

Türk Prysmian Kablo 2025 TSRS-Compliant Sustainability Report



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ABOUT THE REPORT

1. Purpose and Strategic Context of the Report

Türk Prysmian Kablo places sustainability at the heart of its mission of “Linking Türkiye to a Sustainable Future” and its vision of responsible production. This report is presented as part of the Company’s commitment to transparency and accountability toward its stakeholders. The main purpose of this report is to explain how Türk Prysmian Kablo ve Sistemleri A.Ş. (the “Company”) manages the significant climate-related risks and opportunities it has identified and the current and expected impacts of these factors on the Company’s financial position, financial performance, and cash flows.

This study, which reveals the Company’s strategies aligned with Türkiye’s 2053 Net Zero vision and its contribution to sustainable development goals through concrete, verifiable, and comparable data, addresses climate-related topics under four key components in accordance with the structure outlined by the Turkish Sustainability Reporting Standards (TSRS): Governance, Strategy, Risk Management, and Metrics and Targets.



2. Reporting Framework and Compliance with Standards

This report has been prepared in full compliance with the Turkish Sustainability Reporting Standards (TSRS) published by the Public Oversight, Accounting and Auditing Standards Authority (KGK), TSRS 1 General Requirements for Disclosure of Sustainability-Related Financial Information and TSRS 2 Climate-Related Disclosures. In addition, the report refers to sector-specific disclosure topics included in TSRS 2 Appendix Volume-49: Electrical and Electronic Equipment,

derived from the Sustainability Accounting Standards Board (SASB) Standards maintained by the International Sustainability Standards Board (ISSB).

The report meets the requirements of TSRS 1 and 2. However, by continuing to utilize the transitional reliefs provided under TSRS 1, the provisions of TSRS 1 have been applied in this second reporting period only to the extent that they relate to the disclosure of information on climate-related risks and opportunities.

3. Scope, Limits, and Period of the Report

The report covers the one-year accounting period from January 1 to December 31, 2025. Unless otherwise indicated, all amounts are stated in Turkish Lira (“TL”), expressed in the purchasing power of the Turkish Lira as of December 31, 2025. The data and statements presented in the report cover the operations of Türk Prysmian Kablo ve Sistemleri A.Ş. in Mudanya, Bursa, and the Company has no consolidated subsidiaries or affiliates with operational emissions.

ABOUT THE REPORT

4. Basic Principles of Reporting

- **Key Qualitative Characteristics:**

This report has been prepared in strict adherence to the qualitative characteristics defined in TSRS 1 (Faithful Representation, Comparability, Verifiability, Timeliness, and Understandability).

- **Comparability (Second Reporting Year):**

In line with TSRS principles, and because this is our Company's second reporting year, the 2025 data are presented on a comparative basis with the previous period's (2024) data to enable the monitoring of performance trends.

- **Financial Materiality Approach:**

Türk Prysmian Kablo uses both qualitative analyses and quantitative thresholds to classify the financial impact of a climate-related risk or opportunity as "material." In this context, a quantitative threshold has been set for a potential impact exceeding 1% of the Company's equity. Considering the Company's equity of TL 907.4 million (TL 907,394,499) as of December 31, 2025, this threshold corresponds to an approximate financial impact of TL 9 million for 2025. In addition to this quantitative threshold, other potential non-financial impacts are interpreted qualitatively, classified as

"low," "medium," or "high," and taken into account in decision-making processes.

- **Related Information:** This report is part of the Company's integrated corporate reporting. To assess the effects of climate-related issues on the Company's overall performance from a holistic perspective, readers are advised to read this report in conjunction with the Company's Annual Report 2025, the financial statements for the relevant period, and the Company's disclosures on the Public Disclosure Platform (KAP).

- **Forward-Looking Statements:** This report may contain forward-looking statements that include the Company's plans, targets, and expectations for future periods. Such statements are based on current conditions and assumptions as of the report's publication date and may differ from actual results due to future risks and uncertainties.

5. Transition Exemptions

During the reporting period, the following transition exemptions provided under the TSRS were utilized:

- **Timing Exemption (TSRS 1 E4):**

In accordance with the transition exemptions extended for the second reporting period under TSRS, the Company has applied

the timing exemption. Accordingly, this sustainability report has been made publicly available within the statutory transition period prescribed by the applicable legislation. The sustainability-related financial disclosures were prepared and made publicly available after the issuance of the financial statements. No adjustments were required to the sustainability-related disclosures for the reporting period based on information obtained during the reporting period.

- **TSRS 1 E5 Exemption (Limited Scope of Disclosure):** In line with the exemption provided by the TSRS 1 General Requirements standard, our Company has limited its sustainability disclosures in this reporting period to only climate-related financial risks and opportunities.
- **Scope 3 Exemption:** As the data required to calculate Scope 3 emissions is not yet fully available for the 2025 reporting period, these emissions have not been disclosed in this report. However, to enable the reporting of Scope 3 emissions in future reporting periods, data collection forms have been shared with suppliers across the value chain since 2026, and the necessary infrastructure is being established.

6. Data Accuracy and Independent Assurance

Türk Prysmian Kablo places great importance on the reliability, accuracy, and compliance with standards of the information contained in this report. In line with this approach, this report as a whole has been subject to a limited assurance engagement by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in accordance with Assurance Engagement Standards (AES) 3000 and 3410 to determine whether it has been prepared in compliance with Turkish Sustainability Reporting Standard 1, General Requirements for Disclosure of Sustainability-related Financial Information, and Turkish Sustainability Reporting Standard 2, Climate-related Disclosures, together with the key performance indicators presented in the report (primarily the 2025 Scope 1 and Scope 2 greenhouse gas emissions data).

The independent auditor's limited assurance report on the information presented in accordance with the Turkish Sustainability Reporting Standards is provided in the Appendices.

7. Contact

For questions, comments, and suggestions regarding the report, please contact us at sustainability.tr@prysmian.com.

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TÜRK PRYSMIAN KABLO AT A GLANCE



About Türk Prysmian Kablo

Founded in 1964, Türk Prysmian Kablo ve Sistemleri A.Ş. (“Türk Prysmian Kablo” or “the Company”) is the Türkiye operation of Prysmian, which operates in the energy and telecommunications cable systems sector. The Company manufactures cable and system solutions for energy transmission and telecommunications infrastructure at its 180,000 m² facility in Mudanya, Bursa.

As one of Prysmian’s 108 factories across 50 countries, this facility also houses one of the Group’s R&D centers.

Türk Prysmian Kablo manufactures solutions that support infrastructure needs in Türkiye’s transformation areas, including renewable energy, electrification, grid modernization, and digitalization. Ranked among Türkiye’s top 500 industrial enterprises, the

Company exports a significant portion of its production to more than 50 countries. Listed on Borsa Istanbul (BIST), Türk Prysmian Kablo aims to create sustainable value for its stakeholders in line with the principles of transparency and corporate governance.

Shareholding Structure

Shareholder	Share Ratio (%)
Draka Holding B.V.*	83.75
Public**	16.25
TOTAL	100.00

* Draka Holding B.V. is the majority shareholder of Türk Prysmian Kablo with an 83.75% stake. 100% of Draka Holding B.V. is owned by the ultimate parent company, Prysmian S.p.A. 100% of Prysmian S.p.A. is traded on the Milan Stock Exchange.

**There are no individuals or institutions holding 5% or more of the 16.25% free float.

Organizational Structure

The organizational structure of Türk Prysmian Kablo is built on the principles of strategic leadership, effective oversight, and operational efficiency. At the top of the structure is the Board of Directors, which determines the Company’s vision and long-term strategies. Committees reporting to the Board of Directors, such as the Audit Committee and the Corporate Governance Committee, oversee the implementation of corporate governance principles, transparency, and the proactive management of risks.

TÜRK PRYSMIAN KABLO AT A GLANCE

The management of climate-related matters and the implementation of strategy at the operational level are guided by the Sustainability Committee, led by the Executive Responsible for Sustainability. This committee operates through an interdisciplinary approach, with the participation of unit managers from various departments, including human resources, corporate communications, occupational health and safety, operations, and finance. The operational structure consists of functional departments managed by Directors reporting to the CEO and is supported by Sustainability Ambassadors.

Business Model

Türk Prysmian Kablo's business model is based on creating value by designing, manufacturing, and delivering high-tech, innovative, and sustainable cable systems for the energy and telecommunications infrastructure needs of Türkiye and its export markets.

► Value Creation

Beyond standard products, the Company offers holistic solutions that increase its customers' energy efficiency, ensure operational reliability, reduce environmental impact, and meet future technological requirements.

As a result, it is positioned as a solution partner at the center of Türkiye's energy transition and digitalization goals.

► Core Activities

- **Energy Cables:** Design and manufacture of low-, medium-, high-, and extra-high-voltage underground and submarine power cables.
- **Telecommunications Cables:** Design and manufacture of copper and fiber optic cables, as well as data and multimedia solutions.
- **Industrial Applications:** Developing customized cable solutions for a wide range of industries, including construction, transportation (railways and automotive), mining, shipbuilding, and renewable energy (solar and wind power plants).
- **R&D and Innovation:** Developing more sustainable, high-performance, and innovative products through its R&D center and ensuring transparency through green labeling systems.
- **Target Customer Segments:** The business model focuses on a broad and diverse customer base covering all areas of infrastructure and industry. These segments include energy distribution companies, grid operators (TEİAŞ,

etc.), telecommunications operators, and construction and contracting firms. In addition, our customer portfolio includes industrial facilities such as the Söğüt Gold Mine Investment (one of Türkiye's top three gold mines by production capacity) and the Ankara HAB BMC Tank Factory (Türkiye's most comprehensive armored land vehicle production and technology center); transportation infrastructure projects such as the Bandırma - Bursa - Yenışehir - Osmaniye High-Standard Railway Line (Türkiye's most modern and technologically advanced "High-Standard Railway" project); and renewable energy investments such as Kalyon Enerji YEKA - 520 MW (Türkiye's second-largest solar power plant with the highest share of domestic technology).

The operational structure consists of functional departments managed by Directors reporting to the CEO and is supported by Sustainability Ambassadors.



TÜRK PRYSMIAN KABLO AT A GLANCE

Value Chain

Upstream Value Chain: Suppliers and Business Partners

► Raw Material Suppliers

- **Metal Suppliers:** Global and local suppliers providing the primary raw materials for cable conductors (copper and aluminum). In 2025, a significant step was taken toward the transition to sustainable materials, with trial processes successfully completed with an Egyptian supplier providing copper with a high recycled content. In the 2026 business model, the goal is to increase the share of recycled copper (Recycled Cu) in procurement and strengthen the circular economy approach.
- **Polymer and Chemical Suppliers:** Manufacturers providing petroleum-derived polymer materials and chemicals used for cable insulation, fillers, and outer sheathing (PVC, polyethylene, etc.).
- **Wooden and Metal Reel Manufacturers:** Companies that supply the wooden and metal reels on which finished products are wound and shipped.

► Machinery, Equipment, and Technology Providers

- **Production Machinery Manufacturers:** Companies that supply machinery and equipment for cable production processes such as wire drawing, twisting, insulation, outer sheathing, and packaging lines.
- **Automation and Software Providers:** Technology and software companies that optimize production and logistics processes, such as ERP, RFID Warehouse Management, and Digital Maintenance systems.
- **Laboratory and Test Equipment Providers:** Companies that supply specialized testing and measurement equipment used in R&D and quality control processes.

► Energy and Infrastructure Suppliers

- **Electricity Suppliers:** National grid operators that meet the energy needs of the production facility.
- **Natural Gas and Water Service Providers:** Local infrastructure providers supplying the natural gas and water required for the facility's heating and production processes (Mudanya, Bursa).



► Logistics and Professional Service Providers

- **Logistics and Transportation Companies:** Companies providing land, sea, and rail transportation services for raw material imports, domestic distribution, and export operations to more than 50 countries.

► Independent Audit and Consulting Firms:

- Institutions** providing financial auditing, sustainability assurance (PwC), and other consulting services.
- **Academic and Technical Partners:** Institutions that collaborate with the Company on programs such as the Sustainability Academy to enhance employee competence (Politecnico di Milano).

TÜRK PRYSMIAN KABLO AT A GLANCE

Direct Operations: Main Activities (Mudanya Facility)

► R&D and Innovation

- As one of Prysmian's 26 global R&D centers, developing sustainable and high-performance products (e.g., the "E-Path" green labeling system).
- Conducting research on material technologies, fire performance (CPR), and product efficiency.
- Testing and certification activities at the TÜRKAK-accredited Material Technologies and Fire Test Laboratories.

► Manufacturing Operations

- **Energy Cables:** Design and manufacture of low-, medium-, high-, and extra-high-voltage (up to 220 kV) underground and submarine power cables.
- **Telecommunications Cables:** Design and manufacture of copper conductor cables (up to 3,600 pairs) and fiber optic cables.

► Industrial and Specialty Cables:

Developing and manufacturing cable solutions for specialized industries such as renewable energy (solar and wind), transportation (railways and automotive), shipbuilding, mining, and defense.

► Quality Control and Assurance

- Quality control and testing activities throughout all processes, from raw material input to final product output.
- Compliance with international management system standards such as ISO 9001, ISO 14001, ISO 50001, and ISO 45001.

► Supply Chain and Logistics Management

- Raw material purchasing, inventory management, and supplier evaluation processes.
- Production planning, warehousing, and domestic/international shipment operations.

► Sales, Marketing, and Project Management

- Customer relationship management and market strategy development.
- Providing "turnkey" project design, engineering, and implementation services for high-voltage and submarine cable projects.

Downstream Value Chain: Customers and Stakeholders

► Customers and Markets

- **Energy Sector:** Energy generation and distribution companies, national grid operators (TEİAŞ, etc.).
- **Renewable Energy Sector:** Solar and wind power plant investors and contractors (YEKA RES-2, YEKA GES-4, Karapınar YEKA-1 GES Projects, **Kalyon Enerji YEKA – 520 MW**, etc.).
- **Industry and Infrastructure Sector:** Construction and contracting firms, industrial facilities, transportation infrastructure projects (TOGG Factory, 1915 Çanakkale Bridge, Istanbul Airport, Marmaray, **Söğüt Gold Mine Investment, Ankara HAB BMC Tank Factory, Bandırma-Bursa-Yenişehir-Osmaneli High-Standard Railway Line**, etc.).
- **Telecommunications Sector:** Telecommunications operators and infrastructure providers.
- **Export Markets:** Export operations to more than 50 countries, primarily the Turkic Republics, the Middle East, and Europe, accounting

for approximately 33% of the Company's total revenue of TL 16,168,262,454 in 2025.

► Investors and Financial Institutions

- Individual and Institutional Investors (The Company's shares are traded on Borsa Istanbul (BIST)).
- Banks and Financing Providers.

► Regulatory Authorities and Other Stakeholders

- **End Consumers:** All members of society who benefit from the energy and data transmitted through cables.
- **Regulatory and Supervisory Authorities:** Capital Markets Board of Türkiye (CMB), Public Oversight, Accounting and Auditing Standards Authority (POA), Ministry of Environment, Urbanization and Climate Change.
- **Standardization and Accreditation Organizations:** Turkish Standards Institution (TSE), Turkish Accreditation Agency (TÜRKAK).
- **Industry Associations and NGOs:** Sectoral associations and non-governmental organizations.
- **Local Community:** The public in and around Mudanya, where the Company operates.

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GOVERNANCE



Sustainability Governance Structure

At Türk Prysmian Kablo, management plays a central role in the processes established for the management and oversight of sustainability- and climate-related risks and opportunities. This role is primarily focused on monitoring and controlling performance and ensuring that necessary actions are taken. Management's primary responsibility is to ensure the periodic monitoring of sustainability and climate-related developments and measurable key performance indicators (KPIs).

In this context, the duty of monitoring, managing, and overseeing has been delegated to committees and positions at specific management levels. This duty is primarily carried out within the mandate of the Sustainability Committee and managed through the Company's existing core policies.

The Committee operates through an interdisciplinary approach, with the participation of unit managers from various departments, including human resources, corporate communications, occupational health and safety, operations, and finance.

The Committee's primary responsibilities are to follow Prysmian's sustainability strategy, manage the Company's sustainability agenda, monitor performance against the climate-related targets set by the Group, particularly emission reduction targets, and manage and oversee related projects.

The Sustainability Manager is responsible for coordinating sustainability- and climate-related policies, strategies, and reporting and plays a key role in implementing the Committee's decisions at the operational level. At the operational level, Sustainability Ambassadors support this governance structure by monitoring and reporting on projects. This structured approach ensures that responsibilities are clearly defined and that the process is executed effectively.

At the operational level, responsibilities are directly reflected in specific job descriptions. The Production, Technical Services, and Industrial Improvements units are responsible for increasing energy efficiency and reducing carbon emissions. As of 2025, the Company's other operational functions have also been actively integrated into these processes. In this context, the Purchasing Department supports energy efficiency initiatives through the I-REC

agreements it has secured, while the R&D Department contributes to the process through the E-Path products it develops. In addition, the Supply Chain Department directly contributes to emission reduction targets by implementing reel and pallet optimization and intermodal transportation practices. These duties are among the core responsibilities of managers and employees in the relevant units and are included in performance tracking.

Although the Company does not yet have a specific "Sustainability Policy," "Climate Change Policy," or a "Risk Management Policy" dedicated to sustainability and climate risks, these topics are managed through existing corporate policies and regulations. The "Prysmian Health, Safety, Environment, and Energy Policy" includes the Group's commitment to identify, monitor, and reduce the environmental impacts of processes and products in line with its Net Zero targets. This policy provides a fundamental framework for managing environmental impacts at the operational level. For example, topics such as monitoring carbon emissions, energy management, and reducing environmental impacts are addressed within this framework. General principles regarding corporate responsibility and transparency are included in the Company's publicly available Ethical Values Statement.

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The competence of governance bodies is ensured through a model that prioritizes collective development and expertise sharing. The foundation of this model is the Sustainability Academy, which was established within the Prysmian MEART Region and collaborates with world-renowned academic institutions such as Politecnico di Milano. Through the Academy, members of the Company's Sustainability Committee and key managers gain access to the latest and most in-depth knowledge on the new dynamics, risks, and reporting standards arising from climate change.

The Company believes that creating a collective body of knowledge by having its top talent trained by international experts facilitates a more agile and effective response to the rapidly changing sustainability agenda. In 2025, a significant structural transformation was implemented to link competencies to the performance management system. Under the P+ performance evaluation model implemented for office employees, individual goals are periodically assessed across four main categories: business, team, development, and values. Under this model, the Group's strategic objectives are cascaded down to the individual

level, and goals are set by mutual agreement between employees and their managers, thereby supporting competency-based development. For field employees, competencies are systematically monitored through polyvalence matrices prepared in line with job descriptions. Through these next-generation performance management approaches, tangible progress has been made toward compliance with TSRS requirements in measuring individual competencies and aligning them with corporate goals.

To track the outcomes of the Sustainability Academy programs and individual competency development more systematically, the Company is developing a mechanism to link these training processes to individual performance evaluation objectives from 2026 onward. This initiative aims to achieve full compliance with the relevant requirement of the standard.

Monitoring Process and Reporting to Management

The primary recipients of information on sustainability and climate-related matters are the Sustainability Committee, Senior Management, and the Board of Directors. The Sustainability Committee is responsible

for coordinating and carrying out the information-sharing process that is linked to a regular schedule. Information is provided through activity and monitoring reports, while seminars featuring experts on topics such as current developments and legal regulations also ensure the flow of information.

The Sustainability Manager monitors KPIs on a monthly basis, including metrics defined for each target, such as greenhouse gas emission reductions (metric tons CO₂e), recycled material usage rates (particularly copper and PE), the number of supplier audits, and the female employee ratio, and reports progress against these targets to the Sustainability Committee on a monthly, quarterly, and annual basis.

The Sustainability Committee meets monthly to monitor KPIs, particularly those related to carbon footprint and energy consumption, and progress toward its targets. It submits performance reports, including its analyses, to the Board of Directors on a quarterly basis, thereby regularly informing the highest governance body of strategic progress, ensuring that information activities are documented, and maintaining the transparency



of the process. The progress made is transparently disclosed to the public through the Company's annual activity and sustainability reports.

Through these reports, the Company's management monitors progress toward the key strategic targets set by Prysmian (particularly emission reduction and energy efficiency) and guides the preparation and implementation of the operational action plans required to achieve these targets.

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Following monitoring activities, management operates a control and feedback mechanism. If any deviation from the targets is identified, the relevant units analyze its root causes and prepare corrective action plans accordingly. The Sustainability Committee closely monitors the implementation of these action plans, evaluates the need to update existing projects or operational targets where necessary, and plays an active role in the revision process.

Audit Function

Progress monitoring is assured through a multi-layered and regular audit mechanism. At the center of this process are the Sustainability Committee, which conducts strategic monitoring, and the Sustainability Ambassadors and regional Working Groups, which ensure operational implementation.

Oversight of the Sustainability Committee and relevant managerial positions is carried out at the highest level by the Board of Directors and is primarily based on regular reporting, performance evaluation, and independent internal audit processes.



The primary audit mechanism is the established reporting line. The periodic reports submitted by the Sustainability Manager and the Sustainability Committee, which is chaired by the Sustainability Manager, to the CEO and, ultimately, to the Board of Directors enable the Board to transparently monitor the Committee's work and the extent to which strategic goals are being achieved.

The Board of Directors conducts a strategic audit by reviewing the performance of the Sustainability Committee and the set targets on

an annual basis. Additionally, the Company's Global Internal Audit Unit plays a significant role in the process, independently assessing the effectiveness and adequacy of sustainability and climate-related processes at least once a year. Findings and areas for improvement identified through audits that could affect sustainability performance are shared with Senior Management, together with the related corrective and preventive action plans, to support operational improvement decisions. This ensures the continuous improvement and effective control of the process.

The audit function is supported through existing operational control mechanisms and management systems. The Company's core data, such as carbon emissions and energy consumption, are tracked within the framework of ISO 14001 and ISO 50001 standards and are regularly reviewed by the Sustainability Committee.

GOVERNANCE



Integration of Sustainability and Climate Risks into Management and Decision-Making Processes

Although the processes for identifying and reporting climate-related risks have been integrated into the Group's Enterprise Risk Management framework, local and specific implementation procedures to guide strategic planning, financial analysis, and investment evaluation at the local level are still under development. To deepen this integration and demonstrate full compliance with the standard, the Company aims to develop more

detailed local implementation procedures and guidelines by the end of 2026, based on its existing Enterprise Risk Management model and focused on the management of sustainability and climate-related risks. This work will clearly demonstrate how risks will be integrated into strategic decision-making and capital allocation processes.

The integration of sustainability and climate-related controls into internal functions is currently concentrated in specific operational areas. Integration

has been achieved with the Human Resources function through ESG metrics included in training and performance evaluations. The Operations and Technical Services units form the basis of this integration by incorporating targets to reduce energy consumption and carbon emissions into their own processes.

In processes related to major transactions and investment decisions, sustainability and climate-related issues are considered indirectly through operational efficiency and alignment

with the Group's decarbonization targets, rather than as formal risk assessment criteria. For example, when investing in new machinery or equipment, the project's potential contribution toward targets for reducing energy consumption and emissions is considered a significant factor in the decision-making process.

Although climate-related risks and opportunities are reported as key inputs to the Group-level Enterprise Risk Management system, the process of fully integrating these outputs into the Finance and Strategy functions as systematic decision-making criteria for local financial planning, investment decisions, and strategic business development is ongoing. These are considered areas for development to achieve full compliance with the standard. Within the framework of the new sustainability and risk management policies planned for 2026, the Company plans to define local procedures for incorporating the outputs of the Enterprise Risk Management system into the day-to-day decision-making processes of key functions such as Finance and Strategy. This will enable a transition to a holistic structure where reported risks directly guide capital allocation.

GOVERNANCE

Sustainability and Climate-Related Targets, Trade-offs, and Incentives

Türk Prysmian Kablo's sustainability and climate-related targets are not set from scratch based on local risk and opportunity analyses. The Company's strategy is based on adopting the global climate targets of its parent company, Prysmian, which are aligned with the goals of the Paris Agreement and approved by the Science Based Targets initiative (SBTi), and contributing to their achievement at the local level. Therefore, the role of local governance bodies is to adapt these global targets to local operations and oversee progress toward them, rather than to set the targets themselves.

In this framework, the Sustainability Committee determines the annual operational KPIs and projects necessary to achieve the main targets set by the Group (e.g., the 2035 Net Zero target). The Board of Directors monitors whether these locally established implementation targets align with the Company's overall strategy and capacity. Consequently, the oversight of an independent target-setting process based on local risk and opportunity analyses, as envisaged by TSRS 2, has not yet been fully implemented.

While maintaining its commitment to global targets, the Company plans, from 2026 onward, to conduct more detailed analyses of sustainability and climate-related risks and opportunities specific to its local operations and, based on these analyses, establish more specific local sub-targets that support the global targets. This work will bring the oversight role of governance bodies in the target-setting process into closer alignment with the standard's expectations.

Although the Sustainability Committee and Company Management consider sustainability and climate-related targets in their decision-making processes, a formal mechanism for systematically analyzing, documenting, and reporting the trade-offs between financial returns and environmental and social impacts has not yet been established.

The Company does not yet apply a multi-criteria decision-making process that evaluates trade-offs under different scenarios (e.g., the choice between a highly profitable but carbon-intensive investment and a less profitable but green investment). This is considered an area for development to achieve full compliance with this requirement of the standard.

The Company aims to enhance its strategic decision-making and investment evaluation processes by 2026. In line with this objective, concrete steps were taken in 2025 to ensure that sustainability and climate-related risks are evaluated alongside financial returns in significant investment decisions. Climate- and nature-related physical risks (earthquakes, floods, etc.) have been assessed via a risk matrix and integrated into investment planning processes. For the Mudanya plant, which is located on the coast, detailed flood risk analyses and assessments are conducted, and the findings are directly incorporated into project feasibility studies. This methodology will enable the transparent presentation of potential trade-offs and will allow governing bodies to make decisions that take this balance into account.

Sustainability- and climate-related performance has been integrated into remuneration policies. This integration covers senior management, managers responsible for sustainability and environmental risks, and relevant department managers and employees. The Environmental, Social, and Governance (ESG) targets set by

Prysmian and adopted by the Company are reflected in the employees' performance bonus model.

This integration is carried out through specific KPIs. Metrics such as the results of the Group Occupational Health and Safety (OHS) assessment, the polyethylene sheath recycling rate, and the copper recycling rate are included in the annual scorecards of the relevant managers and business units. Success in these indicators directly impacts year-end performance evaluations.

The performance evaluation process includes analyzing the year-end achievement levels of climate-related KPIs assigned at the beginning of each year and incorporating this result into the total performance score. Achievement of these targets is directly reflected in the bonus system and, for eligible positions, in long-term incentive plans. This practice has been shared with our Company's senior management and is disclosed to the public, in broad terms, through the annual activity and sustainability reports.

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STRATEGY

CLIMATE RISKS AND OPPORTUNITIES

Guided by its vision of being Prysmian's Türkiye operation, with Prysmian being the global leader in the energy and telecommunications cable systems industry, and its mission of "Linking Türkiye to a Sustainable Future," Türk Prysmian Kablo has, since its establishment, contributed to Türkiye's sustainable development and green transition. Beyond providing innovative,

durable, and high-performance energy and telecommunications solutions, creating social value, fulfilling environmental responsibilities, and leaving a livable world for future generations are among the Company's core priorities. In line with this vision, the progressively increasing and deepening impacts of climate change on a global and national scale are evaluated from a strategic perspective and integrated into all business processes.

In terms of its impacts, climate change has gone far beyond being merely an environmental issue; it is a global phenomenon that entails significant risks and, at the same time, transformation-oriented opportunities across a wide spectrum, from economic activities to social life and from energy supply to supply chain security. In its role of designing, manufacturing, and supplying cables that are critical for energy and telecommunications infrastructure, Türk Prysmian Kablo recognizes the potential impacts of climate change on its customers, supply chain, and operations. With this understanding, the commitments of the Science Based Targets initiative (SBTi), which are aligned with the United Nations Sustainable Development Goals (especially SDGs 7, 11, 12, and 13) and the Paris Agreement targets, are taken as a guide; the aim is to lead the sector by providing the infrastructure solutions necessary for a low-carbon and climate-resilient future.

transition risks (carbon taxes and changing market expectations) arising from climate change on the Company's core activities, R&D strategies, production operations, and investment decisions, as well as the opportunities these processes bring (developing cable solutions for renewable energy plants and grid modernization). This analysis is based on internationally recognized models such as the Representative Concentration Pathway (RCP) scenarios of the Intergovernmental Panel on Climate Change (IPCC) and the scenarios of the Network for Greening the Financial System (NGFS). The analysis also lays the groundwork for the Company to strengthen its climate change mitigation and adaptation strategies, enhance its risk management processes, and reinforce its leadership in the energy and telecommunications cable sector.

The climate risks and opportunities study conducted within this framework aims to provide a comprehensive assessment of the potential physical risks (extreme weather events, temperature increases, and supply chain disruptions) and



STRATEGY

Time and Impact Assessment

In line with its principle of “Linking Türkiye to a Sustainable Future” and its responsibility to provide critical infrastructure solutions to the energy and telecommunications sectors, Türk Prysmian Kablo shapes its climate-related strategic decisions and risk and opportunity analyses by recognizing

that impacts may materialize over different time horizons and at different scales. The following time horizons, determined in line with TCFD and TSRS 2 recommendations, **are directly integrated with the Company’s regular financial and strategic planning cycles used in its corporate decision-making mechanisms:**

Short-Term (0–3 Years): This period is the time frame focused on the current and near-future direct impacts of climate change (e.g., fluctuations in energy and raw material costs, short-term disruptions in the supply chain), immediate adaptation measures, and changes in the current regulatory framework (e.g., Construction Products Regulation (CPR), REACH, RoHS, and chemical regulations like KKDİK). This time frame is managed in direct connection with the Company’s annual operating budgets (OPEX), production targets, short-term energy efficiency plans, and annual R&D cycles.

Medium-Term (3–10 Years): In this period, it is anticipated that the impacts of more structural transformations in climate policies (e.g., the full implementation of the Carbon Border Adjustment Mechanism (CBAM), national carbon pricing mechanisms), technological innovations, and shifts in market demand (e.g., increased demand for renewable energy and electrification projects) will become more pronounced. This time frame is integrated with the Company’s multi-year capital expenditure (CAPEX) plans, production capacity expansion decisions, and 5-year strategic growth targets.

Long-Term (10+ Years): This time frame is the perspective in which the more profound physical impacts of climate change (e.g., increased extreme weather events for the production facilities in Mudanya) and the Company’s long-term resilience strategies against these changes are addressed. This planning period is aligned with the Company’s maximum innovation cycles and the roadmap of its long-term climate commitment to achieve Net Zero greenhouse gas emissions across the entire value chain (Scope 1, 2, and 3) by 2035, as determined in line with SBTi.

When assessing the potential financial and strategic consequences of climate-related risks and opportunities, “low,” “medium,” and “high” impact levels are used. The assessments primarily focus on the following four areas:

- ▶ **Financial Performance and Asset Value:** Sales revenue, gross and net profit margins, operating expenses, R&D expenditures, and the book value of inventories and physical assets.
- ▶ **Operational Continuity and Production Quality:** The uninterrupted operation and efficiency of the production facilities in Mudanya, critical supply chains, and logistics networks.
- ▶ **Strategic Objectives and Market Positioning:** Leadership position in the Turkish cable industry, critical role in the energy transition, export targets, and market share.
- ▶ **Reputation and Stakeholder Confidence:** Credibility and esteem among customers, investors, suppliers, and employees.

“Low impact” signifies manageable and limited consequences; “medium impact” indicates significant changes requiring careful monitoring and proactive measures; and “high impact” denotes

serious consequences for the Company’s core strategic objectives, financial health, and operational continuity. To test strategic resilience, the IPCC’s RCP 4.5 and RCP 8.5 scenarios are used for physical risks, while the NGFS’s Orderly Transition, Disorderly Transition, and Hot House World scenarios are utilized for transition risks and opportunities.

Prioritization and Assessment Methodology for Climate-Related Risks

In line with its mission of “Linking Türkiye to a Sustainable Future” and its responsibility to provide sustainable and innovative solutions for energy and telecommunications infrastructure, Türk Prysmian Kablo bases its climate-related strategic decisions and risk and opportunity analyses on its established and robust management systems infrastructure (ISO 9001, 14001, 45001, 50001, etc.) and on its commitment to advancing a sustainable future. When identifying material topics, risks, and opportunities, the Company considers national priorities such as Türkiye’s 2053 Net Zero Emissions target; industry-specific disclosure topics defined in the TSRS 2 Guide for Sector-Based Implementation (Appendix Volume 49 – Electrical and Electronic Equipment); international standards such as the TCFD

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recommendations, SBTi criteria, and the UN Sustainable Development Goals; and the expectations of all stakeholders. Within this framework, climate-related risks (physical and transition risks) and opportunities are assessed primarily across the following areas:

► Product Portfolio and R&D

Activities: The product portfolio, shaped by the innovation power of the R&D center, is analyzed in terms of transition risks and opportunities, such as market expectations and new technologies.

► Supply Chain and Value

Partnerships: The supply chain, which forms the backbone of operations, is assessed for climate-induced disruption risks (physical risks) in sourcing raw materials like copper, aluminum, and polymers, and for cost increases (transition risks) from regulations such as the CBAM.

► Operational Processes and

Infrastructure: The production facility in Mudanya, its energy consumption, and operational carbon footprint are examined in terms of physical and transition risks.

► Markets and Customers:

The export network and customer base, particularly in Europe, represent the area where climate-related

market risks and opportunities are most concentrated. Customers' own sustainability commitments and regional climate regulations are the most significant external factors directly shaping strategies.

The assessment process is based on a qualitative and quantitative methodology, inspired by international standards and the Corporate Risk Management model, that considers the magnitude of the potential financial and strategic impacts of risks and opportunities, as well as their likelihood of occurrence. In these identification and assessment processes, all reasonable and supportable information available as of the reporting date without undue cost or effort—including the Company's historical operational data, current market conditions, and future projections provided by climate science—has been meticulously used. The analyses conducted are enhanced within the framework of the IPCC's RCP scenarios for physical risks and the NGFS scenarios for transition risks and opportunities to test strategic resilience. This process is carried out with the active participation and coordination of all relevant business units, adopting an approach proportionate to the skills, capabilities, and resources the Company has to prepare these disclosures.



Furthermore, in cases where quantitative information on the anticipated financial effects of a climate-related risk or opportunity could not be provided, the Company has separately assessed the exemption conditions (measurement uncertainty and lack of skills or resources) set out in the relevant reporting standards. For example, the primary reason for not providing quantitative information on the digital compliance investments

anticipated under the ESPR is not a lack of skills or resources, but rather the high "measurement uncertainty" due to the fact that the scope of application and technical requirements have not yet been finalized. In such cases of high uncertainty, these effects have been disclosed only qualitatively in accordance with the relevant standard; nevertheless, qualitative disclosures have been provided regarding the expense, investment, and asset items likely to be affected.

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Timing and Method of Climate-Related Scenario Analysis

The Company carried out its climate-related scenario analyses during the current reporting period as an integral part of its annual corporate risk management and strategic budgeting cycle. The scenario analyses were carried out through interdisciplinary workshops and data modeling sessions with the active participation of managers from the Company's Sustainability, Risk Management, Finance, and R&D departments, as well as the Mudanya Production Facility. In this process, the IPCC's RCP scenarios were used for physical risks, and the NGFS macroeconomic scenarios were used for transition risks and opportunities; the Company's current operational and financial data were integrated with these global models to map the impacts of risks and opportunities as of the reporting date.

Inputs and Sources Used in Scenario Analysis

The Company transparently presents below the climate-related scenarios used as primary inputs in its climate scenario analysis processes, the international sources of these scenarios, and whether they relate to climate-related physical risks or transition risks:



► **Physical Risk Scenarios and Source:**

Reports from the Intergovernmental Panel on Climate Change (IPCC) were used as the reference source for assessing the acute and chronic physical risks that could affect the Company's operations and the Mudanya facility. The RCP 8.5 (Representative Concentration Pathway) scenario, which represents a pessimistic scenario and high-emission projection, was used as the primary input in the analyses.

► **Transition Risk/Opportunity Scenarios and Source:**

Models published by the Network for Greening the Financial System (NGFS) were used as the reference source for assessing regulatory, technological, and market changes

during the transition to a low-carbon economy. The Orderly Transition and Disorderly Transition scenarios, which include dynamics such as carbon pricing and the CBAM, were used as primary inputs in these analyses. From among these scenarios, the Company used the NGFS "Orderly Transition" (Net Zero 2050) model as a climate-related scenario aligned with the goals of the Paris Agreement, the most current international agreement on climate change. The analysis covers the RCP 4.5 and RCP 8.5 scenarios for physical risks, and the NGFS Orderly Transition, Disorderly Transition, and Hot House World scenarios for transition risks and opportunities, thus presenting a broad spectrum

of scenarios that include different physical and transition pathways.

Rationale for Scenario Selection and Relevance Assessment

The Company determined that its selected climate-related scenarios (RCP and NGFS) are relevant for assessing the resilience of its strategy and business model to climate-related changes, developments, or uncertainties for the following specific reasons: Given the coastal location of the Mudanya facility, the Company's sole production center, and its potential exposure to water and climate events, the use of the IPCC's (RCP) physical models was deemed appropriate to test infrastructure resilience against uncertainties such as extreme weather events and rising temperatures. On the other hand, the Company's high export volume to the European Union market, in light of regulatory developments such as CBAM and ESPR, together with its growth strategy in the electrification market (renewable energy investments), made the NGFS macroeconomic transition scenarios the most appropriate and relevant tool for measuring the financial impacts of regulatory and market-based uncertainties associated with the transition to a low-carbon economy.

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Time Horizons Used in Scenario Analysis

The Company has defined the time horizons used in its climate-related scenario analyses to be fully consistent with the general strategic planning and financial budgeting cycles detailed in the “Time and Impact Assessment” section of the report, and has modeled its analyses on those horizons. In this context, the time horizons used in the analysis are described as: the Short Term (0–3 Years), covering urgent regulatory compliance (e.g., ESPR) and operational budgets (OPEX); the Medium Term (3–10 Years), where structural transition risks such as CBAM and capital expenditures (CAPEX) will intensify; and the Long Term (10+ Years), when chronic physical climate impacts are likely to become permanent and the implications for the 2035 net-zero

target will materialize. All scenario stress tests were conducted by considering the projections of impacts across these three primary time horizons.

Scope of Operations Used in Scenario Analysis

The Company has defined the scope of its operations used in the analysis to include the main revenue-generating activities and value chain links where climate risks and opportunities are most intensely felt. Accordingly, the operational locations (physical scope) used in the analysis include the Company's sole main production base, the Mudanya/Bursa facility, where all energy and telecommunications cable production takes place, as well as the in-factory machinery, raw material/finished product storage areas, and direct operational logistics networks. In terms

of business units and scope of activities, the analysis holistically covers the operations of the Purchasing department, which manages the global supply chain and commodity risks; the R&D department, which designs low-carbon and innovative products; the Production and Technical Services departments, which manage the facility's cooling and water infrastructure and energy consumption; and the Foreign Trade, Sales, and Marketing business units, which monitor regulatory compliance in export markets.

Key Assumptions and Climate Policies Used in Scenario Analysis

While conducting its climate-related scenario analyses (RCP and NGFS), the Company has transparently defined the key assumptions that form the basis of its modeling. In this context, the key assumptions used in the analysis and the main assumptions regarding climate policies in the countries where the Company operates (and to which it primarily exports) are explained below:

► **Assumptions Regarding Climate Policies in Türkiye (Production Facility):** For Türkiye, where the Company conducts its production activities, it was assumed that the government will adhere to its national “2053 Net Zero Emissions” vision.

Accordingly, as a key assumption underlying the NGFS transition scenarios, it was projected that a national Emissions Trading System (ETS) or a carbon tax would be implemented in the medium term. Furthermore, in the opportunity analyses (Orderly and Disorderly Transition), it was taken as a key policy assumption that the government would continue to resolutely support tenders under the National Energy Plan for renewable energy (especially offshore wind and solar) and for grid electrification.

► **Assumptions Regarding Climate Policies in the European Union (Main Export Market):** For the European Union (EU), the Company's largest export market, it was assumed that the Carbon Border Adjustment Mechanism (CBAM) would be fully implemented according to the legal schedule, that carbon pricing in the EU Emissions Trading System would remain high, and that legally binding transparency policies such as the Ecodesign for Sustainable Products Regulation (ESPR) and the Digital Product Passport would be enforced. All of the Company's transition risk and market share shock analyses are built upon the implementation speed and severity of these EU climate policies.

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► **Assumptions Regarding Macroeconomic Trends:** In its scenario analyses, the Company used the future course of certain macroeconomic trends as key assumptions when modeling financial impacts (especially NGFS transition risks and opportunities). In this context, it was assumed that with the acceleration of global electrification and the green energy transition, global demand for critical commodities such as copper and aluminum—the main raw materials for the cable industry—and the resulting price pressure would remain structurally high in the medium and long term. Additionally, national inflation rates, foreign exchange rate fluctuations (e.g., the base EUR/TL parity projections used when calculating decarbonization and CBAM costs), and rising trends in unit energy costs were included in the analysis. Regarding economic growth (GDP) trends, it was considered a key economic assumption that while demand for standard construction and in-building cables may contract during periods of potential macroeconomic slowdown and tightening, publicly supported mega-infrastructure investments for the energy

transition (grid, data centers, and renewable energy) would remain relatively isolated from general macroeconomic fluctuations and maintain a positive growth trend.

► **Assumptions Regarding National and Regional Variables:** The Company used regional variables specific to Mudanya/Bursa as key assumptions, particularly when modeling physical risks (RCP scenarios). Within the scope of local weather events and infrastructure variables, it was assumed that events such as extreme rainfall and sea-level fluctuations would increase due to the strategic location of the Mudanya facility, potentially leading to capacity constraints in port and highway infrastructure. Regarding demographic variables and land use, no specific population or labor movement assumption that would significantly alter the Company's risk and opportunity outcomes was used in the climate scenario analysis. Under the variable of natural resource availability, it was included in the analyses as a key regional assumption that local water stress and drought trends in the Marmara Basin would become chronic, restricting the industrial



water supply critical for cable processing and cooling, thereby creating “scarcity pricing” (an increase in unit water costs).

► **Assumptions Regarding Energy Use and Diversity:** The Company treated the future structure of its energy portfolio as a key assumption when modeling both physical and transition scenarios. In terms of energy diversity, it was assumed that the Company's strategy of sourcing 100% of its electricity consumption from internationally certified (I-REC) renewable energy sources would continue uninterrupted in the medium and long term, and that the national

grid would become increasingly integrated with green energy. In terms of energy use, it was reflected in the analyses as a fundamental operational assumption that while gross electricity consumption at the factory would tend to increase due to the additional thermal load on the production and cooling systems at the Mudanya facility caused by chronic average temperature rises (especially in the RCP 4.5 and 8.5 scenarios), the specific energy intensity per unit of product and the direct use of fossil fuels (natural gas, LPG, etc.) would gradually decrease thanks to planned energy efficiency and decarbonization investments.

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► Assumptions Regarding Technological Developments:

In its climate scenarios, the Company integrated technological developments in the industrial and digital fields into its analyses as key assumptions when modeling transition risks and opportunities. In terms of developments in product and market technologies, it was assumed that demand for high-capacity, next-generation cable technologies resistant to heat and mechanical stress, with low transmission losses—required by artificial intelligence applications (data centers), e-mobility charging infrastructure, and offshore wind transmission networks—would continue to grow strongly, and that the Company's R&D infrastructure would be able to keep pace with the rate of this innovation. Within the scope of developments in operational and traceability technologies, it was accepted as a fundamental forecast that cloud-based Enterprise Resource Planning (ERP) software enabling end-to-end tracking of product life cycle data in the "Digital Product Passport" format, in line with the EU's Ecodesign (ESPR) requirements, would become standardized; and that next-generation smart cooling and automation technologies to address



the increased thermal load at the production facility would become accessible at reasonable costs.

Reporting Period in Which the Scenario Analysis Was Conducted

The Company conducted the climate-related scenario analysis detailed in this report within and for the financial reporting period covering January 1, 2025–December 31, 2025. The scenario modeling, stress tests, and resulting financial/operational impact projections are directly based on the Company's finalized financial statements as of the end of the 2025 fiscal year (December 31, 2025), its current operational capacity, and the prevailing macroeconomic conditions during this reporting period.

Areas of Risk/Opportunity Concentration in the Business Model and Value Chain

As a result of the analyses conducted by Türk Prysmian Kablo, it has been determined that the impacts of climate-related risks and opportunities on the business model and value chain are concentrated in specific geographical areas, facilities, and asset types:

► **Operational and Physical Concentration (Facility and Geography):** The acute and chronic physical effects of climate change (extreme weather events, water scarcity, and average temperature increases) are concentrated at the **Mudanya/Bursa** facility—the Company's sole production center—

located on the Marmara Region coastline. This situation makes the machinery and storage areas (asset types) the focal point for climate resilience investments.

► **Supply Chain Concentration (Material and Logistics):** Climate-induced supply vulnerabilities are concentrated in the supply networks for **copper, aluminum, and polymers (asset/material type)**, which are largely sourced from global markets and are critical to production, and on the sea/land logistics routes that transport these raw materials.

► **Regulatory and Transition Risk Concentration (Market Geography):** Transition risks such as carbon pricing (CBAM) and Ecodesign (Digital Product Passport) are concentrated in the **European Union (EU)**, the Company's largest international market. This area is the center of legal and technological compliance obligations.

► **Opportunity Concentration (Product Segments and Macro Projects):** Climate-related opportunities are concentrated not in traditional cable markets, but rather in value-added segments such as **renewable energy (solar/wind), high-voltage submarine connections, and data centers (technological asset/product types)**, and in mega-infrastructure investments aligned with Türkiye's electrification goals.

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Main Climate-Related Risks

Risk Category	Main Risks	Impact Magnitude (Financial, Operational, Strategic, Reputation)	Likelihood of Occurrence / Time Horizon
Physical Risk (Acute)	Extreme Weather Events and Operational Disruptions: Storms, extreme rainfall, and floods of increased frequency and severity affect the production facility in Bursa, Mudanya, as well as raw material and finished product storage areas, causing physical damage to production lines, equipment, and inventory. Severe weather conditions may halt operations, disrupt port and highway logistics, and cause delays in product shipments for critical projects.	Low Financial Impact Financial: Repair/replacement costs for damaged facilities, machinery, and inventory; loss of revenue due to business interruption; potential penalties for project delivery delays; and an increase in insurance premiums and costs. Operational: Unplanned production shutdowns, disruptions in supply chain and logistics processes, and increased occupational health and safety risks for employees. Strategic: Risk of failing to meet critical customer commitments on time, especially for large infrastructure projects. Reputation: Damage to the image of a reliable supplier and to customer satisfaction.	Likelihood: High Time Horizon: Short- to Medium Term
Physical Risk (Chronic)	Rising Average Temperatures and Heat Waves: An increase in average annual temperatures and a rise in the frequency and severity of heat waves, especially during the summer months, increase the load on the facility's cooling systems in the energy-intensive cable manufacturing industry, thereby raising energy consumption and operational costs. This situation also negatively affects employee health and productivity, causing performance declines particularly in field and warehouse areas.	Medium Financial Impact Financial: Increased electricity consumption and energy expenses (OPEX) due to greater cooling needs. Need for additional capital expenditure (CAPEX) to upgrade the existing cooling infrastructure. Operational: Increased risk of equipment failure due to overheating. Decreased employee productivity and increased risk of heat-related occupational accidents. Strategic: Potential for the operational cost structure to negatively affect competitiveness in the long term. Reputation: Risk of stakeholders questioning practices related to employee health and well-being.	Likelihood: High Time Horizon: Medium- to Long-Term

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Risk Category	Main Risks	Impact Magnitude (Financial, Operational, Strategic, Reputation)	Likelihood of Occurrence / Time Horizon
Physical Risk (Chronic & Acute)	Climate-Induced Vulnerabilities in the Supply Chain: Climate events such as drought, water scarcity, floods, or severe storms occurring in regions where critical production materials such as copper, aluminum, or petroleum-derived polymers are sourced cause raw material producers to halt operations, disrupt mining or refinery activities, and lead to interruptions in global logistics chains, resulting in raw material shortages and sudden price increases .	Low Financial Impact Financial: Sudden and unpredictable increases in raw material prices, rising freight costs, the necessity to turn to alternative and more expensive suppliers, increased production costs, and shrinking profit margins. Operational: Risk of production slowdowns or stoppages due to the inability to source raw materials, and difficulties in inventory management. Strategic: Dependence on a specific geography or supplier turning into a strategic vulnerability. Reputation: Erosion of customer trust due to disruptions in production and delivery processes.	Likelihood: Medium Time Horizon: Medium- to Long-Term
Physical Risk (Chronic)	Water Scarcity and Its Impact on Production Processes: Increased periods of drought due to climate change and the depletion of water resources in the Mudanya/Bursa region. Restricted access to process water used for cooling and coating in cable manufacturing processes, rising water costs, and new compliance obligations imposed by national water policies.	Low Financial Impact Financial: Increased water costs and investments in water efficiency; potential loss of revenue due to production constraints. Operational: Need for process changes to optimize water use in cooling and coating lines; operational adaptation to comply with national "Water Efficiency Initiative" standards. Strategic: Positioning the application process for the "Blue Certificate," managed by the Ministry of Agriculture and Forestry, as a strategic objective to manage the exposure of production capacity to climate vulnerability and establish a recognized pioneering role in water management. Reputation: Managing the risk of social pressure regarding water use through proactive certification processes like the "Blue Certificate," turning it into a positive reputational element.	Likelihood: Medium Time Horizon: Medium- to Long-Term
Transition Risk (Policy and Legal)	Carbon Pricing and Emission Regulations: The full implementation of the Carbon Border Adjustment Mechanism (CBAM) by the European Union, Türk Prysmian Kablo's main export market, and the potential introduction of an Emissions Trading System (ETS) or carbon tax in Türkiye, with Scope 1 and Scope 2 emissions from energy-intensive production processes becoming a direct cost factor.	Low Financial Impact Financial: Increased production costs due to a carbon tax; decreased profit margins; reduced price competitiveness in the EU market; and mandatory capital expenditures (CAPEX) for emission reduction technologies. Operational: The necessity to establish new processes and systems for the detailed and verifiable monitoring, reporting, and management of greenhouse gas emissions. Strategic: Decarbonization strategies becoming one of the top priorities to maintain market share and sustain profitability. Reputation: Risk of low carbon performance being viewed negatively by investors and customers.	Likelihood: High Time Horizon: Medium-Term

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Risk Category	Main Risks	Impact Magnitude (Financial, Operational, Strategic, Reputation)	Likelihood of Occurrence / Time Horizon
Transition Risk (Market)	Demand for Green Products and Changing Customer Expectations: Customers in growing markets such as renewable energy, e-mobility, smart cities, and data centers are increasingly demanding products with documented environmental performance (low carbon footprint, recyclability, EPD certification, etc.). Standard products that fail to meet these market expectations risk losing market share, despite Prysmian's own green labeling initiatives such as E-Path.	Low Financial Impact Financial: Loss of revenue in key growth areas if the sustainable product portfolio proves inadequate. Increased R&D and innovation expenditures for next-generation products. Operational: Adaptation of production and quality control processes to comply with new "green" product standards and certifications. Strategic: Risk of losing leadership in sustainable product innovation to competitors. This risk also forms the basis for the opportunity to "increase market share with low-carbon products." Reputation: The perception of falling behind in sustainability, which would contradict the mission of "Linking Türkiye to a Sustainable Future."	Likelihood: High Time Horizon: Short-to Medium-Term
Transition Risk (Policy and Legal)	Ecodesign and Digital Product Passport Regulations: The implementation of a Digital Product Passport requirement for cable products under the EU's Ecodesign for Sustainable Products Regulation (ESPR). The compliance burden and risk of losing competitive advantage in the EU market due to the requirement for transparent and digital tracking of all product life cycle data.	Low Financial Impact Financial: Additional CAPEX and OPEX for digital infrastructure and data traceability investments; risk of losing orders from EU customers. Operational: Additional operational burden from the digital tracking of product life cycle data and supplier data collection processes. Strategic: Facing technical compliance barriers to entering the EU market; pressure to comply with sustainable product standardization. Reputation: Weakening of the perception of sustainability leadership if transparency expectations are not met.	Likelihood: High Time Horizon: Short-to Medium-Term

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Main Climate-Related Opportunities

Opportunity Category	Main Opportunities	Impact Magnitude (Financial, Operational, Strategic, Reputation)	Likelihood of Occurrence / Time Horizon
Products and Services	Renewable Energy Infrastructure Solutions: Becoming a critical supplier for the rapidly growing solar and wind energy market in line with Türkiye's and the world's "net zero" targets. Reinforcing market leadership with high-performance, durable, and efficient specialty cables developed for photovoltaic (solar) and wind turbines. Increasing expertise and market share in this field by participating as a supplier in Türkiye's largest wind and solar power plant projects (such as the current YEKA RES-2, YEKA GES-4, and Kalyon Enerji YEKA - 520MW projects).	High Financial Impact Financial: Increased sales revenue and profitability from the rapidly growing renewable energy sector. Achieving better margins through high-value-added, specialty products. Operational: Increased production capacity and expertise in specific product groups (solar, wind cables). Strategic: Positioning the Company as a central player in Türkiye's energy transition and investing in long-term growth areas. Reputation: Being perceived as a "partner in the green transition" and strengthening the brand image as a sustainability-focused technology leader.	Likelihood: High Time Horizon: Short, Medium, and Long-Term
Products and Services	Electrification and Grid Modernization: The electrification of the transportation sector (domestic electric vehicle projects like TOGG), the reduction of fossil fuel use in industry, and the infrastructure modernization required for integrating renewable energy into the grid. Meeting the growing demand for e-mobility charging infrastructure, data centers, smart buildings, and high-voltage underground/submarine connection cables that arises in this process.	High Financial Impact Financial: Entering new, high-growth-potential markets such as e-mobility. Participating in and securing a share of the country's strategically and technologically significant mega-projects (the 1915 Çanakkale Bridge; the Söğüt Gold Mine, one of the leading capacity players; the Ankara HAB BMC Tank Factory, a technology hub; the Bandırma-Osmaneli High-Speed Train Line with modern infrastructure; and Kalyon Enerji YEKA-520MW, which has the highest share of domestic technology) and diversifying revenue streams. Operational: Increasing the production of high-tech, high-value-added products by leveraging the R&D center's capabilities. Strategic: Strengthening its strategic position as a key contributor to the country's digital and green infrastructure goals. Reputation: Being recognized as a reliable solution partner for critical projects building Türkiye's future.	Likelihood: High Time Horizon: Short- to Medium-Term
Products and Services	Offshore Wind and Submarine Cable Infrastructure Demand: With the acceleration of offshore wind investments in Europe and Türkiye, demand for high-voltage submarine power cables and connection infrastructure is increasing. This trend allows the Company to leverage Prysmian's global expertise in submarine cables as a strategic opportunity for its Türkiye operations.	High Financial Impact Financial: Increased revenue from high-value-added submarine cable projects, resulting in improved margins. Operational: Development of high-tech production and project management capabilities. Strategic: Strong positioning in regional energy transition projects and leveraging Prysmian Group synergies. Reputation: Being perceived as a critical provider of submarine infrastructure for the energy transition.	Likelihood: High Time Horizon: Medium-to Long-Term
Products and Services	Demand for Artificial Intelligence and Data Center Infrastructure: The acceleration of global artificial intelligence investments is driving exponential growth in the power needs of large-scale data centers, fueling increased demand for high-power and fiber infrastructure cable solutions in line with Türkiye's strategy to become a regional data center hub. As digitalization and electrification accelerate infrastructure transformation, the need for high-performance cable solutions in data centers, energy transmission, and connectivity infrastructure is also increasing.	High Financial Impact Financial: Additional revenue from increased standard cable sales volume in parallel with the acceleration of data center investments; development of a new customer segment. Operational: Development of production capacity and R&D competence in this area. Strategic: Gaining a strong position in the digital infrastructure ecosystem; positioning in line with Türkiye's vision of becoming a technology hub. Reputational: Recognition as a reliable infrastructure solution partner in the advanced technology sector.	Likelihood: High Time Horizon: Short-to Medium-Term

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Table 1: Climate-Related Risk Assessment Tables

Risk Name	Risk Description	Impacts on Strategy and Business Model	Impact on the Value Chain	Measurement Metrics and Assessment	Mitigation Actions in Response to Risk	Resources Provided/To Be Provided for Actions	Financial Impact
Extreme Weather Events and Operational Disruptions	Risk Type: Physical Risk (Acute) The likelihood that storms, extreme rainfall, and floods of increasing frequency and intensity would affect the Mudanya production facility— which is situated along the coastline— as well as raw material and finished product storage areas; with the potential for physical damage to production lines and equipment, disruptions in road and port logistics, and operational interruptions.	Impacts on the Business Model: The Company's business model relies on the uninterrupted operation of high-capacity production lines and logistics flows. Unplanned shutdowns caused by extreme weather events have the potential to directly affect customer commitments by reducing production efficiency and causing delays in order deliveries. Impact on Decision-Making Mechanisms: To limit the potential impact of operational disruption risk on the financial statements, the Company's management regularly renews risk transfer mechanisms (insurance policies) based on current asset values and strategically plans operating budgets to maintain the physical resilience of the facility's infrastructure.	Upstream (Logistics and Raw Material Suppliers): Disruptions caused by severe weather conditions on port and road routes negatively affect supply chain performance by slowing the entry of raw materials critical for production into the facility. Own Operations (Production Teams and Facilities): If the facility's physical infrastructure is strained, repair needs arise; unplanned production shutdowns interrupt operational continuity and increase occupational health and safety risks. Downstream (Customers): Delays originating from production or logistics can cause disruptions in product shipments to key customers, especially those undertaking large infrastructure projects, and may trigger potential penalty clauses in contracts.	Measurement Metrics: - Current Fire and All Risks insurance value (TL) of the facility at risk in a potential disaster scenario - Risk of average daily revenue loss calculated based on annual revenue (TL) - Material damage or repair costs incurred directly from weather events (TL) Time Horizon: Short and Medium Term (0-10 Years) Impact Levels and Rationale: Strategic: High (Delays in customer commitments for major infrastructure projects directly affect market positioning.) Financial: Low (The current incurred damage cost of TL 0 is below the Company's lower threshold of TL 9.1 million.) Operational Continuity: High (Physical damage or flooding would cause a complete shutdown of production lines.) Reputation: Medium (Maintaining the image of a timely and reliable supplier in the eyes of customers is essential for business continuity.) Likelihood of Occurrence: High	Risk Transfer and Policy Management: Securing financial protection for the physical assets of the Mudanya factory, including buildings, machinery, equipment, and inventory, through "Fire and All Risks" policies based on current insured values (approximately TL 5.19 billion for 2025). Infrastructure Resilience and Maintenance: Periodically maintaining the facility's rainwater drainage lines, roof insulation, and water discharge systems against extreme weather events. Emergency Business Continuity: Keeping crisis management and emergency response plans up-to-date to restart production as soon as possible after a potential natural event.	Current (OPEX): Insurance premium expenses covering facility-wide assets, and operational costs incurred for periodic drainage, infrastructure maintenance, and cleaning. Future (CAPEX): Potential structural reinforcement investments that could be considered to increase the facility's physical resilience if climate projections indicate more frequent extreme weather events.	CURRENT FINANCIAL IMPACT: Qualitative Assessment: The Company's production and supply infrastructure is under operational and financial protection against acute physical risks. During 2025, no extreme weather event severe enough to disrupt production affected the Mudanya production facilities or storage areas; consequently, no corrective repair or unplanned shutdown costs were reflected in the Company's balance sheet. Quantitative Assessment: In the 2025 fiscal year, the direct material damage or repair cost resulting from extreme weather events (floods, storms, etc.) was recorded as TL 0. As the current damage expense is zero, it falls significantly below the Company's minimum materiality threshold of TL 9.1 million, and the current financial impact of the related risk has been rated as "Low." The Company holds its assets under coverage against potential disasters with a fire insurance value of TL 5,197,069,149. PROJECTED FINANCIAL IMPACT (RCP SCENARIO ANALYSIS): Qualitative Assessment: RCP 4.5 (Medium-Level Damage and Short Interruption Risk): This is a scenario where the frequency of climate events (e.g., extreme rainfall) increases, but the facility's infrastructure can largely mitigate these impacts. On this pathway, major destruction exceeding the infrastructure's capacity is not expected; however, the potential pressure on revenue from manageable unplanned shutdowns of 0 to 2 days, which could be caused by partial logistics disruptions or local flooding, is modeled. RCP 8.5 (Advanced Damage and Business Interruption): This is a "low-probability, high-impact" pessimistic scenario where extreme weather events become more frequent and intense than historical averages. It is modeled that production could completely stop for 3 to 7 days as a result of direct damage to the facility's critical infrastructure or main supply routes, and the Company would face a significant need for repairs and a loss of revenue. Quantitative Assessment: Based on the total 2025 revenue of TL 16,168,262,454 and an assumption of 300 business days, the daily revenue capacity has been calculated as approximately TL 53.89 million. RCP 4.5: Assuming an unplanned production shutdown of 0 to 2 days, the modeled "Potential Gross Revenue Impact" on an annual basis ranges from TL 0 to TL 107,788,416 (approximately TL 107.8 million). RCP 8.5: Assuming the facility would completely shut down for 3 to 7 days in an advanced disaster scenario, it has been calculated that the Company's gross revenue capacity at risk could reach the range of TL 161,682,624 to TL 377,259,457 (approximately TL 161.7 million – TL 377.3 million). COMPARISON WITH 2024: Risk Scope and Insurance Valuation: In 2024, the Company reported the insured value for its assets at the Mudanya location as TL 4.23 billion. In 2025, in parallel with inflation and increased risk exposure, this coverage amount (fire policy) was increased to TL 5.19 billion, expanding the balance sheet's financial safety margin. (The total insured value of assets subject to the corporate tax declaration, including all offices, reached TL 8.19 billion). Development of Scenario Projections: Based on inflation-adjusted revenue of TL 18.75 billion (TL 18,748,510,079) in 2024, the average daily business interruption risk was calculated at TL 62.5 million. In line with the revenue level of TL 16.16 billion in 2025, this figure declined to TL 53.89 million. Accordingly, under the RCP 8.5 scenario, the maximum projected impact threshold of TL 437.5 million estimated for 2024 was revised to a potential revenue loss of TL 377.3 million for 2025 to reflect the updated macroeconomic environment.

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Risk Name	Risk Description	Impacts on Strategy and Business Model	Impact on the Value Chain	Measurement Metrics and Assessment	Mitigation Actions in Response to Risk	Resources Provided/To Be Provided for Actions	Financial Impact
Rising Average Temperatures and Heat Waves	Risk Type: Physical Risk (Chronic) The increase in average annual temperatures and the rise in the frequency and intensity of heat waves, especially during the summer months. This is likely to permanently drive up energy consumption and operational costs in the energy-intensive cable manufacturing industry by increasing the load on the facility's cooling systems (chillers, cooling towers). It also poses a risk of adverse effects from rising ambient temperatures on employee health, productivity, and equipment performance.	Impacts on the Business Model: The Company's production model relies on the continuous and stable operation of cooling infrastructure that prevents machinery from overheating. An increase in average temperatures structurally increases direct electricity consumption (OPEX), creating constant pressure on production costs and profit margins. Impact on Decision-Making Mechanisms: To limit this chronic cost increase, the Company's management periodically evaluates capital expenditures (CAPEX) aimed at modernizing the facility's existing air conditioning and cooling infrastructure with more efficient technologies and optimizes working conditions in line with occupational health principles.	Upstream (Energy Suppliers): The longer and more intensive operation of cooling systems increases the demand for energy drawn from the grid, which in turn increases the Company's exposure to potential fluctuations in energy prices. Own Operations (Production Teams and Facilities): If cooling systems reach their capacity limits, the risk of failures due to overheating in equipment (motors, extruders, etc.) increases. Additionally, a decline in thermal comfort in field and warehouse areas can lead to a drop in employee productivity. Downstream (Customers): The necessity of passing on increased energy and production costs to product prices has the potential to limit the Company's price competitiveness in the long term.	Measurement Metrics: - Total annual electricity consumption (kWh) and its monetary equivalent (TL) for cooling production and office areas at the Mudanya facility - Additional maintenance and repair costs (TL) for machine shutdowns or failures due to extreme temperatures - Additional capital expenditures (CAPEX) made to strengthen the existing cooling infrastructure Time Horizon: Medium - Long Term (3-10+ Years) Impact Levels and Rationale: Strategic: Medium (Potential for the rising operational cost structure to negatively affect price competitiveness in the long term.) Financial: Medium (The current cooling energy cost for 2025 was approximately TL 9.4 million, which is exceeding the Company's lower threshold of TL 9.1 million.) Operational Continuity: Medium (Short or medium-term slowdowns in production may occur due to equipment failures or productivity declines.) Reputation: Low (The employer brand could be affected if minimum conditions for employee health are not met.) Likelihood of Occurrence: High	Infrastructure Modernization: Assessing the capacity of cooling systems (chillers, etc.) used in production processes in line with climate projections (rising temperatures) and modernizing them with highly energy-efficient systems. Predictive Maintenance: Increasing the frequency of periodic maintenance for critical cooling and production equipment before the summer months to prevent failures caused by overheating. Occupational Health and Employee Well-being: Organize work schedules and provide air-conditioning support to ensure thermal comfort for field and warehouse employees during heat waves.	Current (OPEX): Electricity bills paid to meet the facility's current cooling needs and operating budgets allocated for the periodic maintenance of systems. Future (CAPEX): Investments in next-generation cooling towers or air conditioning systems planned for the coming years to meet the increasing thermal load and ensure energy efficiency.	CURRENT FINANCIAL IMPACT: Qualitative Assessment: As a requirement of its energy-intensive industrial production, the Company operates a significant air conditioning infrastructure to protect its machinery and ensure thermal comfort. The current financial impact of the risk is not an immediate revenue loss or equipment failure, but rather the continuous and structural operational electricity cost (OPEX) consumed by cooling systems to cope with rising average temperatures. Quantitative Assessment: As no equipment failures, production interruptions, or additional maintenance costs directly attributable to extreme temperatures were incurred, the current financial impact of the risk was assessed at TL 0. The inflation-adjusted total operational energy expenditure associated with the facility's climate control and cooling activities amounted to TL 9,366,422. Although no direct financial loss was identified (TL 0), this operational expenditure exceeded the Company's materiality threshold of TL 9.1 million. Accordingly, the current financial impact level of the risk was rated as "Medium." The overall risk assessment was determined by considering the current expenditure, projected financial impact, likelihood of occurrence, and strategic implications in combination. PROJECTED FINANCIAL IMPACT (RCP SCENARIO ANALYSIS): Qualitative Assessment: RCP 4.5 (Medium-Level Physical Impact): This is a scenario where heat waves become more frequent and the number of hot days in summer increases. It is projected that cooling systems will need to operate at higher capacity for longer periods compared to the current situation, which will increase operating expenses (OPEX) and create cumulative minor productivity losses (production slowdowns) due to heat stress. RCP 8.5 (Severe Physical Impact / Pessimistic): This is a scenario where extreme heat becomes the "new normal" in summer. It is a shock situation where the limits of the existing cooling infrastructure are pushed, system failures occur, and production suffers operational interruptions lasting for days due to the increased thermal load, while energy consumption peaks simultaneously. Quantitative Assessment: Based on the total 2025 revenue of TL 16,168,262,454 and an assumption of 300 business days, the daily revenue capacity has been calculated as approximately TL 53.89 million. RCP 4.5: Assuming a structural increase of 20% to 40% in cooling costs and a cumulative production loss of 0 to 1 day, the Company's estimated annual risk exposure has been modeled in the range of TL 1,873,284 to TL 57,640,777 (Additional OPEX + Partial Revenue Loss). RCP 8.5: Assuming cooling costs will accelerate by 60% to 100%, and a production shutdown of 2 to 5 days will occur due to overheating/failure, it has been calculated that the Company's annual gross revenue capacity at risk could reach the range of TL 113,408,269 to TL 278,837,462. COMPARISON WITH 2024: Cost Development: Electricity consumption for cooling purposes increased by 18.7%, from 1,796,218 kWh in 2024 to 2,132,690 kWh in 2025. However, the inflation-adjusted operating expenditure (OPEX) reflected in electricity bills declined in real terms from approximately TL 11.4 million to approximately TL 9.4 Million. Although physical electricity consumption (kWh) increased, the decline in financial cost reflects the impact of inflation accounting while also confirming the growing demand for climate control, as evidenced by the increase in consumption volume. Development of Scenario Projections: The production interruption risks modelled on the basis of inflation-adjusted revenue of TL 18.75 billion in 2024 were updated in line with the revenue level of TL 16.16 billion in 2025. Accordingly, under the RCP 8.5 pessimistic scenario, the projected shock impact estimated for 2024 was revised to TL 278.8 million for 2025, in line with the change in revenue and the updated OPEX, thereby aligning the assessment with the Company's current operational reality.

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Risk Name	Risk Description	Impacts on Strategy and Business Model	Impact on the Value Chain	Measurement Metrics and Assessment	Mitigation Actions in Response to Risk	Resources Provided/To Be Provided for Actions	Financial Impact
Climate-Induced Vulnerabilities in the Supply Chain	Risk Type: <u>Physical Risk (Chronic and Acute)</u> The likelihood of climate events such as droughts, water scarcity, floods, or severe storms occurring in regions where critical production materials like copper, aluminum, or petroleum-derived polymers are sourced. These events could halt the operations of raw material producers, disrupt mining or refinery operations, and cause interruptions in global logistics chains, leading to raw material shortages and sudden price fluctuations.	Impacts on the Business Model: The Company's business model relies on a high-volume, uninterrupted supply of raw materials, which constitutes approximately 90% of the Cost of Goods Sold. Any disruption in the supply chain has the potential to directly affect customer commitments by causing production slowdowns and delivery delays. Impact on Decision-Making Mechanisms: To manage volatility in commodity prices, the Company's management uses risk transfer mechanisms (hedging) and aims to protect working capital against supply shocks by creating strategic safety stocks.	Upstream (Raw Material and Logistics Suppliers): Climate-related disasters lead to production shutdowns at mining operations and refineries, and delays in port and sea logistics routes, thereby increasing freight costs. Own Operations (Purchasing and Production Teams): In the event of a raw material shortage, it becomes necessary to turn to alternative and often more expensive suppliers. If raw materials cannot reach the facility, unplanned shutdowns on production lines and difficulties in inventory management occur. Downstream (Customers): Disruptions in production and delivery processes can lead to the inability to deliver orders on time, which could negatively affect the Company's commercial reliability and market reputation.	Measurement Metrics: - The share of raw materials in cost of goods sold and raw material costs not fixed through financial instruments - Raw material supply delays or downtime due to climate events and the additional logistics costs incurred - Risk of average daily revenue loss calculated based on annual revenue Time Horizon: Medium- to Long-Term (3-10+ Years) Impact Levels and Rationale: Strategic: High (Dependence on a specific geography or supplier can turn into a strategic operational vulnerability during global fluctuations.) Financial: Low (Since no climate-related delay or shutdown in raw material supply occurred in 2025, the current impact is TL 0, which is below the Company's lower threshold of TL 9.1 million.) Operational Continuity: High (The inability to procure raw materials would directly cause production to stop or slow down.) Reputation: High (Erosion of customer trust due to disruptions in delivery processes can lead to commercial losses.) Likelihood of Occurrence: Medium	Supplier Diversification: Exploring alternative global and local supply sources to reduce dependence on single-source suppliers or high-risk geographies for the procurement of critical raw materials (copper, aluminum, and polymers). Price Risk Management: Actively using financial risk management tools, such as futures contracts, in raw material purchases to protect against sudden commodity price increases that could be caused by climate-related supply shocks. Strategic Inventory Management: Optimizing minimum safety stock levels to ensure uninterrupted production in the face of potential supply and logistics delays.	Current (OPEX): Transaction costs incurred for financial hedging instruments and costs arising from maintaining safety stock. Future (OPEX): Supplier audit and alternative route planning activities that can be expanded to more closely monitor environmental risks in global supply chains.	CURRENT FINANCIAL IMPACT: Qualitative Assessment: The vast majority of the Company's production costs consist of raw materials. The Company manages fluctuations in global commodity prices and supply vulnerabilities through risk transfer and supply planning. During 2025, no raw material supply delay or associated production shutdown directly attributable to global or regional climate events (drought, flood, storm, etc.) occurred. Quantitative Assessment: The total Cost of Goods Sold for 2025 was TL 14,508,294,325, with raw material costs accounting for 90% of this total. However, since there were no delays in raw material supply or production interruptions due to climate events in the 2025 fiscal year, the incurred additional logistics cost or shutdown loss was TL 0. As the direct loss incurred was zero, it falls significantly below the Company's minimum materiality threshold of TL 9.1 million, and the current financial impact level of the risk has been rated as "Low." PROJECTED FINANCIAL IMPACT (RCP SCENARIO ANALYSIS): Qualitative Assessment: RCP 4.5 (Medium-Level Physical Impact): This scenario assumes an increased frequency of climate events, causing short-term bottlenecks in global logistics chains and port operations. The scenario models that raw material supply is not completely cut off; however, short-term production stoppages or price fluctuations may occur due to shipment delays. RCP 8.5 (Severe Physical Impact / Pessimistic): This is a shock scenario where mines or critical global logistics chains are unable to operate for an extended period due to severe climate events. The worst-case situation is assessed, where safety stocks are depleted as a result of a raw material supply disruption, leading to prolonged production shutdowns and sudden spikes in commodity prices. Quantitative Assessment: Based on the total 2025 revenue of TL 16,168,262,454 and an assumption of 300 business days, the daily revenue capacity has been calculated as approximately TL 53.89 million. RCP 4.5: Assuming a cumulative production shutdown of 0 to 3 days due to short-term logistics disruptions, the Company's potential annual revenue loss is projected to range from TL 0 to TL 161,682,624 (approximately TL 161.7 million). RCP 8.5: Assuming a production halt of 5 to 10 business days due to a raw material supply disruption, it has been calculated that the Company's gross revenue capacity at risk could reach the range of TL 269,471,040 to TL 538,942,081 (approximately TL 269.5 million – TL 538.9 million). Additionally, a hypothetical 10% price shock in the raw material group not price-fixed with financial instruments has the potential to create additional pressure on the Company's costs in a single quarter. COMPARISON WITH 2024: Cost Development: The share of raw materials in the Cost of Goods Sold was at 90% in 2024, and this ratio remained stable (90%) with a total of TL 14,508,294,325 in 2025. This indicates the continuation of the Company's high dependence on raw material supply and its potential vulnerability. Development of Scenario Projections: The business interruption risk, calculated as an average of TL 62.5 million per day based on inflation-adjusted revenue of TL 18.75 billion in 2024, decreased to TL 53.89 million per day in parallel with the revenue volume of TL 16.16 billion in 2025. Accordingly, the maximum impact limit of TL 187.5 million projected for 2024 in the RCP 4.5 scenario was revised to a potential revenue loss of TL 161.7 million in 2025. In the RCP 8.5 scenario, the maximum shock ceiling of TL 625.0 million projected for 2024 was updated, decreasing to TL 538.9 million along with the reduced revenue volume.

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Risk Name	Risk Description	Impacts on Strategy and Business Model	Impact on the Value Chain	Measurement Metrics and Assessment	Mitigation Actions in Response to Risk	Resources Provided/To Be Provided for Actions	Financial Impact
Water Scarcity and Its Impact on Production Processes	<i>Risk Type: Physical Risk (Chronic)</i> This risk encompasses the likelihood that, as a result of increasing drought periods due to climate change and diminishing water resources in the Mudanya/Bursa region, access to process water critical for cooling and coating lines in cable production processes will be restricted, industrial water unit costs will rise, and new legal compliance obligations arising from national water policies will affect operations.	Impacts on the Business Model: The Company's production model depends on an uninterrupted supply of water of a specific quality for the stable operation of extruder systems and process chiller units in the cable insulation and coating lines. Chronic drought trends and water stress have the potential to directly affect raw material processing and production continuity, creating pressure on supply security. Impact on Decision-Making Mechanisms: To minimize the chronic effects of water stress on operational profitability, the Company's management allocates a budget for water efficiency investments and includes proactive certification processes, such as the "Blue Certificate" program run by the Ministry of Agriculture and Forestry, as a strategic objective in its decision-making mechanisms.	Upstream (Public and Infrastructure Providers): Local water authorities and infrastructure providers in the Bursa and Mudanya region may be subject to quotas or tiered scarcity pricing policies for industrial water use due to declining water resources. Own Operations (Production and Environmental Management): Restricted access to process water throughout the facility may cause operational slowdowns or shutdowns in coating and cooling lines; legal compliance processes increase the administrative workload. Downstream (Customers): Potential deviations in delivery schedules due to production constraints could affect the commitment processes for key projects.	Measurement Metrics: - Total annual water volume (m³) consumed for process, cooling, and general use at the Mudanya facility and the associated operational water expenses (TL) - Total expenditures (TL) incurred for water efficiency, infrastructure optimization, and "Blue Certificate" certification processes - Risk of average daily revenue loss calculated based on annual revenue (TL) Time Horizon: Medium - Long-Term (3-10+ Years) Impact Levels and Rationale: Strategic: High (Protecting production capacity against climate vulnerability and documenting a leading role in water management strengthens long-term market position.) Financial: Low (The cumulative financial burden of TL 7.09 million incurred in 2025, including water adaptation, Blue Certificate preparations, and ordinary water consumption bills, is below the Company's minimum materiality threshold of TL 9.1 million.) Operational Continuity: High (As water is a critical process input for cooling and coating lines, restrictions in the water supply can directly disrupt operations.) Reputation: Medium-High (Proactive steps and certification processes to protect natural resources turn societal pressure risks into a positive reputational factor.) Likelihood of Occurrence: Medium	Proactive Certification and Compliance: Ensuring full compliance with the national "Water Efficiency Initiative" standards and meticulously carrying out the "Blue Certificate" application and audit processes to document the Company's proactive approach to water management. Process Optimization: Implementing technical process changes to reduce water usage intensity in cooling and coating lines and to increase water recirculation (closed-loop) efficiency. Alternative Water Sources: Conducting feasibility studies for rainwater harvesting and water recovery hardware/infrastructure throughout the facility to reduce dependence on the municipal water supply.	Current (OPEX and CAPEX): Consulting, certification, and independent audit expenditures related to the "Blue Certificate" application process (OPEX); ordinary water consumption costs (OPEX); and hardware and infrastructure improvement investments implemented in 2025 to optimize water use in production processes (CAPEX). Future (CAPEX): Comprehensive water recovery or rainwater harvesting (closed-loop) infrastructure investments that may be planned for the medium to long term to reduce dependence on the municipal water supply and increase operational resilience against drought risks.	CURRENT FINANCIAL IMPACT: Qualitative Assessment: The Company addresses the chronic drought and water stress trends in the Marmara Basin through a proactive risk management approach. In this context, direct steps are being taken to strengthen its process infrastructure in compliance with legal requirements and national Water Efficiency Initiative standards. The current financial impact of the risk is not an actual loss resulting from an operational water supply interruption, but rather the preventive investments and system costs incurred to improve water efficiency and establish the infrastructure required for "Blue Certificate" certification. Quantitative Assessment: As no direct financial loss from water cut-offs or production stoppages occurred in 2025, the current financial loss impact has been assessed as TL 0. The total inflation-adjusted monetary value of ordinary process and municipal water consumption bills at the Mudanya facility amounted to TL 1,707,209. Additionally, the Company incurred preventive expenditures totaling EUR 110,000, comprising hardware and infrastructure investments to optimize water use (CAPEX) and consulting, certification, and audit expenses for the "Blue Certificate" application process (OPEX); its financial equivalent is TL 5,536,432 based on the confirmed exchange rate for December 31, 2025. Ordinary water consumption expenses and water efficiency adaptation expenditures (totaling TL 7,243,641) are also monitored as part of risk management activities. Considering the absence of direct financial loss (TL 0) and that the total management/operating expenditures are below the Company's minimum materiality threshold of TL 9.1 million, the current financial impact level of the risk has been rated as "Low." PROJECTED FINANCIAL IMPACT (RCP SCENARIO ANALYSIS): Qualitative Assessment: RCP 4.5 (Medium Physical Impact): This is a scenario in which water stress in the basin increases, but no physical water supply interruptions are imposed on industrial zones. The direct cost impact of the "scarcity pricing" pressure, reflected by local authorities in water tariffs due to prolonged drought conditions and exceeding general inflation, on the Company's Cost of Goods Sold and operating expense structure is modeled. RCP 8.5 (Severe Physical Impact / Pessimistic): This is a worst-case scenario in which regional water resources fall below critical thresholds and mandatory periodic water restrictions (cut-offs) are imposed on industrial facilities. The direct revenue losses resulting from mandatory shutdowns of production lines due to the inability to secure process water, together with the emergency logistics costs (water hauling) incurred to maintain production at a minimum level, are assessed. Quantitative Assessment: RCP 4.5: A hypothetical scarcity pricing increase of 30% to 50% in industrial water unit costs due to future drought pressure would create a direct additional annual operational expense (OPEX) burden of between TL 512,163 and TL 853,605, based on the Company's 2025 base water consumption bill (TL 1,707,209). RCP 8.5: Based on the Company's total 2025 revenue (TL 16,168,262,454) and a 300-workday calendar, the average daily revenue capacity is TL 53,894,208. Assuming a cumulative stoppage of two business days during the year due to water scarcity, the potential revenue loss risk the Company would be exposed to is calculated as TL 107,788,416 (approximately TL 107.8 million). This amount exceeds the Company's "Medium" (TL 9.1 - 45.4 million) risk threshold and falls into the "High" (> TL 45.4 million) financial risk category. 2024 COMPARISON: Development of Risk Scope: The aforementioned drought and water scarcity exposure is a brand-new chronic physical risk factor included from scratch in Türk Prysmian Kablo's 2025 climate risk inventory. Therefore, there are no quantitative scenario projections or base-year cost calculations for this risk in the 2024 TSRS reporting period. The inclusion of this item in 2025 demonstrates that the Company has rationally increased the comprehensiveness of its risk management processes and its competence in adapting to climate scenarios.

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Risk Name	Risk Description	Impacts on Strategy and Business Model	Impact on the Value Chain	Measurement Metrics and Assessment	Mitigation Actions in Response to Risk	Resources Provided/To Be Provided for Actions	Financial Impact
Carbon Pricing and Emission Regulations	<i>Risk Type: Transition Risk (Policy and Legal)</i> This risk encompasses the probability that the European Union—the Company's main export market—will fully implement the Carbon Border Adjustment Mechanism (CBAM), and that a potential Emissions Trading System (ETS) or carbon tax will be introduced in Türkiye. As a result of these regulatory developments, Scope 1 direct and Scope 2 indirect greenhouse gas emissions from production processes risk becoming direct financial cost items.	Impacts on Business Model: As the Company's production model is based on energy and electricity consumption, any taxation on emission intensity has the potential to directly increase production costs. Preserving competitiveness, especially in the European Union market, necessitates a structural reduction in the carbon footprint of products. Impact on Decision-Making Mechanisms: To mitigate this financial risk, the Company's management prioritizes energy efficiency projects, renewable energy procurement, and decarbonization-focused capital expenditures, and considers carbon pricing risk as an investment criterion in strategic budget planning.	Upstream (Energy Suppliers): The carbon intensity of the national electricity grid determines the Company's indirect emission burden, increasing the importance of green energy supply contracts and certification processes. Own Operations (Production and Engineering): New operational tracking mechanisms and additional monitoring systems need to be established for the detailed, digital, and verifiable monitoring of greenhouse gas emissions. Downstream (Customers): Profit margins may narrow if carbon tax costs cannot be reflected in product prices; demonstrating low-carbon performance, however, can be turned into a market advantage with international customers demanding green products.	Measurement Metrics: ▶ Annual Scope 1 direct emissions and Scope 2 indirect emissions ▶ Total volume of renewable energy certificates retired in accordance with international standards ▶ Annual decarbonization capital expenditure allocated for energy-efficiency and emission-reduction technologies Time Horizon: Medium-Term (3-10 Years) Impact Levels and Rationale: ▶ Strategic: High (Decarbonization strategies are the highest strategic priority for preserving the Company's market share in the European Union and maintaining profitability.) ▶ Financial: Low (As no carbon tax was paid in 2025 and annual decarbonization investments are planned at approximately TL 7.55 million, the total financial impact remains below the Company's minimum materiality threshold of TL 9.1 million.) ▶ Operational Continuity: Medium (Monitoring, verification, and reporting of emissions impose new operational adaptation requirements and an additional administrative burden on the Company's operations.) ▶ Reputation: Medium-High (Meeting the sustainability performance expectations of investors and global customers directly affects the corporate image.) Likelihood of Occurrence: High	Green Energy Procurement and Certification: Documenting electricity generated from renewable energy sources through internationally recognized certificates and ensuring the complete execution of certificate retirement processes to eliminate indirect emissions from electricity consumption. Energy Efficiency Projects: Carrying out modernization, waste heat recovery, and process optimization investments to reduce electricity and natural gas consumption throughout the facility. Carbon Footprint Monitoring Infrastructure: Developing corporate digital systems for calculating, monitoring, and reporting product-level carbon footprints and corporate emissions in accordance with independent audit standards.	Current (OPEX): Actual operational expenses incurred in 2025 for calculating emissions, having them verified by independent organizations, and procuring green energy certificates. Future (CAPEX): The total decarbonization and energy efficiency budget of EUR 750,000 strategically planned by the Company for the next 5-year period to reduce its carbon exposure and decarbonize operations.	CURRENT FINANCIAL IMPACT: Qualitative Assessment: As of the 2025 fiscal year, there is no Emissions Trading System or carbon tax regime in effect in Türkiye. Furthermore, because the compliance period of the European Union's Carbon Border Adjustment Mechanism has not yet begun, this risk does not result in any direct penalty or tax costs for the Company. The Company is managing this period as a proactive investment process. Quantitative Assessment: In 2025, total greenhouse gas emissions amounted to 15,068 metric tons of CO₂e, consisting of 2,227 metric tons of CO₂e in direct emissions from natural gas, diesel, and LPG consumption at the factory, and 12,841 metric tons of CO₂e in indirect emissions from electricity consumption. However, as evidenced by internationally recognized green energy certificates, the Company retired a total of 53,472 MWh of I-REC certificates through Socar and Enerjisa, thereby sourcing its entire annual electricity consumption of 31,001,928 kWh from renewable energy. Thanks to this strategic approach and the retired certificates, the Company's market-based Scope 2 emissions were calculated as 0 metric tons of CO₂e. The actual carbon cost incurred in 2025 was assessed at TL 0. The annual average equivalent of the Company's planned five-year investment pool of EUR 750,000 is approximately EUR 150,000, corresponding to an indicative TL 7,549,880 based on the exchange rate as of December 31, 2025. This amount is not an actual expenditure, but rather the annual average equivalent of the planned investment amount. Considering the absence of any direct carbon tax or penalty cost (TL 0) and that the projected annual average investment amount for risk management remains below the Company's minimum materiality threshold of TL 9.1 million, the current financial impact level of the risk has been rated as "Low." PROJECTED FINANCIAL IMPACT (NGFS SCENARIO ANALYSIS): Qualitative Assessment: ▶ NGFS Orderly Transition Scenario: This is a scenario in which climate policies are implemented globally and nationally according to a predictable, gradual, and clearly defined timeline. It is a balanced scenario in which carbon prices begin at reasonable levels and the Company, thanks to its green energy certificate coverage, is able to limit its carbon tax exposure to direct emissions only. ▶ NGFS Disorderly Transition Scenario (Pessimistic): This is a shock scenario in which policymakers act late and then suddenly impose aggressive carbon taxes to meet the targets of the Paris Agreement. It is a stress test that measures the maximum financial impact on the Company as carbon prices rapidly escalate in the absence of emissions mitigation mechanisms. ▶ NGFS Hot House World Scenario: This is a situation where global climate policies completely fail and no binding carbon pricing is implemented. In this scenario, the Company will not incur a direct carbon cost, and the risk is classified as "Low Impact" from a legal perspective. Quantitative Assessment: The financial projections are based on the confirmed exchange rate for December 31, 2025, which is EUR 1 = TL 50.3312. ▶ NGFS Orderly Transition Scenario: Under the assumption that the carbon price will range between EUR 30 and EUR 50 per ton, the annual additional operational cost risk in the realistic "Market-Based" model, where the Company zeros out its electricity emissions thanks to green energy certificates (I-REC), remains in the range of TL 3,362,537 to TL 5,604,229 (Low Impact). In the worst-case "Location-Based" scenario without green energy certificates, the potential risk climbs to the range of TL 22,751,625 to TL 37,919,376 (Medium Impact). ▶ NGFS Disorderly Transition Scenario: Under the assumption that carbon prices will suddenly jump to the EUR 70 to EUR 100 per ton range, the risk with green energy certificate coverage is between TL 7,845,920 and TL 11,208,457. In the most extreme unprotected stress scenario, where the Company makes no emission reduction investments and its entire electricity consumption is taxed, the annual financial pressure reaches the range of TL 53,087,126 to TL 75,838,751, exceeding the Company's "High" materiality threshold of TL 45.4 million. ▶ Methodological Explanation for the NGFS Hot House World Scenario: This scenario represents a future where political inaction against the climate crisis occurs and no binding "carbon tax" or pricing system is established at the global/national level. Since the relevant risk item is a "Transition/Policy Risk" and focuses on carbon pricing, the operational carbon cost (OPEX) to be reflected on the Company's balance sheet in this scenario with no tax regulation is technically TL 0. Therefore, no quantitative stress calculation was made for the Hot House World scenario; the financial impact of the risk under this item has been considered "Low/Zero." (Note: Although no carbon tax will be paid in this scenario, it should be remembered that the bill the Company will incur will grow exponentially under the "Physical Risks" item, as extreme weather events will increase due to inaction). 2024 COMPARISON: ▶ Emission and Investment Development: Total greenhouse gas emissions, which stood at 14,970 metric tons of CO₂e in 2024, increased marginally to 15,068 metric tons of CO₂e in 2025. As part of its risk mitigation strategy, the Company has maintained its planned five-year decarbonization investment program totaling EUR 750,000 while maintaining stability in its financial ratios. ▶ Development of Scenario Projections: When the decarbonization scenarios were modeled in 2024, the exchange rate stood at TL 36.65. As the exchange rate was revised to TL 50.33 by the end of 2025, together with minor changes in emission volumes, the maximum unhedged carbon risk of TL 55.0 million projected under the Disorderly Transition Scenario in 2024 was updated to TL 75.8 million based on the 2025 financial parameters and the revised exchange rate. This indicates that the sensitivity of transition risks to exchange rate movements has increased, resulting in greater potential impacts on the Company's balance sheet.

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Risk Name	Risk Description	Impacts on Strategy and Business Model	Impact on the Value Chain	Measurement Metrics and Assessment	Mitigation Actions in Response to Risk	Resources Provided/To Be Provided for Actions	Financial Impact
Demand for Green Products and Changing Customer Expectations	Risk Type: Transition Risk (Market) Customers in growing markets such as renewable energy, e-mobility, smart cities, and data centers are increasingly demanding products with documented environmental performance, low carbon footprints, and recyclability. As a result, standard product portfolios that fail to meet these evolving market expectations risk losing competitiveness and market share over time.	Impacts on the Business Model: The Company's commercial growth model is evolving away from traditional products toward next-generation cables (e.g., E-Path labeled) with high value-added and low environmental impact. This shift in customer preferences necessitates shortening product development cycles and placing the sustainable product segment at the center of the business model. Impact on Decision-Making Mechanisms: To turn this market shift into a strategic opportunity and mitigate the risk of market share erosion, the Company's management prioritizes R&D, innovation, and green certification (EPD, etc.) investments in its capital allocation processes.	Upstream (Suppliers): Designing next-generation "green" products requires sourcing lower-emission or recycled materials, such as copper, aluminum, and polymers, from raw material suppliers. Own Operations (R&D and Production): To comply with green product standards and international ecodesign certifications, R&D activities need to be accelerated, and production and quality control processes must be revised. Downstream (Customers): Enriching the sustainable product portfolio directly increases the Company's attractiveness in major infrastructure and public projects (green tenders). Otherwise, the Company may experience a decline in customer loyalty.	Measurement Metrics: ▶ The share of total revenue generated from products with documented environmental performance (sustainable products) ▶ The total amount of R&D and innovation investments made to develop the sustainable and green product portfolio ▶ The financial equivalent of the potential market share erosion projected in scenario-based analyses Time Horizon: Short and Medium Term (1-10 Years) Impact Levels and Rationale: ▶ Strategic: High (Losing leadership in sustainable product innovation to competitors could create irreversible losses in market share.) ▶ Financial: Low (The actual R&D expenditure incurred as part of risk management in 2025 was approximately TL 7.6 million, which is below the Company's minimum materiality threshold of TL 91 million.) ▶ Operational Continuity: Medium (The adaptation of production lines to next-generation products requires specific quality assurance and calibration processes.) ▶ Reputational: Medium (A slowdown in innovation that would contradict the "Linking Türkiye to a Sustainable Future" mission could damage the corporate image.) Likelihood of Occurrence: High	E-Path and Green Labeling: Differentiating environmentally friendly cable systems in the market through E-Path and similar Environmental Product Declarations (EPDs) and presenting the products to customers transparently. R&D and Innovation Focus: Continuously allocating resources to product development activities to increase the use of low-emission processes and highly recyclable raw materials. Market Trend Monitoring: Closely monitoring "Ecodesign" regulations and regulatory customer expectations in export markets, particularly the EU, to adapt the portfolio promptly.	Current (OPEX and CAPEX): R&D investment and operational quality expenses incurred in 2025 to develop the sustainable product portfolio, meet market expectations, and support next-generation innovations. Future (OPEX and CAPEX): Green product development and certification budgets to be allocated in the coming years to restore innovation momentum, overcome macroeconomic slowdowns specific to the Turkish market, and mitigate the risk of market loss.	CURRENT FINANCIAL IMPACT: Qualitative Assessment: The Company is implementing a strategy to replace revenue from at-risk standard products with sustainable alternatives by closely monitoring changing market dynamics and customer demands. In 2025, no direct customer loss or order cancellation resulting from this market risk occurred. The risk is currently reflected in the balance sheet through the innovation and product development investments required to remain competitive. Quantitative Assessment: As of the 2025 fiscal year, TL 8,892,544,350, corresponding to 55% of the Company's total revenue of TL 16,168,262,454, was generated from sustainable products with documented environmental performance. The remaining 45% (TL 7,275,718,104) represents the gross revenue exposure at risk from the market transition. Since no market share loss or order cancellation directly linked to this risk occurred in 2025, the current financial loss impact has been assessed as TL 0. Expenditure of TL 7,575,491 on sustainable product development and related R&D activities is also monitored as part of the Company's strategic response to risks and opportunities (risk management expense). Considering the absence of direct financial loss (TL 0) and the fact that the risk management expense is below the Company's minimum materiality threshold of TL 9.1 million, the current financial impact level of the risk has been rated as "Low." The overall risk assessment was based on the current loss, projected financial impact, and strategic outcomes considered together. PROJECTED FINANCIAL IMPACT (NGFS SCENARIO ANALYSIS): Qualitative Assessment: ▶ NGFS Orderly Transition Scenario: This is a scenario in which the market transitions steadily toward sustainable products. It is projected that potential slowdowns in the pace of innovation due to macroeconomic conditions in the Turkish market could lead to a gradual and limited erosion of the Company's market share in the sustainable product segment relative to its competitors. ▶ NGFS Disorderly Transition Scenario (Pessimistic): This is a scenario in which regulations accelerate, standards become more stringent, and the market transforms rapidly. It is a stress test in which delays in adapting the innovation infrastructure to this transformation could result in the loss of key customers and significant order losses within the sustainable revenue base. ▶ NGFS Hot House World Scenario: This is a situation in which, due to climate inaction, the market moves away from prioritizing sustainability and becomes largely cost- and price-focused. In this scenario, it is projected that the Company's value-added profit margins from sustainable products will narrow and its standard product portfolio will also face significant competitive price pressure as the market turns to carbon-intensive/low-cost alternatives. Quantitative Assessment: ▶ NGFS Orderly Transition Scenario: Based on the assumption that a gradual market share loss of 1% to 3% of the 2025 sustainable product revenue base (TL 8.89 billion) will occur due to potential slowdowns in innovation momentum, a potential revenue erosion of between TL 88,925,444 and TL 266,776,330 is projected. ▶ NGFS Disorderly Transition Scenario: Assuming that 5% to 10% of its sustainable revenue would be lost in the event of being caught unprepared for a sudden regulatory shock, it has been calculated that the Company's gross revenue exposure could increase to between TL 444,627,217 and TL 889,254,435. ▶ NGFS Hot House World Scenario: In the event that the market shifts to intense price-based competition, it was assumed that the 45% at-risk standard product revenue (TL 7.28 billion) would erode due to price competition, and in parallel with the 2024 stress methodology, it was modeled that the Company would face revenue pressure of between TL 606,309,842 and TL 1,212,619,684. These shock amounts exceed the «High» risk threshold (> TL 45.4 million) by a substantial margin. 2024 COMPARISON: ▶ Sustainable Revenue and R&D Development: The share of sustainable products, which constituted 67% of the Company's revenue in 2024, decreased to 55% in 2025. Simultaneously, R&D investments, which were TL 15.5 million in 2024, amounted to approximately TL 7.6 million in 2025 due to the impact of macroeconomic slowdowns. This downward trend indicates that the Company's pool of "at-risk standard products" has grown (exposure has increased) and the need to maintain innovation leadership has become even more critical. ▶ Development of Scenario Projections: The maximum shock ceiling of TL 960 million in the Disorderly Transition scenario, calculated based on the total 2024 revenue (TL 14.32 billion), resulted in a mathematical base effect in 2025 due to the narrowing of the sustainable revenue share (55%) despite the increase in total revenue to TL 16.16 billion, and the corresponding shock limit was revised to TL 889.2 million based on current data. However, in the Hot House World scenario, due to the increase in the share of standard products (from 33% to 45%), the risk ceiling rose from TL 786 million to the TL 1.21 billion level, demonstrating that the threat of price competition has increased.

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Risk Name	Risk Description	Impacts on Strategy and Business Model	Impact on the Value Chain	Measurement Metrics and Assessment	Mitigation Actions in Response to Risk	Resources Provided/To Be Provided for Actions	Financial Impact
Ecodesign and Digital Product Passport Regulations (ESPR)	Risk Type: Transition Risk (Policy and Legal) This risk relates to the potential introduction of the "Digital Product Passport" (DPP) requirement coming into effect for industrial products, including cable products, under the European Union's Ecodesign for Sustainable Products Regulation (ESPR). It reflects the technical compliance burden associated with the requirement for the digital traceability of products' life cycle data, carbon footprints, and supply chain transparency, as well as the potential loss of competitiveness or customer orders in the EU market if the Company is unprepared.	Impacts on Business Model: The Company's production model is moving beyond just physical cable manufacturing to a phase where it must also provide the product's "digital twin" and environmental identity to the customer. Data transparency is becoming as critical a component as product quality for accessing the EU market. Impact on Decision-Making Mechanisms: To ensure data traceability, the Company's management must incorporate technology and software investments into its decision-making processes to integrate existing Enterprise Resource Planning (ERP) systems with regulatory requirements and ensure a reliable flow of data from suppliers.	Upstream (Suppliers): In addition to the Company's own emissions, raw material suppliers will also be required to provide their carbon and environmental data to the Company in a transparent, digital format. Own Operations (IT and Production): The collection of product life cycle data, its storage in cloud systems, and its encoding in the Digital Product Passport format creates a significant operational data management (IT) burden. Downstream (Customers): Customers in the EU market may suspend business with suppliers that do not have a Digital Product Passport or that provide incomplete data, in order to comply with their legal obligations.	Measurement Metrics: - Total export revenue (TRY) to European Union (EU) countries directly falling within the scope of the regulation - Annual system investments allocated for tracking product life cycle data, ERP integration, and the Digital Product Passport infrastructure Time Horizon: Short and Medium Term (1-10 Years) Impact Levels and Rationale: Strategic: High (Potential technical compliance barriers to entering the EU market directly threaten market share.) Financial: Low (In 2025, there is no actual penalty or technology invoice directly attributed to this regulation and reflected in the Cash Flow Statement. The impact is below the minimum materiality threshold.) Operational Continuity: Medium-High (The processes of collecting supplier data and creating digital passports for products bring a heavy operational workload.) Reputation: Medium (Failure to meet transparency expectations contradicts the Company's sustainability vision.) Likelihood of Occurrence: High	Digital Infrastructure Preparation: Closely monitoring the draft texts of EU regulations and initiating feasibility studies to make existing Enterprise Resource Planning (ERP) systems compatible with Digital Product Passport data sets. Supplier Data Integration: Strengthening supply chain information systems to increase the capacity of raw material suppliers to provide environmental data.	Current (OPEX and CAPEX): As of 2025, no specific technology investment or actual expenditure has been incurred (TL 0) specifically for this item under the Company's sustainability investments. Future (OPEX and CAPEX): Information technology (IT) budgets to be allocated for database software, independent verification services, and supply chain digitalization investments as the EU Ecodesign requirements become clearer.	CURRENT FINANCIAL IMPACT: Qualitative Assessment: As the regulation is still in the draft and transition phases, the Company has not encountered any actual barriers at EU customs or any order cancellations due to technical non-compliance. The Company continues to monitor developments, and compliance costs have not yet become an actual expense item. Quantitative Assessment: As of the 2025 fiscal year, the Company's total direct exports to European Union (EU) countries, which constitute the exposure base under the regulation, amounted to TL 4,136,382,775 on an inflation-adjusted basis. However, no actual OPEX or CAPEX expenditure (TL 0) was incurred in 2025 specifically for compliance with this regulation (Digital Product Passport implementation or related software updates) and reported under the sustainability category. Since the actual cost is below the Company's minimum materiality threshold of TL 9.1 million, the current financial impact has been rated as "Low." PROJECTED FINANCIAL IMPACT (NGFS SCENARIO ANALYSIS): Qualitative Assessment: NGFS Orderly Transition Scenario: This is a situation where EU rules are implemented gradually and predictably. It is a technological compliance scenario in which the Company does not experience a sudden market loss but is required to incur ongoing software, hardware (CAPEX), and data verification (OPEX) costs to integrate all its export products into the digital system. (Since the internal technology investment budgets and the EU's ESPR implementation standards have not yet been finalized and the level of measurement uncertainty is high, this system cost could not be quantified as a standalone item. However, when assessed qualitatively, the compliance process is likely to directly affect Research and Development Expenses, Intangible Assets (software and digital infrastructure investments), and Cost of Goods Sold in future financial statements. Although the individual quantitative impact of this specific risk cannot be isolated, the combined financial impact of all technological and operational improvements for regulatory compliance is quantitatively reflected within the Company's overall R&D and sustainability investment projections (the future scaled version of the current annual R&D budget of TL 7,575,491 on an inflation-adjusted basis)). NGFS Disorderly Transition Scenario (Pessimistic): This is a shock scenario where regulations suddenly become stricter, leading to hold-ups at EU customs due to technical deficiencies or the inability to instantly digitize supplier data. It is a "stress test" in which key orders from EU customers are canceled or suspended if caught unprepared. NGFS Hot House World Scenario: This is a situation in which climate policies fail and the EU indefinitely postpones the costly and complex ESPR regulations. Since the regulation would no longer be legally binding, the financial impact of the risk has been assessed as "Low/Zero." Quantitative Assessment: NGFS Orderly Transition Scenario: Since the Company's internal technology and enterprise resource planning investment budgets are still in the feasibility and projection phase, the exact monetary ceiling of the technological compliance cost has not been calculated. The financial impact has been classified as a potential investment burden (CAPEX/OPEX). NGFS Disorderly Transition Scenario: Assuming that order losses or customs delays affecting 5% to 10% of the 2025 inflation-adjusted EU export base (TL 4,136,382,775) would occur if export products suddenly failed to meet Digital Product Passport standards, the Company's potential gross revenue impact has been estimated at between TL 206,819,139 and TL 413,638,277. This amount significantly exceeds the «High» materiality threshold of TL 45.4 million, demonstrating the significance of this regulation for the Company. NGFS Hot House World Scenario (Methodological Note): As it is assumed that the EU would abandon or indefinitely postpone implementation of the Ecodesign (ESPR) Regulation as a result of climate inaction, the Company would not incur any legal data compliance costs or face any technical customs barriers. Therefore, it has been concluded that no quantifiable financial loss (TL 0) would arise under this scenario, and the risk level has been assessed as "Low/Zero." 2024 COMPARISON: Development of Risk Scope: The Ecodesign and Digital Product Passport (ESPR) risk is a new "Transition Risk" included in the Company's climate risk inventory in 2025, reflecting recent developments in global regulations. There is no base year or scenario calculation for this item in the 2024 reporting. The addition of this risk to the inventory demonstrates that the Company has established a proactive monitoring mechanism not only for physical carbon emissions but also for next-generation regulatory risks associated with digitalization.

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Table 2: Climate-Related Opportunity Assessment Tables

Opportunity Name	Opportunity Description	Impacts on Strategy and Business Model	Impact on the Value Chain	Metrics and Assessment	Actions to Realize the Opportunity	Resources Provided or to Be Provided for the Actions	Financial Impact
Renewable Energy Infrastructure Solutions	Opportunity Type: Products and Services This is an opportunity to secure a critical supplier position in the rapidly growing solar (SPP) and wind (WPP) energy markets, in line with Türkiye's and global "Net Zero" targets. It involves strengthening market leadership through high-performance, durable, and efficient cables specifically developed for photovoltaic (solar) systems and wind turbines, and increasing value-added sales revenue by serving as a main supplier for Türkiye's mega green energy projects, including YEKA projects.	Impacts on Business Model: The Company's business model is structurally expanding beyond the standard building cable market toward "renewable energy infrastructure" products that are resilient to environmental stresses, long-lasting, and require specialized engineering. This evolution is increasing the share of innovative, high-margin products in the Company's revenue mix. Impact on Decision-Making Mechanisms: To secure this rapid growth area, management is placing R&D budgets, modernization of production lines (solar/wind), and investments in qualified human resources at the center of its decision-making mechanisms.	Upstream (Suppliers): As the specifications for durable polymers and conductive materials used in special cable production will become more stringent, an opportunity for a structural improvement in supply chain quality arises. Own Operations (Production and R&D): Increased capacity utilization rates and engineering expertise in cable lines specific to solar and wind systems enhance operational efficiency. Downstream (Customers and Society): Providing an uninterrupted supply to mega renewable energy projects reinforces customer satisfaction and customer loyalty, while the Company's direct technical contribution to Türkiye's decarbonization infrastructure embodies its mission to create societal value.	Metrics: ▶ Sales revenue (TL) and share of revenue (%) from special cables supplied directly to solar and wind energy (SPP/ WPP) projects ▶ CAPEX (machinery/ plant) and OPEX (R&D) amounts for increasing production capacity and product performance for renewable energy cables ▶ Additional market growth potential (TL) modeled under the NGFS scenarios Time Horizon: Short, Medium, and Long Term (1–10+ Years) Impact Levels and Rationale: ▶ Strategic: High (Enables the Company to position itself as a central industrial player in Türkiye's and the global market's energy transition.) ▶ Financial: High (The net revenue contribution of TL 865.1 million in 2025 is well above the Company's "High" materiality threshold of TL 45.4 million and provides a significant direct financial contribution to the balance sheet.) ▶ Operational Continuity: High (The renewable energy portfolio serves as a balancing factor against contractions in traditional markets, supporting production line utilization and cash flow continuity.) ▶ Reputation: High (Being perceived as a "partner in the green transition" and a "sustainability-focused technology leader" is the strongest brand investment.) Likelihood of Occurrence: High	Project Tracking and Strategic Partnerships: Closely monitoring domestic and international (especially in the EU market) YEKA and similar public/ private renewable energy investment tenders by establishing close collaborations with EPC (Engineering, Procurement, and Construction) firms. R&D and Capacity Development: Continuously investing in research laboratories to develop cable designs with greater resistance to varying climatic conditions, including extreme UV exposure, humidity, and mechanical stress. Certification and Standardization: Overcoming market entry barriers by completing internationally recognized quality and environmental certification processes, including EPDs, for solar and wind cables.	Current (OPEX and CAPEX): No additional segment-specific investment expenditure (specific CAPEX) has been incurred for production related to renewable energy projects. The high demand in this area is being met through the Company's general modernization, operational efficiency, and process improvement budgets for its existing production lines. Future (CAPEX): Potential investments in new production lines, factory site expansions, or strategic acquisitions to meet increasing demand.	CURRENT FINANCIAL IMPACT: Qualitative Assessment: The Company has successfully translated the global decarbonization and renewable energy trends into commercial benefits by reshaping its product portfolio to meet this need. Specialized cables supplied to SPP and WPP projects have become a key growth driver, helping protect the Company's balance sheet against contractions in traditional markets. The current financial impact of this strategic transformation is reflected in high-margin sales and net cash inflows recognized directly as revenue. Quantitative Assessment: In fiscal year 2025, net sales revenue from specialized cables supplied directly to solar (SPP) and wind (WPP) energy projects, including YEKA projects, amounted to TL 952,224,221 on an inflation-adjusted basis. The Company supports this sales volume not through a new, dedicated, segment-specific facility investment (CAPEX), but through general modernization and efficiency-enhancing process improvements to its existing machine park, thereby maximizing operational capacity. Since the realized net opportunity value of TL 952.2 million is approximately 21 times the Company's "High" materiality threshold of TL 45.4 million, the current financial impact has been assessed as "High" under the risk/opportunity methodology. PROJECTED FINANCIAL BENEFIT (NGFS SCENARIO ANALYSIS): Qualitative Assessment: ▶ NGFS Orderly Transition Scenario (Optimistic): This is a scenario in which Türkiye and global markets progress toward "Net Zero" targets in a planned manner. It is assumed that the Company will achieve predictable, organic, and sustainable revenue growth as the installed capacity of renewable energy grows gradually and steadily each year. ▶ NGFS Disorderly Transition Scenario (Aggressive Opportunity / Demand Shock): This is a scenario in which climate policies are implemented after a delay but then very aggressively, triggering a sudden surge of major tenders and incentives for green energy investments. This "investment rush" is expected to create strong market demand and maximum sales opportunities for the Company, given its available production capacity. ▶ NGFS Hot House World Scenario (Limited Growth): This is a situation in which governments continue to rely on fossil fuels and do not subsidize green energy investments due to climate inaction. Despite weaker incentives, it is assumed that the Company may achieve limited revenue growth solely through weak, cost-efficiency-driven organic market growth. Quantitative Assessment: ▶ NGFS Orderly Transition Scenario: Assuming the market will grow organically and steadily in line with strategic targets, and modeling an annual growth of 8% to 9% on the 2025 renewable energy sales base (TL 952.2 million), an additional revenue potential (stable growth opportunity) ranging from TL 51,133,453 to TL 85,700,180 per year has been projected for the Company's balance sheet. ▶ NGFS Disorderly Transition Scenario: Assuming an extreme growth situation where delayed tenders create a sudden demand shock, it has been calculated that the Company will achieve an aggressive momentum of 10% to 15% on its sales base, creating a maximized additional earnings potential in the range of TL 95,222,422 to TL 142,833,633 annually. ▶ NGFS Hot House World Scenario: Even in contracting market conditions without policy incentives, assuming the Company's renewable energy product revenue base could show an organic (limited) growth momentum of only 2% to 4%, a limited additional benefit potential remaining between TL 19,044,484 and TL 38,088,969 annually has been modeled. COMPARISON WITH 2024: ▶ Sales Revenue Development: Sales revenue from renewable energy products, which accounted for approximately 7% of the total inflation-adjusted revenue of TL 18.75 billion (TL 18,748,510,079) in fiscal year 2024, amounted to TL 1.31 billion (TL 1,307,876,592) and declined to TL 952.2 million in 2025. While this contraction is considered a reflection of the general macroeconomic slowdown and postponements in investment tenders, particularly in the Turkish market, the volume of TL 952.2 million clearly maintains its "High" materiality impact on the Company's balance sheet and its role as a driving force for the sector. ▶ Development of Scenario Projections: The mathematical reduction in the inflation-adjusted "Base Revenue" compared to 2024 has slightly lowered the maximum "additional return potential" thresholds across all three scenarios (Orderly Transition, Disorderly Transition, and Hot House). For example, based on the inflation-adjusted 2024 data, the upper potential limit projected for the "Orderly Transition" scenario at approximately TL 117.7 million has been updated to approximately TL 85.7 million based on 2025 data. This confirms how sensitive market opportunities are to macroeconomic breadth and investment cycles.

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Opportunity Name	Opportunity Description	Impacts on Strategy and Business Model	Impact on the Value Chain	Metrics and Assessment	Actions to Realize the Opportunity	Resources Provided or to Be Provided for the Actions	Financial Impact
Electrification and Grid Modernization	Opportunity Type: Products and Services This is a commercial growth area brought about by the infrastructure modernization process required for the electrification of the transportation sector, the reduction of fossil fuel use in industry, and the integration of renewable energy plants into the national grid. It is an opportunity to diversify revenue streams by meeting the growing large-scale national/international demand for e-mobility charging infrastructure, smart buildings, and especially high-voltage grid connection cables that emerge within this transformation.	Impacts on Business Model: The Company's production model is evolving beyond the supply of standard indoor wiring cables toward becoming a "system integrator" and "infrastructure backbone" that provides high-tech products for large-scale projects, such as the modernization of the country's energy transmission lines and the development of smart grid infrastructure. Impact on Decision-Making Mechanisms: The Board of Directors and executive bodies have identified enhancing the competencies of the R&D center and allocating capital to high-value-added product lines as a strategic priority to secure a share in Türkiye's strategically important mega-projects (e.g. capacity-leading mines, technology hubs, new-generation high-speed train lines, etc.).	Upstream (Suppliers): The stringent mechanical and electrical resistance standards required for high-voltage and grid modernization cables encourage the procurement of higher-quality raw materials, including specialized insulation materials, from suppliers. Own Operations (Production and R&D): The active use of the R&D center accelerates the development of custom-designed products, while maximizing capacity utilization and engineering value added across grid cable production lines. Downstream (Customers and Public Sector): Positioning the Company as a strategic technical partner in achieving the country's digital and green infrastructure goals enhances perceptions of its reliability and technical know-how and strengthens its competitiveness in public tenders and major private-sector investments.	Metrics: ▶ Net sales revenue (TL) from systems supplied for grid modernization and electrification (e-mobility, infrastructure) projects ▶ R&D investments (OPEX/CAPEX) made to maintain technological leadership in this segment Time Horizon: Short and Long Term (1-10 Years) Impact Levels and Rationale: ▶ Strategic: High (Being at the heart of the country's energy independence and electrification transition is the strongest long-term growth strategy.) ▶ Financial: High (Revenue of TL 1.61 billion generated from the grid modernization sub-segment alone in 2025 significantly exceeds the Company's "High" materiality threshold of TL 45.4 million.) ▶ Operational Continuity: High (Long-term supply contracts for mega-projects provide a multi-year assurance of capacity utilization and cash flow for the facility's production lines.) ▶ Reputation: High (The perception of being a reliable solution partner for critical projects building Türkiye's future increases brand value immeasurably.) Likelihood of Occurrence: High	R&D and Innovation Leadership: Development of domestic and high-tech cable designs that will provide import substitution, especially in niche areas such as high voltage, submarine connections, and e-mobility charging infrastructure. Strategic Tender Monitoring: Close monitoring of infrastructure tenders opened by the public and private sectors under electrification action plans, through B2B channels and contractor (EPC) networks. Capacity and Test Infrastructure: Continuously updating in-house quality and test laboratories (R&D center) to ensure the international standard accreditation of newly developed next-generation grid cables.	Current (OPEX/CAPEX): R&D and innovation investment of TL 7,575,491 spent in 2025 to increase the technological value-add in electrification and infrastructure cables. Future (OPEX/CAPEX): Budgets planned for production line optimization and the recruitment of qualified engineers to meet increased capacity demand as grid investments accelerate.	CURRENT FINANCIAL IMPACT: Qualitative Assessment: The Company is using the national grid renewal and electrification trend as a springboard to transform its standard product portfolio into high-value-added infrastructure solutions. Instead of just indoor wiring, it is producing the arteries that carry energy to the main grid (grid modernization), thereby signing large-scale and long-term contracts. This approach strengthens the balance sheet by directly converting innovation costs into highly profitable sales. Quantitative Assessment: In fiscal year 2025, sales revenue from "Grid Modernization" projects, completely stripped of sub-segments like "Data Centers," amounted to TL 1,610,605,253 (excluding taxes) on an inflation-adjusted basis. To support this sales volume and maintain technological competence, an inflation-adjusted R&D investment of TL 7,575,491 was made in 2025. Since the realized net grid opportunity revenue contribution of TL 1.61 billion significantly exceeds the Company's "High" materiality threshold of TL 45.4 million, the current financial impact is rated as "High" in the risk/opportunity methodology. PROJECTED FINANCIAL BENEFIT (NGFS SCENARIO ANALYSIS): Qualitative Assessment: ▶ NGFS Orderly Transition Scenario (Optimistic): This is a scenario where Türkiye progresses toward its national electrification and e-mobility (charging stations, etc.) targets in a planned, gradual, and stable manner. The market's growth with predictable budgets, without overheating, allows the Company to achieve organic and solid revenue growth without disrupting its production planning. ▶ NGFS Disorderly Transition Scenario (Aggressive Opportunity / Demand Shock): This is a scenario in which fossil fuel use in industry and transportation is suddenly restricted, while substantial incentives and mandatory infrastructure budgets are directed toward green grid investments. This "demand shock" would create strong market demand and maximize the Company's revenue opportunity, provided that its supply and production capacity is sufficient. ▶ NGFS Hot House World Scenario (Limited Growth): This is a situation where the government reduces electrification incentives due to climate inaction, and the e-mobility transition slows down. In this scenario, the market shows weak growth based only on mandatory grid maintenance/repair tenders and minimum needs, offering a limited additional opportunity to the Company. Quantitative Assessment: ▶ NGFS Orderly Transition Scenario: In line with the planned growth momentum of the grid integration market, an organic annual growth of 7% to 9% on the 2025 finalized inflation-adjusted base revenue (TL 1.61 billion) was assumed, and an additional revenue (stable growth) potential ranging from TL 112,742,368 to TL 144,954,473 per year has been modeled for the Company's balance sheet. ▶ NGFS Disorderly Transition Scenario: Assuming an aggressive demand surge from delayed infrastructure modernization projects being tendered simultaneously due to regulatory pressure, it was calculated that the Company would achieve a market momentum of 10% to 12% on its current sales base, creating a maximized additional earnings potential in the range of TL 161,060,525 to TL 193,272,630 annually. ▶ NGFS Hot House World Scenario: Even under slow market conditions in which climate targets weaken and only mandatory infrastructure upgrades proceed, limited growth of 3% to 5% was modeled for the Company's market base. This results in minimum additional annual benefit potential of between TL 48,318,158 and TL 80,530,263. COMPARISON WITH 2024: ▶ Sales Revenue and Data Development: In 2024, mixed segments such as "Data Centers," "E-Mobility," and "Grid" were consolidated into a single pool (approximately TL 3.27 billion) within the total inflation-adjusted revenue of TL 18.75 billion, and the scenario analyses were derived based on a small hypothetical sub-segment (approximately TL 216 million) within this pool. In the 2025 reporting period, data quality and accounting segmentation were improved, and it was determined that the "Grid Modernization" item alone provides a significantly stronger and clearer inflation-adjusted base of TL 1.61 billion. ▶ Development of Scenario Projections: In the 2024 report, growth potentials were low because the modeling was based on an artificial sub-slice from the pool representing the whole. In 2025, with the finalization of the inflation-adjusted base revenue (TL 1.61 billion) and its direct integration into the scenarios, there was a tremendous increase in the volume of opportunity projections. For example, while a maximum additional annual income of approximately TL 25.9 million was calculated in the "Disorderly Transition" scenario in 2024, the potential of the same scenario jumped to approximately TL 193.3 million with the updated 2025 data. This numerically proves that the electrification market is no longer a "side opportunity" for the Company but has become one of the main supporting pillars of the balance sheet.

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Opportunity Name	Opportunity Description	Impacts on Strategy and Business Model	Impact on the Value Chain	Metrics and Assessment	Actions to Realize the Opportunity	Resources Provided or to Be Provided for the Actions	Financial Impact
Demand for Offshore Wind and Submarine Cable Infrastructure	Opportunity Type: Products and Services This is an opportunity to meet the growing demand for high-voltage submarine power cables connecting offshore wind farms to the onshore grid, as well as interconnection infrastructure, driven by accelerating offshore wind investments in Europe and Türkiye, particularly in line with the announced 2035 target of 5 GW. It involves leveraging Prysmian Group's global submarine expertise to strengthen the Turkish operations strategically while driving revenue growth.	Impacts on Business Model: The Company's business model is expanding beyond conventional land cable production into "submarine infrastructure" engineering, where project values are exceptionally high (CAPEX) and only a limited number of companies worldwide possess the required technological capabilities. This evolution opens a prestigious, high-margin "niche" revenue stream with limited competition for the Company. Impact on Decision-Making Mechanisms: To secure a first-mover advantage in Türkiye's emerging offshore energy market, management is integrating project management strategies that combine local capabilities with Prysmian Group's global know-how and logistics network into its decision-making processes.	Upstream (Suppliers): Procuring specialized insulation materials, armoring materials, and heavy logistics support capable of withstanding harsh mechanical, hydrostatic, and chemical conditions in the subsea environment requires specialized, value-added supply chain agreements. Own Operations (Production and Project Management): Submarine projects involve far more than "product sales"; they encompass "turnkey project management," ranging from cable-laying vessels to engineering testing. This significantly enhances the Company's local operational capabilities. Downstream (Customers and Society): The seamless delivery of submarine infrastructure—the most critical link in the energy transition—supports regional energy supply security while positioning the Company as a strategic solution partner in state-supported mega-project tenders.	Metrics: ▶ Direct sales revenue (TL) from projects for submarine power transmission cables and offshore wind connection infrastructure ▶ Total amount of investments (OPEX and CAPEX) made to increase production, testing, and project management capacity in this area Time Horizon: Medium and Long Term (3–10+ Years) Impact Levels and Rationale: ▶ Strategic: High (Enables the Company to position itself not just as a local cable manufacturer, but as a strategic player in the regional energy transition and international interconnection projects.) ▶ Financial: High (Even the initial phase net revenue of approximately TL 82.3 million in 2025 is clearly above the Company's "High" materiality threshold of TL 45.4 million.) ▶ Operational Continuity: Medium (The large scale and long delivery times of projects require stable, multi-year project management rather than periodic order flows.) ▶ Reputation: High (Being a main contractor in areas requiring advanced technology like offshore wind confirms the Company's global sustainability vision.) Likelihood of Occurrence: High	Utilization of Group Synergy: Using Prysmian Group's global experience in submarine cable engineering and its fleet of vessels (Leonardo da Vinci, etc.) as leverage in Turkish tenders and regional operations. Public and Private Sector Collaborations: Closely monitoring the offshore wind energy roadmap to be announced by the Ministry of Energy and Natural Resources in line with the National Energy Plan, and securing pre-tender agreements with EPC (Engineering, Procurement, and Construction) investors.	Current (OPEX/CAPEX): As the offshore market in Türkiye is still in the pre-feasibility and preparation stage, no direct local factory or facility investment (CAPEX) was allocated specifically to this area in 2025 (TL 0). Needs are being met with existing production lines and global support. Future (OPEX/CAPEX): Long-term capital expenditures to be allocated for the development of local testing infrastructure, port logistics, and project management engineering as Türkiye's 5 GW offshore wind targets are tendered.	CURRENT FINANCIAL IMPACT: Qualitative Assessment: The Company has begun receiving orders and generating revenue in the submarine market, which requires specialized expertise and has high entry barriers compared with standard terrestrial products. This confirms that the "offshore" opportunity is not merely a strategic vision for the Company, but an active business opportunity that contributes directly to its cash flows. Quantitative Assessment: In fiscal year 2025, sales revenue from submarine cable projects was TL 82,303,791 on an inflation-adjusted basis. Despite the offshore market being in its early development stage in Türkiye, this base revenue of TL 82.3 million has exceeded the Company's "High" materiality upper limit of TL 45.4 million. Therefore, the current financial impact of the opportunity has been rated as "High." PROJECTED FINANCIAL BENEFIT (NGFS SCENARIO ANALYSIS): Qualitative Assessment: ▶ NGFS Orderly Transition Scenario: This is a scenario where Türkiye and Europe begin offshore wind farm tenders and interconnection links (submarine electricity bridges) in a planned, budgeted, and predictable manner. As it is a newly developing market with high potential and extremely high unit project costs (CAPEX), the first-mover Company is expected to achieve strong and stable revenue growth well beyond standard growth rates (double-digit). ▶ NGFS Disorderly Transition Scenario (Pessimistic / Aggressive Demand Shock): This is an extreme scenario where, due to the filling of onshore renewable energy areas or falling behind targets, governments suddenly launch successive billion-dollar offshore tenders. This situation could create a major "demand shock" and a surge in orders that would test the Company's operational capacity and logistical limits. ▶ NGFS Hot House World Scenario (Stagnation of Growth): This is a situation where green financing sources dry up due to climate inaction, and governments abandon extremely costly offshore investments in favor of cheap fossil alternatives. In this scenario, it is projected that the market's growth driver will disappear. Quantitative Assessment: ▶ NGFS Orderly Transition Scenario: Assuming that the market will organically expand each year in line with the announced macro targets (e.g., the 5 GW offshore target), a stable annual growth rate of 20% to 30% was modelled based on the 2025 inflation-adjusted submarine cable revenue (TL 82.3 million), and it was calculated that a clear additional revenue opportunity ranging from TL 16,460,758 to TL 24,691,137 would be generated annually for the Company's balance sheet. ▶ NGFS Disorderly Transition Scenario: In the event that delayed tenders are launched successively with an aggressive demand shock, it has been assumed that sales volume in submarine and offshore infrastructure will increase sharply by 40% to 80%. As a result of this analysis, it has been projected that the Company could generate additional annual revenue ranging from TL 32,921,516 to TL 49,382,275 by maximizing the utilization of its current sales capacity. ▶ NGFS Hot House World Scenario (Methodological Note): In this scenario, in which government incentives and climate targets are weakened, it is assumed that costly offshore investments requiring high CAPEX will be postponed indefinitely or canceled. Since no tenders are expected to be issued, the submarine cable segment is not expected to generate significant additional financial growth. Therefore, no additional growth has been modeled for the Company under the "Hot House World" scenario, and the financial impact potential has been assessed as "Limited/Low (0–5%)." COMPARISON WITH 2024: ▶ Development of Risk Scope: "Offshore Wind and Submarine Cable Infrastructure" is a completely new strategic market segment included in the climate opportunity inventory in 2025 as a result of the Company aligning its global expertise with local market targets (such as Türkiye's 2035 5 GW offshore target). There is no specific data or calculation for this segment in the 2024 reporting. Despite the market being in the preliminary preparation stage, the generation of TL 82.3 million in inflation-adjusted net invoiced revenue in 2025 (above the High Materiality Threshold) already demonstrates the significant revenue potential of this new strategic segment in the coming years.

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Opportunity Name	Opportunity Description	Impacts on Strategy and Business Model	Impact on the Value Chain	Metrics and Assessment	Actions to Realize the Opportunity	Resources Provided or to Be Provided for the Actions	Financial Impact
Demand for Artificial Intelligence and Data Center Infrastructure	<i>Opportunity Type: Products and Services</i> The acceleration of global artificial intelligence (AI) investments and Türkiye's strategy to become a regional data center hub have driven an exponential increase in the power needs of large-scale data-processing facilities. This wave of digitalization is creating a structural market demand for high-performance, heat-resistant cable solutions that provide uninterrupted power for energy transmission, cooling systems, and telecommunications (fiber) networks.	Impacts on the Business Model: The Company's business model is evolving from a traditional industrial cable supplier to an "advanced technology infrastructure supplier" that forms the backbone of the digital age. As artificial intelligence and data centers require zero-fault tolerance in cable technology, the Company is permanently entering a new commercial segment with high engineering content and top-tier profit margins. Impact on Decision-Making Mechanisms: Management has identified the growth trend in the telecommunications and data center markets (approximately 5% annual organic growth) as a direct criterion for capital allocation and is placing greater production flexibility in fiber-optic product lines and high-power transmission product lines at the center of its strategic planning.	Upstream (Suppliers): The procurement of ultra-pure conductors and non-combustible, non-heat-generating special polymer components for cables that require high data transmission speeds and high power-handling capability raises quality standards in the raw material supply chain. Own Operations (Production and R&D): Production processes in this segment require much more precise testing (calibration) and R&D capacity for heat management than standard cables; this directly enhances engineering competence in the facility. Downstream (Customers and Society): By providing uninterrupted infrastructure for Türkiye's and global technology giants' digital transformation investments (such as cloud computing and artificial intelligence), the Company becomes a reliable and strategic solutions partner in the technology ecosystem.	Metrics: ▶ Net sales revenue (TL) from cable solutions supplied directly to data centers, artificial intelligence infrastructure, and telecommunications networks ▶ Additional sales potentials (TL) modeled in different climate scenarios based on digital market momentum Time Horizon: Short and Medium Term (1-10 Years) Impact Levels and Rationale: ▶ Strategic: High (Gaining a strong position in the digital infrastructure market means keeping pace with future industry standards.) ▶ Financial: High (The revenue of TL 802.3 million from Telecom and Data Center projects in 2025 significantly exceeds the Company's "High" materiality threshold of TL 45.4 million.) ▶ Operational Continuity: Medium-High (Although technology investments fluctuate periodically, the uninterrupted operation of data centers creates a continuous demand for maintenance/renewal.) ▶ Reputation: High (Being recognized as a solution partner by advanced technology giants elevates the brand value to a technological position.) Likelihood of Occurrence: High	Product Innovation: Accelerating the design of special low-energy-loss and flame-retardant cables suitable for the high energy consumption and cooling needs of server racks in data centers. B2B Strategic Partnerships: Establishing long-term framework agreements with telecommunication companies, cloud service providers, and international/local EPC firms that build data centers.	Current (OPEX/ CAPEX): Production and R&D activities for data center and telecommunication infrastructure sales were managed within the Company's general operational budget and existing factory capacity, and no specific additional capital expenditure isolated to this segment has been reported. Future (OPEX/ CAPEX): Funds to be allocated from the general investment (CAPEX) pool to increase fiber and special alloy cable capacity on production lines, in parallel with the trend of the market growing organically by 5% each year.	CURRENT FINANCIAL IMPACT: Qualitative Assessment: The Company has successfully reflected the momentum of digitalization and artificial intelligence in its financial statements by building a new, technology-focused "Telecom and Data Center" business pillar with high per-unit profitability alongside the traditional construction and grid cable market. This proactive positioning translates growth in global data processing volumes directly into cash flow. Quantitative Assessment: As of fiscal year 2025, sales revenue generated from high-performance cable solutions supplied directly for telecommunication networks and large-scale data center infrastructures amounted to TL 802,250,384 excluding taxes and on an inflation-adjusted basis. The net revenue of approximately TL 802.3 million provided specifically by this segment exceeds the Company's financial resilience threshold of TL 45.4 million (High Materiality Limit) by approximately 18 times. Therefore, the current impact of this strategic opportunity on the Company's balance sheet has been rated as "High." PROJECTED FINANCIAL BENEFIT (NGFS SCENARIO ANALYSIS): Qualitative Assessment: ▶ NGFS Orderly Transition Scenario (Stable Digitalization): This scenario assumes that Türkiye and global companies implement their artificial intelligence and data center investments according to a planned budget. It is a balanced model based on the Company's identified standard organic growth trend of 5%, in which the additional infrastructure requirements created by the digital transition increase the growth rate slightly to 5%-8%, resulting in stable additional revenue for the Company. ▶ NGFS Disorderly Transition Scenario (Aggressive Demand Shock): This is a shock scenario in which the public sector and technology giants suddenly accelerate investments to meet delayed digital infrastructure targets. It is a "technological investment pile-up," in which the routine 5% organic market growth rate is completely disrupted, increasing to 10%-15% as large data center tenders are concentrated in the same year, pushing the Company's production capacity to its limit. ▶ NGFS Hot House World Scenario (Stagnant Market): This is a situation where high-budget AI and data center projects are postponed due to climate inaction and related macroeconomic contractions. It is a limited opportunity environment where the market loses even its basic 5% growth momentum, approaching zero and regressing to only the minimum repair/maintenance needs of existing systems (to the 0%-2% level). Quantitative Assessment: ▶ NGFS Orderly Transition Scenario: By combining the effects of the sector's basic 5% organic growth momentum and the planned green transition, a stable annual growth of 5% to 8% was assumed based on the 2025 inflation-adjusted Telecom/Data Center base revenue (TL 802.3 million), and it was modeled that the Company would capture a solid additional revenue opportunity in the range of TL 40,112,519 to TL 64,180,031 each year. ▶ NGFS Disorderly Transition Scenario: Assuming that postponed digital investments will be suddenly tendered due to regulatory and technology race pressures (with a shock wave of 2 to 3 times the organic growth), it was calculated that Company sales would show an aggressive climb of 10% to 15%, creating a maximum additional earnings potential in the range of TL 80,225,038 to TL 120,337,558 annually. ▶ NGFS Hot House World Scenario: In a stagnant macroeconomy in which technology investments are suspended, it was assumed that the 5% market growth would be disrupted and decline to maintenance and repair levels (0% to 2%), resulting in an extremely limited additional benefit potential of between TL 0 and TL 16,045,008 for the Company. COMPARISON WITH 2024: ▶ Development of Risk Scope: In 2024, "Data Centers" were consolidated within the inflation-adjusted general electrification and grid modernization pool (approximately TL 3.76 billion), and this distinct technology market could not be specifically measured. In 2025, with artificial intelligence (AI) and cloud architecture becoming a global industry, the Company isolated this segment and documented that "Telecom and Data Center" sales alone created a significant base of TL 802.3 million.

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CLIMATE RESILIENCE: SCENARIO ANALYSIS AND OUTLOOK

Turkish Prysmian Kablo considers managing the multidimensional impacts of climate change on its operations and value chain from a strategic perspective to be among its main priorities. In this context, climate scenario analyses are used as a critical tool to be better prepared for this complex and uncertain future, to enhance strategic resilience, to better understand risks, and to proactively evaluate new opportunities. This section details the methodology of the scenario analysis conducted, the potential impacts on Turkish Prysmian Kablo's business model and financial performance under different future pathways, and the strategic conclusions drawn from these analyses.

Approach and Scope of the Scenario Analysis

The Company's climate scenario analysis was updated and completed in 2025, following a structured methodology consistent with international best practices. The analysis is based on finalized financial and operational data as of December 31, 2025.

The analysis referenced the IPCC's RCP 4.5 and RCP 8.5 scenarios for physical risks, and the NGFS's Orderly Transition, Disorderly Transition, and Hot House World scenarios for transition risks and opportunities. This approach aims to test the Company's resilience against a diverse and relevant set of potential climate-related futures, from scenarios aligned with the Paris Agreement goals (e.g., NGFS Orderly Transition) to the most pessimistic pathways.

Scenario diversity was ensured by including different warming levels (from 1.5°C to above 4°C), different policy roadmaps (early and orderly, late and sudden, and inaction), and different time horizons (short-, medium-, and long-term). The primary purpose of selecting these scenarios is to holistically test the Company's physical resilience (with RCP 8.5), its capacity to adapt to the pace of transition (with NGFS Orderly/Disorderly Transition), and its resilience against an inaction scenario (with NGFS Hot House World). This analysis primarily focuses on the impacts on Turkish Prysmian Kablo's operations, global supply chain (raw material procurement), and markets (especially the EU), and was carried out with the participation of all relevant business units, including Operations, Procurement, Sales and Marketing, and R&D.



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Holistic Scenario Analysis Results

The following table summarizes the probable maximum financial impacts of the Company's climate-related physical and transition risks and opportunities under the RCP and NGFS scenarios, comparing 2024 and 2025.

Risk / Opportunity Category	Scenario 1 (RCP 4.5 / NGFS Orderly Transition)	Scenario 2 (RCP 4.5 / NGFS Disorderly Transition)	Scenario 3 (RCP 8.5 / NGFS Hot House World)
CLIMATE-RELATED RISKS			
Physical Risks			
1. Extreme Weather Events and Operational Disruptions	2024: Up to TL -125.0 million 2025: Up to TL -107.8 million	2024: Up to TL -125.0 million 2025: Up to TL -107.8 million	2024: TL -187.5 to -437.5 million 2025: TL -161.7 to -377.3 million
2. Increase in Average Temperature and Heat Waves	2024: Up to TL -67.1 million 2025: Up to TL -57.6 million	2024: Up to TL -67.1 million 2025: Up to TL -57.6 million	2024: TL -131.8 to -323.9 million 2025: TL -113.4 to -278.8 million
3. Climate-Induced Vulnerabilities in the Supply Chain	2024: Up to TL -187.5 million 2025: Up to TL -161.7 million	2024: Up to TL -187.5 million 2025: Up to TL -161.7 million	2024: TL -312.5 to -625.0 million 2025: TL -269.5 to -538.9 million
4. Water Scarcity and Its Impact on Production Processes	2024: (New Risk - Out of Scope) 2025: Up to TL -0.9 million	2024: (New Risk - Out of Scope) 2025: Up to TL -0.9 million	2024: (New Risk - Out of Scope) 2025: TL -107.8 million (Fixed Shock)
ARITHMETIC UPPER LIMIT OF INDIVIDUAL PHYSICAL RISK IMPACTS (*)	2024: Up to TL -379.6 million 2025: Up to TL -328.0 million	2024: Up to TL -379.6 million 2025: Up to TL -328.0 million	2024: TL -631.8 to -1.39 billion 2025: TL -652.4 million to -1.30 billion
Transition Risks			
5. Carbon Pricing and Emissions Regulations	2024: TL -16.5 to -27.5 million 2025: TL -22.8 to -37.9 million	2024: TL -38.5 to -55.0 million 2025: TL -53.1 to -75.8 million	2024: TL 0 (No Impact) 2025: TL 0 (No Impact)
6. Demand for Green Products and Changing Customer Expectations	2024: TL -96.0 to -288.0 million 2025: TL -88.9 to -266.7 million	2024: TL -480.0 to -960 million 2025: TL -444.6 to -889.2 million	2024: TL -393.0 to -786.0 million 2025: TL -606.0 million to -1.21 billion

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Risk / Opportunity Category	Scenario 1 (RCP 4.5 / NGFS Orderly Transition)	Scenario 2 (RCP 4.5 / NGFS Disorderly Transition)	Scenario 3 (RCP 8.5 / NGFS Hot House World)
7. Eco-Design and Digital Product Passport Regulations	2024: (New Risk – Out of Scope) 2025: TL 0 (System Investment)	2024: (New Risk – Out of Scope) 2025: TL -206.8 to -413.6 million	2024: (New Risk – Out of Scope) 2025: TL 0 (No Impact)
ARITHMETIC UPPER LIMIT OF INDIVIDUAL TRANSITION RISK IMPACTS (*)	2024: TL -112.5 to -315.5 million 2025: TL -111.7 to -304.6 million	2024: TL -518.5 million to -1.02 billion 2025: TL -704.5 million to -1.38 billion	2024: TL -393.0 to -786.0 million 2025: TL -606.0 million to -1.21 billion
CLIMATE-RELATED OPPORTUNITIES			
8. Renewable Energy Infrastructure Solutions	2024: TL +78.5 to +117.7 million 2025: TL +57.1 to +85.7 million	2024: TL +130.8 to +196.2 million 2025: TL +95.2 to +142.8 million	2024: TL +26.2 to +52.3 million 2025: TL +19.0 to +38.1 million
9. Electrification and Grid Modernization	2024: TL +15.2 to +19.5 million 2025: TL +112.7 to +145.0 million	2024: TL +21.6 to +25.9 million 2025: TL +161.1 to +193.3 million	2024: TL +6.4 to +10.9 million 2025: TL +48.3 to +80.5 million
10. Offshore Wind and Submarine Cable Infrastructure Demand	2024: (New Opportunity – Out of Scope) 2025: TL +16.5 to +24.7 million	2024: (New Opportunity – Out of Scope) 2025: TL +32.9 to +49.4 million	2024: (New Opportunity – Out of Scope) 2025: Limited Opportunity Scope (Low Impact)
11. Artificial Intelligence and Data Center Infrastructure Demand	2024: (New Opportunity – Out of Scope) 2025: TL +40.1 to +64.2 million	2024: (New Opportunity – Out of Scope) 2025: TL +80.2 to +120.3 million	2024: (New Opportunity – Out of Scope) 2025: TL 0 to +16.0 million
ARITHMETIC UPPER LIMIT OF THE INDIVIDUAL IMPACTS OF OPPORTUNITIES (*)	2024: TL +93.7 to +137.2 million 2025: TL +226.4 to +319.6 million	2024: TL +152.4 to +222.1 million 2025: TL +369.4 to +505.8 million	2024: TL +32.6 to +63.2 million 2025: TL +67.3 to +134.6 million
ARITHMETIC UPPER LIMIT OF INDIVIDUAL IMPACTS OF RISKS AND OPPORTUNITIES (*)	2024: TL +24.7 million to -601.4 million 2025: TL +207.9 million to -406.2 million	2024: TL -296.4 million to -1.24 billion 2025: TL -198.7 million to -1.34 billion	2024: TL -961.6 million to -2.14 billion 2025: TL -1.12 billion to -2.45 billion

(Note: The 2024 values have also been revised based on the updated inflation-adjusted revenue and OPEX values to ensure mathematical consistency.)

(*) Important Methodological Note: The potential “revenue (turnover) losses” presented in the tables and scenario texts do not represent the Company’s definitive net loss; rather, they represent gross revenue exposure under production interruptions or market contraction. The actual net financial and cash flow impact may differ when considering avoided variable costs, the recoverability of orders, insurance collections, and additional operational costs. Additionally, the amounts in the ‘Arithmetic Upper Limit of Individual Impacts (*)’ rows of the table are summed assuming that independent risks will occur simultaneously; as they may contain duplicate (overlapping) impacts due to the correlation of events, they represent the arithmetic upper limit of potential gross exposure. Since specific areas such as the Water Scarcity risk, the ESPR transition risk, and AI/Offshore Wind were included in the methodology in the 2025 reporting period, there are no base projections for them from 2024.

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Scenario Analysis Results and Strategic Implications

The updated climate scenario analysis is a key strategic input that shapes the future roadmap for Türk Prysmian Kablo. The analyses have confirmed the strengths of the Company's current strategy and areas for proactive development, offered important clues about the future evolution of its business model, and clarified the strategic responses to be developed against potential impacts:

- **Strategic Priority of Physical Risks:** With the increased revenue volume in 2025 and the inclusion of the newly added "Water Scarcity" risk in the analysis, it has been observed that Türk Prysmian Kablo's production operations carry a certain sensitivity to physical climate impacts due to their location. The RCP 8.5 scenario indicates a significant potential impact on operational continuity that needs to be managed. Planning long-term adaptation investments to strengthen the infrastructure (cooling,

water efficiency, and climate resilience) at the Mudanya facility is considered a strategic priority for the Company.

- **Need for Structural and Digital Transformation in Transition**
Risks: New EU regulations added in 2025, such as the "Digital Product Passport (ESPR)" in addition to emissions regulations (CBAM), have expanded the scope of transition risks. In the Disorderly Transition scenario, the potential impacts of these risks on operating costs are noteworthy. This situation once again highlights the importance of current decarbonization efforts and the data digitalization (ERP/IT) strategy in protecting market share and enhancing competitiveness.
- **Turning Opportunities into a Strategic Advantage:** The most significant improvement in the 2025 analysis was seen in the opportunity projections. By isolating and calculating the Electrification/ Grid market and integrating high-volume technology segments like Artificial Intelligence (Data Centers) and Offshore Wind, the Company's opportunity projection in the Orderly Transition scenario has significantly increased compared to the previous year. Specifically, the fact that opportunities could outweigh

risks and provide a net positive contribution of TL +178.5 million to the Company in the best-case Orderly Transition scenario demonstrates that green market growth is a strong source of financial support for the Company.

- **Potential Impacts of Climate Inaction:** The Hot House World scenario reflects the potential consequences of global climate inaction. In this scenario, technological opportunities may remain limited, the impacts of climate events may increase, and competitive pressure on the standard product portfolio, driven by the market's shift toward price-focused competition, could have a significant financial impact on the Company's financial position; this impact must be carefully managed.

In conclusion, Türk Prysmian Kablo's business model and innovation strategy are well positioned to turn the technological leaps in the Orderly and Disorderly Transition scenarios into opportunities. However, the single-location production structure and the global dynamics in the supply chain remain priority focus areas that require proactive measures to address physical risk scenarios and that the Company aims to continuously improve.



STRATEGY

INTEGRATION OF CLIMATE-RELATED RISKS AND OPPORTUNITIES INTO FINANCIAL PLANNING AND CASH FLOWS

Türk Prysmian Kablo incorporates specific climate-related cost and investment items into its financial planning and budgeting processes. However, the systematic integration of all risks and opportunities into all financial planning and capital allocation decisions is in the development stage.

Short-Term Cash Flows and Operating Budget (OPEX):

In 2025, costs incurred for purchases of renewable energy certificates (I-REC), R&D processes aimed at developing the green product portfolio, EPD (Environmental Product Declaration) certifications, and insurance premiums that protect the facility's infrastructure resilience were recorded as structural expenses in the Company's annual operating budgets (OPEX). These predictable cash outflows proactively prevent much larger potential financial impacts, such as CBAM carbon taxes or loss of market share, thereby minimizing the Company's short- and medium-term net cash outflow risks.

Medium- and Long-Term Financial Planning and Capital Allocation

(CAPEX): Multi-year capital expenditure (CAPEX) plans have been established to



maintain and grow the high revenue contribution from renewable energy and electrification markets, strengthen the physical resilience of the Mudanya facility (against extreme rainfall, cooling needs, etc.), and achieve decarbonization targets. These planned technological adaptation and capacity investments are expected to shape the Company's future depreciation structure while keeping net cash flows and operating profitability, supported by opportunities in the green market, on a stable growth trajectory.

Risks That Could Cause an Adjustment to Carrying Amounts in the Next Period:

As of December 31, 2025, considering current conditions, facility resilience, insurance coverage, and impairment

indicators at the reporting date, the Company's management has not identified any significant risk arising from climate-related factors that would require a material adjustment to the carrying amounts of assets or liabilities presented in the financial statements in the next reporting period. However, in the scenario of an extreme acute weather event such as a severe flood or storm, it is monitored as a potential scenario risk in financial planning that an impairment indicator could arise for property, plant, and equipment under IFRS (IAS 36 Impairment of Assets) and that a downward adjustment could be made for inventories (IAS 2 Inventories) whose saleability or net realizable value is adversely affected.

Investment, Disposal Plans, and

Funding Sources: Given the Company's strategy for managing climate risks and opportunities, its financial position is expected to follow a stable growth trajectory in the short, medium, and long term, strengthened by increased revenue from value-added green product sales and optimized energy costs. In line with these expectations, the Company's investment and disposal plans, including long-term projections not yet contractually committed, are as follows: The Company's strategy is not based on decommissioning (disposing of) an existing plant, asset group, or main line of business due to climate regulations or physical risks, but rather on making investments to modernize its sole production center, the Mudanya plant, in line with environmental standards and climate resilience. These strategic transformation investments are planned to be financed primarily through the strong cash flows generated from the Company's own operations; should additional resources be needed, the plan is to utilize cost-effective sustainability-linked funds (green financing).

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CLIMATE STRATEGY AND FORWARD-LOOKING TRANSITION PLAN

Türk Prysmian Kablo considers combating climate change and transitioning to a low-carbon economy as an integral part of its corporate strategy, risk management processes, and investment planning. Climate-related risks and opportunities are not addressed reactively but are integrated into the core of the Company's decision-making mechanisms within the framework of a proactive "Transition Plan" aimed at creating long-term sustainable value.

Impact on Decision-Making Mechanisms and Strategy

Climate-related considerations directly shape the Company's operational and strategic decision-making processes along three main axes:

- **Strategic Capital Allocation (CAPEX/OPEX):** Transition risks, such as the Carbon Border Adjustment Mechanism (CBAM) and demand for green products, directly influence investment decisions. The operational budgets allocated to R&D and innovation investments and I-REC (International Renewable Energy Certificate) purchases in 2025 demonstrate the priority given to this transformation by the decision-making mechanisms.

- **Business Model and Value Chain Transformation:** To reduce the carbon footprint and overcome supply-chain vulnerabilities, the localization of the raw material supply network and the implementation of circular economy principles are being pursued as strategic decisions.
- **Oversight and Corporate Risk Integration:** Climate risks are assessed by being integrated into Prysmian's "Enterprise Risk Management (ERM)" model; they are reviewed by senior management through the Sustainability Committee and transformed into strategic corrective actions.

Climate-Related Transition Plan and Commitments

Türk Prysmian Kablo's climate strategy is based on adopting the global climate commitments of its parent company, Prysmian Group, which have been approved by the Science Based Targets initiative (SBTi), and contributing to these goals at the local level. The Company's transition plan is aligned with Prysmian Group's global targets and includes the implementation of the following key commitments for its local operations:

- **Interim Targets (2030):** To achieve a **60%** reduction in Scope 1 and 2 emissions and a **65%** reduction in Scope 3 emissions compared to the 2019 baseline year.

- **Long-Term Target (2035 Net Zero):** To reach the **Net Zero** target across the entire value chain for all Scope 1, 2, and 3 emissions.

Assessment of the Climate Resilience of the Business Model and Strategy

The Company has analyzed the resilience of its business model and strategy to climate-related changes, developments, and uncertainties as of the reporting date, in a manner that allows users of general purpose financial reports to make an assessment. When the identified climate-related risks and opportunities and the applied scenario analyses (RCP and NGFS) are evaluated as a whole, the analysis shows that the Company is in a strong position to capitalize on transition opportunities; however, it also indicates that vulnerabilities persist because of dependence on a single production location and under severe physical risk scenarios (RCP 8.5). Management, taking into account the cash flow generated from operations, current financing capacity, insurance coverage, and the financial scale of planned investments, assesses that the existing financial flexibility can support the planned adaptation activities. Furthermore, the Company has directly integrated into its business model how it should respond to the impacts identified in the

climate-related scenario analyses (RCP and NGFS). For example, in response to the extreme temperature increases and carbon pricing shocks projected in the scenarios, it has shaped its strategy to accelerate energy-efficiency investments in production (cooling optimization) and to grow its revenues through products that support the low-carbon economy (grid modernization and renewable-energy infrastructure cables). This clearly demonstrates that the findings identified in the scenario analyses have a proactive and transformative impact on the Company's strategy and business model.

The key areas of uncertainty considered in the Company's assessment of its climate resilience are primarily: potential changes in the final implementation standards and legal enforcement timelines of regulations such as the European Union's Carbon Border Adjustment Mechanism (CBAM) and Ecodesign for Sustainable Products Regulation (ESPR); the future trajectory of global carbon pricing (tax) rates in the NGFS scenarios; and the exact timing and severity of the acute physical risks (extreme weather events and regional floods) projected in the RCP scenarios. The Company has structured its strategy to address these significant areas of uncertainty and to develop a flexible adaptation capability (e.g., proactive R&D and I-REC purchases).

STRATEGY

Capacity to Adapt the Strategy and Business Model

The Company, thanks to its operational and financial flexibility, proactively assesses its capacity to adapt its strategy and business model to climate change in the short, medium, and long term. In the short term, it can rapidly absorb regulatory (CBAM) and operational (cooling requirements) shocks through agile steps such as strong working capital and 100% I-REC procurement. In the medium term, it has the technical capability to shift its product portfolio towards low-carbon grid and renewable energy infrastructure cables by flexibly directing its R&D budgets to keep pace with the green transformation in market demand. In the long term, the Company has a strong management vision and the capacity to mobilize financing to fully adapt its business model to a low-carbon economy through strategic capital expenditures (CAPEX) that will enhance the physical resilience of the Mudanya facility and support its 2035 Net Zero target.

Availability and Flexibility of Financial Resources

The Company has strong and flexible financial resources to respond to the impacts identified in the applied

climate-related scenario analyses (RCP and NGFS), including addressing climate-related risks and capitalizing on climate-related opportunities. When assessing the availability and flexibility of its current financial resources, the Company's planned climate adaptation and decarbonization steps (e.g., the annual R&D budget of TL 7,575,491 on an inflation-adjusted basis and the medium-term sustainability investment vision of EUR 750,000) can be primarily financed by the Company's own strong operational cash flows and liquidity reserves. In addition, the Company has the flexibility to access sustainability-linked external funds (green financing and loans) when necessary to create a buffer against unforeseen physical shocks or to respond quickly to sudden opportunities in low-carbon product markets (e.g., large-scale grid modernization demands). This demonstrates that the Company has the financial agility to implement its climate strategy without interruption.

Ability to Reconfigure and Repurpose Existing Assets

The Company assesses that, thanks to its operational flexibility, it has the operational capability to evaluate

options such as redeploying, repurposing, upgrading, or decommissioning its existing assets as required by climate scenarios. As of the reporting date, there is no approved plan for the repositioning of the Mudanya plant, significant workforce reductions, or climate-driven acquisitions or disposals as part of the climate strategy. The Company's current approach is based on modernizing production assets, increasing energy and resource efficiency, and transforming the product portfolio. In this context, the Company has the capacity to upgrade its production lines and existing machinery with highly energy-efficient, low-carbon technologies, repurpose existing production areas to manufacture green products (e.g., renewable energy infrastructure cables) in line with changing market demands, and proactively decommission carbon-intensive, inefficient equipment (e.g., old cooling systems) and replace them with climate-resilient systems.

Impact of Current and Planned Investments

The Company directly reflects the impact of its current and planned investments in climate-related mitigation, adaptation, and climate resilience opportunities in its strategy and emissions profile. Regarding the impact of climate-related mitigation investments, the continued use of 100% renewable energy (I-REC) and the planned EUR 750,000 decarbonization investment vision have an accelerating effect on reaching the 2035 Net Zero target by directly reducing the Company's carbon footprint. Within the scope of adaptation investments, planned investments made to ensure production continuity in response to the temperature increases projected in the RCP scenarios—for example, the inflation-adjusted climate control energy cost of TL 9,366,422 incurred in 2025—tangibly improve the Mudanya plant's resilience to physical shocks and its operational efficiency. Regarding the impact of investments in climate resilience opportunities, the Company's allocation of its current inflation-adjusted annual R&D budget of TL 7,575,491 to the design of low-carbon products (grid modernization and renewable energy infrastructure cables) in response to market demand directly and positively affects its future market share, competitive strength, and revenue potential.

STRATEGY

Targets and Progress Under the Transition Plan

The Company monitors its quantitative and qualitative progress towards the short-term operational targets set in line with the transition plans and commitments disclosed in the previous reporting period (2024), its 2025 performance, and its 2026 targets as follows:

- ▶ **1. Climate Change (Emission Reduction):** Against the target of a 21% reduction in Scope 1 and Scope 2 emissions for 2025 compared with the 2019 baseline year, a 19.3% reduction was achieved, meaning the target was partially missed. The 2026 target has been set at -19.5%. The Company will review its compliance with the 2030 target pathway in line with annual performance results and investment plans.
- ▶ **2. Energy Management:** Compared with the 2019 baseline year, a 12% reduction in total energy consumption was targeted, while a 17% reduction was achieved, exceeding the target. The target has been maintained at 17% for 2026.

- ▶ **3. Circular Economy (Waste Management):** A target of >91% was set for the recycled waste rate; in 2025, the rate was 90.2%. The rationale and actions for setting the 2026 target at 91% will be monitored within the scope of operational planning.

Action Plan, Resource Allocation, and Dependencies of the Transition Plan

The success of Türk Prysmian Kablo's transition plan depends on external factors such as the uninterrupted supply of renewable energy on national grids, the stability of the capacity to finance low-carbon technologies, and the adherence of EU regulations to official timelines. The Company is planning an investment pool totaling EUR 750,000 for decarbonization and energy efficiency activities over the next five-year period. The annual allocation of this budget, project-based approval status, and financing method will be finalized within the scope of the relevant investment decisions. The steps of the Company's transition plan are summarized in the table below:

Table: Climate Transition Plan — Concrete Actions and Resources

Action	Target Alignment	Period	Expected Contribution	Financing / Status
Renewable Energy (I-REC) Procurement	Aligned with Group Target	Short-Medium Term	During the reporting period, when location-based Scope 2 emissions were approximately 12,841 tCO ₂ e, the use of certificates resulted in market-based Scope 2 emissions being calculated as 0 tCO ₂ e.	OPEX (Ongoing)
Energy Efficiency and Waste Heat Recovery	Local Contribution (Scope 1)	Medium Term	Gradual decrease in energy intensity.	CAPEX (Planning Stage)
E- Path and Green Product Design (Eco-Design)	Group Strategy	Medium-to Long-Term	Supporting the revenue share of sustainable products.	Annual R&D Budgets (Ongoing)
Supply Chain and Logistics Optimization	Group Scope 3 Target	Medium-Long Term	Efficiency in indirect emissions on a tonnage per kilometer basis.	Operating Budget (Planning Stage)

ASSESSMENT OF THE APPLICABILITY OF CROSS-INDUSTRY AND INDUSTRY-BASED METRICS

In preparing its strategy disclosures on climate-related risks and opportunities (TSRS 2 Paragraphs 13-22 obligations), the Company has referred to the cross-industry metric categories specified in the standard and the industry-based

metrics related to the disclosure topics, and has assessed their applicability to its operations. Details of these industry-based metrics can be found in the "TSRS 2 Guidance on the Application of Industry-Based Requirements (Appendix Volume 49 – Electrical & Electronic Equipment)" section and in the "Metrics and Targets" section later in this report.

RISK MANAGEMENT

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- 48 Management of Climate-Related Risks and Opportunities

RISK MANAGEMENT

Integration of Climate-Related Risks and Opportunities into Enterprise Risk Management

The primary purpose of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand Türk Prysmian Kablo's processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities. These disclosures explain how and to what extent these processes are incorporated into the Company's overall Enterprise Risk Management framework.

Türk Prysmian Kablo has integrated the management of climate-related risks and opportunities into the Group's overall Enterprise Risk Management

model, not as a standalone category, but as a cross-cutting factor that intersects with all existing risk categories. This model is managed at the Group level by the Risk and Compliance Officer and is overseen by the Control and Risk Committee. Türk Prysmian Kablo conducts its local risk reporting processes and operations in direct alignment with this global integrated framework. You can access the Group's detailed risk management procedures and its globally published 2025 Integrated Annual Report by clicking [here](#). The outputs of climate-related risk and opportunity assessments are provided as a primary input to the annual Enterprise Risk Management process and are directly linked to the Strategic, Financial, Operational, and Legal/Compliance risk categories.

Management of Climate-Related Risks and Opportunities

The Company follows a systematic four-step process to manage climate-related risks and opportunities:

1. Identification: Potential climate-related risks and opportunities are identified with a broad perspective covering the Company's entire value chain. These risks are classified in line with the TCFD framework as physical (acute and chronic) and transition (policy, legal, and market) risks. This identification process covers the product portfolio in R&D activities, production processes in Mudanya, the supply chain, and export markets, particularly the European Union. The Company uses climate-related scenario analysis as a primary input to proactively identify these risks and opportunities. Physical risks are tested against IPCC's RCP 4.5 and RCP 8.5 scenarios, while transition risks and opportunities are tested against NGFS macroeconomic models to map the resilience of the business model across different climate pathways.

2. Assessment: Each identified risk and opportunity is analyzed using a methodology that considers both qualitative factors and quantitative data. The assessment is based on the "Magnitude of Impact" of the event on Financial Performance, Operational Continuity, and Reputation, and its "Likelihood of Occurrence" in the short (0-3 years), medium (3-10 years), or long (10+ years) term.

3. Prioritization: The impact and likelihood scores obtained during the assessment phase are placed on the Enterprise Risk Management matrix to rank risks and opportunities according to their strategic importance. Risks and opportunities with the highest impact and likelihood scores are defined as "the highest-priority risks and opportunities." The Company has updated its Climate Risk/Opportunity Assessment and Prioritization thresholds as follows, taking into account its equity size at the end of 2025:



RISK MANAGEMENT

Table 1: Risk and Opportunity Assessment Criteria

Level	Impact Criteria (Financial, Operational, Reputational)	Likelihood and Time Horizon Criteria
HIGH	Financial: Financial impact exceeding 5% of equity (for 2025 >TL 45.4 million). Operational: Production stoppage for more than one week or major supply chain disruption. Reputation: Negative coverage in international or national media, or loss of a key customer.	Expected to occur in the short term (0-3 years) / high likelihood
MEDIUM	Financial: Financial impact of between 1% and 5% of equity (for 2025, between TL 9.1 million and TL 45.4 million). Operational: Production stoppage or slowdown for 1-7 days. Reputation: Negative news in local media or the industry.	Likely to occur in the Medium Term (3-10 Years) / Medium likelihood of occurrence
LOW	Financial: Minimal impact below 1% of equity (for 2025 <TL 9.1 million). Operational: Short-term (less than 1 day) and manageable disruptions. Reputation: Limited and controllable negative feedback.	May occur in the Long Term (10+ Years) / Low likelihood of occurrence

Table 2: Corporate Risk and Opportunity Prioritization Matrix

Likelihood / Magnitude of Impact	Impact: Low	Impact: Medium	Impact: High
Likelihood: High (Short Term)	Medium Risk / Opportunity	High Risk / Opportunity	High Risk / Opportunity
Likelihood: Medium (Medium Term)	Low Risk / Opportunity	Medium Risk / Opportunity	High Risk / Opportunity
Likelihood: Low (Long Term)	Low Risk / Opportunity	Low Risk / Opportunity	Medium Risk / Opportunity

4. Monitoring: Prioritized risks, opportunities, and their corresponding action plans are continuously monitored in a multi-layered structure:

- ▶ **Operational Level:** Sustainability Ambassadors track the on-site progress of projects and monitor monthly performance indicators.
- ▶ **Managerial/Committee Level:** The Sustainability Committee continued its “monthly” meeting schedule without interruption throughout 2025 to monitor progress toward targets and the current status of risks.
- ▶ **Board of Directors Level:** The Executive responsible for Sustainability provided top-level oversight by regularly submitting reports containing analyses and performance evaluations to the Board of Directors on a quarterly basis, as planned during 2025. In case of any deviation from the targets, corrective action plans are closely monitored by the Sustainability Committee.

Policy, Guidelines, and Targets

Climate-related issues are managed through the existing “Prysmian Health, Safety, Environment and Energy Policy,” which includes the commitment to identify, monitor, and reduce the environmental impacts of processes and products in line with the Group’s Net Zero targets. In 2025, a specific “Climate Change Policy” or “Risk Management Policy” document was not created for the Company’s local organization, and enterprise risk management efforts in this area were conducted in direct alignment with the Group’s global framework. To strengthen this integration and document full compliance with the relevant Turkish Sustainability Reporting Standards, the Company aims to develop detailed implementation procedures focused on managing climate risks by the end of 2026, under the leadership of the Sustainability Committee and with the joint coordination of the Enterprise Risk Management, Human Resources, and Occupational Health and Safety (OHS) departments.

RISK MANAGEMENT

Inputs, Parameters, and Scope Used in Processes

The risk management process draws on various sources to ensure the reliability of the analyses:

- ▶ **External Sources and Scientific Data:** Türkiye's 2053 Net Zero Target, European Union CBAM regulations, ESPR Ecodesign drafts, and IPCC and NGFS climate projections.
- ▶ **Internal Operational and Financial Data:** The current daily revenue risk (approximately TL 53.89 million) derived from the Company's 2025 financial statements was used as the main financial input in quantitative risk modeling. Additionally, current greenhouse gas emissions data obtained from the ISO 14001 and ISO 50001 systems were included in the process. Although no new standard certification (e.g., ISO 14064) was added to these management systems in 2025, the national "Blue Certificate" application processes were initiated during 2025 to proactively address water stress exposure and natural resource management, and the data obtained from this process enriched the risk management inputs.

- ▶ **Value Chain Scope:** The processes cover the entire value chain, including the Company's direct operations centered on its production and R&D facilities in Mudanya, as well as upstream (global raw materials) and downstream (export markets) activities.

Changes in Processes Compared to the Previous Period

Building on the established processes from 2024, when it submitted its first declaration under the relevant sustainability reporting standards, the Company moved its climate risk management infrastructure from the "establishment" phase to the "maturation and integration" phase in 2025 and made the following key changes to its processes:

1. **Updating Assessment Thresholds:** The financial threshold used as the lower limit for the "High Risk" classification in 2024 (TL 44.2 million) was updated to TL 45.4 million to reflect revenue and equity growth in 2025, and risk scoring was updated to reflect current economic conditions.

2. Expansion of Risk and Opportunity Scope:

The scope of the scenario analysis was deepened by including "Water Scarcity" as a chronic physical risk and "Ecodesign (ESPR)" as a transition risk in the climate risk inventory, and specific growth areas such as "Artificial Intelligence/Data Centers" and "Offshore Wind Infrastructure" in the opportunities inventory.

3. Use of Standard Exemptions:

While no exemptions were used in the presentation of quantitative information in 2024, in 2025, the financial impacts of the EU Ecodesign and Digital Product Passport risks were disclosed only qualitatively, separate from quantitative models, by Company management under the exemption provided by the relevant reporting standard, due to the regulation still being in the draft stage and the High level of measurement uncertainty in the technical infrastructure. The process was managed with legal transparency.

Avoiding Unnecessary Repetition

In accordance with the relevant Turkish Sustainability Reporting Standard, the Company has prepared its disclosures on climate-related risk and opportunity management processes in a way that avoids unnecessary repetition. Since the oversight of climate-related risks (Sustainability Committee) and the audit processes of the company's Enterprise Risk Management model are conducted in an integrated manner, detailed information regarding the organizational chart and job descriptions for these matters has been explained holistically in the "Governance" section of the report, rather than being repeated under each risk heading.

METRICS AND TARGETS

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METRICS AND TARGETS

Türk Prysmian Kablo uses a holistic set of metrics and targets, compliant with the Turkish Sustainability Reporting Standards (TSRS 2), to measure, manage, and transparently present its performance regarding climate-related risks and opportunities to its stakeholders. The quantitative metrics presented in this framework are consistent with reasonable and supportable information that is used by management in its decision-making processes and is based on the Company's

own verifiable financial and operational records, such as audited sales records, insurance policies, and internal revenue records.

Distribution of Metrics Within the Report

The following table serves as a guide showing in which sections of this report the Company's climate-related risks, opportunities, capital allocation, and emission metrics are detailed:

Metrics	Relevant Report Sections
Greenhouse Gas Emissions	Metrics and Targets > Greenhouse Gas (GHG) Emissions Metrics and Targets > Climate-Related Targets and Performance
Climate-Related Transition Risks	Strategy > Key Climate-Related Risks Strategy > Table 1: Climate-Related Risk Assessment Tables Metrics and Targets > Financial Dimensions of Climate-Related Risks and Opportunities
Climate-Related Physical Risks	Strategy > Key Climate-Related Risks Strategy > Table 1: Climate-Related Risk Assessment Tables Metrics and Targets > Financial Dimensions of Climate-Related Risks and Opportunities
Climate-Related Opportunities	Strategy > Key Climate-Related Opportunities Strategy > Table 2: Climate-Related Opportunity Assessment Tables Metrics and Targets > Financial Dimensions of Climate-Related Risks and Opportunities
Capital Allocation	Metrics and Targets > Climate-Focused Capital Deployment and Carbon Pricing
Internal Carbon Prices	Metrics and Targets > Climate-Focused Capital Deployment and Carbon Pricing
Remuneration	Governance > Sustainability and Climate-Related Targets, Trade-offs, and Incentives Metrics and Targets > Governance, Methodology, and Assurance (Executive Remuneration)



METRICS AND TARGETS

Industry-Specific Metrics (SASB Standards)

Türk Prysmian Kablo discloses the metrics referenced by the Sustainability Accounting Standards Board (SASB) for the “Electrical and Electronic Equipment” sector that are relevant to its operations.

To enable performance tracking, data is presented comparatively with the previous year. Detailed information on the calculation methodologies for these metrics can be found in the “Appendix Volume 49: Electrical and Electronic Equipment” section of the report.

Table 1: Sustainability Disclosure Topics and Metrics

Topic	Metric	Code	2024 Value	2025 Value
Energy Management	1) Total energy consumed	RT-EE-130a.1	1) 151,457 GJ	(1) 150,094 GJ
	(2) Percentage of grid electricity		(2) 100%	(2) 100%
	(3) Percentage of renewable energy		(3) 100% (Electricity)	(3) 100% (Electricity), 74.4% (Total)
Water Management	Total amount of water consumed (broken down by well water and mains water)	– (Company-Specific)	144,006 m ³ (140,074 m ³ Well, 3,932 m ³ Grid)	124,252 m³ (115,675 m³ Well, 8,577 m³ Grid)
Product Life Cycle Management	Percentage of revenue from products containing declarable substances according to IEC 62474	RT-EE-410a.1	21.0%	21.3%
Product Life Cycle Mgmt.	Percentage of revenue from eligible products with energy efficiency certification	RT-EE-410a.2	72%	70%
Product Lifecycle Management	Revenue from products related to renewable energy and energy efficiency	RT-EE-410a.3	TL 9,596,820,466	TL 8,892,544,350

Table 2: Activity Metrics

Activity Metric	Code	2024 Value	2025 Value
Number of Units Produced by Product Category	RT-EE-000.A	Not Disclosed ¹	Not Disclosed ¹
Number of Employees	RT-EE-000.B	585 (439 field, 146 office)	545 (411 field, 134 office) ²

¹ Note: Production volumes have not been disclosed by category in the respective reporting periods due to commercial sensitivity.

² Note: Only employees on the Türk Prysmian Kablo payroll have been included.



METRICS AND TARGETS

Greenhouse Gas (GHG) Emissions

The Company measures its greenhouse gas emissions in accordance with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. Absolute gross Scope 1 and Scope 2 emissions for 2024 and 2025 are summarized comparatively

in the table below. As the Company has no subsidiaries or affiliates with consolidated or operational emissions, all reported emissions originate directly from Türk Prysmian Kablo ve Sistemleri A.Ş.'s own operations at its Mudanya facility.

TSRS Exemption for Scope 3 Emissions:

Although a Scope 3 reduction target exists at the Prysmian Group level, calculation efforts for emissions specific to Türk Prysmian Kablo's local value chain (purchased goods and services, transportation, etc.) are ongoing. For this reason, quantitative data on Scope 3

emissions is not presented because the exemption provided by TSRS 2 is applied due to measurement uncertainty and resource constraints. Furthermore, as the Company's activities do not include asset management or commercial banking, it has no data to report under Financed Emissions (Category 15).

Table 3: Comparison of Scope 1 and Scope 2 Greenhouse Gas Emissions

Emission Scope	2024 (metric tons CO ₂ e)	2025 (metric tons CO ₂ e)	Description
Scope 1 (Direct Emissions)	2,263	2,227	The majority of these emissions, released from sources under the Company's control, stem from natural gas used in production facilities and from mobile fuel consumption (diesel and LPG).
Scope 2 (Indirect Emissions - Location-Based)	12,707	12,841	This reflects emissions generated during the production of electricity purchased from the national grid. Emissions associated with the consumed electricity were calculated using the average grid emission factor for the geographic location (Türkiye).
Scope 2 (Indirect Emissions - Market-Based)	0	0	Reflects the Company's active choices regarding its energy supply. The entire electricity consumption of 31,001,926 kWh in 2025 was covered by internationally recognized Renewable Energy Certificates (I-REC). Therefore, Scope 2 market-based emissions are reported as zero (0).
TOTAL (Scope 1 + 2) - Location-Based	14,970	15,068	Total gross emissions.
TOTAL (Scope 1 + 2) - Market-Based	2,263	2,227	This is the primary tracking metric for monitoring decarbonization toward climate targets.

Table 4: 2025 Greenhouse Gas Emissions Inventory Breakdown

Scope	Emission Source	Data Source	2025 Activity Data	Unit	Emission Factor	Emissions (metric tons CO ₂ e)
Scope 1	Natural Gas	Distribution Co. Invoices	952,697	m³	DEFRA 2025 (2.06672)	1,968.96
Scope 1	Diesel (Vehicles, etc.)	Fuel Purchase Receipts	70,907	kg	DEFRA 2025 (3.20391)	227.18
Scope 1	LPG (Forklifts, etc.)	Fuel Purchase Receipts	10,478	kg	DEFRA 2025 (2.93936)	30.80
Total Scope 1						2,226.94
Scope 2	Electricity (Location-Based)	Electricity Invoices	31,001,926	kWh	DEFRA 2025 Grid Factor (0.41420)	12,841.00

METRICS AND TARGETS

Significant Judgments and Measurement Uncertainties

► Updating Financial Thresholds:

The 2025 financial materiality threshold was determined based on the principle of exceeding 1% and 5% of the Company's equity (**TL 907.4 million as of December 31, 2025**), which reflects the Company's financial resilience. In this context, thresholds of "TL 9.1 million (Low)" and "TL 45.4 million (High)" were applied for 2025 risks. (The Company's total assets for the same period were

TL 7,224,377,617, a figure also used in calculating the physical risk exposure ratio.)

► Emission Measurement Uncertainties:

Scope 1 and 2 emissions were measured according to the GHG Protocol standard, and the calculations for 2025 were transitioned to the updated **DEFRA 2025** emission factors. Although consumption data are definitive figures verified by invoices, the use of national average emission factors introduces a degree of statistical measurement uncertainty.

Financial Dimension of Climate-Related Risks and Opportunities

The Company has disaggregated its assets and revenue exposed to climate-related transition risks, physical risks, and opportunities based on its 2025 financials as follows:

1. Transition Risk Exposure (Policy and Market):

- **Policy Risk (CBAM and ESPR):** The business activity directly exposed to the risks of the European Union's Carbon Border Adjustment Mechanism and Digital Product Passport is the Company's direct exports to European Union countries. As of 2025, the EU export volume subject to the scope of these regulations amounted to **TL 4,136,382,775 on an inflation-adjusted basis**, representing approximately 25.6% of the Company's total revenue.
- **Market Risk (Exposure of Standard Products):** Of the total 2025 revenue of TL 16.16 billion, the portion amounting to **TL 7,275,718,104**, corresponding to **45%**, originates from standard products (without sustainability certification) that risk losing their competitive advantage in the face of market demand for green products. This ratio represents the gross revenue exposure at risk if the market rapidly shifts to green alternatives.

2. Physical Risk Exposure:

- **Assets Exposed to Extreme Weather Events:** The Company's most vulnerable assets to acute physical climate risks (floods, storms, etc.) are concentrated at the Mudanya plant, located on the coastline. As of December 31, 2025, the current insured value under the fire insurance policy for the facility's machinery, buildings, and inventories is **TL 5,197,069,149**. Given that the Company's total assets for the same period were **TL 7,224,377,617**, the ratio of direct assets exposed to physical risks to the Company's total assets was calculated as **71.9%**.

3. Revenue Aligned with Climate-Related Opportunities:

- **Sustainable Product Revenue:** Of the total 2025 revenue of TL 16,168,262,454, **55%**, or **TL 8,892,544,350**, was generated from sustainable cable solutions directly related to renewable energy infrastructure, grid modernization, and those documented with labels such as E- Path for environmental performance. This demonstrates the strong alignment of the business model with the opportunities of the transition to a green economy.



METRICS AND TARGETS

Climate-Focused Capital Deployment and Carbon Pricing

The Company has made strategic capital allocations to mitigate climate-related risks and capitalize on opportunities:

- **Incurred Operating Expenditure (OPEX/R&D):** To capitalize on market demand for green products, comply with data regulations such as ESPR, and develop low-emission products, direct R&D expenditures of TL **7,575,491** on an inflation-adjusted basis were incurred in 2025.
- **Planned Capital Expenditure (CAPEX):** To decarbonize the Company's operations and minimize future potential carbon tax risks (CBAM), a total investment of **EUR 750,000** is planned over the next five years for a pool of energy efficiency and emission reduction technologies. Additionally, an average annual investment of between **EUR 150,000** and **EUR 200,000** is projected for production

capacity modernization on the relevant production lines to support the growth opportunity in the renewable energy market.

- **Internal Carbon Pricing:** As of the reporting period, an internal shadow carbon price is not applied in investment decisions, transfer pricing, or scenario analyses. This is included in the Corporate Risk Management action plan as a future area for development.

Climate-Related Targets and Performance

The Company's climate targets are based on absolute reduction commitments approved by the Prysmian Group's Science Based Targets initiative (SBTi), which are aligned with the Paris Agreement's 1.5°C target. The targets are based on reducing absolute gross greenhouse gas emissions rather than a sector-based approach to achieving net zero. At present, no carbon credits (offsetting) have been used to achieve emission targets.

Table 5: Strategic Climate Targets and Progress as of 2025

Target Area	Metric / Scope	Base Year	Interim Targets	2024 Performance	2025 Performance	2026 Target
Climate Change (Absolute Reduction)	Percentage reduction in gross Scope 1 and 2 emissions (tCO ₂ e)	2019	2030: 60% reduction in Scope 1 and 2. 2035 (Net Zero): At least a 90% reduction in absolute gross emissions	-19.65%	-19.3%	-19.5%
Climate Change (Scope 3 - Value Chain)	Percentage reduction in Scope 3 emissions (tCO ₂ e)	2019	2030: 65% reduction. 2035 (Net Zero): Net Zero across the entire value chain.	Exemption (No Data)	Exemption (No Data)	Initiation of the data collection process
Energy Management	Reduction rate in total energy consumption / consumption amount (GJ)	2019	-12% Reduction	151,457 GJ Total Consumption	150,094 GJ Total Consumption	149,300 GJ
Circular Economy	Total waste recycling rate	-	>91% Recycling	91%	90.2%	91%
Circular Economy	Reel recovery rate from customers	-	35% (2026 Target)	22%	30.8%	35%
Value Chain	Suppliers audited on sustainability topics	-	12 Suppliers (2026 Target)	Not Disclosed	10 Suppliers	12 Suppliers

(Note: The remaining approximately 10% of residual emissions for the Company's final Net Zero (2035) target will be neutralized through approved, high-quality, nature-based carbon removal projects as the target year approaches.)

METRICS AND TARGETS

The qualitative objectives, scope breakdowns, and current performance details as of the reporting period for the strategic targets, which are structured within the framework of the Company's long-term decarbonization commitments and operational efficiency-focused management systems, are shared in detail in the table below:

Quality and Purpose	Metric and Scope	Applicable Period and Interim Targets	Performance (2025)	Use of Carbon Credits
1. Target: Science-Based Greenhouse Gas Emission Reduction These reduction targets, approved by the SBTi and aligned with the Paris Agreement's 1.5°C goal, shape the Company's decarbonization roadmap.	The targets are absolute reduction targets covering Scope 1, 2, and 3 emissions. Progress is monitored by the percentage reduction in absolute emissions (tCO ₂ e) against the 2019 base year.	• 2030 Interim Target: 60% reduction in Scope 1 and 2 emissions, and 65% in Scope 3. • 2035 Net Zero Target: To reach net zero for Scope 1, 2, and 3 emissions. This target will be achieved by reducing absolute emissions across all scopes by at least 90% and neutralizing the remaining emissions with high-quality carbon removal projects.	Compared to the 2019 base year, Scope 1 and 2 emissions decreased by 19.3%. Emissions have shown a steady downward trend since the base year, and the Company has made progress toward its 2030 interim target.	Near- and medium-term targets are planned to be achieved through direct reduction activities. A detailed strategy for the carbon credits to be used for neutralizing residual emissions for the 2035 Net Zero target will be developed as the target date approaches.
2. Target: Legal and Operational Excellence These targets aim to indirectly reduce emissions by ensuring full legal compliance and increasing resource efficiency.	Legal compliance is monitored through the ISO 14001 and ISO 50001 management systems, with a goal of zero non-conformities identified in internal and external audits. Energy and waste targets are tracked by the percentage reduction in total consumption and by the recycling rate, respectively.	The legal compliance target is continuous, while other operational targets, such as energy and waste, have been updated under the new Sustainability and Innovation Scorecard to be valid until the end of 2028.	• Legal Compliance: No material non-compliance with environmental legislation was recorded; full compliance was achieved. The Company consistently maintains this performance. • Energy Management: Total energy consumption, which was 151,457 GJ in 2024, amounted to 150,094 GJ in 2025. As a result of audit processes and invoice reconciliations, the facility's actual consumption during the period was confirmed as 31,001,926 kWh of electricity, 952,697 m³ of natural gas, 70,907 kg of diesel, and 10,478 kg of LPG. • Water Management: The facility's water usage is closely monitored as part of operational excellence targets. Total water consumption, which was 144,006 m³ (140,074 m³ from wells, 3,932 m³ from the grid) in 2024, was reduced to 124,252 m³ (115,675 m³ from wells, 8,577 m³ from the grid) in 2025 due to increased efficiency. • Waste Management: The waste recovery rate was 91% in 2024, while the realized figure for 2025 was 90.2%.	Not applicable.

Governance, Methodology, and Assurance

Climate-related performance is integrated into the remuneration policies (performance bonus model) of senior executives and key department leaders. Sustainability metrics, such as the results of the Group's Occupational Health and Safety assessment report and polyethylene and copper recycling rates, are included in the annual target cards of relevant managers;

success in these indicators directly impacts year-end performance bonuses and, for eligible positions, long-term incentive plans. As these ESG (Environmental, Social, Governance) metrics were structured as part of a holistic target card in the 2025 reporting period, the specific bonus percentage directly attributable to climate targets is not disaggregated and reported as a separate line item in the financial statements. Assigning a more measurable,

independent financial weight to climate-related targets is being considered for future periods.

The greenhouse gas emission data (Scope 1 and Scope 2) presented in this sustainability report has been subject to a Limited Assurance Engagement by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Events After the Reporting Period

Subsequent to the reporting period ending December 31, 2025, and up to the date of this report's approval, no significant climatic event or legal development has occurred that could affect the information presented in this report or require adjustments to the financial statements.

CALCULATION PRINCIPLES FOR METRICS

CALCULATION PRINCIPLES FOR METRICS

The information in this guide covers the relevant operations at the Mudanya facility of Türk Prysmian Kablo ve Sistemleri A.Ş. for the fiscal year ending December 31, 2025, in line with the scope disclosed in the 2025 TSRS-Compliant Sustainability Report.

The reporting scope includes:

- ▶ Türk Prysmian Kablo ve Sistemleri A.Ş. – Mudanya facility

General Reporting Principles

This guidance document has been prepared in accordance with the following principles:

- ▶ In the preparation of information – to emphasize the fundamental principles of relevance and reliability of information for its users.
- ▶ In the reporting of information – to emphasize the principles of comparability and consistency with prior-year and other relevant data, as well as the principles of understandability and transparency, thereby providing users with clear and accessible information.

Key Definitions and Reporting Scope

For the purposes of this report, the Company provides the following definitions:

Capital	Indicator	Scope
Environmental	Türk Prysmian Kablo ve Sistemleri A.Ş. Scope 1 Emissions (tCO ₂ e)	Represents the direct greenhouse gas emissions, expressed in tons of carbon dioxide equivalent (tCO ₂ e), generated during the reporting period at Türk Prysmian Kablo ve Sistemleri A.Ş.'s Mudanya facility. These emissions arise from stationary combustion sources, including natural gas, diesel, and LPG consumption based on invoiced consumption records, as well as operational emissions. The Company calculates its greenhouse gas emissions in accordance with the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol, 2004)." Biogenic emissions are excluded from total Scope 1 emissions.
Environmental	Türk Prysmian Kablo ve Sistemleri A.Ş. Scope 2 Emissions – Market-Based (tCO ₂ e)	Represents to the tons of carbon dioxide equivalent calculated by subtracting the amount of purchased renewable energy (I-REC) from the indirect greenhouse gas emissions generated during the reporting period at the Mudanya facility of Türk Prysmian Kablo ve Sistemleri A.Ş. These emissions result from the consumption of natural gas, diesel, LPG, and electricity, which represents indirect energy use tracked via invoices. The Company calculates its greenhouse gas emissions in accordance with the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol, 2004)."
Environmental	Türk Prysmian Kablo ve Sistemleri A.Ş. Scope 2 Emissions – Location-Based (tCO ₂ e)	Represents the tons of carbon dioxide equivalent (tCO ₂ e) of indirect greenhouse gas emissions resulting from electricity consumption and imported natural gas consumption at Türk Prysmian Kablo ve Sistemleri A.Ş.'s Mudanya facility during the reporting period, based on invoice-tracked indirect energy consumption. The Company calculates its greenhouse gas emissions in accordance with the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol, 2004)."
Environmental	Total Energy Consumption (GJ)	Represents the value in GJ, calculated by converting the consumption of energy sources that constitute Scope 1 and Scope 2 at the Mudanya facility of Türk Prysmian Kablo ve Sistemleri A.Ş. during the reporting period, as detailed above.

CALCULATION PRINCIPLES FOR METRICS

Data Preparation

1. Environmental Indicators

Total Energy Consumption (GJ)

Energy sources reported for energy consumption at the Mudanya facility of Türk Prysmian Kablo ve Sistemleri A.Ş. are natural gas, LPG, diesel, and electricity.

Energy conversions were performed using the following calculations:

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

Energy Source	Net Calorific Value	Unit	Reference
Natural gas	36.69	GJ/m ³	DEFRA 2025
LPG	45.94	GJ/ton	DEFRA 2025
Diesel	43.03	GJ/ton	DEFRA 2025

Scope 1 Greenhouse Gas Emissions (tCO₂e)

Scope 1 emissions were calculated in accordance with TSRS and the “Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard” using the operational control approach. CO₂ equivalent (CO₂e) conversion factors were used in the calculations. The 2025 DEFRA emission factors were used for the 2025 calculations. Global Warming Potential (GWP) values were obtained from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

Formula:

Emission Amount (tCO₂e) = Activity Data (L-m³-ton) *Emission factor (CO₂-CH₄-N₂O) (kg/TJ)

The energy sources included within Scope 1 comprise natural gas consumption and the use of LPG and diesel.

- **Natural Gas:** Monitored in m³ based on invoices obtained from service provider companies at the respective consumption locations.
- **Diesel:** Used for mobile consumption and refueling company vehicles, and monitored via fuel purchase invoices and receipts.
- **LPG:** Used for refueling forklifts within the facility and company vehicles, and monitored via fuel purchase invoices and receipts.

Emission Source – Scope 1	Emission Factor	Reference
Natural gas (stationary combustion)	2.06672 kgCO ₂ e/m ³	DEFRA 2025
LPG	2.93936 kgCO ₂ e/kg	DEFRA 2025
Diesel	3.20391 kgCO ₂ e/kg	DEFRA 2025

CALCULATION PRINCIPLES FOR METRICS

Scope 2 GHG Emissions (tCO₂e)

Scope 2 emissions were calculated in accordance with TSRS, applying the operational control approach under the framework of the “Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.”

The 2025 calculations were based on the DEFRA 2025 emission factors, and the location-based emission factor for electricity consumption was determined using the Turkish grid emission factor. For the market-based Scope 2 calculation, emissions were reported as zero (0), as all electricity consumption in 2025 was covered by Renewable Energy Certificates (I-REC).

Formula:

Emission Amount (tCO₂e) = Activity Data (kWh) x Emission Factor

The energy source included within Scope 2 is electricity consumption. The relevant calculations are performed in accordance with the following formulations:

- **Electricity:** Monitored in kWh based on invoices obtained from service provider companies at the respective consumption locations.

Emission Source – Scope 2	Emission Factor (tCO ₂ e/MWh)	Reference
Türkiye’s Electrical Energy (Grid-Sourced – Location-Based)	0.41420 tCO ₂ e/MWh	IEA (2025) Emission Factors

Significant Judgments and Measurement Uncertainties

The Company’s process for identifying material sustainability-related risks and opportunities and determining the material information to be disclosed is based on estimates and forward-looking information, including its short-, medium-, and long-term expectations regarding financial indicators such as Total Assets and Profit for the Period. However, these assessments require the use of estimates for certain amounts that cannot be directly measured. The assumptions regarding operational boundaries and emission calculations are disclosed in the report, and information regarding the relevant metrics is provided on pages 52–57 of this report.

The Company uses transition and climate scenarios to estimate the financial and physical impacts of its sustainability-related risks and opportunities. These scenarios include the IPCC RCP physical risk scenarios and the NGFS orderly transition, disorderly transition, and hothouse world scenarios, which involve uncertainties regarding the potential impacts of climate change on the frequency and severity of climate-related events that the Company may experience.

The changes in the Company’s financial performance, as presented on pages 32–46 of this Report, which may be affected by the transition to a lower-carbon economy and the potential additional financial obligations arising from this transition, are based on estimates and forward-looking information incorporating short-, medium-, and long-term expectations.

The calculation methodologies for physical climate risks and scenario analyses, as presented on pages 25–43 of this Report, as well as the potential changes in the Company’s financial performance resulting from these impacts, are based on estimates and forward-looking information incorporating short-, medium-, and long-term expectations.

Restatement

The measurement and reporting of verified data inevitably involve a degree of estimation. A restatement may be considered if there is a change of more than 5% in the data at the Group level.

TSRS 2 APPENDIX VOLUME 49 - ELECTRICAL & ELECTRONIC EQUIPMENT

63 Sustainability Disclosure Topics and Metrics

TSRS 2 APPENDIX VOLUME 49 - ELECTRICAL & ELECTRONIC EQUIPMENT

Sustainability Disclosure Topics and Metrics

Table 1. Sustainability Disclosure Topics and Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	PRYSMIAN KABLO'S FY2024 RESPONSE	PRYSMIAN KABLO'S FY2025 RESPONSE
Energy management	(1) Total energy consumed, (2) percentage of grid electricity, and (3) percentage of renewable energy	Quantitative	Gigajoule (GJ), Percentage (%)	RT-EE-130a.1	Türk Prysmian Kablo's net electricity consumption from the grid in 2024 was 30,619,813 kWh. All of this consumption (100%) was covered by internationally recognized Renewable Energy Certificates (I-REC). The calculations for this metric are as follows: (1) Total energy consumed: The Company's total energy consumption in 2024 includes electricity, natural gas, diesel, and LPG. The sum of this consumption, expressed in GJ, is 151,457 GJ. (2) Percentage of grid electricity: All of the Company's electricity consumption in 2024 was supplied from the national grid. (3) Percentage of renewable energy: Since all purchased electricity was covered by I-REC certificates, the renewable energy share of total electricity consumption is 100%. When natural gas and other fossil fuels are included, the renewable energy percentage of total energy consumption is approximately 72.8%.	Türk Prysmian Kablo's net electricity consumption from the grid in 2025 was 31,001,926 kWh. All of this consumption (100%) was covered by internationally recognized Renewable Energy Certificates (I-REC). The calculations for this metric are as follows: (1) Total energy consumed: The Company's total energy consumption in 2025 includes electricity, natural gas, diesel, and LPG. The sum of this consumption, expressed in GJ, is 150,094 GJ. As a result of audit processes and invoice reconciliations, the actual consumption at the Mudanya facility during the period was finalized at 31,001,926 kWh of electricity, 952,697 m³ of natural gas, 70,907 kg of diesel, and 10,478 kg of LPG. (2) Percentage of grid electricity: All of the Company's electricity consumption in 2025 was supplied from the national grid. (3) Percentage of renewable energy: Since all purchased electricity was covered by I-REC certificates, the renewable energy share of total electricity consumption is 100%. When natural gas and other fossil fuels are included, the renewable energy percentage of total energy consumption is 74.4%.
Product Lifecycle Management	Percentage of revenue from products that contain IEC 62474-declarable substances ⁸⁴	Quantitative	Percentage by revenue (%)	RT-EE-410a.1	As of 2024, Prysmian has incorporated the updated Substances of Very High Concern (SVHC) list from the European Chemicals Agency (ECHA) into its analysis processes. This update was reported to have significant effects across the entire cable industry, and its impact was also observed in revenue compliance rates. The revenue compliance rate was 28.8% in 2023 and fell to 21.0% in 2024; one of the main reasons for this decline was the effort to comply with the updates to the SVHC list. The Company continues its efforts to develop environmentally friendly products by making changes to product specifications. In this context, more environmentally friendly and recyclable products are being designed through the use of halogen-free materials, with the goal of developing products that comply with criteria such as carbon footprint, recyclability, and absence of toxic substances. This approach is carried out in line with the "Design for Sustainability" strategy. Prysmian implements a KPI called "Share of revenues linked to Sustainable Products" to measure the revenue share from sustainable products. As of 2024, this KPI value was 72%. Revenue from renewable energy projects and products with the E- Path label, in particular, constitutes approximately 67% of total revenue. E- Path is a classification system developed by the company that includes strict sustainability criteria. However, this KPI does not directly cover declarable substances according to the IEC 62474 standard but focuses more on general sustainable product revenues. The Company has integrated the Prysmian Health, Safety, Environment, and Energy Policy into its processes to identify, monitor, and reduce environmental impacts. Carbon emissions tracking and energy management are conducted within the framework of this policy. Additionally, the rate of facilities certified with the ISO 14001 Environmental Management System is 100%.	The Substances of Very High Concern (SVHC) list, periodically revised by the European Chemicals Agency (ECHA), forms the cornerstone of Türk Prysmian Kablo's product analysis and tracking mechanisms. While these regulatory changes in chemical legislation have wide-ranging implications for the cable manufacturing sector, the company's financial revenue compliance indicators are also directly affected by these dynamics. The revenue compliance indicator, calculated at 21.0% in the last reporting period (2024), reached 21.3% as of 2025, following efforts to comply with legal standards and integrate current lists into operations. The Company places its "Design for Sustainability" approach at the center of its R&D activities, prioritizing product designs that minimize environmental damage. The main objective of product modifications carried out under this vision is the development of cable systems that contain no toxic components, have high recyclability, and have a minimized carbon footprint. By focusing particularly on halogen-free material formulations, the share of products in the portfolio that are compliant with circular economy principles and have high ecological sensitivity is steadily increasing. To monitor the financial performance of its product range certified according to sustainability criteria, the group-wide criterion of "Share of Revenue from Sustainable Products" is tracked. The final value of this performance indicator for 2025 was recorded as 70%. In this context, total revenue of TL 8,892,544,350 was generated from special cables for renewable-energy infrastructure, grid modernization projects, and cable solutions certified with the Company's unique green classification standard, the E-Path label. This value-added green revenue corresponds to 55% of the consolidated gross revenue in the 2025 fiscal year. This KPI model aims to measure the overall share of the sustainable product segment within the Company's revenue, rather than directly addressing the chemical declaration processes defined in the IEC 62474 standard. At the Mudanya production facility, the protection of the environment, improvements in resource efficiency, and the systematic reduction of emissions are secured within the framework of the "Prysmian Health, Safety, Environment, and Energy Policy." The corporate decarbonization roadmap and energy consumption data are audited in accordance with this management framework. ISO 14001 Environmental Management System standards are continuously implemented across all operational processes, and compliance checks and risk analyses in this area are reviewed monthly under the leadership of the Sustainability Committee.

⁸⁴Note to RT-EE-410a.1 – The disclosure includes a discussion of the approach to managing the use of IEC 62474 declarable substances.

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TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	PRYSMIAN KABLO'S FY2024 RESPONSE	PRYSMIAN KABLO'S FY2025 RESPONSE
Product Lifecycle Management	Percentage of applicable products by revenue that are certified for energy efficiency	Quantitative	Percentage (%) by revenue	RT-EE-410a.2	For 2024, Türk Prysmian Kablo's "Share of Revenue from Sustainable Products" KPI value was 72%. E-Path, developed by Prysmian, is a classification system that includes strict sustainability criteria; its scoring criteria include elements such as the percentage of recycled content and recyclability potential. Prysmian products are designed according to criteria such as carbon footprint, recyclability, and the absence of toxic substances, and this approach is implemented within the framework of the "Design for Sustainability" strategy. Additionally, energy transmission and distribution cables, by definition, increase energy efficiency.	The "Share of Revenue from Sustainable Products" corporate KPI, which Türk Prysmian Kablo tracks to monitor the commercial performance of its environmentally friendly and circular economy-supporting product portfolio, stood at 70% as of the end of the 2025 operating period. The E-Path classification system, which forms the basis of this measurement mechanism, is a rating model implemented by the Prysmian Group that incorporates extremely strict ecological criteria. In the scoring algorithms of this system, operational parameters such as the volume of recycled content used in the manufacture of products and the recyclability of products at the end of their service life play a decisive role. In line with the "Design for Sustainability" strategy, which is at the heart of the Company's R&D and innovation vision, all developed cable and grid solutions are designed to minimize carbon emission intensity, be free of toxic elements, and maximize compatibility with circular processes. Furthermore, the energy transmission and electricity distribution cables manufactured by the Company directly improve energy efficiency in the infrastructure networks where they are used by minimizing losses during energy transmission.
Product Lifecycle Management	Revenue from products related to renewable energy and energy efficiency	Quantitative	Presentation currency	RT-EE-410a.3	As of 2024, Türk Prysmian Kablo's total revenue was TL 18,748,510,079 on an inflation-adjusted basis. Approximately 67% of this revenue was generated directly from renewable energy projects and products with the E-Path label. Accordingly, the revenue from products related to renewable energy and energy efficiency for 2024 is calculated to be approximately TL 12,561,501,753 in the presentation currency. E-Path, developed by Prysmian, is a classification system that includes strict sustainability criteria. E-Path-labeled products accounted for a significant portion of the Company's total sustainable product revenue, representing approximately 65% in 2024. Products under E-Path are designed using the "Design for Sustainability" approach, taking into account criteria such as carbon footprint, recyclability, and the absence of toxic substances. Additionally, energy transmission and distribution cables improve energy efficiency by reducing power losses when replacing aging systems and by connecting renewable energy capacity to the grid. Türk Prysmian Kablo's general "Share of revenues linked to Sustainable Products" KPI was 72.0% for 2024. This ratio reflects the share of revenue from renewable energy projects and E-Path labeled products under a broader sustainability umbrella. At the Group level, Prysmian's "Share of Revenues from Sustainable Products" was reported as 43.1% for 2024. This indicates that Türk Prysmian Kablo has a higher performance compared to the group average.	As of the end of the 2025 fiscal year, Türk Prysmian Kablo's total revenue reached TL 16,168,262,454. 55% of this total revenue was generated from direct renewable energy infrastructure projects and environmentally friendly products that meet the company's unique E-Path ecological labeling criteria. As a result of financial calculations, the net revenue earned from product groups serving renewable energy sources and energy efficiency in 2025 was recorded as TL 8,892,544,350. The E-Path classification model, implemented by the Company, is a sustainability system based on extremely strict ecological standards. These labeled products, which account for a significant portion of the financial returns of the corporate green product portfolio, are developed under the "Design for Sustainability" principles. During the design stages, environmental criteria such as minimizing the carbon footprint, the absence of toxic components, and high recyclability potential are fully considered. Furthermore, the next-generation energy transmission and electricity distribution cables produced replace outdated grid infrastructure, structurally reducing losses in power transmission lines and directly contributing to energy efficiency by integrating clean energy generation facilities into the national grid. The Company's key corporate performance indicator, "Share of Revenue from Sustainable Products," which measures the Company's overall weight in the sustainable product market, stood at 70% for the 2025 operating period. This overall performance ratio demonstrates the overall contribution of revenues from green energy investments and sales of environmentally declared cables to the Company's corporate sustainability goals. On a global scale, the average "Share of Revenue from Sustainable Products" calculated at the parent company level for 2025 was announced as 44.2%. This confirms that Türk Prysmian Kablo continues to outperform the global average of the Prysmian Group through its local manufacturing and marketing strategies.

TSRS 2 APPENDIX VOLUME 49 - ELECTRICAL & ELECTRONIC EQUIPMENT

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	PRYSMIAN KABLO'S FY2024 RESPONSE	PRYSMIAN KABLO'S FY2025 RESPONSE
Number of units produced by product category ⁸⁵	Quantitative	Number	RT-EE-000.A	–*	–*
Number of Employees	Quantitative	Number	RT-EE-000.B	Prysmian has approximately 34,000 employees worldwide. Specifically for Türk Prysmian Kablo ve Sistemleri A.Ş., the total number of employees as of December 31, 2025, was 545. Looking at previous periods, this number was 585 (439 field, 146 office-based) on December 31, 2024, and 613 (452 field, 161 office-based) on December 31, 2023. As of the most recent 2025 data, 134 employees are office-based personnel and 411 are field personnel.	When the Company's global organizational structure is examined, the number of personnel employed worldwide is approximately 34,000. Specifically for Türk Prysmian Kablo ve Sistemleri A.Ş., the total number of employees was recorded as 545 as of December 31, 2025. A slight contraction was observed in the Company's workforce, which stood at 585 (439 field, 146 office-based) on December 31, 2024, and 613 (452 field, 161 office-based) on December 31, 2023. As of the end of the 2025 operating period, an examination of the distribution of personnel working within the Company shows that 134 employees are office personnel (desk-based employees), while 411 are employed as field personnel (non-desk employees in production and factory areas). In the compilation of this workforce data, outsourced or subcontractor workers have been excluded, and only official employees on the Türk Prysmian Kablo payroll have been included.

⁸⁵Note to RT-EE-000.A – Production is reported as the number of units produced per applicable product category, including power generation, power distribution, lighting, and indoor climate-control electronics.

* Production quantities have not been disclosed on a category basis in the relevant reporting periods due to commercial sensitivities and competitive strategies.



**CONVENIENCE TRANSLATION INTO ENGLISH OF
PRACTITIONER’S LIMITED ASSURANCE REPORT
ORIGINALLY ISSUED IN TURKISH**

**INDEPENDENT PRACTITIONER’S LIMITED ASSURANCE REPORT ON TÜRK PRYSMIAN
KABLO VE SİSTEMLERİ A.Ş. AND ITS SUBSIDIARY SUSTAINABILITY INFORMATION IN
ACCORDANCE WITH TURKISH SUSTAINABILITY REPORTING STANDARDS**

To the General Assembly of Türk Prysmian Kablo ve Sistemleri A.Ş.

We have undertaken a limited assurance engagement on Türk Prysmian Kablo ve Sistemleri A.Ş. and its subsidiary (collectively referred to as the “Group”), sustainability information for the year ended 31 December 2025 in accordance with Turkish Sustainability Reporting Standards 1 “General Requirements for Disclosure of Sustainability-related Financial Information” and Turkish Sustainability Reporting Standards 2 “Climate Related Disclosures” (“Sustainability Information”).

Our assurance engagement does not extend to information in respect of earlier periods or other information linked to the Sustainability Information (including any images, audio files, document embedded in a website or embedded videos).

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the ‘Summary of the work we performed as the basis for our assurance conclusion’ and the evidence we have obtained, nothing has come to our attention that causes us to believe that Group’s Sustainability Information for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with Turkish Sustainability Reporting Standards published in the Official Gazette dated 29 December 2023, and numbered 32414(M) and issued by Public Oversight Accounting and Auditing Standards Authority (the “POA”) . We do not express an assurance conclusion on information in respect of earlier periods.

Inherent Limitations in Preparing the Sustainability Information

As discussed in “Metrics and Targets” section on pages 51 to 57 the Sustainability Information is subject to inherent uncertainty because of incomplete scientific and economic knowledge. Greenhouse gas emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge. Additionally, the Sustainability Information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.



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

Management of Group is responsible for:

- The Group management is responsible for the preparation of the sustainability information in accordance with Turkish Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;
- The Group Management is also responsible for the selection and implementation of appropriate sustainability reporting methods, as well as making reasonable assumptions and developing estimates in accordance with the conditions.

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

Practitioner's Responsibilities for the Limited Assurance on Sustainability Information

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Directors of Group.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the sustainability information. 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.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of Sustainability Information.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.



Professional Standards Applied

We performed a limited assurance engagement in accordance with Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information and, in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements, issued by POA.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk experts. We used the work of experts, in particular, to assist with determining the reasonableness of Group’s information and assumptions related to climate and sustainability risks and opportunities. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information, we:

- Inquiries were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period
- The Group's internal documentation was used to assess and review the information related to sustainability;
- Considered the presentation and disclosure of the Sustainability Information.
- Through inquiries, obtained an understanding of Group’s control environment, processes and information systems relevant to the preparation of the Sustainability Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Evaluated whether Group’s methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group’s estimates;
- Obtained understanding of process for identifying risks and opportunities that are financially significant, along with the Group's sustainability reporting process.



The procedures 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.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

A handwritten signature in blue ink, appearing to be 'Özgür Beşikcioğlu', written over the company name.

Özgür Beşikcioğlu, SMMM
Independent Auditor

Istanbul, 5 August 2026

