



KATMERCİLER

TSRS ALIGNED SUSTAINABILITY REPORT
2024



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Introduction

- Company Overview
- Disclosure Summary





Introduction

Investors, lenders and insurers, particularly within the financial sector, increasingly expect companies to report climate-related risks and opportunities that are financially material in a consistent, comparable and transparent manner. In this context, the Türkiye Sustainability Reporting Standards (TSRS) were published in the Official Gazette No. 32414 on 29 December 2023 and entered into force as of 1 January 2024. The TSRS have been established as two main standards, developed on the basis of the IFRS S1 “General Requirements for Disclosure of Sustainability-related Financial Information” and IFRS S2 “Climate-related Disclosures” issued by the International Sustainability Standards Board (ISSB).

- TSRS 1 sets out the general requirements for the disclosure of sustainability-related financial information.
- TSRS 2 provides the framework for climate-related disclosures.

TSRS is structured across three main disclosure categories to provide the information required by capital providers when evaluating and pricing companies:

- Transition Risks
- Physical Risks
- Climate-related Opportunities

In addition, disclosures under TSRS 2 are organized along four core pillars:

- Governance
- Strategy
- Risk Management
- Metrics and Targets



Company Overview

➤ Since its establishment, Katmerciler has operated with a production philosophy centered on customer satisfaction. The company has successfully commercialized numerous original defense vehicle designs, including the HIZIR mine-resistant vehicle, the KHAN armored personnel carrier, and the ATEŞ border security vehicle, among others.

Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret Anonim Şirketi (“Katmerciler”) was founded in 1985 in Izmir and is one of Türkiye’s leading companies specializing in the development and production of superstructure equipment for defense and civil vehicles. Since its establishment, Katmerciler has operated with a “customer satisfaction-oriented production” philosophy. The company has successfully commercialized several original defense vehicle designs, including the HIZIR mine-resistant vehicle, the KHAN armored personnel carrier, and the ATEŞ border security vehicle. In addition, Katmerciler supplies solutions for public and construction applications, such as fire trucks, vacuum trucks, road-sweeping and sewer cleaning units, as well as mobile maintenance and fuel supply vehicles.

Katmerciler adopts an integrated production facility model in superstructure equipment manufacturing, operating profiling, surface treatment and welding processes under a

single organizational structure through the parent company and its three subsidiaries—Gimkat Araç Üstü Ekipman, Katmerciler Profil, and the 95.7%-owned subsidiary Isıpan Otomotiv. This vertical integration approach enables scale efficiency and flexible production capacity, allowing the company to meet diverse quality and demand requirements in both military and civil markets.

In 2024, the Group’s net sales amounted to 1,339.5 million TL, of which domestic sales represented 584.5 million TL and export revenues reached 755.0 million TL. The gross profit margin was recorded at 42.6%, and the EBITDA margin at 30.9%. At year-end, the company employed 223 people. Within the public shareholding structure, the issued capital stands at 1,076.6 million TL and the registered capital ceiling at 16,500 million TL. The company’s shares are traded on Borsa İstanbul Main Market under the ticker symbol “KATMR.”

For more information

www.katmerciler.com.tr 



Disclosure Summary

Governance

At Katmerciler, the oversight of environmental management and climate-related risks and opportunities is under the direct supervision of the Board of Directors. The company's risk and sustainability agenda is evaluated by a cross-functional management team composed of senior executives, with active participation from operations, production, and supply units. As of 2024, a primary risk inventory addressing climate-related physical and transition risks has been developed; scenario-based impact assessments have been conducted; and these risks have been integrated into operational and strategic decision-making mechanisms.

Strategy

Katmerciler's business model is based on project-specific customized vehicle superstructure manufacturing, and the impacts of climate change can influence this model in multiple dimensions. The company's production infrastructure, located in high climate-risk regions such as İzmir and Ankara, is exposed to physical risks including flooding, wildfires, drought, and water scarcity. In response, updated emergency response plans, fire and water management strategies, and infrastructure resilience projects were implemented in 2024.

Risk Management

Katmerciler strengthens its corporate risk management approach in alignment with TSRS 2 principles. In 2024, climate-related risks and opportunities were identified based on scenario analysis, supported by WRI Aqueduct data, IPCC RCP climate pathways, and internal technical performance indicators. Operational and strategic risks with high potential impact—such as flooding, wildfires, water scarcity, carbon pricing, and energy supply volatility—were evaluated across varying probability and impact levels, and corresponding cost thresholds and potential financial implications were defined. As part of the risk management process, preventive maintenance planning and alternative sourcing strategies are being implemented.

Metrics and Targets

As of 2024, Katmerciler has established metrics and targets to monitor climate performance across emissions, energy use, and resource efficiency. The company reports Scope 1 (375.826 tCO₂e) and Scope 2 (807.185 tCO₂e) emissions and aims to reduce total emissions by 10% by 2035. Katmerciler also plans to increase the share of renewable energy use to 10% by 2035 and has initiated monitoring and improvement processes related to carbon intensity, energy efficiency, water use, and employee training. The tracking of climate-related targets is overseen by the Sustainability and Quality Unit, with structured data verification and revision procedures in place.



Report Overview

- Scope and Alignment with Reporting Standards
- TSRS Transitional Provisions and Scope
- Reporting Period and Reporting Currency
- Time Horizons and Climate Scenarios
- Overview of the Value Chain





Report Overview

Scope and Alignment with Reporting Standards

Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret A.Ş. (“Katmerciler” or “the Company”) aims, through this report, to transparently disclose climate-related risks and opportunities associated with its sustainability performance. The report is prepared in accordance with TSRS 2 – Climate-related Disclosures, within the framework of the Türkiye Sustainability Reporting Standards (TSRS) issued by the Public Oversight Accounting and Auditing Standards Authority (KGK) in the Official Gazette on 29 December 2023. In this context, sector-specific disclosures for Katmerciler reference the Sustainability Accounting Standards Board (SASB) guidance. In line with TSRS requirements, Katmerciler provides information that is consistent with the Company’s multi-year strategic objectives and sectoral priorities, which are also reflected in its financial reporting. Katmerciler previously prepared its sustainability reports for the 2020–2021–2022 reporting periods in accordance with the Global Reporting Initiative (GRI) Standards. In the current reporting period, climate-related matters are detailed in alignment with the TSRS framework. This report has been prepared on a consolidated basis, covering Katmerciler A.Ş. as the parent company and all its wholly consolidated subsidiaries.

TSRS Transitional Provisions and Scope

Katmerciler is applying the Türkiye Sustainability Reporting Standards (TSRS) for the first time as of 2024. Accordingly, the Company has made use of the transitional provisions.

- **TSRS 1.E5 – Scope Selection Exemption:** In 2024, only climate-related risks and opportunities within the scope of TSRS 2 are disclosed; social and governance topics will be detailed in subsequent reporting periods.
- **TSRS 1.E3 – Comparative Information Exemption:** As this is the first year of implementation, comparative data from prior periods is not presented.
- **TSRS 2.C4 – Scope 3 Exemption:** Scope 3 greenhouse gas emissions are not disclosed in the initial reporting period.

Reporting Period and Reporting Currency

The reporting period covers 1 January 2024 – 31 December 2024. The presentation currency is Turkish Lira (TL).

Time Horizons and Climate Scenarios

Katmerciler assesses climate-related risks and opportunities across short-, medium-, and long-term horizons. The Company defines its time horizons as follows: short term: 0–5 years, medium term: 5–10 years, and long term: 10+ years. Within these time frames, the potential impacts of climate change on the Company’s business model and value chain have been analyzed in line with climate projections developed by the Intergovernmental Panel on Climate Change (IPCC).



Overview of the Value Chain

General Structure

Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret A.Ş. (“Katmerciler”) is the parent company within the scope of consolidation and operates as an integrated group together with its subsidiaries. The Group structure includes affiliates that specialize in different stages of the production process. Gimkat Araç Üstü Ekipman Sanayi ve Ticaret A.Ş., a wholly owned subsidiary of Katmerciler, manufactures vehicle-mounted equipment; Katmerciler Profil Sanayi ve Ticaret A.Ş., also wholly owned, specializes in surface coating and finishing processes; and İspan Otomotiv ve Üst Ekipman Metal Makine San. ve Tic. A.Ş., 95.67% owned by Katmerciler, carries out welding operations. Through this structure, Katmerciler A.Ş., as the Group’s principal company, conducts final assembly and turnkey integration activities under a single roof, while its specialized subsidiaries perform critical production functions such as surface treatment and welding, ensuring functional work allocation within the Group. Consolidation is carried out under Katmerciler A.Ş. as the parent, and all intra-group transactions and balances are eliminated during the preparation of consolidated financial statements.

Although Katmerciler’s headquarters is located in Izmir, its operations are not limited to a single location. The Company operates through three branches in Ankara, one branch in Iraq, and one branch in Istanbul, all under the parent company structure. Through this distribution, Katmerciler maintains a functionally aligned and geographically diversified organization model, ensuring coordinated and integrated operations across all units of the Group.

Primary Business Activities

Katmerciler’s core business operations are organized along two main pillars: superstructure manufacturing and defense industry vehicle production. Established in 1985, the Company has built a diverse product portfolio over its 39 years of experience. Within the superstructure manufacturing segment, Katmerciler designs and produces fire trucks; environmental and waste management vehicles (such as refuse collection trucks, road sweepers, and vacuum trucks); tanker and transport vehicles; screw compressor-equipped vehicles; and various other customized purpose-built superstructures. In the defense industry segment, the Company develops solutions for a wide range of security and tactical needs, including tactical wheeled armored vehicles, armored construction and engineering vehicles, armored logistics support vehicles, riot control vehicles (such as TOMA), and unmanned ground vehicles. Katmerciler’s defense products — including 4x4, 6x6, and 8x8 Armored Personnel Carriers (APCs); 4x4, 6x6, and 8x8 Tactical Wheeled Armored Combat Vehicles; and Military-Grade Unmanned Ground Vehicles — are designed and engineered in the Company’s in-house R&D center, addressing differentiated operational requirements for national and international defense stakeholders. All product groups are manufactured in compliance with international quality standards and delivered as turnkey solutions under a fully integrated production structure. With its dual focus in the superstructure manufacturing and defense segments, Katmerciler maintains a leading and innovative position in both markets and continues to advance its strategic presence in these sectors.



In terms of geographic market presence, Katmerciler serves a broad customer base both domestically and internationally. To date, the Company has exported vehicles and superstructure equipment to more than 77 countries, positioning itself toward stronger global brand recognition. In particular, Katmerciler has achieved a leading market position in the firefighting vehicles and waste management truck segments across Africa and the Middle East. Municipalities and public authorities in these regions frequently prefer Katmerciler's fire and environmental service vehicles for their operational needs. Similarly, the Company's armored defense vehicles have been integrated into the inventory of the Turkish Armed Forces and have also entered the service of allied countries. Products such as HIZIR and UKAP have garnered significant interest in defense exhibitions across Africa and Asia, resulting in multiple export contracts.

Among Katmerciler's strategic priorities are expanding its presence in the defense industry, strengthening its leadership position in the traditional superstructure manufacturing segment particularly across developing markets, and enhancing global brand visibility. The Company emphasizes a manufacturing philosophy that is environmentally and socially responsible, aligned with technological advancement and operational excellence. Within this strategic context, Katmerciler aims to align its product portfolio and business model with climate-related risks and opportunities. Rising climate-driven disasters, such as wildfires and floods, have increased demand for firefighting and emergency response vehicles, presenting a growing commercial opportunity. At the same time, evolving carbon emission regulations and customer expectations are encouraging the Company to focus on more environmentally efficient and innovative vehicle technologies. Katmerciler continues to monitor global sustainability trends and positions its product development strategy accordingly.

Value Chain Disclosures

Upstream (Suppliers and Production Partners): Katmerciler operates with an extensive supply chain supporting both its superstructure manufacturing segment and armored vehicle production. Inputs such as steel, aluminum, hydraulic systems, engine–chassis components, and electrical/electronic assemblies are sourced from qualified suppliers in Türkiye and abroad. The Company maintains business relationships based on integrity, trust, consistency, professionalism, and mutual value creation, reflecting its commitment to long-term and sustainable supplier partnerships. Group subsidiaries constitute critical components of the internal value chain: for example, Isıpan A.Ş. provides welded manufacturing services, and Katmerciler Profil A.Ş. performs surface coating and painting processes that enhance final product quality. Through these internal capabilities, the Company ensures vertical integration across key manufacturing processes. In addition, the Company's R&D Center in İzmir contributes to the supply chain by integrating material and technological innovations, driving improvements in cost efficiency and product quality across procurement and production workflows.

Midstream and Downstream (Distribution Network, Sales Channels, and Customers): In the domestic market, Katmerciler supplies products directly to end-users and public agencies. Key customers include municipalities (for firefighting and environmental services vehicles), private-sector waste management firms, construction and logistics companies (for customized superstructure applications), and public defense institutions such as the Presidency of Defense Industries and the Turkish Armed Forces. Sales are typically executed through tender processes or direct contracting, while after-sales services—including maintenance, servicing, and spare



parts—are provided by the Company or authorized service partners to support customer satisfaction and lifecycle performance.

In international markets, Katmerciler’s sales are supported by a broad network of local representatives, distributors, and strategic partnerships. The Company has exported to more than 77 countries, enabling access to diverse customer segments across global regions and strengthening its international market presence.

Customer Focus and Stakeholder Engagement: Katmerciler adopts a stakeholder-oriented approach across all stages of its value chain.

In addition to providing turnkey solutions, the Company offers an integrated service model that spans pre-sales needs assessment, product delivery, and post-sales maintenance and training support. This approach strengthens customer loyalty and reinforces the reliability of the brand. Feedback received from customers and suppliers is regularly reviewed in line with internal procedures, and a continuous improvement principle is applied under the Company’s quality management system.

➤ Katmerciler’s core objective is to grow together with its partners, employees, suppliers, and customers, and to establish itself as a globally recognized brand in the superstructure manufacturing segment.





Reporting Boundary

- Organizational Boundary and Scope of Reporting
- Consolidation Method for the Greenhouse Gas (GHG) Inventory
- Operational Boundary: Scope 1 and Scope 2 Emissions
- Scope 3 Emissions and Transition Exemption
- Judgments and Measurement Uncertainties





Reporting Boundary

Organizational Boundary and Scope of Reporting

Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret A.Ş. (“Katmerciler”) defines the organizational boundary for its sustainability reporting in alignment with its consolidated financial statements. Accordingly, the reporting scope includes Katmerciler A.Ş. and all of its consolidated subsidiaries. These subsidiaries comprise Gimkat Araç Üstü Ekipman Sanayi ve Ticaret A.Ş., Isipan Otomotiv ve Üst Ekipman Metal Makina Sanayi ve Ticaret A.Ş., and Katmerciler Profil Sanayi ve Ticaret A.Ş., each of which forms an integral part of the Katmerciler Group and is fully consolidated under the parent company. During the reporting period, there were no new acquisitions or disposals of subsidiaries that would alter the organizational boundary. Therefore, the reporting scope remains consistent with previous periods. This continuity is explicitly stated in the report to ensure transparency.

Consolidation Method for the Greenhouse Gas (GHG) Inventory

Katmerciler applies the operational control principle when defining the consolidation boundary for reporting its greenhouse gas (GHG) emissions. Under this approach, emissions from all facilities and activities over which Katmerciler has operational control are included

in the Company’s GHG inventory. As the Group companies are also consolidated under Katmerciler A.Ş. based on the control principle for financial reporting, the boundary of the GHG inventory is aligned with the financial consolidation boundary. By adopting the operational control method, Katmerciler ensures that all activities where it has the authority to implement policies and manage emissions are covered within the reporting scope.

This approach has been selected because it enables the Company to focus on emission sources that it can directly influence. The rationale for the chosen method is disclosed transparently in this report.

Operational Boundary: Scope 1 and Scope 2 Emissions

Katmerciler’s operational boundary includes Direct (Scope 1) and Energy Indirect (Scope 2) gross greenhouse gas (GHG) emissions. Scope 1 covers direct emissions from sources owned or controlled by the Company, including carbon emissions resulting from fuel consumption in company-owned vehicles. Emission calculations are carried out by identifying the quantities of fuels consumed during the reporting period (such as diesel, gasoline, and natural gas) and applying the relevant standard emission factors. Scope 2 comprises indirect emissions arising from the consumption of purchased electricity.



Electricity usage data from the Company's production facilities and offices are collected, and national grid emission factors are applied to determine GHG emissions associated with electricity consumption. In Katmerciler's 2024 carbon inventory, Scope 1 (direct) emissions were calculated as 375.826 tCO₂, while Scope 2 (energy indirect) emissions amounted to approximately 807.185 tCO₂. The measurement methodologies, data sources, and emission factors used are detailed in the Corporate Carbon Footprint Report. Calculations are carried out in accordance with the Greenhouse Gas Protocol (GHG Protocol) and based on ISO 14064-1:2018, ensuring a scientifically robust and internationally recognized approach.

Scope 3 Emissions and Transition Exemption

Scope 3 (Other Indirect) emissions represent the indirect greenhouse gas impacts arising across Katmerciler's value chain, including emissions associated with suppliers, logistics operations, and the use of products. In accordance with the transition exemption granted under Article TSRS 2.C4 of the Türkiye Sustainability Reporting Standards, Scope 3 emission data will not be disclosed in the Company's public sustainability report for the current reporting period. Katmerciler continues to monitor and internally assess Scope 3 emissions, focusing on improving data quality and completeness. Following the transition period, and as data robustness increases, Scope 3 emissions will be reported in full compliance with TSRS requirements in subsequent reporting periods.

Judgments and Measurement Uncertainties

In preparing this sustainability report, Katmerciler's management has exercised significant professional judgment in line with TSRS 1.81 and TSRS B58 requirements related to the identification of climate-related risks and opportunities, the determination of reporting boundaries, and the estimation of potential financial impacts. As many of the disclosures in the report involve forward-looking analyses and scenario-based assessments, they inherently contain a degree of judgment and measurement uncertainty.

Potential financial impacts associated with climate-related risks and opportunities are presented in qualitative terms such as "very low", "low", "moderate", "high", or "very high". Although these classifications are based on the most current data and assumptions available, the magnitude, timing, and likelihood of these impacts remain subject to change due to external factors such as macroeconomic developments, regulatory uncertainty, and the timing and severity of climate-related events.

In areas where measurement uncertainty remains significant, Katmerciler has prioritized transparent qualitative disclosure to ensure accurate and responsible communication to investors and other stakeholders. In the upcoming reporting periods, as data quality improves, the Türkiye Emissions Trading System (ETS) comes into effect, and product-level carbon accounting advances, the Company aims to enhance the quantitative depth of its climate-related reporting.



Governance

- Oversight of the Board of Directors
- Climate-Related Responsibilities of the Board Committees
- Ensuring Board Competence
- Integration of Climate Considerations into Strategy, Risk Management, and Investment Decisions
- Role of Senior Management and Day-to-Day Responsibilities
- Sustainability Governance Structure and Internal Control Mechanisms
- Integration of Climate Targets into Incentives and Compensation





Governance

Oversight of the Board of Directors

At Katmerciler, environmental management and all climate-related risks and opportunities are monitored directly under the Early Detection of Risk Committee. Established in accordance with Article 378 of the Turkish Commercial Code, the Committee consists of two independent Board members and a representative from the Accounting Directorate. The Committee Chair, who is also a member of the Board of Directors, holds primary responsibility for climate-related matters and reports key findings to the Board every two months, informing strategic decision-making processes. All sustainability and climate-related decisions at Katmerciler are ultimately shaped under the authority of the Board of Directors, which is the highest governing body within the Company.

Climate-Related Responsibilities of the Board

The Board of Directors is the highest decision-making authority on environmental, social, and governance (ESG) matters and is responsible for the oversight of climate-related risks and opportunities. The Board identifies and monitors priority sustainability topics and the associated risks and opportunities. Under the Board's oversight, the ISO 14001 Environmental Management System is implemented across the Company, and climate-related processes are managed through internal procedures, directives, and regular reporting mechanisms. This structure enables

the Board to continuously assess the impacts of climate change on the Company's operations and ensure that necessary actions are taken.

Committees

Katmerciler has not yet established a dedicated Sustainability Committee; however, foundational work has commenced and the Committee is planned to be formed in 2025. Currently, the oversight of climate and sustainability matters is carried out through existing Board committees. In particular, the Early Detection of Risk Committee and the Corporate Governance Committee play an active role in tracking and evaluating climate-related issues. These committees are predominantly composed of independent Board members and convene at regular intervals to review ongoing and planned activities in the areas of sustainability and climate. Their findings and recommendations are reported to the Board of Directors, ensuring that climate-related risks and opportunities are brought directly to the Board's agenda. Both committees are chaired by independent Board member Mehmet Cemal Öztaylan, with Bora Ersan serving as a member. Through this structure, an objective and expert oversight mechanism is ensured for climate-related governance. Additionally, the Audit Committee continues to perform its broader oversight role by monitoring sustainability risks that may have financial implications within the Company's internal control and audit framework.



Ensuring Board Competence

The Board of Directors' competence on climate change and sustainability matters is supported through both the professional experience of its members and ongoing capacity-building efforts. The Board members bring extensive experience in industry and corporate governance, enabling them to assess climate-related risks and opportunities in connection with the Company's business strategy. Independent Board members, in particular, contribute expertise in risk management and oversight, strengthening the evaluation and governance of climate risks.

The Company ensures that Board members remain informed on climate-related developments by closely monitoring regulatory changes and sectoral trends, and by consulting external experts when necessary. In addition, reports on sustainability activities carried out throughout the year are presented to the Board at least once annually. This structured information flow and continuous learning approach ensure that Board-level decisions on climate matters are made consciously and based on up-to-date knowledge.

Integration of Climate Considerations into Strategy, Risk Management, and Investment Decisions

Katmerciler approaches climate change mitigation as a key component of its corporate strategy. The Company has defined its climate strategy and publicly communicated the planned actions. The integration of priority environmental issues into

business objectives and strategic planning is detailed in relevant reporting documents. Accordingly, climate change impacts and the opportunities arising from the transition to a low-carbon economy are taken into consideration in long-term strategic planning and investment decisions. In product development and R&D activities, criteria such as energy efficiency, alternative fuel use, and emission reduction are incorporated into decision-making processes. Within the Company's risk management framework, climate-related risks are identified and monitored. The Early Detection of Risk Committee evaluates the potential impacts of climate risks—including extreme weather events, regulatory changes, and supply chain disruptions—on Company operations. Significant climate risks identified through these assessments are incorporated into the corporate risk inventory and corresponding mitigation measures are planned. This approach enables climate-related risks and opportunities to be managed proactively in strategic and investment decision-making. Scenario analysis is used to assess uncertainties and trade-offs, enhancing the Company's resilience to the evolving impacts of climate change.

Role of Senior Management and Day-to-Day Responsibilities

Senior management plays a central role in the integration of climate strategy and policies into daily operations. The Chief Executive Officer, who also serves as Chair of the Executive Committee, oversees the implementation of the climate strategy set by the Board of Directors. The CEO ensures that sustainability performance objectives are embedded across the organization and monitored effectively. Members of the Executive Committee coordinate day-



to-day activities aimed at improving energy efficiency, reducing emissions, and achieving other environmental targets. In this context, collaboration among the production, R&D, quality, and environmental management functions is strengthened to ensure that climate-related initiatives are implemented consistently across the Company. While the Company does not currently have a designated Chief Sustainability Officer (CSO) role, the sustainability function is addressed as a shared executive responsibility across senior management. Relevant departments—such as Environmental Management, Occupational Health and Safety, and Quality Systems—operate under senior management and monitor the progress of climate-related initiatives within their respective areas of expertise. Senior management evaluates feedback from these units in regular meetings and updates strategic priorities when necessary. In addition, outcomes and performance indicators related to sustainability activities carried out during the year are reviewed by senior management and reported to the Board of Directors. This ensures a consistent communication and oversight mechanism extending from daily operations to strategic decision-making.

Sustainability Governance Structure and Internal Control Mechanisms

Katmerciler executes its corporate sustainability governance framework through its existing organizational structure and integrated management systems. The Company operates in compliance with ISO 9001 Quality Management and ISO 14001 Environmental Management standards, ensuring oversight of climate and environmental performance. Internal control mechanisms are reinforced through documented procedures and instructions defined under these management systems. Climate-related data (including greenhouse gas emissions, energy consumption, and

waste management indicators) are collected on a regular basis and monitored by responsible managers. These data are used both for regulatory reporting and internal performance tracking, enabling timely intervention when deviations or improvement needs are identified. Within the Company, cross-functional working groups coordinate sustainability-related efforts. For example, the Environmental Management unit monitors the environmental impacts of operational activities, while the Occupational Health and Safety team evaluates employee well-being, including preparedness for climate-related risks such as extreme weather events. The outcomes of these teams' work are periodically reviewed by senior management and are considered within internal audit processes.

Integration of Climate Targets into Incentives and Compensation

The integration of climate-related performance objectives into executive and employee incentive/compensation systems remains at an early stage. At present, performance criteria applicable to the Board of Directors or senior management do not include direct metrics such as greenhouse gas emission reduction or other climate-related targets. However, the Company recognizes the importance of reinforcing sustainability performance. To this end, internal communication and training efforts are carried out to increase awareness, and environmental responsibility is encouraged indirectly within performance evaluations. In future periods, aligned with sectoral best practices and regulatory expectations, the Company may incorporate measurable climate-related performance indicators into management compensation policies. Katmerciler continues to monitor developments in this area and will evaluate the integration of sustainability criteria into executive remuneration systems accordingly.



Strategy

- Climate-Related Risks and Opportunities
- Work Model and Value Chain
- Strategy and Decision-Making
- Financial Position, Performance, and Cash Flows
- Climate Resilience





Strategy

Climate-Related Risks and Opportunities

The following tables present the climate-related risks and opportunities identified by Katmerciler in 2024. The definition of time horizons is specific to the Company's climate strategy. Time horizons and potential financial impacts are defined as follows:

Time Horizon		Description
Short Term	0-5 year	This period refers to climate risks and regulatory developments that may directly impact operational decisions, production facilities and the existing supply chain. Acute physical risks such as floods, wildfires, extreme heatwaves and water stress, as well as rapidly emerging transition risks such as carbon pricing, are prioritized within this horizon.
Medium Term	5-10 year	This period covers climate risks that may influence Katmerciler's strategic decisions on product development, export strategy and potential new facility investments. During this horizon, expected developments such as CBAM alignment, energy supply security, and potential climate-driven disruptions across logistics and supply networks are key considerations.
Long Term	10+ year	This period encompasses long-term climate resilience, technology transition, product portfolio alignment and carbon neutrality strategies. Scenario-based climate projections, including IPCC RCP 8.5, are taken into account to assess how physical risks may shift from episodic events to chronic conditions over time. The deepening of climate regulations, the emergence of new low-carbon market opportunities and the evolution of customer expectations are evaluated within this horizon.

Degree	Financial Impact	Range (Million TL)
Very Low	Equivalent to 0.5% – 1% of Net Sales (Revenue)	6,697,615 – 13,395,231
Low	Equivalent to 1% – 3% of Net Sales (Revenue)	13,395,231 – 40,185,692
Medium	Equivalent to 3% – 5% of Net Sales (Revenue)	40,185,692 – 66,976,154
High	Equivalent to 5% – 8% of Net Sales (Revenue)	66,976,154 – 107,161,846
Very High	Equivalent to above 8% of Net Sales (Revenue)	107,161,846-> 107,161,846

Katmerciler's audited net sales (revenue) for the year 2024, adjusted for inflation accounting, amounted to TRY 1,339,523,074. Accordingly, the financial impact thresholds have been categorized as presented above. This thresholding has been determined based on net sales, in line with the scale of Katmerciler's operations, and enables material financial impacts to be assessed in a consistent, traceable, and measurable manner in accordance with TSRS 2 Climate-related Disclosures and BDS 320 (Materiality). The thresholds were defined specifically for the company's size and sectoral context, in line with the provisions of TSRS 1 Paragraph 81 and TSRS 1.B58.



Climate-Related Risks

No	Climate Risk	Risk Area	Risk Type	Time Horizon	Potential Financial Impact	Probability Score (1–5)	Risk Management Approach
1	Extreme Rainfall / Flooding Risk – İzmir Production Facility	Operational	Physical (Acute)	Short-term (0–5 years)	Low	High (4)	Emergency response plans and periodic maintenance practices are implemented at the facility level.
				Medium-term (5–10 years)	Low	High (4)	
				Long-term (10+ years)	Medium	Very High (5)	
2	Wildfires and Air Quality Impacts – Çiğli Organized Industrial Zone	Operational	Physical (Acute)	Short-term (0–5 years)	Low	High (4)	Wildfire response plans are in place. Indoor air quality is managed through filtration and routine maintenance of ventilation systems..
				Medium-term (5–10 years)	Low	High (4)	
				Long-term (10+ years)	Medium	Very High (5)	
3	Drought / Water Scarcity – Ankara Facilities	Operational	Physical (Acute)	Short-term (0–5 years)	Low	Medium (3)	Water conservation systems and maintenance practices have been implemented. Water efficiency in production is being increased and operational flexibility plans are developed against potential supply interruptions.
				Medium-term (5–10 years)	Low	High (4)	
				Long-term (10+ years)	Medium	Very High (5)	
4	Climate-Related Disruptions in Supply Logistics (Flooding, Storms, Extreme Heat)	Supply Chain	Physical (Acute)	Short-term (0–5 years)	Low	High (4)	Alternative supply routes and strategic spare parts inventory planning are implemented.
				Medium-term (5–10 years)	Low	High (4)	
				Long-term (10+ years)	Medium	Very High (5)	
5	Energy Supply and Price Volatility	Market / External Trade	Transition Risk (Policy / Regulation)	Short-term (0–5 years)	Low	High (4)	Energy consumption is monitored regularly; investments in efficiency improvements are planned. The energy strategy includes transitioning to alternative energy sources and reducing energy intensity.
				Medium-term (5–10 years)	Low	High (4)	
				Long-term (10+ years)	Medium	Very High (5)	
6	CBAM and Carbon Compliance Risk	Energy Management	Transition Risk (Policy / Regulation))	Short-term (0–5 years)	Low	Medium (3)	Preparatory work for carbon management and product-level emissions tracking is underway. The company's diversified product portfolio and R&D capabilities support rapid technical compliance.
				Medium-term (5–10 years)	Medium	High (4)	
				Long (10+ yıl)	Medium	Very High (5)	
7	Product Regulations (EURO 7, Electrification of Vehicle Platforms)	Market / External Trade	Transition Risk (Market)	Short-term (0–5 years)	Low	Medium (3)	To enable rapid compliance with evolving regulations, product development processes are managed in a flexible manner, and the R&D center actively focuses on new technologies. Thanks to the company's specification-based production structure, customer requirements can be met with regulation-compliant solutions.
				Medium-term (5–10 years)	Low	High (4)	
				Long (10+ yıl)	Medium	Very High (5)	



İklimle ilgili Fırsatlar

Climate Opportunity	Opportunity Area	Opportunity Type	Time Horizon	Likelihood Score (1–5)
Increase in market demand for climate-related emergency and disaster response equipment	Product Development	New Market – Physical	Short (0–5 yıl)	High (4)
			Middle (5–10 yıl)	High (4)
			Long (10+ yıl)	Very High (5)
Electrified cleaning and fire response vehicles	R&D and Technology	Transition – Low-Emission	Short (0–5 yıl)	High (4)
			Middle (5–10 yıl)	High (4)
			Long (10+ yıl)	High (4)

Work Model and Value Chain

Katmerciler's business model is based on project-oriented production that focuses on the superstructure manufacturing segment, with product configurations tailored to customer specifications.

The current business model has direct exposure to both physical and transition climate risks. In particular, the increasing frequency of floods and forest fires in the İzmir region in recent years poses potential threats such as operational disruptions, infrastructure damage, and shipment delays at the production site.

The supply chain is another area of vulnerability, where extreme weather events—including storms and heatwaves—may lead to logistics disruptions. Accordingly, Katmerciler is reviewing alternative

supply routes and backup stock planning for substitute and critical components, in order to mitigate potential delays and cost increases arising from climate impacts on procurement.

The presence of energy-intensive processes (e.g., plasma cutting, welding, paint ovens) increases the company's carbon intensity and sensitivity to energy price volatility. This dynamic affects not only operational costs but also the company's ability to align with carbon regulations (e.g., CBAM) in export markets.

With respect to transition risks, regulatory developments such as the EU Green Deal and EURO 7 standards may influence product design and export dynamics, making transformation over the value chain



increasingly necessary. In this context, steps under consideration include restructuring R&D processes in high carbon-intensity product segments, developing superstructure systems compatible with electric vehicle platforms, and systematizing product-level emissions accounting.

Katmerciler's current business model and value chain therefore encompass both risks and opportunities in the context of climate change. The company is taking these potential impacts into account and is planning strategic transformation measures to strengthen resilience and embed climate considerations into decision-making processes.

Strategy and Decision-Making

Physical climate risks have had a direct influence on operational decision-making, particularly due to the İzmir production facility's exposure to flood and fire-related threats. In this context, during 2023–2024 the Company implemented updated emergency response plans, fire intervention protocols, and personnel awareness trainings as part of its initial adaptation measures. These plans play a critical role in ensuring facility protection and business continuity, especially under heatwave-driven wildfire scenarios. Such measures represent strategic preparedness to enhance operational resilience against climate-related disruptions.

From the perspective of transition risks, the European Green Deal and border carbon adjustment mechanisms (CBAM) have prompted Katmerciler to reassess its export strategy. Accordingly, in 2024, steps were taken regarding carbon footprint traceability, logistics efficiency, and the development of low-emission product options within the scope of CBAM alignment. In particular, for product groups with relatively higher carbon intensity (e.g., hydraulic-system fire response and waste collection vehicles), R&D processes focusing on energy efficiency have been initiated.

Katmerciler also evaluates the ongoing transformation in the superstructure manufacturing segment as a strategic opportunity. In response to sectoral trends toward electrification, the Company's extensive product portfolio and flexible production infrastructure provide the potential to develop designs compatible with electric vehicle platforms. Work in this area is supported by the Company's R&D Center, with the aim of strengthening competitiveness in both public procurement processes and international market demand.

Additionally, since 2020, Katmerciler has initiated comprehensive data collection processes for carbon footprint and energy intensity reduction. These processes are considered preparatory steps for potential obligations under the Turkish Emissions Trading System (TR ETS). Energy efficiency investments are being prioritized in energy-intensive processes, and the long-term inclusion of solar power systems (GES) into the Company's investment plan is under consideration.



Financial Position, Performance, and Cash Flows

All of Katmerciler's operations and physical assets exhibit sensitivity to both physical and transition climate risks. Specifically, the exposure of the İzmir production facility to floods, forest fires, and prolonged heatwaves may lead to operational and financial impacts such as production downtime, infrastructure damage, and increased maintenance costs.

In 2024, expenditures were incurred for infrastructure reinforcement, system resilience improvements, and fire safety measures to mitigate these risks. While these expenditures resulted in increases in operating and capital costs, they aim to ensure business continuity and strengthen corporate resilience to physical climate risks. At present, the financial impact of these measures is assessed within the low impact threshold. However, in the event of increased frequency or severity of such risks, strategic budget allocations to these areas may be expanded.

Should physical risks materialize, short-term production interruptions, emergency repair requirements, and disruptions in workforce productivity and logistics operations may adversely affect Cost of Goods Sold (COGS), gross profit, and operating expenses. Over the long term, such impacts may exert pressure on pre-tax profitability and cash flows.

With respect to transition risks, carbon regulations (e.g., Türkiye Emissions Trading System and the EU Carbon Border Adjustment Mechanism) are expected to introduce additional cost burdens in the coming years. Accordingly, investments in emission reduction and energy efficiency are considered strategically important for optimizing Katmerciler's long-term cost structure.

Regarding climate-related opportunities, the development and customization of superstructure systems for electric and alternative-fuel vehicles has gained prominence. Related R&D investments are recognized under intangible assets and align with the Company's strategy of pursuing new product and market opportunities.



Climate Resilience

Climate Risk Scenario Analysis – Flood Risk (Çiğli – İzmir Facility) / Physical Risk			
Scenario	Description	Impact on Katmerciler	Impact on Strategy and Business Model
RCP 2.6 (1.5–2 °C) (Optimistic Scenario)	This represents the best-case scenario where global warming is limited to 1.5 °C. According to the IPCC AR6, a slight increase in extreme precipitation events is projected by 2100. In İzmir, while total annual precipitation is expected to remain stable, short-term intense rainfall may show a mild increase.	There is a low potential impact level for the production area. If infrastructure remains adequate, production interruptions are not expected. Past short rainfall events have not disrupted operations at the facility.	Periodic maintenance of existing drainage systems and observation-based monitoring are considered sufficient for this scenario. Additional investment requirements are low. Risk monitoring should be maintained annually.
RCP 4.5 (2,4–3 °C) (Orta Senaryo)	According to IPCC AR6 and WRI, short and intense rainfall events in İzmir may increase by up to 20% by 2050. The WRI Aqueduct Flood Risk Index rates İzmir as “medium-high.”	Due to surface runoff, temporary production halts, flooding, material damage in stock areas, and increased maintenance needs may occur. In the event of a two-day production stoppage, the cost is estimated at approximately TRY 6.5 million.	Infrastructure reinforcement, backup drainage lines, pump systems, production planning based on disaster scenarios, and business interruption insurance should be considered. Business continuity plans should be revised.
RCP 8.5 (> 4 °C) (Pessimistic Scenario)	In this scenario, the frequency of extreme rainfall may increase 2–3 times by 2100. WRI projections foresee a high flood risk in Çiğli by 2080, with a significant increase in one-hour heavy rainfall events.	Flooding on the production site, equipment failures, logistics delays, and production shutdowns may occur. The risk of damages not covered by insurance and operational losses may rise.	Redesigning critical infrastructure, elevating production floors, increasing water discharge capacity, and implementing early warning systems become vital. Advanced resilience planning is required to address the heightened flood risk.

References

- IPCC AR6, WGII, Chapter 13: Europe – <https://www.ipcc.ch/report/ar6/wg2/>
- Climate Change Post – “Flood Risk in Türkiye” – <https://www.climatechange.post.com/Türkiye/floods/>
- WRI Aqueduct Flood Risk Explorer – 2050 projections for İzmir – <https://floods.wri.org/>



Climate Risk Scenario Analysis – Forest Fire and Air Quality Risk (Çiğli – İzmir Facility) / Physical Risk

Scenario	Description	Impact on Katmerciler	Impact on Strategy and Business Model
RCP 2.6 (1.5–2 °C) (Optimistic Scenario)	According to IPCC AR6 WGII, under this scenario global temperature rise is limited to 1.5 °C. This leads to only a limited increase in forest fire risk in the Mediterranean basin. Around İzmir, fires may remain confined to rural areas. According to 2023 data from the Turkish State Meteorological Service (MGM), no heat-related fire incidents were recorded in the Çiğli region. No significant deterioration in air quality is projected.	The fire hazard around the Organized Industrial Zone (OIZ) perimeter is low. However, smoke from regional fires could temporarily increase PM 2.5 levels, mildly affecting employee health and indoor air quality. Although direct production interruption risk is low, short-term disruptions related to planning may occur.	Operational risk is low under this scenario. It is considered sufficient to review existing occupational health and safety (OHS) procedures to include air-quality monitoring, to track early-warning systems (MGM, EEA, AFAD), and to ensure regular maintenance of HVAC filters.
RCP 4.5 (2.4–3 °C) (Moderate Emission Scenario)	According to the G20 Risk Atlas and IPCC AR6, by 2050 the fire season in western Türkiye is expected to lengthen by 20–30 days on average, with increasing maximum temperatures and decreasing relative humidity. İzmir and its surroundings are among the high-risk regions during fire season. An increase in PM 2.5 concentrations and a decline in indoor air quality are also projected..	The frequency of fires in rural areas near the OIZ may increase. During summer months, smoke and particulate matter could deteriorate indoor air quality. This poses risks for employee health, HVAC performance, and production safety. As fires approach the facility perimeter, evacuation preparedness may be required.	Production planning should account for fire seasons; OHS protocols should be updated; high-efficiency filtration HVAC systems should be installed; and emergency response plans should integrate fire-related evacuation scenarios. During fire seasons, outdoor air intake should be controlled, and indoor air quality should be monitored via sensors.
RCP 8.5 (> 4 °C) (Pessimistic Scenario)	According to IPCC and MGM projections, western Türkiye will become one of the European regions with the longest fire seasons by 2080. The duration of the fire season could increase by 30–50 days. İzmir will face high risk both in fire frequency and smoke-related PM 2.5 concentrations. Based on EEA data, the number of days exceeding PM 2.5 limit thresholds has already increased in 2023.	Large-scale fires around the Çiğli OIZ could directly threaten the production facility. Heavy smoke could severely degrade indoor air quality, leading to production shutdowns, worker evacuations, and respiratory health issues. There is a high risk of heat-induced stress on critical equipment and malfunction in HVAC systems.	Under this scenario, forest fire and air-pollution risks reach a strategic level. Emergency plans must be restructured; alternative shift scheduling should be developed to maintain production continuity; specialized air-purification systems should be installed to protect worker health; and integrated fire-preparedness scenarios should be developed in coordination with local disaster-management authorities. Heat insulation and fire-resistant exterior protection systems for critical production assets may need to be reinforced.

References

- IPCC AR6 – WGII Chapter 13: Europe, 2022
- G20 Climate Risk Atlas – Türkiye (CMCC Foundation, 2021)
- EEA – PM2.5 & Air Quality Maps
- MGM (Turkish State Meteorological Service) – 2023 Extreme Heat and Fire Observations



Climate Risk Scenario Analysis – Water Shortage Due to Drought (Water Used for Product Testing) / Physical Risk

Scenario	Description	Impact on Katmerciler	Impact on Strategy and Business Model
RCP 2.6 (1.5–2 °C) (Optimistic Scenario)	According to IPCC AR6 WGII, under this scenario the global temperature increase is limited to 1.5 °C. However, for the Mediterranean basin, a mild drought trend is still expected. In İzmir, the precipitation regime may become seasonally unbalanced, leading to short-term droughts. According to WRI Aqueduct, İzmir is among the regions with a “medium water-stress” level.	Katmerciler’s water used for product testing depends on the municipal water network. Under periodic drought conditions, short-term production slowdowns may occur. Although the overall impact of water consumption on production is low, regional infrastructure challenges could cause temporary disruptions.	Under this scenario, operational risks can be managed at a low level through measures such as water recovery, process-efficiency improvements, and rainwater-harvesting systems. While the company’s existing water-management strategies are considered sufficient, annual reviews supported by monitoring systems are recommended.
RCP 4.5 (2,4–3 °C)Orta Senaryo	According to the G20 Climate Risk Atlas and IPCC AR6, this scenario projects reduced average precipitation, increased evaporation, and rising water demand in İzmir and the Aegean region during 2030–2050. WRI Aqueduct projections indicate that İzmir may reach a “high water-stress” level by 2030. MGM data show an upward trend in heatwaves and drought periods.	Water-allocation restrictions may lead to limitations in industrial water use. This can cause delays in the supply of water used for product testing, reduced efficiency in cooling systems, and equipment malfunctions. Especially during summer months, production-interruption risk increases, maintenance costs rise, and profit margins come under pressure.	Water use becomes a critical decision factor in production planning. Increasing water-recovery rates, reducing the water footprint, transitioning to closed-loop systems, developing cooperation protocols with municipalities, and exploring alternative water sources (greywater, treated water) become strategic priorities. In the medium term, investments in water-efficiency measures gain importance.
RCP 8.5 (> 4 °C) (Pessimistic Scenario)	This scenario assumes uncontrolled emission growth. According to IPCC and Climate Transparency sources, under this scenario İzmir and its surroundings experience chronic drought, extreme heat, significant groundwater depletion, and evaporation-driven water loss. WRI projects that İzmir may shift into the “very high water-stress” category by 2080.	The supply of water used for product testing becomes critically endangered. The local water network may become insufficient, leading to production-line stoppages, equipment damage, and occupational-health risks. Water scarcity could require temporary suspension of production during certain periods, directly affecting operational efficiency and financial performance.	Ensuring water-supply continuity becomes a prerequisite for business continuity. Expansion of rainwater-harvesting systems, installation of greywater infrastructure, and implementation of independent water-storage systems to reduce external dependency become essential. Critical production assets should be restructured to withstand water stress. Long-term allocation agreements with municipalities and infrastructure providers must be established. In this scenario, water risk becomes a key criterion in capital-investment and supply-chain decisions.

References

- IPCC AR6 WGII – Mediterranean Region Summary
- G20 Climate Risk Atlas – Türkiye (CMCC Foundation, 2021)
- WRI Aqueduct – Baseline Water Stress Projections for 2030 & 2040
- MGM – Türkiye Drought Observations (2023, 2024)



Climate Risk Scenario Analysis – Climate-Related Disruptions in Supply Logistics / Physical Risk

Scenario	Description	Impact on Katmerciler	Impact on Strategy and Business Model
RCP 2.6 (1.5–2 °C) (Optimistic Scenario)	In this scenario, where emissions are rapidly reduced and global warming is limited to 1.5 °C, overall climate risks remain under control. However, according to IPCC AR6 Chapter 11, the frequency of short-term, intense summer downpours and storm events is expected to increase in the Mediterranean Basin. Based on MGM data, the frequency of short-duration flood events has risen since 2020.	In the Aegean and Marmara regions, sudden summer rainfalls and flash floods may cause delays in road deliveries. Short-term shifts in delivery lead times can occur, making delivery reliability and planning flexibility increasingly important.	Supply-chain mapping should be conducted, and high-flood-risk routes should be supported with alternative corridors. Early-shipment protocols and seasonally adjusted ordering systems should be established with key suppliers. In addition, stock levels for critical spare parts and materials can be restructured in line with the flood season.
RCP 4.5 (2.4–3 °C) (Moderate Scenario)	According to IPCC AR6 and the G20 Risk Atlas, by 2040 summer temperatures in Türkiye could rise by 4–6 °C. During the same period, alternating heavy-rainfall cycles, droughts, and heatwaves are projected to place pressure on land and sea transportation. MGM (2022–2024) data indicate an increase of more than 50 percent in extreme-weather events.	In road transportation, asphalt deformation, heat-related equipment failures, flood risks, and severe storms may lead to delivery irregularities. Such disruptions create pressure on production-line scheduling and just-in-time delivery performance.	Climate-sensitive planning becomes essential in logistics operations. Katmerciler should evaluate suppliers based on climate-resilience criteria and cooperate with logistics partners offering high flexibility. Substitute suppliers' locations should be reassessed, local storage capacity increased, and weather-alert-based route-optimization modules integrated into logistics software.
RCP 8.5 (> 4 °C) (Pessimistic Scenario)	In this scenario, global emissions remain uncontrolled. According to IPCC AR6, WRI Aqueduct, and the G20 Risk Atlas, after 2050 Türkiye may face dramatic increases in floods, road-infrastructure deformation, port closures, and storm-induced supply-chain disruptions. Sea-level rise and port-operation restrictions also pose additional risks.	Severe delays may occur in both domestic (road) and international (marine, port, and air) logistics. Delivery times for Katmerciler's heavy-vehicle superstructure equipment could be significantly affected.	Within the business model, logistics flexibility and adaptability become top strategic priorities. Advanced crisis-response scenarios should be developed; geographic diversification of suppliers should be implemented; and safe-stock levels for critical raw materials should be increased. Logistics-insurance coverage should be reviewed, and resilient packaging, multimodal-transport models, and comprehensive business-continuity plans should be established.

References

- IPCC AR6 WG1, Chapter 11 – Weather and Climate Extremes
- G20 Climate Risk Atlas – Türkiye (2022)
- WRI Aqueduct
- MGM 2024 Climate Assessment Report
- World Bank – Türkiye Country Climate and Development Report (2022)



Climate Risk Scenario Analysis – Energy Supply and Price Volatility (Natural Gas and Electricity) / Transition Risk

Scenario	Description	Impact on Katmerciler	Impact on Strategy and Business Model
RCP 2.6 (1.5–2 °C) (Carbon-Neutral Targets)	According to IPCC and IEA Net Zero projections, under this scenario global policies tighten and carbon pricing becomes widespread. In Türkiye, the share of renewable energy increases, while dependence on natural gas falls below 30%. Electricity prices may show short-term volatility but are expected to decline in the medium term.	Natural gas pricing is likely to remain predictable; however, electricity-related costs may rise due to ETS-like mechanisms. On the other hand, investments in renewable energy can create a cost advantage.	For Katmerciler, investments in solar power plants (SPP), LED lighting, and high-efficiency motor systems create a competitive edge. The establishment of ISO 50001-compliant energy management systems and the adoption of “green energy” procurement agreements (YEK-G, I-REC) become long-term strategic decisions. Additionally, offering low-carbon-footprint products to customers is encouraged.
RCP 4.5 (2.4–3 °C) (Slow Transition Scenario)	According to IEA WEO 2023, policy efforts remain limited in this scenario, and the energy transition progresses gradually. Türkiye continues to rely heavily on natural gas (70% import dependency) while electricity demand rises. Electricity prices may increase by up to 20%, accompanied by supply-security challenges.	In summer months, power outages and price fluctuations may lead to unexpected production stoppages. Import-driven price pressure in natural gas markets intensifies.	Katmerciler should implement time-of-use consumption scheduling and load-management systems in energy-intensive departments. Off-grid solutions (solar + battery) become critical. Developing energy-cost forecasting models and integrating them into financial planning becomes essential. Capacity expansion of electrical infrastructure should also be considered.
RCP 8.5 (> 4 °C) (Uncontrolled Emissions)	Under this scenario, where emissions are not reduced, extreme heatwaves, droughts, and severe weather events put pressure on energy infrastructure. Türkiye’s energy supply security becomes severely threatened. Power outages and natural gas price crises occur more frequently.	Power cuts disrupt production-line planning. Particularly in cooling, welding, and testing systems, safety and operational continuity risks arise. Sharp increases in natural gas prices directly affect profit margins.	Katmerciler’s energy-security strategies become central to its business model. Hybrid SPP + battery systems, uninterruptible power supply (UPS) solutions, carbon-price risk management, and energy-source diversification become essential. Financial risk insurance, restructuring of energy contracts, and prioritizing facilities with high “energy resilience” scores emerge as key strategic criteria.

References

- IEA WEO (2023): Net Zero Scenario & Stated Policies
- IPCC AR6 Mitigation Pathways Report
- EPDK – Türkiye Electricity and Natural Gas Market Reports (2023–2024)
- TÜBİTAK-UTEAM – Türkiye’s Energy Security Report (2022)
- G20 Climate Risk Atlas – Türkiye: Energy Sector Vulnerabilities



Climate Risk Scenario Analysis – CBAM and Carbon Compliance Risk / Transition Risk

Scenario	Description	Impact on Katmerciler	Impact on Strategy and Business Model
IEA NZE 2050 + RCP 2.6 (Orderly Transition Scenario)	In line with the EU's 2050 net-zero target, the Carbon Border Adjustment Mechanism (CBAM) expands after 2026. In addition to intermediate inputs such as iron-steel and aluminum, products such as portable machinery and vehicle-mounted equipment become subject to carbon-content declarations. Verification of the carbon footprint of exported products through ISO 14064 and product-level LCA becomes mandatory.	Katmerciler's high-carbon-content inputs such as iron, steel, and aluminum will directly incur CBAM-related costs. For exports to the EU, a carbon cost of approximately €30–50 per tCO ₂ per product may occur. Products without certified carbon-content data may face competitive disadvantages in the EU market.	Verification of Scope 1–2 emissions and calculation of product-level carbon footprints become prerequisites for CBAM compliance. Alongside an ISO 14064-verified corporate GHG inventory, suppliers must be required to share carbon data. ERP systems and production traceability infrastructure should be restructured to enable product-level emission tracking. Suppliers with low carbon efficiency should be reassessed, and strategies such as sourcing low-carbon steel and aluminum should be developed.
IEA APS + RCP 4.5 (Moderate Transition Scenario)	The CBAM scope remains limited but reporting requirements increase. Türkiye introduces an Emissions Trading System (ETS). Product-level disclosure of Scope 1–2 emissions becomes mandatory, and internal carbon shadow pricing is applied. The Turkish ETS carbon price may reach €25–30 per tCO ₂ .	Katmerciler may experience an increase in production costs due to electricity- and natural-gas-related Scope 2 emissions. Additional carbon costs may arise under Türkiye's ETS. For products subject to CBAM in the EU, reporting requirements increase operational workload.	An internal carbon-pricing mechanism should be integrated into corporate decision-making processes. The share of renewable energy use should be increased, and energy-efficiency projects prioritized. To ensure compliance with CBAM and ETS, product-level emission-calculation systems should be implemented, carbon-cost simulations conducted, and carbon-performance criteria integrated into supply-chain management.
IEA STEPS + RCP 8.5 (High-Emission – Weak Compliance Scenario)	Global emissions continue to rise. The EU's CBAM scope remains narrow, but Environmental Product Declarations (EPD), LCAs, and ISO 14067 certifications become critical in public procurement and certain private-sector supply chains.	If Türkiye fails to achieve full policy alignment with the EU on carbon regulations, this poses a significant risk. Without certified carbon-content documentation, products may face market losses and price disadvantages.	Even outside CBAM coverage, carbon competitiveness becomes a key differentiator. Product-level environmental declaration systems should be established; carbon-neutral product development, EPD preparation, and sustainable-supply-chain management should be implemented. Alternative export markets should be explored, and the company's market positioning in Europe should emphasize sustainability credentials.

References

- Regulation (EU) 2023/956 – Official CBAM Text
- IEA Net Zero Emissions Roadmap 2050
- IPCC AR6 WG III – Policy & Industrial Sector (Chapter 13)
- World Bank Carbon Pricing Dashboard
- G20 Climate Risk Atlas – Türkiye & EU Reports



Climate Risk Scenario Analysis – Product Regulations (EURO 7, Electric Vehicle Transition, CBAM) / Transition Risk

Scenario	Description	Impact on Katmerciler	Impact on Strategy and Business Model
RCP 2.6 / IEA NZE 2050 (Orderly Transition and 1.5 °C Target)	The European Union introduces the EURO 7 engine standard after 2026–2027. By 2030, 40% of new heavy-duty vehicle sales are expected to be electric. The CBAM, effective from 2026, makes product-level carbon reporting mandatory.	Vehicle-mounted equipment exported by Katmerciler to the EU must be compatible with next-generation electric vehicles. In addition, the carbon footprint of each product must be calculated and documented. Demand for high-emission equipment will decline.	Product design and manufacturing processes must be adapted to electric-vehicle compatibility (e.g., battery-supported fire-suppression systems). A carbon-accounting infrastructure must be established for products under CBAM; Environmental Product Declarations (EPDs) and ERP-integrated carbon-tracking systems should be developed. To remain competitive in the EU market, R&D and e-mobility investments become strategic priorities.
RCP 4.5 / IEA APS (Moderate Transition Scenario)	The transition progresses gradually. After 2027, public tenders start requiring low-emission vehicles. The CBAM scope may expand to include final products. EU supply-chain partners increasingly demand transparency regarding carbon content and production sources.	EU supply chain actors begin to scrutinize carbon content and production sources more strictly.	R&D investments should be directed toward developing a new range of products compatible with low-emission and electric vehicles. ERP systems must operate in integration with carbon data, and carbon transparency must be ensured across the supply chain.
RCP 8.5 / IEA STEPS (High-Emission – Weak Policy Scenario)	Global emissions continue to rise; however, the EU and other developed economies tighten environmental protection measures. The CBAM expands, and environmental labeling becomes mandatory.	Katmerciler’s carbon-intensive products may lose competitiveness in the EU market. Export costs will rise, and products may become subject to carbon-related border taxes.	Manufacturing carbon-intensive products becomes a strategic risk. Product-compliance certifications (EURO 7, electric-vehicle compatibility, EPDs) become mandatory. Delaying green-transition investments could lead to medium-term financial pressure and reputational risk.

References

- European Commission – EURO 7 Proposal (2023)
- IEA NZE Roadmap 2050
- CBAM Regulation (Reg. (EU) 2023/956)
- IPCC AR6 WGIII, Ch. 10 – Transport
- G20 Climate Risk Atlas – EU & Türkiye
- Bruegel CBAM Analysis (2024)
- EU Green Deal Roadmap



Risk Management

- Identification of Climate-Related Risks and Opportunities and Integrated Risk Management Framework
- Climate Opportunity Assessment Process





Risk Management

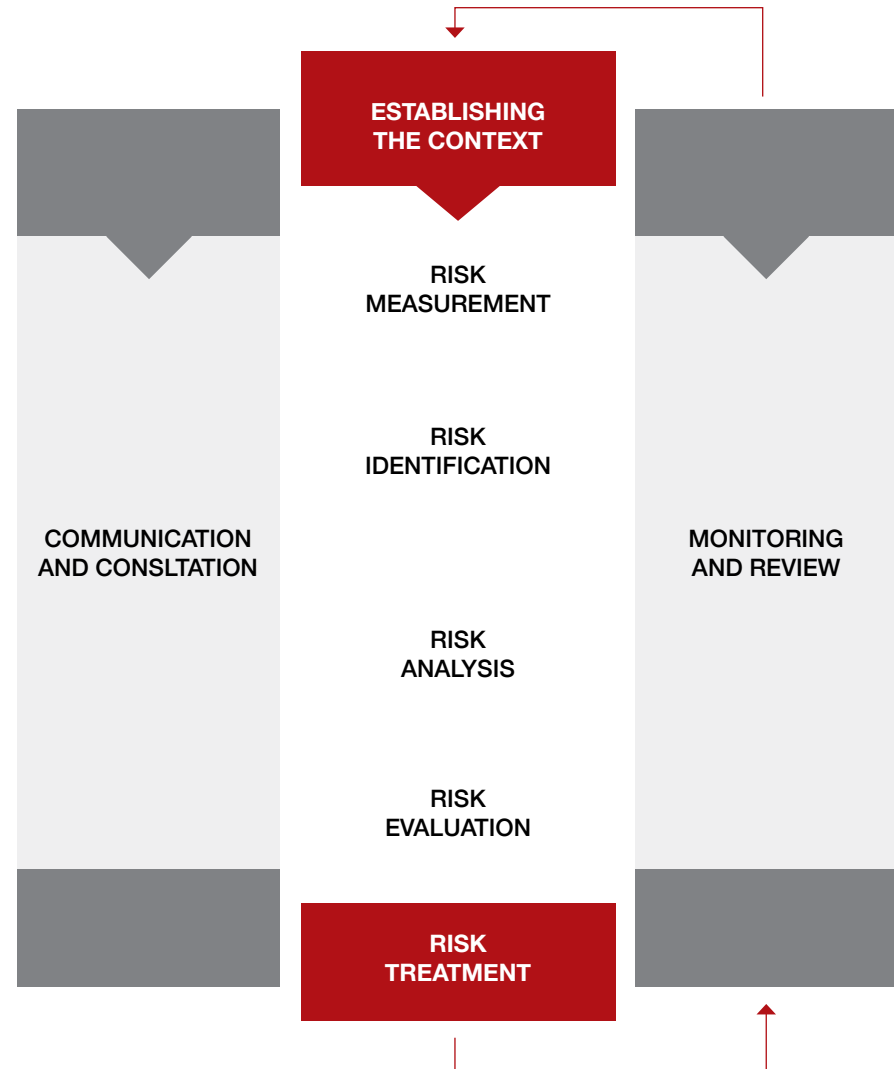
Identification of Climate-Related Risks and Opportunities and Integrated Risk Management Framework

In alignment with its corporate sustainability objectives, Katmerciler has developed a multi-layered risk management framework aimed at identifying, prioritizing, assessing, and monitoring climate-related risks and opportunities. In accordance with the requirements of TSRS 2, a comprehensive “Climate Risk and Opportunity Inventory” was established as of 2024. This inventory, introduced during the first year of TSRS implementation, has been integrated into the “Risk and Opportunity Management Procedure” developed in compliance with ISO 31000 standards.

Step 1: Identification and Mapping of Risks

Katmerciler’s climate-related risks have been identified using the following data sources and analytical parameters:

- **Data sources:** IPCC AR6 Reports, WRI Aqueduct, World Bank Climate Database, Turkish State Meteorological Service (MGM), and national ETS/CBAM regulations.
- **Scope:** R&D and production facilities located in İzmir-Çiğli Organized Industrial Zone (OIZ), international sales activities, supply chain, and after-sales service processes.
- **Methodology:** Brainstorming sessions, process-based risk assessment forms, case analyses of past climate events, and impact modeling based on financial thresholds.





Step 2: Scenario-Based Risk Assessment

Katmerciler has conducted physical risk analyses using the RCP 4.5 and RCP 8.5 scenarios to understand the future likelihood and impacts of climate-related risks. For example, the effects of events such as floods, forest fires, and droughts on production processes were modeled according to geographic location. In addition, transition risks were evaluated based on the IEA NZE 2050 scenario, focusing on carbon pricing and regulation-driven cost risks.

During the assessment process, SASB sector metrics specified in TSRS 2 Annex Volume 50 “Industrial Machinery and Products” and Annex Volume 46 “Aerospace and Defense” sector guidelines (e.g., RT-IG-130a.1: Energy Management) were also taken into account.

Climate Opportunity Assessment Process

Katmerciler identifies market expansion for low-emission emergency and firefighting equipment, as well as the development of product lines compatible with electric-vehicle transition, as key opportunities. These opportunities are monitored within the same matrix and KPI framework integrated into the risk management process.

Step 3: Impact and Likelihood-Based Risk Classification

Risks were analyzed using both qualitative criteria (Reputation, Compliance, Operational, and Environmental External Impact) and quantitative criteria. The impact scale was defined based on financial thresholds derived from 2024 net sales data.

Likelihood was determined using a five-point scale ranging from 1 (very low) to 5 (very high). A 5x5 matrix method was applied to prioritize risks.



Probability	Score	Disclosure
Very High	5	The event occurs almost every year.
High	4	Occurs frequently; likely to happen every few years.
Medium	3	May occur occasionally; about once within ten years.
Low	2	Rare; occurs less than once in ten years.
Very Low	1	Very rare; once every 20 years or less.



Step 4: Integration and Prioritization with Other Risks

Climate risks have been evaluated within the same system as Katmerciler's other strategic risk categories (e.g., financial risks, supply disruptions, regulatory non-compliance). Climate-related risks are monitored as a distinct subcategory under the company's strategic risk framework but are integrated into the overall risk-prioritization structure.

Step 5: Monitoring System

Monitoring of climate-related risks is conducted at least once a year in connection with the "Process Performance Monitoring Plan." For critical risks, monitoring intervals are updated on a quarterly basis.

Step 6: Integration into Risk Management and Decision Support Mechanism

At Katmerciler, climate risks are fully integrated into the Corporate Risk Management (ERM) System, which operates under the coordination of the Early Risk Detection Committee. All risk data are consolidated within Process-Based Risk Assessment Forms and reviewed during annual performance evaluations before being reported to the Board of Directors.

Risk prioritization is determined based on impact and likelihood scores, and strategic decisions—such as investments in renewable energy or alternative supply planning—are guided by the outcomes of these risk analyses.



Metrics and Targets

- TSRS 2 Sector-Specific Metrics
- Other Climate-Related Metrics
- Climate-Related Targets





Metrics and Targets

Scope of Emissions	2024 Emission (tCO ₂ e)	Disclosure
Scope 1	375.826 tCO ₂ e	Direct emissions from owned or controlled sources (e.g., natural gas consumption, forklift fuels, etc.)
Scope 2	807.185 tCO ₂ e	Indirect location-based emissions resulting from purchased electricity consumption

Notes:

- The calculation methodologies are detailed in the Corporate Carbon Footprint Report.
- In 2024, Katmerciler calculated its greenhouse gas inventory using only the location-based method and disclosed its gross emissions accordingly.
- Market-based electricity procurement agreements (e.g., I-REC, YEK-G) were not in place for this year; however, the market-based calculation approach will be considered in future reporting periods.



TSRS 2 Sector-Specific Metrics

Volume 50 Industrial Machinery and Products				
Standard Code	Topic	Metric	Unit	2024 Data
RT-IG-130a.1	Energy Management	Total energy consumed	Gigajoule (GJ)	6,079.62 GJ Electricity, 1,524.42 GJ Natural Gas
		Percentage of grid electricity	Percent (%)	%79,95
		Percentage of renewable energy	Percent (%)	%0
RT-IG-410a.1	Fuel Economy and Emissions During Product Use Phase	Sales-weighted fleet fuel efficiency for medium and heavy-duty vehicles	Liters per 100 ton-km	N/A – Katmerciler does not manufacture products with these characteristics.
RT-IG-410a.2		Sales-weighted fuel efficiency for off-road equipment	Liters per hour	
RT-IG-410a.3		Sales-weighted fuel efficiency for stationary generators	Kilojoules per liter	
RT-IG-410a.4		Marine diesel engines	Grams per kilojoule	
		Locomotive diesel engines	Grams per kilojoule	
		On-road medium and heavy-duty diesel engines	Grams per kilojoule	
	Other off-road diesel engines – Sales-weighted nitrogen oxide (NOx) emissions	Grams per kilojoule		
	Other off-road diesel engines – Sales-weighted particulate matter (PM) emissions	Grams per kilojoule		
RT-IG-000.A	Faaliyet	Number of units manufactured by product category		Katmerciler does not manufacture or sell agricultural or construction equipment, engines, or power-generation machinery. In 2024, the company produced 597 units of various types of vehicle-mounted equipment.
RT-IG-000.B		Number of employees	Number	223 (consolidated)



Volume 46 Aerospace and Defense

Standard Code	Topic	Metric	Unit	2024 Data
RT-AE-130a.1	Energy Management	Total energy consumed	Gigajoule (GJ)	877.81 GJ Electricity, 1,015.95 GJ Natural Gas
		Percentage of grid electricity	Percent (%)	46.35 %
		Percentage of renewable energy	Percent (%)	0 %
RT-AE-410a.1	Fuel Economy and Emissions During Product Use Phase	Revenue from products related to alternative energy	Reporting currency	N/A
RT-AE-410a.2		Description and discussion of the strategy addressing product fuel economy and greenhouse gas (GHG) emissions	Discussion and Analysis	Katmerciler continues its internal monitoring activities, focusing on improving data quality and coverage.
RT-AE-000.A	Activity	Number of units produced by reportable segment	Number	In 2024, within the land vehicle segment – including 4x4, 6x6, and 8x8 Wheeled Armored Personnel Carriers; 4x4, 6x6, and 8x8 Tactical Wheeled Armored Combat Vehicles; and Unmanned Ground Vehicles for military use – a total of 142 units were produced.
RT-AE-000.B		Number of employees	Number	223 (consolidated)



Other Climate-Related Metrics

The company also monitors the following performance indicators to track carbon intensity and energy efficiency:

- **Carbon Intensity (tCO₂e / unit produced):** The 2024 carbon intensity has been calculated as tCO₂e per product.
- **Energy Intensity (kWh / unit):** Katmerciler aims to continuously improve its energy management systems by setting targets to reduce energy consumption per unit of production.

In addition, the company continues to develop metrics in areas such as circular economy, waste management, logistics efficiency, and water

efficiency. Specific KPIs for these areas (e.g., waste recycled per ton of production, water consumption per m³ per product) are planned to be established and integrated into the existing KPI structure in the coming periods.

Climate-Related Targets Timeline and Monitoring Process

In line with the management of climate-related risks and opportunities, Katmerciler initiated the target-setting process in 2024 and is gradually structuring the implementation timeline and monitoring mechanisms for these targets. A general timeline and monitoring approach for the initially prioritized focus areas are presented below.

Target Area	Start Year	Target Year	Implementation Stage
Scope 1 and 2 Emission Reduction	2024	2035	Baseline established; energy-efficiency investment options are being evaluated.
Reduction of Carbon Intensity	2024	2035	The emissions-per-product intensity metric has been established, and monitoring activities have begun.
Reduction of Logistics Emissions	2025	2035	Supply chain data will be collected, and improvement scenarios will be developed.
Use of Renewable Energy	2025	2035	Transition options to YEK-G or I-REC certified electricity are being evaluated.



Sectoral References and Alignment

Katmerciler closely monitors sectoral practices related to emission reduction and sustainability implementation. However, the company has not yet registered any targets under international verification initiatives such as the Science Based Targets initiative (SBTi). The evaluation of long-term targets aligned with such frameworks is included in the 2025 agenda.

Milestones

Katmerciler's climate target roadmap is based on specific strategic steps:

- **2024:** The GHG Emissions Inventory has been completed.
- **2025:** Annual performance indicators (KPIs) for all target areas will be established.
- **2026:** The first-year performance comparison for the carbon intensity target will be conducted.
- **2035:** The outcomes of emission-reduction measures and the effects of renewable energy use will be assessed.

Monitoring, Review, and Revision Process

Katmerciler will monitor the feasibility and performance of its targets using the following systematic approach:

- **Monitoring Frequency:** Annual
- **Responsible Department:** Sustainability and Quality Department
- **Data Verification:** Conducted through the emission inventory report and energy consumption data.
- **Revision Process:** The need for target revision will be evaluated according to the strategic plan revision cycle (every three years) and external developments (e.g., regulatory or technological changes).

As of 2024, some targets have not yet been quantified. Developing monitoring mechanisms and enhancing data-collection capacity for these targets remain short-term priorities.



Targets Table

Metric Area	Description	2024 Status	Target	Target Year	Monitoring Frequency	Progress Level
Scope 1 Emissions (tCO_{2e})	Direct emissions – natural gas, diesel	375.826 (verified)	20% reduction (based on 2024)	2035	Annual	Initial
Scope 2 Emissions (tCO_{2e})	Indirect, location-based emissions from electricity consumption	807.185 (verified)	25% reduction (based on 2024)	2035	Annual	Initial
Energy Intensity (kWh/unit)	Total energy consumption per unit produced	Initial data collection in progress	10% reduction	2035	Annual	Under Development
Renewable Energy Share (%)	Share of renewable sources in total electricity consumption	0% (no YEK-G/I-REC certificates)	50%	2035	Annual	Initial
Water Consumption Intensity (m³/vehicle)	Process water consumption per vehicle	Measurement infrastructure under development	10% reduction each year	2026	Annual	Under Development
Supply Chain Emission Monitoring (%)	Share of procurement monitored for carbon data	Measurement infrastructure under development	30%	2030	Annual	Initial
Climate Awareness Training (%)	Percentage of employees trained	Planned	80%	2030	Annual	Initial
Lighting Energy Efficiency	Use of sensor-controlled lighting in common areas	Pilot implementation	Implementation in all facilities	2025	Semiannual	In Implementation
Operator Training (Water/Energy)	Percentage of operators trained in energy and water conservation	Initiated	100% training for all operators	2025	Annual	In Implementation



Annex

- Independent Limited Assurance Statement
- TSRS Disclosure Table





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Summary of the Work Performed as a Basis for the Assurance Conclusion

We are required to plan and perform our work to address the areas we have identified as having a high potential for material misstatement in the Sustainability Information. The procedures we perform are based on our professional judgment. In performing a limited assurance engagement on the Sustainability Information:

- We conducted face-to-face and online interviews to understand the processes in place for obtaining Sustainability Information for the reporting period from the Group's key senior personnel.
- We used the Group's internal documentation to evaluate and review information related to sustainability.
- The disclosure and presentation of sustainability-related information were evaluated.
- Through inquiries, an opinion was formed on the Group's control environment and information systems related to the preparation of Sustainability Information. However, the design of specific control activities was not evaluated, evidence regarding their implementation was not obtained, and operational effectiveness was not tested.
- The appropriateness and consistent application of the Group's estimation development methods were evaluated. However, our procedures do not include testing the data on which the estimates are based or developing our own estimates to evaluate the Group's estimates.

The procedures applied in a limited assurance engagement differ from those in a reasonable assurance engagement in terms of quality and timing, and their scope is narrower. As a result, the level of assurance provided by a limited assurance engagement is significantly lower than the level of assurance that would have been obtained if a reasonable assurance engagement had been performed.

HSY Danışmanlık ve Bağımsız Denetim Anonim Şirketi
Member, Crowe Global



Eda Meriç Sefer, SMMM
Responsible Auditor

October 31, 2025
İstanbul, Türkiye



Annex 1 – TSRS Statement

TSRS Section	TSRS 2 Clause	Summary & Key Idea	Report Section
Governance	6(a)	Describes the governance processes, controls, and procedures used by the undertaking to monitor and manage climate-related risks and opportunities. Specifies which bodies or individuals are responsible, their duties and authorities, competencies, how often they are informed, and how these responsibilities are integrated into strategy and risk management processes.	Governance
	6(a)-i	Explains how responsibilities for climate-related risks and opportunities are reflected in the mandates, authorities, roles, and relevant policies of the governing bodies or individuals.	Governance
	6(a)-ii	States whether the governing bodies or individuals have the authority and competence to oversee strategies addressing climate-related risks and opportunities, or how such competence will be developed.	Governance
	6(a)-iii	Specifies how and how frequently the governing bodies or individuals are informed about climate-related risks and opportunities.	Governance
	6(a)-iv	Describes how the governing bodies or individuals take climate-related risks and opportunities into account when overseeing the company's strategy, significant transactions, risk management, and related policies, including how trade-offs are evaluated.	Governance
	6(a)-v	Describes management's role (e.g., a specific senior position or committee) in overseeing climate-related risks and opportunities, and the supervisory structure above it	Governance
	6(b)-i	Explains the extent to which relevant performance metrics are included in remuneration policies (e.g., executive compensation), how climate-related targets are set, and how progress toward these targets is monitored.	Governance
	6(b)-ii	Explains the controls and procedures management uses to support the oversight of climate-related risks and opportunities, and how these are integrated with other internal functions (e.g., internal audit, operations, finance, legal, etc.).	Governance



TSRS Section	TSRS 2 Clause	Summary & Key Idea	Report Section
Strategy	9(a)	The undertaking discloses information that helps users understand the climate-related risks and opportunities that could reasonably be expected to affect the company in the future. It explains which risks and opportunities are considered material.	Strategy (a) Climate-Related Risks and Opportunities – Climate Risk Table / Climate Opportunity Table
	9(b)	Describes the current and anticipated impacts of climate-related risks and opportunities on the company’s business model and value chain. Specifies which stages (geographical or operational) are most affected.	Strategy (b) Impacts on Business Model and Value Chain
	9(c)	Explains how climate-related risks and opportunities influence decision-making processes and overall strategy. Specifies which strategic actions (e.g., resource allocation, investments) have been adopted and which policies and targets have been developed.	Strategy (c) Strategy and Decision-Making
	9(d)	Describes how climate-related risks and opportunities are reflected in financial planning, including their current and anticipated effects on the company’s financial position, performance, and cash flows in the short, medium, and long term.	Strategy (d) Financial Position, Financial Performance, and Cash Flows
	9(e)	Explains how the undertaking assesses the “trade-offs” between climate-related risks and opportunities and describes its short-, medium-, and long-term strategic choices, including scenario analyses and resilience planning.	Strategy (e) Climate Resilience Governance



TSRS Section	TSRS 2 Clause	Summary & Key Idea	Report Section
Strategy / Climate-Related Risks and Opportunities	10(a), 10 (b)	The undertaking identifies its climate-related risks and opportunities, specifying which risks are physical (e.g., drought, temperature increase) and which are transition-related (e.g., new regulations, carbon pricing, market trends).	Strategy (a) Climate-Related Risks and Opportunities – Climate Risk Table
	10(c)	The undertaking discloses the time horizons (short, medium, and long term) over which the identified risks and opportunities are expected to have current and anticipated impacts, and explains how these timeframes are linked to the company's strategic decision-making cycles.	Strategy (a) Climate-Related Risks and Opportunities – Definition of Time Horizons
	10(d)	Explains why the company has defined short-, medium-, and long-term periods in a specific way and how these definitions are reflected in strategic decision-making processes.	Strategy (a) Climate-Related Risks and Opportunities
	11	When identifying climate-related risks and opportunities, the company considers current conditions, historical events, and reasonable, supportable assumptions about the future. It uses all relevant and accessible data, provided that doing so does not involve excessive cost.	Risk Management – Data Sources and Inputs / Strategy (e) Climate Resilience / Governance
	12	In identifying risks and opportunities, the company evaluates and, where relevant, applies the disclosure topics defined in the TSRS S2 Sector-Based Application Guidance.	Risk Management – Management of Sustainability-Related Risks



TSRS Section	TSRS 2 Clause	Summary & Key Idea	Report Section
Strateji / İş Modeli ve Değer Zinciri	13(a)	The undertaking describes the current and anticipated impacts of climate-related risks and opportunities on its business model. It explains which parts, operations, or stages of the value chain (e.g., agriculture, production, logistics) are affected by climate-related risks and opportunities, and to what extent.	Strategy (b) Impacts on Business Model and Value Chain
	13(b)	Identifies where in the business model and value chain climate-related risks and opportunities are concentrated—for example, geographical impacts, distribution of risks and opportunities across asset types, and which divisions are more vulnerable or better positioned.	Strategy (b) Impacts on Business Model and Value Cha
Strateji / Strateji ve Karar Alma	14(a)	The undertaking explains the strategic responses it has taken or plans to take to address climate-related risks and opportunities. This includes direct and indirect mitigation or adaptation efforts, transition plans, and methods for achieving set targets.	Strategy (c) Strategy and Decision-Making
	14(a)-i	Describes the current and anticipated changes in the company's business model (e.g., resource allocation, investment priorities) implemented to address climate-related risks and opportunities.	Strategy (c) Strategy and Decision-Making
	14(a)-ii	Outlines the direct mitigation and adaptation actions (e.g., production process improvements, facility relocation, new product features) currently undertaken or planned.	Strategy (e) Climate Resilience
	14(a)-iii	Outlines the indirect mitigation and adaptation actions (e.g., collaboration with suppliers, customers, and other stakeholders).	Strategy (b) Impacts on Business Model and Value Chain
	14(a)-iv	Describes how the company's transition plan toward a low-carbon economy has been developed, including its underlying assumptions, commitments, and guiding principles.	Strategy (c) Strategy and Decision-Making / (d) Financial Position, Financial Performance, and Cash Flows
	14(a)-v	Explains how the company plans to achieve its climate-related targets, including greenhouse gas reduction goals, and provides an overview of the metrics and implementation roadmap.	Targets Table / Strategy (c) Strategy and Decision-Making / (d) Financial Position, Financial Performance, and Cash Flows
	14(b)	Describes how the company has secured and plans to secure the financial resources (e.g., financing, investment, borrowing) needed for the activities mentioned in 14(a).	Strategy (d) Financial Position, Financial Performance, and Cash Flows
	14(c)	Provides quantitative and qualitative updates on the progress of plans disclosed in previous reporting periods, including actions taken, interim results, and progress toward climate targets.	Targets Table



TSRS Section	TSRS 2 Clause	Summary & Key Idea	Report Section
Strateji / Finansal Durum, Finansal Performans ve Nakit Akışları	15(a)	The undertaking discloses the impacts of climate-related risks and opportunities on its financial position, performance, and cash flows for the reporting period.	Strategy (d) Financial Position, Financial Performance, and Cash Flows
	15(b)	Explains how climate-related risks and opportunities are integrated into the company's financial planning, and describes their expected short-, medium-, and long-term effects on financial position, performance, and cash flows..	Strategy (d) Financial Position, Financial Performance, and Cash Flows
	16(a)	Provides quantitative and/or qualitative information on the impacts of climate-related risks and opportunities on financial position, financial performance, and cash flows for the reporting period.	Strategy (d) Financial Position, Financial Performance, and Cash Flows
	16(b)	Identifies climate-related risks or opportunities that may lead to significant adjustments in the carrying value of assets and liabilities during the reporting period.	Strategy (d) Financial Position, Financial Performance, and Cash Flows
	16(c)-i	Describes how the company expects its financial position to change in the short, medium, and long term, considering its strategy for managing climate-related risks and opportunities.	Strategy (d) Financial Position, Financial Performance, and Cash Flows
	16(c)-ii	Summarizes how financial performance and cash flows are expected to change in the short, medium, and long term under the same strategy.	Strategy (d) Financial Position, Financial Performance, and Cash Flows
	16(d)	Explains how the company's cash flows will be affected by production changes, new business models, or asset retirements in the transition to a low-carbon economy	Strategy (d) Financial Position, Financial Performance, and Cash Flows
	18(a)	When disclosing quantitative financial impacts, the company uses all reasonable and supportable data available without incurring undue cost or effort.	Strategy (d) Financial Position, Financial Performance, and Cash Flows / (e) Climate Resilience
	18(b)	States that the company adopts a proportionate approach to preparing quantitative disclosures, consistent with its available skills, capabilities, and resources..	Governance / Strategy (d) Financial Position, Financial Performance, and Cash Flows
	19(a)	The company may omit quantitative disclosures if financial impacts cannot be separately identified or if high measurement uncertainty makes such information unreliable.	Strategy (c) Strategy and Decision-Making
19(b)	Likewise, if measurement uncertainty is excessive or if the company lacks sufficient resources or expertise to produce useful data, quantitative disclosures may not be provided.	Strategy (d) Financial Position, Financial Performance, and Cash Flows / Climate Opportunities Table	



TSRS Section	TSRS 2 Clause	Summary & Key Idea	Report Section
Strateji / Finansal Durum, Finansal Performans ve Nakit Akışları	21(a)	When quantitative information cannot be provided for a given risk or opportunity, the undertaking explains why quantitative disclosure was not possible.	Strategy (c) Strategy and Decision-Making / Climate Risk Table / Climate Opportunity Table
	21(b)	In addition, the company qualitatively specifies which financial statement line items (including totals and subtotals) are likely to be affected.	Strategy (d) Financial Position, Financial Performance, and Cash Flows / (e) Climate Resilience
	21(c)	Where it is possible to provide aggregated quantitative information about combined financial impacts, the undertaking may disclose consolidated data across multiple risks/opportunities..	Strategy (d) Financial Position, Financial Performance, and Cash Flows
	22, 22(a)-i, 22(a)-ii	The undertaking explains that it uses climate-related scenario analysis to assess the resilience of its strategy and business model. The results of this resilience assessment, including key uncertainties and how the business model responds to scenario-driven impacts, are disclosed.	Strategy (e) Climate Resilience
	22(a)-iii, 22(a)-iii-1, 22(a)-iii-2, 22(a)-iii-3	The company evaluates, through scenario analysis, its strategy and business model's adaptive capacity to climate change over the short, medium, and long term. This assessment addresses three core dimensions: (iii-1) financial resilience and resource availability, (iii-2) ability to redeploy, upgrade, or decommission assets, and (iii-3) strategic implications of current and planned climate investments—while identifying key uncertainties.	Strategy (e) Climate Resilience
	22(b), 22(b)-i-1, 22(b)-i-2, 22(b)-i-3, 22(b)-i-4, 22(b)-i-5, 22(b)-i-6, 22(b)-i-7	The company explains how and when the climate scenario analysis was conducted, including the selected inputs, time horizons, operational scope, and other methodological details.	Strategy (e) Climate Resilience
	22(b)-ii-1, 22(b)-ii-2, 22(b)-ii-3, 22(b)-ii-4, 22(b)-ii-5	Describes how variables such as production volume, energy use, and technological developments were considered in the scenario analysis.	Strategy (e) Climate Resilience
	22(b)-iii	Specifies the reporting period during which the scenario analysis was performed and the frequency of updates planned for future assessments.	Strategy (e) Climate Resilience
	23	When applying the provisions in paragraphs 13–22, the undertaking evaluates connections with cross-sector and sector-specific metrics and guidance to ensure consistency and comparability.	



TSRS Section	TSRS 2 Clause	Summary & Key Idea	Report Section
Risk Yönetimi	25(a)	The undertaking describes its processes and policies for identifying, assessing, prioritizing, and monitoring climate-related risks.	Risk Management
	25(a)-i	Explains the inputs and parameters used in the process (e.g., data sources, operational scope covered in the assessment, etc.).	Risk Management
	25(a)-ii	States whether and how the undertaking uses scenario analysis to identify climate-related risks.	Risk Management
	25(a)-iii	Describes how the undertaking evaluates the nature, likelihood, and magnitude of climate-related risk impacts (e.g., qualitative or quantitative criteria, threshold levels).	Risk Management
	25(a)-iv	Explains how the undertaking prioritizes climate-related risks in relation to other types of risks (e.g., financial, legal, reputational).	Risk Management
	25(a)-v	Describes how the undertaking monitors climate-related risks (e.g., frequency of monitoring, defined KPIs, early warning mechanisms).	Risk Management
	25(a)-vi	States whether any changes have been made to the processes compared with the previous reporting period, and if so, explains the nature of these changes.	Risk Management
	25(b)	Describes the processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities, and clarifies whether these are managed within the same framework as risks or through a separate but integrated process.	Risk Management
	25(c)	Explains to what extent the processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into the company's overall risk management system, and how they inform that system.	Risk Management



TSRS Section	TSRS 2 Clause	Summary & Key Idea	Report Section
İklim ile ilgili Metrikler	29(a)-i	The undertaking measures its greenhouse gas (GHG) emissions for the reporting period in accordance with the GHG Protocol – Corporate Standard and discloses absolute gross GHG emissions (Scope 1, Scope 2, and Scope 3) in metric tons of CO ₂ equivalent.	2. Consolidation Method for the GHG Inventory
	29(a)-ii	Emission calculations must follow the GHG Protocol: Corporate Accounting and Reporting Standard (2004). If an alternative methodology is used, the reasons must be explained.	3. Operational Boundary: Scope 1 and Scope 2 Emissions
	29(a)-iii	The undertaking discloses the approach, inputs, and assumptions used to measure GHG emissions, the rationale for their selection, and the reasons for any changes made over time	3. Operational Boundary: Scope 1 and Scope 2 Emissions
	29(a)-iv	Scope 1 and Scope 2 emissions must be distinguished between those within the consolidated group (for companies applying TFRS – parent company and consolidated subsidiaries) and other investments excluded from consolidation (e.g., associates, joint ventures).	2. Consolidation Method for the GHG Inventory
	29(a)-v	For Scope 2 emissions, the undertaking also discloses location-based calculations. Additionally, information about relevant contractual instruments (e.g., renewable energy certificates, power purchase agreements) is provided to aid users' understanding.	3. Operational Boundary: Scope 1 and Scope 2 Emissions
	29(a)-vi	When calculating Scope 3 emissions, the categories defined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) are considered. If the company's activities include asset management, commercial banking, or insurance, additional information on Category 15 – financed emissions must be disclosed.	3. Operational Boundary: Scope 3 Emissions and Transitional Exemption
	29(b)	The undertaking discloses the amount and percentage of assets or operations exposed to climate-related transition risks.	Strategy (d) Financial Position, Financial Performance, and Cash Flows
	29(c)	The undertaking discloses the amount and percentage of assets or operations exposed to climate-related physical risks.	Strategy (d) Financial Position, Financial Performance, and Cash Flows



TSRS Section	TSRS 2 Clause	Summary & Key Idea	Report Section
İklim ile ilgili Metrikler	29(d)	The undertaking discloses the amount and percentage of assets or business activities aligned with climate-related opportunities.	c) Strateji ve Karar Alma
	29(e)	The undertaking reports the amount of capital expenditure, financing, or investments allocated to address climate-related risks and opportunities.	(c) Strategy and Decision-Making – R&D and Climate Innovation Financing
	29(f)	The undertaking discloses whether it applies an internal carbon price, how it is applied (e.g., in investment decisions, transfer pricing, or scenario analysis), and the price assigned per metric ton of GHG emissions.	Strategy (e) Climate Resilience
	29(g)	The undertaking explains whether and how climate-related considerations are included in executive remuneration, and states what portion of current-period executive compensation recognized in financial statements is linked to climate-related matters.	Governance
	30	When preparing disclosures required under paragraphs 29(b)–(d), the undertaking uses all reasonable and supportable information available at the reporting date, without incurring undue cost or effort.	Additional Information
	31	When preparing disclosures required under paragraphs 29(b)–(g), the undertaking refers to paragraphs B64–B65 for methodological guidance.	Additional Information
	32	The undertaking discloses sector-specific metrics applicable to its business model, activities, or shared characteristics. In selecting these metrics, it refers to and evaluates the relevance of the TSRS S2 Sector-Based Application Guidance.	Climate-Related Metrics and Targets



TSRS Section	TSRS 2 Clause	Summary & Key Idea	Report Section
İklİmle İlgili Hedefler	33- 33(a) 33(b) 33(c) 33(d) 33(e) 33(f) 33(g) 33(h)	The undertaking defines all quantitative and qualitative climate-related targets, including GHG emission-reduction targets and any legally mandated objectives. For each target, it discloses the metric used, the purpose and scope (unit/geography), applicable period, base year, interim milestones, and whether the target is absolute or intensity-based. It also explains how the latest international agreements and commitments have influenced the target setting.	Climate-Related Metrics and Targets
	34- 34(a) 34(b) 34(c) 34(d)	The undertaking explains how each target was set, how it is reviewed, and how progress toward each target is tracked (including the metrics and methodologies used). If any targets have been modified, the reasons for these changes are disclosed.	Climate-Related Metrics and Targets / Targets Table
	35	The undertaking discloses information on its performance against each climate-related target, along with an analysis of performance trends or changes over time.	Climate-Related Metrics and Targets / Targets Table
	36- 36(a) 36(b) 36(c) 36(d) 36(e)	For each GHG emission target, the undertaking transparently discloses its scope (including Scopes 1, 2, and 3), gross or net structure, sectoral alignment, and details on carbon credit usage, such as type, verification program, and offsetting method.	Climate-Related Metrics and Targets / Metrics Table
	37	When monitoring progress toward climate-related targets, the undertaking ensures that the metrics used are consistent with TSRS 1 requirements and are based on both cross-sector and sector-specific indicators that are relevant and applicable.	Climate-Related Metrics and Targets / Targets Table

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