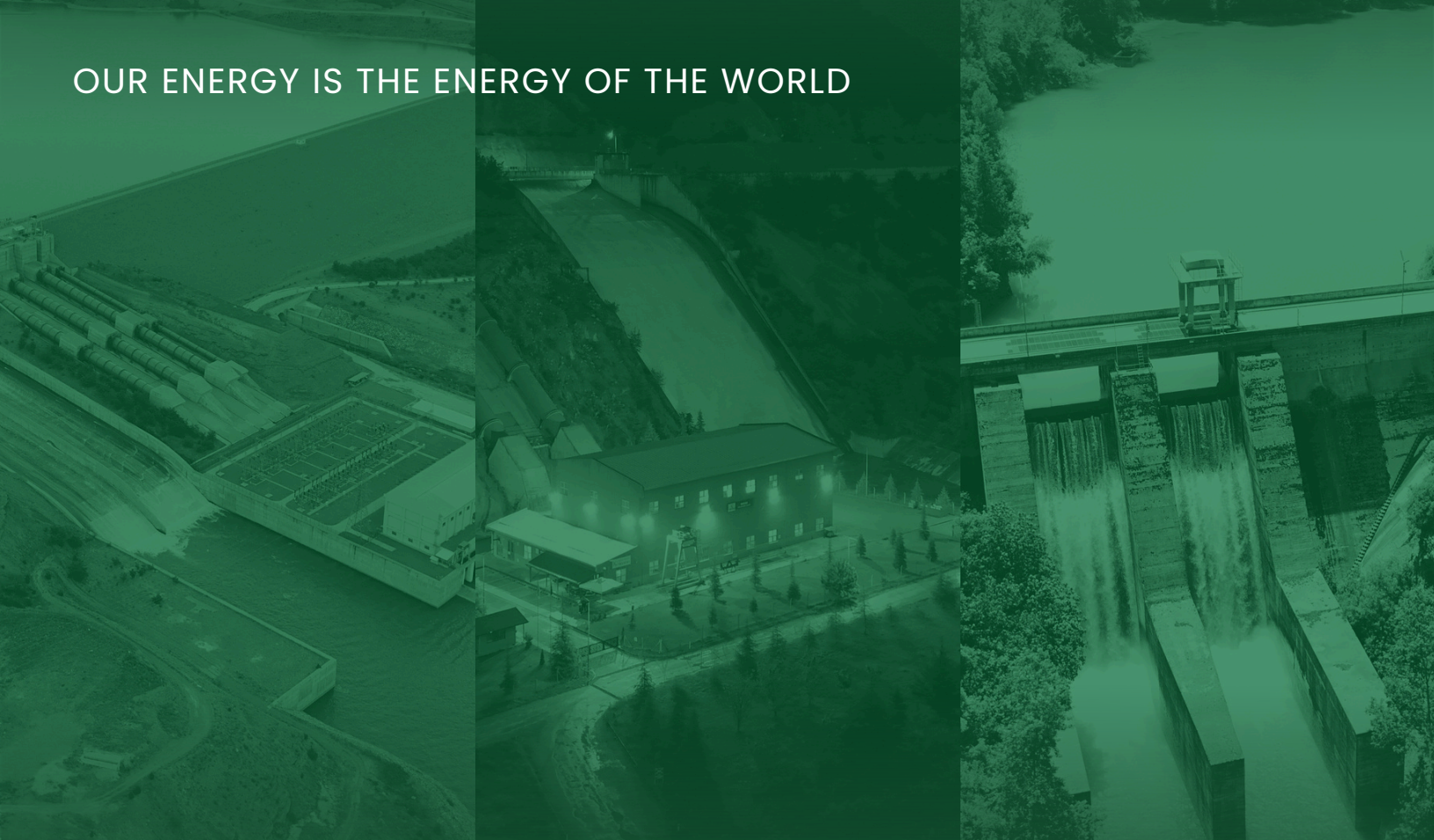




IC ENTERRA
Renewable Energy

CLIMATE STRATEGY AND RISK ASSESSMENT REPORT 2024

OUR ENERGY IS THE ENERGY OF THE WORLD



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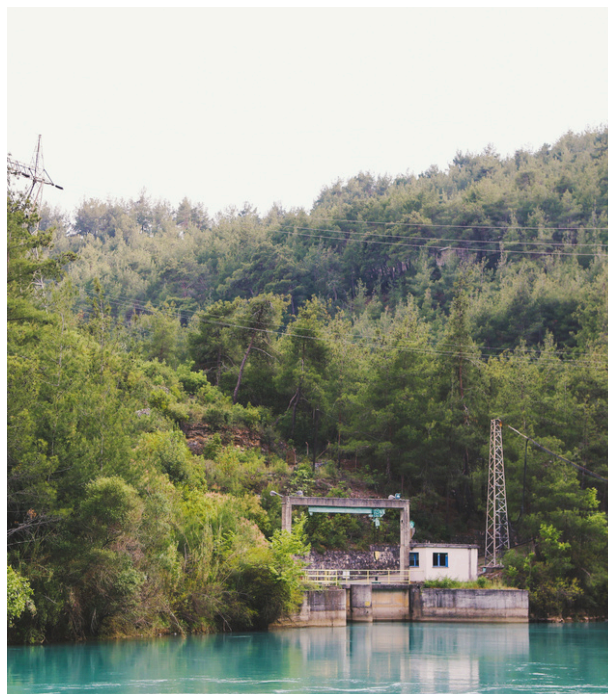
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About the Report

Purpose and Scope of the Report

This report has been prepared to systematically present IC Enterra's current assessments regarding climate change related risks, opportunities, and strategic approaches. It aims to both support internal preparedness processes and provide transparent information to stakeholders. The report focuses on the financial impacts associated with climate change and related management approaches, and provides information on the governance structure, financial impacts of climate related risks and opportunities, greenhouse gas emission metrics, and climate related targets.

This report has been prepared on a voluntary basis with reference to the TSRS standards and has not been subject to independent third party assurance. It does not claim full compliance with any specific reporting standard and is intended solely to transparently disclose IC Enterra's current position with respect to climate change.

Reporting Period

The information presented in this report primarily covers the period from 1 January to 31 December 2024. Where relevant, forward looking strategic targets, risk assessments, and projections for future periods are also included.



Governance

Governance Body and Responsibilities

In order to ensure the effective management of climate related risks and opportunities, a Sustainability Committee operating under the oversight of senior management was established at IC Enterra during the 2025 operating year. The Committee is positioned as a governance body aimed at improving the Company's long term environmental, social, and governance performance and fulfilling its responsibilities towards stakeholders.

Accordingly, the Committee is responsible for defining sustainability strategies, ensuring their implementation, and guiding continuous improvement. In addition, it oversees the measurement, monitoring, documentation and review of environmental, social, and economic risks, and their impacts, particularly those arising from the climate crisis while developing relevant policies and targets and monitoring overall performance.

Established with the approval of the CEO, the Committee consists of 11 senior executives from different disciplines who hold decision making authority. Committee members include the Director of Operations, Director of Investments, Director of People and Culture, Director of Business Development, Deputy General Manager of Business Development, Director of Corporate Finance, Director of Finance and Administrative Affairs, Legal Director, IC Holding Senior Sustainability Manager, and one member of the Board of Directors.

In addition, sub-groups have been established within the Committee in line with the Company's priority sustainability themes, focusing on Equality, Diversity and Inclusion, Clean Energy and Climate Action, and Responsible Production and Consumption. These sub-groups are responsible for developing policies, proposing implementation actions, and monitoring progress within their respective focus areas.

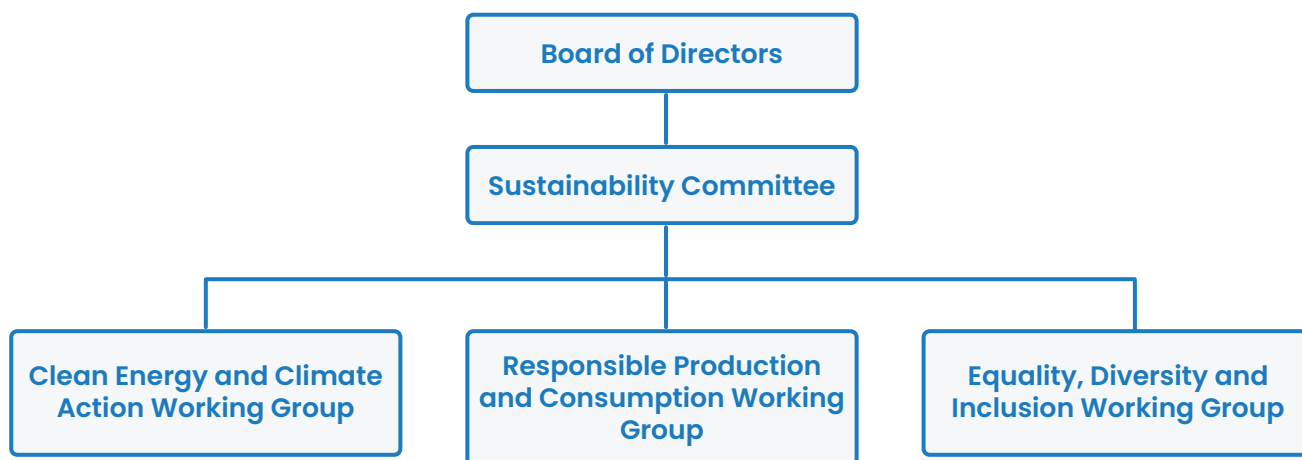
Sustainability Committee Members		
Committee Members	Position	Executive / Non-Executive
MİTHAT CEM AŞIK	CEO / General Manager	Executive
CAN HEKİMOĞLU	Corporate Finance Director	Executive
ÇAĞRI GÜÇLÜ	Investments Director	Executive
İLKNUR KOCAER ÜLTAN	Investor Relations Director	Executive
KORAY AYVALI	Legal Director	Executive
MUSTAFA HALUK KÖKTÜRK	People and Culture Director	Executive
ONUR TOSUNOĞLU	Finance and Administrative Affairs Director	Executive
ÖZGÜR KARTAL	Business Development Director	Executive
TAŞKIN KIZILOK	Deputy General Manager of Business Development	Executive
UĞUR CINGİ	Operations Director	Executive
AYÇE CANLI	IC Holding Senior Sustainability Manager	Non-Executive

CEO, who serves as the Chair of the Committee, leads the Committee with more than 30 years of experience in the energy sector and corporate governance. The Committee includes executives with, on average, over 20 years of professional experience in functions that support the institutional dimensions of sustainability, such as finance, legal affairs, investments, and investor relations.

Among the Committee members, the Finance and Administrative Affairs Director has strengthened their expertise in sustainable finance and infrastructure investments through the completion of the MSc in Infrastructure Investment and Finance at University College London (UCL), Bartlett School of Sustainable Construction. In addition, the Investor Relations Director holds the internationally recognized CFA Sustainable Investing Certificate in the field of sustainable finance.

Governance

Operation of the Sustainability Committee and Working Groups



To ensure that climate and sustainability management is subject to the highest level of oversight, the Sustainability Committee is planned to convene at least twice a year and to report its activities to the Board of Directors.

Within the Committee, three technical working groups focusing on different sustainability themes have been established. These groups are structured to produce analytical inputs supporting the implementation of Committee decisions, develop recommendations, and report their activities to the Sustainability Committee under the coordination of the Management Systems Department, which is composed of representatives from the relevant business units.

The establishment and operational framework of the Committee are defined by the "IC Enterra Sustainability Committee Charter," which entered into force with the approval of the Chief Executive Officer (CEO).

Clean Energy and Climate Action Working Group

The Working Group has been established with the objective of reducing energy consumption, increasing the use of renewable and low carbon energy sources, reducing greenhouse gas emissions, and developing strategies to combat climate change. The Group is expected to carry out technical activities such as the assessment of climate related risks and opportunities, analysis of physical and transition risks, and the development of adaptation and mitigation measures. In addition, the Group's responsibilities include the collection of operational level climate data, preparation of greenhouse gas inventories, evaluation of emission reduction projects, and the regular monitoring of performance in these areas. Research into technologies that enhance energy efficiency, the proposal of feasible projects, and their implementation through coordination with relevant departments are among the Group's priority activities. Furthermore, the Working Group will focus on the preparation of short, medium, and long term plans for the clean energy transition, reduction of the corporate carbon footprint, ensuring compliance with climate and energy related legislation, and fostering collaborations with stakeholders in these areas.



Governance

Responsible Production and Consumption Working Group

The Working Group is structured to focus on reducing the use of natural resources, increasing resource efficiency, preventing waste generation, and promoting the recovery and reuse of waste. The Group aims to develop practices that support the integration of circular economy principles into business processes and to monitor compliance with waste management legislation. In addition, the Group is expected to propose projects to enhance the Company's recycling performance and to develop principles, standards, and evaluation systems for the integration of sustainability criteria into the supply chain.



Equality, Diversity and Inclusion Working Group

The Working Group will operate with the objective of promoting equal opportunity within the organization, increasing diversity, and fostering an inclusive working environment. The Group will contribute to the development of policies and practices related to gender equality, respect for differences, the use of inclusive language, and accessibility.

Through these new governance structures, IC Enterra aims to further strengthen its sustainability governance system as of 2025 by encompassing all dimensions of sustainability and incorporating a high level of technical expertise. This approach is intended to ensure that climate related responsibilities are not limited solely to environmental functions, but are embedded across the organization through the active involvement of senior management and multidisciplinary teams.

In this context, efforts will continue to ensure that decisions related to corporate strategy, investment priorities, and updates to the risk management system are shaped by the mandatory consideration of climate related risks and opportunities.

Governance

Integration of Climate Metrics into Remuneration Policies

At IC Enterra, climate change and ESG related performance metrics have been directly integrated into the Company's formal Remuneration Policy. Under the "Remuneration Policy Linked to Climate and ESG Performance," which has been approved by the Board of Directors and entered into force, sustainability focused indicators, such as the reduction of carbon emissions, the implementation of biodiversity projects, and the improvement of employee engagement and satisfaction scores have been incorporated into the annual corporate scorecard and individual performance evaluation processes.

In line with this model, the performance based incentive entitlements of senior executives (director level and above), as well as those of the Sustainability Committee and its affiliated working groups, are directly linked not only to financial and operational indicators but also to performance in managing climate related risks and opportunities. Progress toward targets is measured on a quarterly basis throughout the year, and the results are reviewed by the Sustainability Committee at least twice annually and reported to the Board of Directors.

At the end of the year, the level of performance achieved is evaluated by the Remuneration Committee, and final decisions regarding incentive payments are determined by incorporating ESG performance into the assessment. Through this approach, the Company aims to ensure that its climate related strategic direction is systematically embedded not only in the target setting process but also in remuneration and reward mechanisms, thereby serving as a transformative lever for organizational behavior.



Governance

Consideration of Climate Issues in Strategic Decision Making and Risk Management



IC Enterra applies a range of control mechanisms and procedures at both the corporate and operational levels to ensure the effective oversight of climate related risks and opportunities. In this context, the “Climate Change Risk Management Procedure” has been established to provide a standardized approach for the systematic identification, assessment, and management of climate related risks.

The integration of climate related risks and opportunities into the Company’s strategy is planned to be carried out through the coordination of the Sustainability Committee and the Committee for the Early Identification of Risks, both of which hold senior level responsibility within the governance structure. These committees are expected to consider the impacts arising from climate change both in the determination of the Company’s strategic objectives and during risk assessments conducted prior to major investments, mergers, and acquisitions. In this context, it is planned that process planning will be carried out in line with the “Climate Risk Management Work Plan,” which will be prepared annually at the beginning of each year under the coordination of the Sustainability Committee.

The Working Groups operating under the Committee are required, as part of corporate procedures, to convene on a quarterly basis and submit the outputs of their analyses, assessments, and recommendations to the Sustainability Committee on a semi-annual basis. The Sustainability Committee, in turn, is responsible for conducting a detailed review of these outputs and using them to inform the Board of Directors at least once a year.

The information process is designed not to be limited solely to regular reporting cycles, but to be supported, where necessary, by issue specific interim evaluation meetings. In this way, the monitoring and assessment of climate risks at the governance level are intended to be continuous. All decisions taken during the information process are formally documented through meeting minutes and securely stored within the Company’s internal digital archiving systems. This structure enables all risks and opportunities related to climate change to be managed by decision makers at both the operational and strategic levels through a holistic approach.

In addition, the Committee will prepare and submit a comprehensive report to the Board of Directors at the end of each year, covering risk assessment results, strategic action plans, and sustainability performance.

Assessments of the impacts of climate risks on major operational, and financial decisions are based on analyses, and scenario studies conducted under the Climate Change Risk Management Procedure. Through the internal control mechanisms that have been developed, identified risks are aligned with the Company’s defined risk appetite.

Within this framework, the Board of Directors reviews the reports submitted, evaluates the effects of climate related risks, and opportunities on the Company’s overall strategies, provides the necessary guidance, and oversees the ongoing relevance and adequacy of existing policies.

Strategy

Climate Related Scenario Analysis Approach and Scope of Application

IC Enterra conducts scenario analyses focused on physical climate risks as part of its climate related risk assessments. In this context, two core scenarios defined by the IPCC (Intergovernmental Panel on Climate Change) RCP4.5, and RCP8.5 have been applied. These scenarios provide global climate projections based on different greenhouse gas concentration assumptions related to key indicators such as temperature increases, extreme weather events, changes in precipitation patterns, and drought conditions.

In the analyses, RCP4.5, representing a medium stabilization pathway, and RCP8.5, representing a high emissions pathway in which no mitigation measures are implemented, were assessed on a comparative basis. This approach enables a systematic analysis of the potential impacts of physical risks under changing climate conditions.

Based on the scenarios, changes in the frequency and severity of events such as extreme heat, drought, and flooding were evaluated in terms of their impacts on IC Enterra's energy generation operations. While separate assessments are planned for transition risks, the RCP4.5 scenario under which greenhouse gas emissions peak around mid-century and subsequently decline through policy interventions indirectly reflects a framework in which transition risks such as carbon pricing, regulatory changes, and market transformations become more pronounced. Accordingly, the current physical risk analyses also serve as a foundation for future transition risk assessments.

RCP4.5 is considered to be partially aligned with the Paris Agreement's 2°C target. In contrast, RCP8.5 represents the highest emissions pathway, assuming that emissions continue to increase throughout the century in the absence of mitigation policies, and is therefore used as a stress scenario, particularly for physical risk resilience testing. Within this framework, the Company's level of resilience has been assessed and its adaptive capacity tested under different temperature increase projections.

During the scenario selection process, the Company's priorities included the identification of infrastructure related risks, the analysis of the likelihood of operational disruptions, and the measurement of physical resilience to climate change. This analytical approach is of critical importance in enhancing the Company's flexibility in the face of uncertainties and in testing the effectiveness of risk mitigation strategies.



External Factors Considered in Scenario Assumptions

In IC Enterra's climate related scenario analyses, climate policies in Türkiye, the country in which the Company operates, along with macroeconomic trends, regional environmental factors, and variables related to energy use are comprehensively taken into account.

Policy frameworks such as Türkiye's status as a party to the Paris Agreement, its 2053 net zero emissions target, the Nationally Determined Contribution (NDC), and the ongoing preparation of the Climate Law are considered as key references for the identification of transition risks and long term strategic direction. In this context, the structural transformations required for the transition to a low carbon economy are integrated into the scenarios.

The macroeconomic trends incorporated into the scenarios include Türkiye's increasing energy demand, the potential implementation of carbon taxation, access to sustainable finance mechanisms, and alignment processes with the European Union Green Deal. These factors play a particularly important role in assessing the financial impacts of transition risks.

Scenario assumptions also incorporate local climate and environmental conditions specific to the provinces in which the Company operates, including regional factors such as topography, hydrological balance, precipitation-runoff regimes, infrastructure adequacy, and access to natural resources.

Finally, technology based energy use profiles, production efficiency, grid connection capability, and carbon emission factors specific to energy generation are taken into consideration. Capacity projections for hydroelectric and solar based generation activities have been analyzed within the scope of energy transition scenarios and have formed the basis for sensitivity assessments related to climate risks.

Climate Related Risks and Opportunities

As part of the identification and assessment of climate related risks, IC Enterra has conducted climate risk analyses in the provinces of Tokat, Mersin, Erzincan, Trabzon, Giresun, and Hatay, where the Company operates. Based on the results of these analyses, the most significant physical risks that are anticipated to have a material impact on the Company's future have been identified as follows:

- ◆ Changes in Snowfall Patterns
- ◆ Extreme Precipitation
- ◆ Land Areas Exposed to Annual Temperature Variability

These risk categories have been identified through separate quantitative impact assessments conducted for each province in which the Company operates, and those assessed as having critical and moderate levels of impact in terms of overall risk exposure have been reported.

The time horizons used in the assessment of climate related risks and opportunities are defined as follows:

Short Term
0–3 years

Medium Term
3–7 years

Long Term
7 years and beyond

These time horizons have been structured in alignment with the planning periods used in the Company's strategic decision making processes. Short term planning corresponds to the management of operational activities and annual business planning. Medium term assessments guide investment planning, financial projections, and the implementation of risk mitigation strategies, while long term projections cover strategic transformation areas, particularly net zero targets, the renewable energy transition, and climate adaptation.

Within this framework, each climate related risk or opportunity is assessed in relation to both its time horizon and decision making processes and is taken into consideration at all levels of the governance structure.

Impacts on Financial Position, Performance and Cash Flows

The results of the scenario based analyses indicate that climate risks may lead to significant financial impacts on the sustainability of operations in certain provinces. In this context, potential impacts on revenue have been calculated on a scenario basis. In addition, for each identified risk and opportunity, not only the magnitude of the financial impact but also the likelihood of occurrence has been assessed; accordingly, the overall risk/opportunity rating has been calculated by multiplying the level of financial impact by the probability factor.

A 5x5 risk matrix was used in this assessment process, enabling a systematic alignment of financial impact categories with probability levels. This approach has allowed for the development of a comprehensive risk rating that takes into account both the magnitude of scenario based financial impacts and their likelihood of occurrence.

The table below summarizes the percentage distribution of revenue impacts associated with the scenario results and the corresponding classification based on these impacts.

Class	Calculation Method	Lower Threshold	Upper Threshold
1 – Very Low Impact	< 0.5% revenue impact	0	17,683,000 ₺
2 – Low Impact	0.5–1% revenue impact	17,683,000 ₺	35,365,600 ₺
3 – Medium Impact	1–3% revenue impact	35,365,600 ₺	106,097,700 ₺
4 – High Impact	3–5% revenue impact	106,097,700 ₺	176,830,000 ₺
5 – Very High / Critical Impact	> 5% revenue impact	176,830,000 ₺	–

The assessment results have not resulted in any adjustments being directly reported in IC Enterra's financial statements as of the reporting date. However, it has been observed that risks related to snowfall, and extreme precipitation are at elevated levels in certain provinces, and these risks may have an impact on financial performance and cash flows in future periods. Accordingly, these risks are planned to be taken into account in future financial planning processes, including investment prioritization, insurance coverage, and operational resilience strategies.

In addition, monitoring systems integrated with internal control mechanisms have been established to track the financial impacts of these risks. Nevertheless, as of the reporting period, these risks have not been assessed as requiring any material adjustment to the carrying values of assets or liabilities.

As of the 2024 reporting period, IC Enterra does not have any specific plans for non-contractual large scale capital expenditures, acquisitions, partnerships, business transformations, or asset retirements that have been developed in response to climate related risks and opportunities. However, as analyses of the impacts of climate risks are further deepened, such plans may be considered in the future.

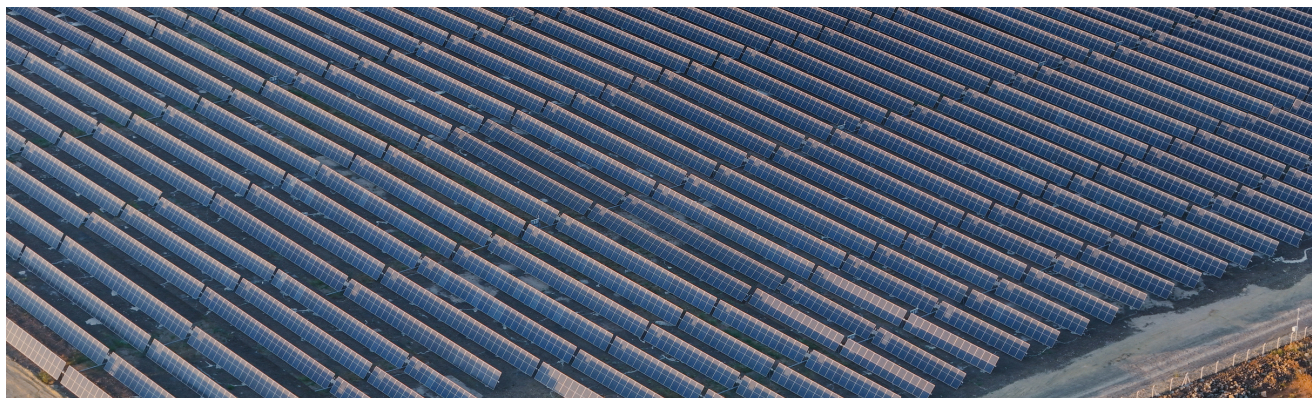
Risk 1 – Snowfall	
Risk Category	Physical Risk
Risk Title	Snowfall
Risk Description	Snowfall is an important source of water that ensures the regular functioning of river flow regimes in the region. However, due to rising temperatures, snowfall increasingly turns into rainfall and snow cover melts earlier, leading to seasonal imbalances in river flows. This directly affects the water dependent generation capacity of hydroelectric power plants.
Financial Impact Level (1–5)	5 – Very High / Critical Impact (>5% of revenue)
Likelihood (1–5)	4
Overall Risk Rating	20
Point of Impact in the Value Chain	Direct Operations
Financial Impact	In determining the financial impact of this risk, observational data based on the historical production performance of hydroelectric generation facilities have been used. For each location, the difference between average annual production levels and periods of lowest production within the available data range was assessed, and this difference was modeled under the assumption that it results from a reduction in snowfall attributable to climate change. The resulting production variance was converted into a financial impact by taking representative market conditions into account. This method has been adopted as a representative, trend based calculation approach reflecting the potential impacts of climate induced physical changes on generation capacity. The financialization results for five provinces have been consolidated.
Risk Mitigation Action	Hybrid solar power plants (GES), battery energy storage systems (BESS), and wind power (RES) projects will be implemented.



Risk 2 – Extreme Precipitation	
Risk Category	Physical Risk
Risk Title	Extreme Precipitation
Risk Description	During periods of full capacity operation, landslides triggered by extreme precipitation may cause structural damage to transmission channels and water infrastructure. In the event of such damage, plant operations may be temporarily suspended during the repair period, leading to operational disruptions.
Financial Impact Level (1–5)	3 – Medium Impact (1–3% of revenue)
Likelihood (1–5)	4
Overall Risk Rating	12
Point of Impact in the Value Chain	Direct Operations
Financial Impact	The financial impact of this risk has been calculated based on the assumption that, in the event of damage to the transmission channel, the plant's operations would be suspended for a minimum of 20 days. The expected loss of energy generation during this period was taken into account, and the resulting revenue loss was projected based on the unit sales price.
Risk Mitigation Action	Infrastructure at the power plants is regularly upgraded to withstand unexpected weather events, with a preference for high durability equipment to enhance overall resilience. In areas with a high risk of landslides, site specific interventions (such as wire mesh applications) are implemented by the Rehabilitation Department to reduce the direct impact of soil movement. Flood early warning systems approved by the State Hydraulic Works have been installed at all plants, while environmental flow continuity is maintained downstream to protect river ecosystems. In addition, the use of next generation, gearless direct drive turbines has enhanced operational reliability and minimized maintenance costs and failure risks. Through this comprehensive approach, operational disruption risks arising from extreme precipitation have been significantly reduced.



Risk 3 – Annual Temperature Variability	
Risk Category	Physical Risk
Risk Title	Land Areas Exposed to Annual Temperature Variability
Risk Description	At the solar power plant located in Hatay province, the impacts of annual temperature variability on land conditions pose a potential physical climate risk in terms of power plant performance and generation efficiency. Extreme temperature fluctuations may reduce panel efficiency, leading to deviations from expected electricity generation. This may result in the failure to achieve production targets and, consequently, potential revenue losses.
Financial Impact Level (1–5)	3 – Medium Impact (1–3% of revenue)
Likelihood (1–5)	4
Overall Risk Rating	12
Point of Impact in the Value Chain	Direct Operations
Financial Impact	The financial impact of this risk has been assessed based on the PVsyst simulation report. In the assessment, the difference between the P50 and P75 values used in energy generation projections was taken into account. This difference was used as an indicator reflecting the adverse effects of temperature variability, and the resulting production loss was used as the basis for estimating the financial impact of the risk.
Risk Mitigation Action	The impacts of production deviations resulting from high temperatures and temperature variability in solar energy generation are mitigated through operation and maintenance (O&M) activities. These include capacity management at inverter skids under high temperature conditions, preventive maintenance activities across the plant, PV panel cleaning management, stow and backtracking optimizations in tracker systems, as well as maintenance activities for main step-up transformers and substations, thereby minimizing production losses.



Strategy

Risk 4 – Reputational Risk

Risk Category	Transition Risk
Risk Title	Reputational Loss among Stakeholders
Risk Description	If the Company fails to take sufficient action on climate change mitigation and adaptation, or if its strategies, performance, and transparent reporting in this area do not meet stakeholder expectations, there is a risk of reputational damage among investors, financial institutions, regulatory authorities, suppliers, and the general public.
Financial Impact Level (1–5)	4 – High Impact (3–5% of revenue)
Likelihood (1–5)	3
Overall Risk Rating	12
Point of Impact in the Value Chain	Direct Operations
Financial Impact	In the event that climate related actions are deemed insufficient or inconsistencies are identified in reporting, damage to corporate reputation may result in adverse financial impacts. These may include a decline in share value ranging from 3.5% to 6%, as well as an increase of 0.25 to 1.0 percentage points in interest rates on sustainability linked financing. Such impacts represent a risk factor that could lead to an increase in the Company's overall financing costs.
Risk Mitigation Action	Public disclosure of sustainability and environmental management policies and the establishment of effective communication with stakeholders.



Opportunity 1 – Carbon Management and Sustainable Finance

Opportunity Category	Climate Opportunity
Opportunity Title	Additional Revenue from Carbon Markets
Opportunity Description	<p>The Company's Niksar Hydroelectric Power Plant has been included in carbon certification schemes under the Verified Carbon Standard (VCS), while the Erzin 2 Solar Power Plant has been verified under the International Carbon Registry (ICR). In addition, the Company's hydroelectric power plants are included in the International Renewable Energy Certificate (I-REC) system.</p> <p>With the expected implementation of Türkiye's National Emissions Trading System (ETS) as of 2026 and the European Union's Carbon Border Adjustment Mechanism (CBAM), the market value of carbon and energy certificates for renewable energy producers is expected to increase.</p> <p>Within this framework, IC Enterra aims to strengthen its carbon management strategy by optimizing certification portfolios under market conditions and to diversify sustainable finance sources. The Company's strategy focuses on converting emission reductions achieved through renewable energy generation into measurable, verifiable, and value creating assets.</p>
Financial Impact Level (1–5)	5 – Very High / Critical Impact (>5% of revenue)
Likelihood (1–5)	3
Overall Opportunity Rating	15
Point of Impact in the Value Chain	Downstream Value Chain
Financial Impact	<p>IC Enterra's carbon financing approach is based on the commercialization of emission reductions from renewable energy generation through internationally recognized systems.</p> <p>In this context:</p> <ul style="list-style-type: none"> Carbon credits are priced and sold in international carbon markets under the VCS framework (€/tCO₂e) Renewable energy certificates (I-REC) generate revenue on a per kilowatt-hour basis (€/kWh). <p>In addition, the potential increase in the market value of the Company's carbon certificate inventory is considered a sustainable source of revenue in the medium to long term (3–10 years). IC Enterra monitors these processes within the scope of its corporate carbon management strategy and carries out verification and reporting activities in accordance with international standards.</p>
Opportunity Enabling Actions	<p>Carbon and renewable energy certification processes are carried out through internationally recognized systems such as VCS, ICR, and I-REC.</p> <p>Stock management of the generated carbon certificates is ensured, with sales timing and market valuation closely monitored in order to achieve optimal commercial benefit.</p> <p>These climate performance based assets are intended to be used as strategic tools both to generate financial returns and to diversify sustainable financing sources.</p>

Opportunity 2 – Climate Driven Operational Efficiency

Opportunity Category	Climate Opportunity
Opportunity Title	Increase in Solar Energy Generation Efficiency Due to Global Warming
Opportunity Description	As a result of climate change, increasing average sunshine duration and solar irradiation intensity, particularly in Türkiye's southern and inland regions, create an opportunity to enhance generation efficiency across IC Enterra's solar energy portfolio. Meteorological data indicate that average annual solar radiation in certain regions may increase by 1–3% after 2030. This translates into higher capacity factors and increased electricity generation per installed capacity for the existing Erzin 2 Solar Power Plant as well as planned hybrid and storage integrated solar investments.
Financial Impact Level (1–5)	3 – Medium Impact (1–3% of revenue)
Likelihood (1–5)	4
Overall Opportunity Rating	12
Point of Impact in the Value Chain	Direct Operations
Financial Impact	Increased generation efficiency leads to higher capacity factors, resulting in greater electricity generation with the same installed capacity and, consequently, increased sales revenues. This also contributes to an increase in the number of carbon certificates generated and the enhancement of their market value, positively affecting the Company's overall revenue potential.
Opportunity Enabling Actions	Generation efficiency is enhanced through measures such as the selection of tracker mounting systems (solar tracking) or optimization of panel tilt angles in fixed mounting systems, the performance focused selection of equipment used, and continuous technological upgrades to inverter systems. Together with longer sunshine duration and higher solar irradiation, these measures enable increased electricity generation and directly enhance the Company's revenue potential.



Strategy

Impacts on Strategy and Business Model and the Role of Climate Focused Investments

IC Enterra evaluates the current and potential impacts of climate related risks and opportunities on its business model and value chain through a holistic approach. The Company's renewable energy based business model is shaped through hydroelectric power plants (HPPs) and solar power plants (SPPs) located across different geographical regions of Türkiye. This production infrastructure, which is directly dependent on natural resources, may exhibit a high level of sensitivity to the impacts of climate change.

Within this scope, assessments have been conducted to analyze the potential consequences of climate scenario driven physical impacts on the Company's operations, and to identify the conditions under which critical components of the business model may be exposed to risk. In particular, decreases in snowfall affect water regime based generation planning for hydroelectric power plants, creating pressure on resource continuity. This situation poses a more pronounced production risk for plants located in the provinces of Mersin and Erzinan compared to other regions and may lead to operational disruptions.

Flooding and landslides resulting from extreme precipitation are among the risks that may cause physical damage to hydroelectric power plant infrastructure, and preventive infrastructure reinforcement measures are being implemented to mitigate these impacts.



In contrast, the solar power plant investment in Hatay exhibits a very limited sensitivity to risks such as snowfall reduction and extreme precipitation; however, at this location, annual temperature fluctuations are taken into consideration in terms of site conditions, and technical assessments are conducted with regard to panel efficiency and the continuity of maintenance activities. In addition, in line with PVsyst simulation outputs, temperature related uncertainties in electricity generation are analyzed, and generation planning is optimized based on these variances.

These climate driven impacts are not limited solely to physical risks, but also play a determining role in the resilience and strategic flexibility of the business model. Accordingly, IC Enterra has enhanced its portfolio diversification strategy to balance its hydroelectric dominated generation structure. Through planned investments in hybrid solar power plants, storage integrated solar power plants, and wind power plants, the Company aims to increase resilience against drought risk, thereby reducing its dependence on water regimes. In addition, feasibility studies and market analyses are being conducted for alternative energy solutions such as floating solar power plants and hydrogen technologies.

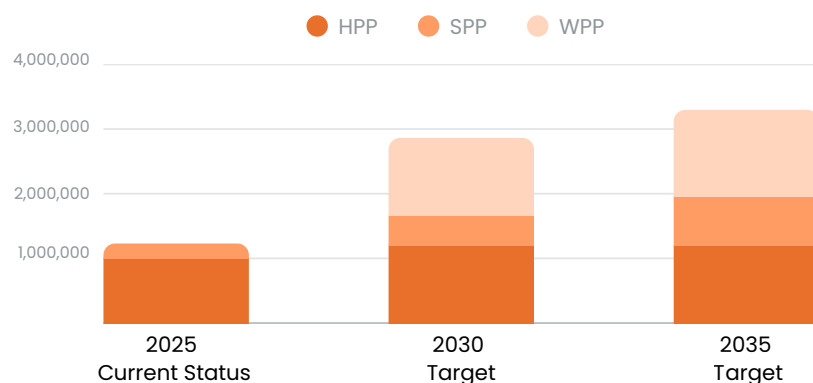
All of these strategic assessments are intended to preserve the Company's operational continuity under the conditions projected in climate scenarios, strengthen infrastructure resilience, and make the business model more flexible. Within the Company's long term strategy, both the mitigation of climate risks and the evaluation of emerging opportunity areas are positioned among the key priorities.

Transition Plan and Key Assumptions

IC Enterra follows a structured roadmap aligned with its long term commitments in the transition to a low carbon economy. This transition plan comprises strategic actions serving multiple objectives, including the reduction of greenhouse gas emissions, the management of indirect emissions, the achievement of carbon neutral targets, and the enhancement of the resilience of energy generation systems.

At the core of the plan are technology investments aimed at increasing operational efficiency, capacity expansions to strengthen renewable energy generation, and the integration of energy storage systems. Within this framework, concrete targets have been defined for the transformation steps envisaged for the 2025–2035 period across the Company's generation portfolio. According to the projections, the share of wind energy (WPP), which currently stands at 0% in the generation mix, is planned to increase to 39% by 2030 and to 40% by 2035; solar energy (SPP) capacity is planned to be expanded, while the weighting of hydroelectric power plants (HPPs) within the portfolio is planned to be optimized. The primary driver of this increase in generation capacity will be new investments in wind and solar power plants.

Generation (MWh)



This transformation envisaged in the generation portfolio demonstrates that the Company's transition objectives are supported not only by policy commitments but also by a robust investment program. In order to achieve the 2030 and 2035 targets, a multi year CAPEX plan has been prepared, covering new wind power plant (WPP) projects, the expansion of solar power plant (SPP) sites, and the modernization of existing infrastructure.

Under this plan, total investments amounting to USD 734 million are projected for the 2025–2030 period, of which 71% is allocated to wind power projects and 29% to solar power capacity expansions.

An analysis of the annual distribution of the investment program indicates that 2027 and 2028 represent peak years in terms of investment intensity. CAPEX of USD 217 million is planned for 2027 and USD 286 million for 2028, corresponding to the period during which new capacity additions are expected to be commissioned at the fastest pace.



Within the scope of the total investment program, the expansion of renewable energy capacity in the wind and solar segments is targeted. With the commissioning of these investments, electricity generation is expected to increase in parallel with the investments.

Strategy

This comprehensive investment program serves as a critical lever both for increasing generation diversity and for reducing carbon intensity, while also securing the financial sustainability of the long term transition plan. In addition, investments developed for the commissioning of energy storage systems, enhancing grid flexibility, and minimizing generation interruptions occupy a critical position within the transition plan. These investments support the integration of variable renewable energy sources while strengthening resilience against climate change related operational risks.

The Company's transition strategy encompasses not only mitigation objectives but also system flexibility and climate adaptation goals. Within this framework, investments aligned with technical upgrades, infrastructure improvements, and operational risk mitigation have been planned. Through systematic monitoring mechanisms, performance is evaluated on an annual basis, and alignment with targets and progress levels are regularly reported to management units and governance bodies.

Each action included in the transition plan has been defined in alignment with the relevant sustainability and investment policy documents and has been made traceable through measurable indicators. In this way, a holistic balance is intended to be achieved between the Company's net zero vision and its objectives for flexibility and resilience in energy generation.

Although there is currently no legal requirement in place within IC Enterra, awareness regarding internal carbon pricing has been established within climate related financial planning processes. In this context, while no internal carbon pricing mechanism is directly applied by the Company, a benchmarking approach based on European Union Emissions Trading System (EU ETS) prices has been adopted for use in scenario analyses and strategic assessments.



Assets Resilient and Non-Resilient to Climate Related Transition and Physical Risks

As a result of the climate risk analyses conducted, hydroelectric power plants located in the provinces of Mersin and Erzincan have been identified as having a higher level of sensitivity to physical climate risks compared to other generation locations. By contrast, power plants located particularly in the provinces of Giresun and Hatay have been assessed as being more resilient to physical climate risks under current conditions, with potential impacts remaining at a limited level.

With respect to assets that are non-resilient to transition risks, no direct physical assets have been identified. However, given that processes such as corporate climate management, reporting, and stakeholder communication are still in a phase of development, it is considered necessary to closely monitor and manage potential misalignments in these areas.



Assets Aligned with Climate Related Opportunities

Within the scope of assets aligned with climate related opportunities, IC Enterra's generation portfolio, which is entirely based on renewable energy sources, demonstrates a high degree of alignment with current and future market dynamics due to the low carbon nature of its solar and hydroelectric power plants. In addition, generation assets integrated into carbon certification processes (VCS, ICR, and I-REC) have the capacity to capitalize on climate related market opportunities. Furthermore, storage integrated solar power plant projects, wind power plant projects, and hybrid solar power plant projects under development constitute core elements of the Company's long term climate adaptation strategy, given their potential to enhance grid flexibility and to assume a strategic role in the energy transition.

Risk Management

Assessment and Monitoring of Risks and Opportunities

IC Enterra conducts the identification, assessment, prioritization, and monitoring of climate related risks within the framework of the Climate Change Risk Management Procedure. In this context, the main inputs and parameters used by the Company include climate scenarios, local meteorological data, operational datasets, financial impact estimates, feasibility analyses, and site specific technical risk assessments. The assessment process has been structured to cover all energy generation facilities.

The magnitude, likelihood, and potential impacts of risks identified through scenario analyses are evaluated using both qualitative criteria (such as operational disruptions and reputational impacts) and quantitative criteria (such as financial loss amounts and reductions in generation). Assessment criteria are applied on a site specific basis by taking into account risk matrices, threshold values, and scenario outputs. In particular, infrastructure resilience, continuity of generation, and local climate variables are monitored as critical impact areas.

Climate related risks are addressed alongside other risk types within the Company's overall risk management framework; however, in accordance with the Climate Change Risk Management Procedure, priority is given to climate risks with high impact and the potential to generate systemic consequences. This prioritization is determined based on criteria such as the financial impact of the risk, its effect on operational continuity, and the level of threat posed in terms of regulatory compliance.

The monitoring of risks is ensured through both regular reporting cycles and technical monitoring systems. In this context, indicators related to climate risks are tracked through plant performance reports and environmental monitoring systems and are synchronized with periodically updated risk analyses and site assessment results. In addition, these processes are reviewed at least once a year in line with climate related developments and regulatory changes.

In managing climate related opportunities, IC Enterra considers not only analyses based on physical risk scenarios but also potential opportunities arising from the transition to a low carbon economy. These opportunities are defined under headings such as increasing demand for renewable energy, reputational gains resulting from compliance with environmental regulations, access to green finance, and support mechanisms for sustainable technology investments.

The process of identifying and assessing opportunities is carried out in coordination with the Company's strategic planning activities and is based on criteria such as technical feasibility analyses, investment payback periods, potential revenue increases, and contributions to carbon reduction. In addition, the pace of sectoral transformation, regulatory incentives, and international developments are taken into account in the prioritization of opportunities.

The monitoring of opportunities is ensured through periodic evaluation meetings conducted among the sustainability, investment, and R&D units, as well as through external stakeholder analyses. The data obtained within this scope guide new investment projects and business model adaptations.

At IC Enterra, the assessment processes related to climate related risks and opportunities are integrated into the Company's risk management policy. Outputs derived from climate risk analyses conducted by sustainability teams are considered within the framework of the Company's overall risk inventory and risk appetite.

Risk classifications developed in line with climate data and scenario analyses provide inputs to the risk management system and are presented to the relevant business units for evaluation during annual review cycles. In this way, climate related risks and opportunities are addressed not only as a technical area of assessment but also as an integral part of corporate risk management.

Metrics and Targets

Climate Related Metrics



Greenhouse Gas Emissions

IC Enterra calculated and reported its Scope 1 and Scope 2 greenhouse gas emissions for the period between 1 January 2024 and 31 December 2024 in accordance with the Greenhouse Gas (GHG) Protocol. During the reporting period, emissions were classified and reported in metric tons of CO₂ equivalent (tCO₂-e).

For the year 2024, Scope 1 emissions amounted to 319.84 tCO₂-e, Scope 2 emissions totaled 316.53 tCO₂-e, and total direct and indirect emissions were reported as 636.37 tCO₂-e.



Measurement Approach, Inputs, and Assumptions

IC Enterra applies the operational control approach when calculating emissions from activities under its direct control. In accordance with the GHG Protocol, the inputs used to calculate the Company's corporate carbon footprint of 636.37 tCO₂-e are as follows:

- Scope 1: Direct fuel consumption data, fugitive emissions, and other direct sources (diesel, LPG, LNG, gasoline, R404A, R22, SF6, FM200, HFC-227, HFC-32, R134a, R600A, CO₂)
- Scope 2: Electricity consumption data (location-based method)
- Emission factors: Greenhouse gas emission calculations are performed using emission factors determined in line with the IPCC, DEFRA, and the GHG Protocol. Scope 1 and Scope 2 emissions are calculated based on activity data. For Scope 2 measurements, national emission factors published by the relevant ministry are used.

During the 2024 reporting period, no changes were made to the measurement approach, inputs, or assumptions.

Scope	Metric	Value
Scope 1 Emissions	tCO ₂ -e	319.84
Scope 2 Emissions	tCO ₂ -e	316.53
TOTAL	tCO ₂ -e	636.37

Metrics and Targets

Climate Related Targets and Monitoring Mechanisms

IC Enterra establishes short, medium, and long term targets as part of its efforts to address climate change and manages these targets within frameworks that are measurable, traceable, and assessable. These targets cover not only the reduction of emissions arising from direct operations but also the management of indirect emissions, the net zero commitment, and investments aimed at enhancing system flexibility in energy generation.

The targets are integrated into the relevant operational units, with a dedicated implementation period, methodology, and monitoring system defined for each. GHG Protocol aligned methodologies are applied in measurement processes, and transparent monitoring of targets is ensured through supporting documentation such as emissions inventories, investment feasibility studies, and grid connection permits.

The review of targets is carried out on a regular basis through annual greenhouse gas reports, sustainability reporting processes, and internal governance mechanisms, and targets are updated when necessary with the approval of the Sustainability Committee or the Board of Directors. In tracking progress, tangible indicators such as Scope 1, Scope 2, and Scope 3 emissions, as well as energy storage capacity, are used, enabling progress to be monitored through quantitative data.

The table below summarizes the key information regarding IC Enterra's climate related strategic targets extending to 2030 and 2053.

No	Target Area	Objective of the Target	Business Unit in Scope	Base Year	Target Year	Target
1	Reduction of Scope 1 & 2 Emissions	To reduce energy related carbon emissions of the Company	All renewable energy power plants (HPPs, SPPs, and WPPs)	2022	2030	Reduction of Scope 1 and 2 emissions by 27% by 2030
2	Calculation and Management of Scope 3 Emissions	To measure and reduce supply chain and service related indirect emissions and to establish reduction plans	Procurement, logistics, and contractor management units	-	2027	Calculation of Scope 3 emissions and publication of the emission reduction strategy by 2027
3	Net Zero Target	To reduce emissions from all activities to net zero by 2053	All areas of operation	2022	2053	Achievement of net zero carbon emissions by 2053
4	Deployment of Energy Storage Systems	To support renewable energy generation, ensure grid balance, and increase system flexibility	Energy storage and investment planning units	2024	2030	Commissioning of a total of 485 MW of storage integrated SPPs, WPPs, and hybrid SPP investments by 2030

FOR MORE INFORMATION, FEEDBACK, AND
SUGGESTIONS REGARDING THE REPORT;



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