932.953.006	376.098.081	2.748.824.024	1.201.135.029
Trade payables	1.678.673.890	701.006.268	447.588.250	57.959.637	--	2.885.228.045	774.884.747
Due to related party	10.064.913	23.124.367	--	--	--	33.189.280	33.189.280
	1.775.856.150	**1.159.106.669**	**1.365.267.806**	**990.912.643**	**376.098.081**	**5.667.241.349**	**2.009.209.056**

	31 December 2023						
	Up to 1 Month	**1 Month - 3 Month**	**3 Months - 1 Year**	**1 Year - 5 Years**	**More than 5 Years**	**Total**	**Carrying value**
Borrowings & Lease Liability	141.390.234	323.060.226	259.318.053	227.338.007	3.883.000	954.989.520	1.175.820.832
Trade payables	108.067.600	550.795.429	196.991.028	--	--	855.854.057	1.089.083.037
Due to related party	9.012.843	46.094.578	--	--	--	55.107.421	55.107.421
	258.470.677	**919.950.233**	**456.309.081**	**227.338.007**	**3.883.000**	**1.865.950.998**	**2.320.011.290**

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31. FINANCIAL RISK MANAGEMENT *(continued)*

(i) Liquidity risk management (continued)

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows/ (outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

	31 December 2024				
	Less than 1 month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years	Total
Net settled:					
Foreign exchange derivative inturments	756.140	3.492.703	349.526	(8.075.782)	(3.477.413)

	31 December 2023				
	Less than 1 month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years	Total
Net settled:					
Foreign exchange derivative inturments	(1.468.097)	(73.344)	(2.647.910)	(5.520.070)	(9.709.421)

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined and grouped as follows:

•Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

•Level 2: the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

• Level 3: the fair value of the financial assets and financial liabilities where there is no observable market data. The fair value of derivative instruments, are calculated using quoted prices. Where such prices are not available, estimate is made based on discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

Based on the fair value hierarchy, the Group's financial assets and liabilities are categorized as follow:

2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets and liabilities				
Derivative transactions (net) FVTPL	--	5.476.251	--	5.476.251
Derivative transactions (net) FVTOCI	--	(8.953.664)	--	(8.953.664)

2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets and liabilities				
Derivative transactions (net) FVTPL	--	(1.690.796)	--	(1.690.796)
Derivative transactions (net) FVTOCI	--	(8.018.625)	--	(8.018.625)

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32. COMMITMENTS AND CONTINGENT LIABILITIES

Guarantee Letters

As at 31 December 2024, the Group is contingently liable for letters of guarantee given mainly to the Government offices, government bids and customers amounting to USD 159.500.762 (2023: USD 137.134.808).

Export Commitments

As at 31 December 2024, total amount of export commitments related to export incentives is USD 616.391.927 committed by the Group (2023: USD 342.978.367)

Legal Proceedings

As of 31 December 2024, The Group is defendants in certain cases against automobile and service customers whose monetary claims aggregate approximately to USD 17.086.769 (2023: USD 17.573.011). Against such claims, reserve amounting to USD 5.707.179 (2023: USD 5.509.338) has been provided in the accompanying consolidated financial statements as of 31 December 2024 in accordance with the advice taken by its legal counsel.

Other commitment and contingencies

As of 31 December 2024 there are no other commitments and contingencies (2023: None).

33. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2024 and 2023, the summary of nominal amounts of the forward transactions entered into with various local branches of the foreign banks that were outstanding are as follows:

Forward Contracts

		Purchase Amount		*Maturities Between*		*Fair Value*	
Purchase	*Sell*	**2024**	2023	**2024**	2023	**2024**	2023
USD	*EUR*	**114.392.067**	252.196.367	**2 January 2025 - 31 March 2026**	2 January 2024 - 28 March 2025	**4.644.399**	(2.872.589)
EUR	*USD*	**78.182.499**	16.748.916	**31 January 2025 - 20 January 2026**	11 January 2024 - 28 February 2025	**(8.953.664)**	(6.806.417)
USD	*TL*	**29.053.817**	54.343.535	**6 January 2025 - 28 February 2025**	8 January 2024 - 15 May 2024	**(169.071)**	(3.628)
EUR	*TL*	**810.000**	--	**2 January 2025**	--	**(2.339)**	--
TRY	*USD*	**14.754.705**	--	**21 February 2025**	--	1.004.417	--
USD	*GBP*	**1.002.800**	4.230.051	**30 January 2025**	25 January 2024- 8 April 2024	**(1.155)**	(26.787)
Total						**(3.477.413)**	(9.709.421)

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34. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Balances with related parties

31 December 2024	Receivables				Payables	
	Current		Non Current		Current	
	Trade	Non Trade	Trade	Non Trade	Trade	Non Trade
Due from personnel / Due to personnel	--	768.221	--	--	--	10.064.913
Other	1.856.087	6.975.087	10.902.568	14.764.635	756	23.124.367
	1.856.087	7.743.308	10.902.568	14.764.635	756	33.189.280

31 December 2023	Receivables				Payables	
	Current		Non Current		Current	
	Trade	Non Trade	Trade	Non Trade	Trade	Non Trade
Due from personnel / Due to personnel	--	1.116.203	--	--	--	9.012.843
Other	2.278.657	5.733.245	14.649.512	19.764.635	842	46.094.578
	2.278.657	6.849.448	14.649.512	19.764.635	842	55.107.421

The receivables from related parties arise mainly from financial transactions. The receivables are unsecured in nature and bear no interest.

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34. BALANCES AND TRANSACTIONS WITH RELATED PARTIES *(continued)*

Transactions with related parties

1 January - 31 December 2024	Service obtained from related parties	Sales to related parties	Other expenses to related parties	Purchases from related parties
Arcelor Mittal	**1.373.724**	**302.244.095**	**--**	**305.047.091**
Borusan Kültür ve Sanat İktisadi İşletmesi	**75.556**	**116.588**	**--**	**--**
Borusan Sigorta	**368.420**	**250.266**	**--**	**--**
Other	**2.819.737**	**--**	**--**	**--**
	4.637.437	**302.610.949**	**--**	**305.047.091**

1 January - 31 December 2023	Service obtained from related parties	Sales to related parties	Other expenses to related parties	Purchases from related parties
Arcelor Mittal	1.089.786	310.879.475	--	351.733.333
Borusan Kültür ve Sanat İktisadi İşletmesi	119.936	117.351	--	--
Borusan Sigorta	292.154	231.459	--	--
Other	1.226.461	--	--	--
	2.728.337	311.228.285	--	351.733.333

FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORT

34. BALANCES AND TRANSACTIONS WITH RELATED PARTIES *(continued)*

Compensation of Key Management Personnel

	2024	2023
Salaries and other short-term benefits	**64.288.429**	42.750.440
	64.288.429	42.750.440

Key management personnel consists of members of Board of Directors and Executive Board members. The compensation of key management personnel includes salaries, bonus, health insurance, communication and transportation.

35. SUBSIDIARIES

Summarized financial information in respect segments of the each of the Group’s material subsidiaries is set out below. The summarized financial information below represents amounts shown in the subsidiaries financial statements prepared in accordance with IFRSs in segment basis.

	2024		2023	
	Automotive	**Steel**	Automotive	Steel
Current assets	313.065.761	1.255.283.401	364.932.283	1.657.775.974
Non-current assets	579.333.954	1.204.569.962	550.092.531	1.184.574.018
Current liabilities	382.800.872	905.092.871	427.688.671	1.325.173.086
Non-current liabilities	99.166.403	229.375.215	74.510.612	230.141.316
Revenue	2.853.642.224	3.111.298.834	2.197.520.403	3.287.540.034
Total comprehensive income for the year	144.161.698	25.096.171	305.249.665	274.291.876
Dividend paids during the year	148.102.041	16.321.529	315.406.211	44.912.912

36. SUBSEQUENT EVENTS

None.

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