AYGAZ A.Ş. (Aygaz)

TSRS-COMPLIANT SUSTAINABILITY REPORT

CONTENTS

ABOUT THE REPORT

This report presents the consolidated sustainability- and climate-related disclosures of **AYGAZ A.Ş.** (the "Company") and its subsidiaries (the "Group") in accordance with the **Turkish Sustainability Reporting Standards (TSRS)** issued by the Public Oversight, Accounting and Auditing Standards Authority (POA). AYGAZ A.Ş. ("Aygaz" or the "Company") is a publicly traded company established in Türkiye and listed on Borsa Istanbul (BIST). The disclosures have been prepared in line with the TSRS, based on the financial reporting period January 1, 2024 - December 31, 2024. These standards, published in the Official Gazette on December 29, 2023, became effective for annual periods beginning on or after January 1, 2024.

TSRS refers to two core sustainability standards and sector-specific guidance issued by the POA:

- TSRS 1: General Provisions for Disclosure of Sustainability-Related Financial Information
- TSRS 2: Climate-Related Disclosures
- Sector-Specific Implementation of TSRS 2: Annex Volume 13 – Oil and Gas – Refining and Marketing

In accordance with TSRS 1: General Provisions for Disclosure of Sustainability-Related Financial Information and TSRS 2: Climate-Related Disclosures, this report provides information on sustainability- and climate-related risks and opportunities that could reasonably be expected to affect Aygaz's cash flows, access to finance, or cost of capital over the short, medium, or long term. These disclosures are intended to support users of general-purpose financial reports in making informed investment and financing decisions. The financial significance of identified risks is assessed based on revenue, in line with the financial materiality criteria applied in financial reporting.

Sustainability- and climate-related risks and opportunities that could reasonably be expected to impact Aygaz's future financial viability are presented in the "Strategy" and "Risk Management" sections of the report. These disclosures reflect materiality levels determined through the financial audit process. Similarly, risks and opportunities that fall below Aygaz's defined materiality thresholds and are not expected to materially affect future financial viability have been assessed and reported to Executive Management. Only those deemed to have a significant impact are disclosed in this report.

All financial and non-financial information in the report is prepared in accordance with TSRS principles and is presented in a manner that is fair, comparable, verifiable, timely, and understandable.

Link to Financial Disclosures

The sustainability- and climate-related disclosures in this report have been prepared for Aygaz and its subsidiaries and should be evaluated in conjunction with the consolidated financial statements. The reporting period is aligned with the 12-month period of January 1, 2024 - December 31, 2024, covered by Aygaz's 2024 Consolidated Financial Statements. To ensure consistency across Aygaz's published reports, the sustainability-related financial disclosures presented herein are based on the same data sets and assumptions as those used in the 2024 financial reports. Accordingly, the same accounting policies, methods, estimates, and the Turkish lira (TRY) as the presentation currency have been applied to maintain coherence between sustainability and financial data.

Audit

In line with the mandatory sustainability assurance requirements introduced under the Turkish Sustainability Reporting Standards (TSRS), published in the Official Gazette No. 32414(M) on December 29, 2023, by the Public Oversight, Accounting and Auditing Standards Authority (POA), this report has been subjected to a limited assurance engagement. The assurance was conducted by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (EY) in accordance with GDS 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and GDS 3410: Assurance Engagements on Greenhouse Gas Statements. The limited assurance statement is provided in the "Annexes" section of the report.

Transition Exemptions

Aygaz has applied the transitional exemptions provided under Articles E3, E4, E5, and E6 of TSRS 1 and Articles C3, C4, and C5 of TSRS 2 as follows:

TSRS 1 E3: This report includes sustainability-related information only for the current reporting period.

TSRS 1 E4: The TSRS-Compliant Sustainability Report is published in July 2025, following the publication of the financial statements for the reporting period January 1, 2024 - December 31, 2024.

TSRS 1 E5, TSRS 1 E6 ve TSRS 2 C3: Aygaz does not disclose comparative information related to climate-related risks and opportunities from previous periods. Instead, it applies the E5 exemption to report only the information for the current period.

TSRS 2 C4.a ve TSRS 2 C5: Greenhouse gas (GHG) emissions for the reporting period have been calculated in accordance with ISO 14064-1:2018 and verified by independent third parties.

ABOUT THE REPORT

In line with Provisional Article 3 of the Board Decision on the Implementation Scope of TSRS, Aygaz does not disclose Scope 3 emissions in this reporting period.

Reporting Boundaries and Measurement Approach

To determine the organizational boundaries for GHG emissions reporting, Aygaz has adopted the operational control approach. Under this method, emissions from subsidiaries over which the Company exercises operational control are included in the GHG inventory.

About Aygaz

Founded in 1961 as the Koç Group's first venture in the energy sector, Aygaz is an integrated LPG company engaged in a wide spectrum of activities including procurement, storage, filling and sales of LPG, as well as maritime and land transportation. The Company also manufactures and sells pressurized containers and LPG equipment.

As of year-end 2024, Aygaz operated an extensive distribution network comprising 1,874 autogas stations and 2,010 cylinder gas dealers across all 81 provinces of Türkiye. The Company's registered address is Büyükdere Cad. Aygaz Han No. 145/1, 34394 Zincirlikuyu-Şişli / Istanbul.

Aygaz holds the largest LPG storage capacity in Türkiye with a total of 178,000 m³. The Company ensures a reliable and cost-effective LPG supply to both domestic and international customers and maintains a strong presence in maritime logistics through a Turkish-flagged fleet of four vessels. On land, Aygaz operates Türkiye's largest LPG transport fleet, with over 300 tanker trucks, nearly 200 cylinder gas trucks, and more than 600 drivers, making 98,000 trips and covering 47 million kilometers annually.

The Company also operates a plant manufacturing pressurized containers and accessories. With an extensive supplier network and advanced infrastructure, Aygaz is positioned among the few companies in Türkiye capable of discharging even the largest LPG vessels at a single port.

The activities, capital shares, and ownership structures of the consolidated entities, as defined under the Turkish Financial Reporting Standards (TFRS), are detailed below.

Business Model and Value Chain

In preparing its sustainability- and climate-related financial disclosures, Aygaz has taken into account its entire value chain, encompassing both its own operations and those of its subsidiaries. The upstream and downstream activities of Aygaz and all its subsidiaries are included within the scope of value chain reporting.

Trade Name	Field of Operation	Aygaz's Share in Capital (%)	Ownership Structure
Anadoluhisarı Tankercilik A.Ş.	Shipping	100	Subsidiary
Kandilli Tankercilik A.Ş.	Shipping	100	Subsidiary
Kuzguncuk Tankercilik A.Ş.	Shipping	100	Subsidiary
Kuleli Tankercilik A.Ş.	Shipping	100	Subsidiary
Bebek Shipping S.A.	Shipping	100	Subsidiary
Bal Kaynak Su İthalat İhracat Sanayi ve Ticaret A.Ş	Water Trade	100	Subsidiary
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş.	Marketing	100	Subsidiary
Aygaz Doğal Gaz Toptan Satış A.Ş.	Natural Gas	100	Subsidiary
Aygaz Doğal Gaz İletim A.Ş.	Natural Gas	100	Subsidiary

GOVERNANCE

Sustainability Governance Structure at Aygaz

At Aygaz, the Board of Directors holds ultimate responsibility for overseeing sustainability and climate management. The Sustainability Directorate manages the Company's sustainability and climate risk and opportunity processes. Strategic decision-making in these areas is supported by the Sustainability Leaders Team, which is chaired by the General Manager and coordinated by the Sustainability Directorate. The Sustainability Directorate reports to the Chief Financial Officer (CFO), who in turn reports to the Risk Management Committee and the Board of Directors on sustainability- and climate-related issues at least once a year.

Aygaz's Sustainability Policy outlines the roles and responsibilities of the General Manager, Sustainability Directorate, Sustainability Leadership Team, and Working Groups within the sustainability governance structure. It also sets forth the guiding principles of the Company's sustainability strategy. In line with this policy, Aygaz is committed to aligning its sustainability strategy and investments with the United Nations Sustainable Development Goals (SDGs) and actively contributing to relevant goals and sub-goals.

Aygaz evaluates sustainability- and climate-related risks and opportunities over the short, medium, and long term and develops action plans to manage the identified risks. Through this proactive approach, the Company aims to continuously enhance its Environmental, Social and Governance (ESG) performance.

Board of Directors

As of 2024 and the reporting period, the Sustainability Directorate oversees all sustainability-related management processes at the Board level through briefings provided at least annually. Aygaz's Remuneration Policy, in effect for 2024 and the reporting period, defines the remuneration system and practices for Board Members and Senior Executives.

According to the policy, Board Members receive a fixed salary determined annually at the General Assembly for their service on the Board. Senior Executives receive a combination of fixed and performance-based compensation. Fixed salaries are determined in line with international standards and legal obligations, taking into account macroeconomic indicators, prevailing remuneration practices in the market, company size, long-term goals and the respective positions of the individuals.

As of 2024, the performance-based bonus system incorporates both individual and corporate performance, including metrics tied to sustainability and climate-related performance. These indicators are factored into the bonus system for executive management.

Sustainability performance is monitored through the OKR (Objectives and Key Results) system, which is implemented by the Human Resources Department via the Koç Diyalog platform. In this system, sustainability targets are set for relevant senior executives, including the General Manager, unit leaders involved in sustainability and climate initiatives, and expert-level employees. Sustainability targets account for at least 5% of total individual performance targets and are reviewed on a quarterly basis.

End-of-year performance evaluations incorporate these metrics, directly linking sustainability targets with individual and corporate success.

The Aygaz Board of Directors comprises individuals with diverse backgrounds, expertise, and skills. The Board possesses the necessary competencies to oversee sustainability- and climate-related matters. Detailed résumés of Board Members are available in the Aygaz 2024 Annual Report.

Risk Management Committee

The Risk Management Committee, which reports to the Board of Directors, is responsible for reviewing the Corporate Risk Management system at least once annually. Its responsibilities include evaluating risk reports, overseeing risk management and internal control systems, and ensuring their effectiveness. The Committee monitors, assesses and manages sustainability- and climate-related risks, by considering the potential impacts of climate change on the Company's operations, financial performance and long-term strategies. It identifies relevant risks and opportunities, integrates them into Aygaz's overall risk management processes, and provides necessary information.

Risk management at Aygaz is guided by the Integrated Management Systems Policy and corporate risk management principles. These activities are aligned holistically with the Company's strategies and objectives. Throughout the year, potential risks and scenarios are identified as part of corporate risk management efforts. Accordingly, the Company updates and prioritizes its risk inventory and develops mitigation and elimination solutions. The updated risks, opportunities, and associated action plans are consolidated and shared with internal stakeholders. In parallel, individual departments review their own risk assessments.

Sustainability Leaders Team

The Aygaz Sustainability Leaders Team, chaired by the General Manager and coordinated by the Sustainability Directorate, is responsible for overseeing sustainability- and climate-related issues across Aygaz and its subsidiaries. The team includes members of Executive Management and regularly monitors and evaluates the Company's performance in these areas. The General Manager, who has held various roles in risk and strategy within the Koç Group, was appointed General Manager of Aygaz in 2023 and has led the Sustainability Leaders Team since its establishment in 2024.

He is responsible for ensuring that sustainability issues are addressed in alignment with Aygaz's strategic objectives and for overseeing their integration at the Executive

GOVERNANCE

Management level. All other team members have also served since the team's inception in 2024. Comprising professionals with diverse backgrounds and areas of expertise, the Sustainability Leaders Team brings a strategic, holistic, and interdisciplinary perspective to sustainability management.

The Sustainability Leaders Team oversees the activities of the following working groups, established by the Sustainability Directorate in line with Aygaz's sustainability goals and strategies: Carbon and Energy Transition, Alternative Products and Biofuels, Hydrogen and Ammonia, and Circular Economy. These working groups report their activities through the Sustainability Directorate, which ensures that progress is monitored and assessed at the Executive Management level. The Sustainability Leaders Team convenes quarterly to review progress toward sustainability and climate targets and to evaluate the working groups' activities. This structure ensures that sustainability- and climate-related considerations are strategically integrated into corporate decision-making processes.

Sustainability Directorate

As of 2024 and throughout the reporting period, the Sustainability Directorate has been responsible for enhancing the ESG performance of Aygaz and its subsidiaries. The Directorate identifies, evaluates, monitors and manages both existing and potential risks that may impact the Company's ability to achieve its objectives. Its responsibilities include overseeing sustainability- and climate-related risks, considering the impact of climate change on Aygaz's operations, financial performance and long-term strategy, and integrating related opportunities into the Company's enterprise risk management system. The Directorate also monitors regulatory developments, market trends and best practices in sustainability and climate risk management. Critical developments are communicated to the Risk Management Committee and the Board of Directors.

The Sustainability Directorate is responsible for developing, implementing and updating Aygaz's sustainability and climate-related policies, as well as overseeing the execution of all projects aligned with the Company's sustainability strategy. It also leads the development of sustainability reporting policies and implementation methods and coordinates the evaluation of the Company's performance in sustainability indices.

The Sustainability Directorate, in collaboration with relevant departments, monitors and assesses sustainability- and climate-related risks and opportunities at least annually and reports to the Sustainability Leaders Team on these issues quarterly. The Directorate holds regular weekly meetings with the CFO to share updates regarding sustainability- and climate-related risks and opportunities, providing proactive, strategic guidance in these areas. Additionally, the CFO and all relevant departments are expected to participate in dedicated workshops designed to foster a shared understanding of climate-related risks and opportunities across the organization.

These risks and opportunities are classified based on their operational and financial impacts, and corresponding actions are developed to enhance Aygaz's long-term resilience. In 2024, Aygaz reviewed and updated its sustainability risks and opportunities in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD)* framework.

The Sustainability Director brings two years of experience in developing sustainability strategies, setting carbon neutrality targets, and formulating roadmaps for the transition to renewable energy and alternative fuels.

The Sustainability Process Leader, who holds a bachelor's degree in Environmental Engineering, has over 10 years of experience in sustainability at Aygaz and is positioned in the Sustainability Directorate.

The sustainability process leader's areas of expertise include sustainability reporting and compliance with national and international standards, carbon management and accounting, climate transition planning, sustainability strategy development and project management, water and waste management, energy efficiency and the use of renewable energy resources.

Sustainability Working Groups

The Sustainability Working Groups are responsible for implementing the goals and strategies approved by the Sustainability Leaders Team, formulating topic-specific roadmaps, regularly reporting progress, and making adjustments when needed. The Carbon and Energy Transition, Hydrogen and Ammonia, Alternative Products and Biofuels, and Circular Economy Working Groups support the work of the Sustainability Directorate

Carbon and Energy Transition Working Group is responsible for planning Aygaz's climate targets and identifying actions and roadmaps to support the transition to a low-carbon economy. Hydrogen and Ammonia Working Group works to diversify the Company's energy portfolio and expand into new business areas as part of its low-carbon transition strategy. Alternative Products and Biofuels Working Group aims to broaden the Company's low-carbon product portfolio and identify opportunities to develop new lines of business aligned with sustainability goals. Circular Economy Working Group focuses on assessing the environmental impacts of Aygaz's operations and setting targets and roadmaps to mitigate negative effects.

** The TCFD's recommendations have been incorporated into ISSB's IFRS S1 and S2 standards in 2024.*

STRATEGY

Sustainability- and Climate-Related Risks and Opportunities

Aygaz identifies, monitors, and manages its sustainability- and climate-related risks and opportunities within the scope of its enterprise risk management framework. Climate-related risks and opportunities are assessed across three timeframes: short term as 0–1 year, medium term as 1–5 years, and long term as over 5 years. These timeframes are integrated into the Company's strategic planning process, and each identified risk or opportunity is classified accordingly.

Table 1. Aygaz's Strategic Timeframes

Short Term	0 - 1 Year
0 - 1 Year	1 - 5 Years
Medium Term	Over 5 Years

As part of this structured approach, Aygaz maintains a Risk and Opportunity Inventory, which includes the following key sustainability- and climate-related issues:

- Extreme Weather Events (Heat Waves)
- High Temperatures
- Expansion of Electric Vehicle Use
- Carbon Pricing Mechanisms
- Labor
- Human Rights
- Supply Chain

Aygaz addresses its sustainability- and climate change-related risks under two main types: physical risks and transition risks. These risks have the potential to cause various negative impacts, including disruptions in production, supply and shipping processes, cost increases, loss of customers and markets, employee attrition (high employee turnover rates), and reputational damage. In the context of physical risks, service interruptions caused by extreme weather events, and in terms of transition risks, widespread adoption of electric vehicles and cost increases due to carbon pricing mechanisms have been assessed. Aygaz takes all these risks into account and develops the necessary action plans.

Aygaz strategically assesses sustainability- and climate-related opportunities that could contribute to revenue growth, cost reduction, and competitive advantage. Key opportunities identified through the Risk and Opportunity Workshop include:

- Developing new products and services through R&D and innovation
- Increasing sales of existing products and services
- Gaining access to sustainability-indexed loans

Aygaz discloses the topics and related metrics aligned with the "Oil and Gas - Refining and Marketing" volume of the Sector-Specific Implementation Guidelines of TSRS 2 in the "Annexes" section of this report.

Business Model and Value Chain

Aygaz conducts a comprehensive assessment of the current and potential impacts of climate change and sustainability-related risks on its business model, value chain, and raw material supply locations, in line with its enterprise risk management framework.

Under physical risks, Aygaz recognizes that increasing frequency and severity of extreme weather events may render existing emergency response plans and business continuity mechanisms inadequate. To address this, the Company includes these risks in its emergency response planning and implements measures such as logistical support from alternative facilities to mitigate potential disruptions at its filling plants.

Aygaz also closely monitors transition risks. In response to declining demand and shrinking sales potential due to global policies, such as the growing adoption of electric vehicles and the introduction of carbon offset regulations in the aviation sector, Aygaz is diversifying its business model. This includes investments in alternative energy sources, such as renewable dimethyl ether (rDME), hydrogen, and biofuels. In parallel, the Company aims to balance the falling demand with the increased use of LPG in alternative applications.

With the growing adoption of carbon pricing mechanisms, such as carbon taxes and emissions trading systems, posing a potential risk of higher operational and financial costs, Aygaz regularly measures and verifies its carbon emissions through independent third parties and monitors emissions data via digital platforms.

As part of the Carbon Transition Program, launched to promote Koç Holding's 2050 net-zero target, Aygaz aims to reduce its absolute Scope 1 and Scope 2 emissions by 50% by 2030 (compared to a 2017 baseline) and achieve carbon neutrality by 2050.

Supporting this goal, the Manisa Solar Power Plant, with an installed capacity of 1.59 MW, was commissioned in November 2024. It is expected to generate approximately 2,900 MWh of solar energy annually and prevent around 1,250 tons of CO_2 emissions each year.

Aygaz also identifies areas of opportunity through its sustainable supply chain initiatives, including the implementation of green purchasing policies and raising supplier awareness on sustainability practices.

The transition to a low-carbon economy is viewed not only as a strategic necessity but also as a source of significant

STRATEGY

opportunities. Developing alternative and sustainable fuel solutions and diversifying the product portfolio facilitate access to new markets and bring cost advantages.

These efforts enhance the resilience of the business model and contribute to increased revenue, improved operational efficiency and long-term competitiveness.

In coordination with Koç Holding, Aygaz conducts detailed water stress analyses in the regions where it operates. The insights gained from these analyses are integrated into the Company's water management strategy, guiding the sustainable use of natural resources.

Strategy and Decision-Making

At Aygaz, sustainability- and climate-related efforts are overseen by the Sustainability Leaders Team, chaired by the General Manager. The Sustainability Directorate, which reports to the Chief Financial Officer (CFO), works in close coordination with the Sustainability Leaders Team, contributing to the Company's strategic planning and decision-making processes.

The Sustainability Leaders Team operates through four dedicated working groups:

- Carbon and Energy Transition
- Hydrogen and Ammonia
- Alternative Products and Biofuels
- Circular Economy

These working groups report their activities to Aygaz Executive Management via the Sustainability Directorate, ensuring that sustainability-related issues are evaluated at the highest executive level and are integrated into corporate strategies.

Following plans in 2024, Aygaz conducted a Risk and Opportunity Workshop in 2025 to assess sustainability- and climate-related risks and opportunities.

The workshop analyzed various scenarios published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). Türkiye's Nationally Determined Contribution (NDC) commitment was also considered in the evaluations. The results of the analysis were shared with the CFO to support strategic governance. The identified risks, opportunities, and associated action plans are intended to be reviewed at least annually and communicated to the Board of Directors through Executive Management and the Risk Management Committee.

Aygaz aligns its strategy with Koç Holding's Carbon Transition Program, which targets carbon neutrality by 2050, and treats the transition to a low-carbon economy as a strategic priority. In addition to the risks identified through different climate scenario analyses, the Company recognizes the strategic positioning of LPG as a transition fuel, along with the development of alternative sustainable fuels such as hydrogen and biofuels, as significant opportunities. These opportunities inform Aygaz's investment and product development priorities, helping not only to reduce its carbon footprint but also to increase access to domestic and international sustainable financing and enhance its long-term competitive advantage.

Aygaz integrates its climate change mitigation strategy into its broader corporate strategy by calculating and verifying Scope 1 and Scope 2 greenhouse gas (GHG) emissions in accordance with international standards. In line with its emissions reduction targets, the Company prioritizes operational efficiency and investments that support the transition to alternative fuels.

To enhance energy efficiency and optimize resource use, Aygaz employs next-generation technologies at its production and filling plants, developing projects supported by sustainable energy solutions.

These projects are financed primarily through equity capital, and the Company intends to maintain this financing approach going forward.

Projects implemented to support Aygaz's energy efficiency and operational carbon reduction targets deliver both environmental and financial benefits. In 2024, the Company achieved TL 8.4 million in savings and 16,483 GJ of energy savings through various energy efficiency projects and sustainability-focused initiatives aimed at reducing environmental impact.

Key initiatives implemented in 2024 to support Aygaz's energy efficiency and emissions reduction goals delivered significant environmental and operational gains. At the Aliağa Terminal, the integration of washing and drying units into the automation system resulted in energy savings of 61,000 kWh and a reduction of 26 tons of CO_2e. Compressor replacements at the Yarımca and Kırıkkale terminals achieved combined savings of 150,000 kWh and a 64-ton reduction in CO_2e emissions. At the Yarımca Terminal, the installation of transparent roof panels enhanced natural lighting and saved 25,000 kWh of energy, while the optimization of the air lines at the Samsun Terminal contributed an additional 45,000 kWh in savings and an 18-ton CO_2e reduction. Air leak detection using specialized detectors led to savings of 138,000 kWh and a 60-ton decrease in CO_2e emissions. As part of the Arinna Project at the Gebze Plant, a 75 kW system was installed to evaluate different solar panel technologies. The 1.59 MW solar power plant (SPP) commissioned in Manisa in November 2024 now generates approximately

STRATEGY

2,900 MWh of electricity annually. Compressed air system improvements in Ambarlı and Isparta resulted in energy savings of 210 MWh.

Additionally, 94% of Aygaz's facilities transitioned to energy-efficient LED lighting. Significant reductions in energy consumption were also achieved through the replacement of a radiant heater at the Valve Plant and the implementation of a convection oven project at the Cylinder Plant. In total, Aygaz's energy efficiency initiatives implemented in 2024 prevented approximately 270 tons of CO_2 emissions.

Aygaz aims to reduce process-related hazardous waste by 50% by 2030, compared to the 2017 baseline. In 2024, the volume of such waste remained at a similar level to the previous year and represented a 39% reduction compared to the baseline. In parallel, the Company targets a 25% reduction in fresh water consumption by 2030, compared to the 2023 baseline. To support this goal, Aygaz is expanding water recovery and reuse practices. In 2024, a total of 61,102 m^3 of water was recovered, treated, and reused across operations.

As part of its Carbon and Energy Transition Plan, Aygaz is committed to raising sustainability awareness among its suppliers and expanding the scope of its green purchasing policies. Suppliers' environmental impact is monitored and their performance is encouraged. In 2024, a comprehensive survey on environmental and social issues was conducted, leading to the identification of 49 critical suppliers. Aygaz plans to provide these suppliers with training to strengthen their environmental and social performance and intends to introduce reward and incentive mechanisms to further foster supplier development.

To support climate adaptation, Aygaz is investing in alternative green energy sources and innovative products such as biogas, rDME, and hydrogen. These investments aim to diversify the Company's product portfolio while reinforcing its long-term resilience against evolving market dynamics and regulatory risks associated with climate change.

Aygaz adopts a multidimensional approach in assessing sustainability-related risks and opportunities, ensuring that potential impacts on its business model and operations are evaluated at every level. While managing both transition risks and physical climate risks associated with the shift to a low-carbon economy, the Company actively seeks out opportunities across the entire value chain. Investments in new technologies and product diversification not only contribute to global climate action efforts but also bolster Aygaz's competitive advantage.

Furthermore, increasing investments in digitalization and automation help reduce the Company's carbon footprint while enhancing operational efficiency. These technological advancements are assessed through an integrated approach that considers the trade-off between short-term costs and long-term environmental and corporate benefits and are incorporated into Aygaz's strategic planning process.

Financial Position, Financial Performance and Cash Flows

Sürdürülebilirlik ve iklim değişikliğiyle bağlantılı risk ve fırsatlar, kısa, orta ve uzun vadeli beklentiler çerçevesinde Sustainability- and climate-related risks and opportunities have been assessed in terms of short-, medium-, and long-term expectations, taking into account a revenue-based threshold aligned with the Company's financial materiality criteria. During the reporting period, the probability and potential financial impacts of both physical and transition risks were evaluated using the available data. The calculation of the "number of outage days" value for the corporate financialization of extreme weather conditions comes with uncertainties, particularly with respect to the likelihood, timing, and long-term effects of such disruptions.

In the corporate financialization of material transition risks, such as potential declines in product or service demand, the data used in calculations was found to be non-representative at the regional level, especially regarding the impact of evolving electric vehicle market share on autogas demand. Data is currently lacking on the probability, timing, and potential impacts of future climate-related transition risks, adding to the uncertainty of projections. Given these limitations, and the high level of uncertainty stemming from ongoing local and global developments, the expected financial impacts of climate-related risks and opportunities were determined to be below the Company's material financial impact threshold. Therefore, Aygaz has chosen not to disclose quantitative financial impacts, opting instead to provide a qualitative discussion of these risks and opportunities. The qualitative impacts of sustainability- and climate change-related risks and opportunities are detailed in the "Risks and Opportunities" section of the report.

Climate Resilience

Aygaz is updating its strategy and business model and taking steps to strengthen its climate resilience, based on an assessment of identified climate-related risks and opportunities. Key risks include potential cost increases resulting from carbon pricing mechanisms, operational constraints arising from regulatory pressures, and the impact of extreme weather events on logistics and supply chains. On the opportunity side, the strategic positioning of LPG as a transition fuel and the growing demand for low-carbon products and services are central to the Company's business model transformation.

Climate-related risks and opportunities are systematically managed at both the strategic and operational levels. In

STRATEGY

this regard, the Sustainability Directorate collaborates closely with the Health, Safety, and Environment (HSE) Department to monitor relevant climate metrics and track performance.
The analyses of these metrics are regularly addressed in internal meetings and shared with Executive Management. Where necessary, action plans are developed to address identified issues.

According to the "Outlooks for Gas Markets and Investment Report" published by the International Energy Agency (IEA), several technological developments are underway in the natural gas sector to improve energy efficiency and reduce carbon emissions. These include low-emission hydrogen production, the advancement of alternative fuels such as biomethane and e-methane, and the deployment of carbon capture, utilization, and storage (CCUS) technologies.

In response to these technological developments, Aygaz is undertaking a range of initiatives to improve energy performance and lower its carbon footprint. The Company is integrating digital monitoring systems and automation technologies across its facilities, advancing R&D efforts on alternative fuel technologies, and implementing various emissions reduction measures.

In line with its 2050 carbon neutrality target, Aygaz is implementing a range of measures including operational energy efficiency projects, modernization of technological infrastructure, and investment in renewable energy sources such as solar power plants, as detailed in the "Strategy and Decision-Making" section of this report. Strategically, the Company is working to increase its long-term resilience by developing alternative low-carbon business models, incorporating fuels such as rDME, hydrogen, and biofuels, alongside its core LPG operations.

To support this transition, Aygaz held its first Risk and Opportunity Workshop in 2025 (planned in 2024) and identified climate- and sustainability-related risks and opportunities.

The workshop employed a scenario analysis approach, referencing the IEA STEPS, IEA APS and IEA NZE scenarios published by the International Energy Agency (IEA), the RCP 2.6, RCP 4.5, and RCP 8.5 scenarios published by the Intergovernmental Panel on Climate Change (IPCC), and Türkiye's Nationally Determined Contribution (NDC) commitment. As part of the scenario analysis, Aygaz evaluated the facility with the highest revenue contribution.

The analysis incorporated several key macroeconomic trends, including the global shift from fossil fuels to low-carbon energy alternatives, the wider adoption of carbon pricing mechanisms, increasing regulatory pressures related to sustainability, and the effects of international policies, such as the European Green Deal. It also considered changing consumer preferences toward environmentally friendly products and services, along with the role of technological advancements in improving energy efficiency and transforming business operations.

Following the ratification of the Paris Agreement in October 2021, Türkiye formally adopted the goal of net-zero emissions by 2053. The country submitted its updated first NDC to the UNFCCC Secretariat in April 2023, committing to a 41% reduction in greenhouse gas emissions by 2030, relative to the Business-as-Usual (BAU) scenario. In parallel, preparations are underway for the Türkiye Emissions Trading System, which is expected to be introduced alongside the Draft Climate Law currently under review by the Turkish Grand National Assembly. Aygaz aligns its strategic decision-making with these evolving macroeconomic trends and national policy developments.

Aygaz regularly reviews its existing insurance policies related to climate risks and opportunities, evaluating the adequacy of coverage and identifying any exclusions.

This includes assessing whether the current coverage is sufficient to offset potential financial losses in the event of climate-related damage. Aygaz also explores government incentives, international funding sources, and green financing opportunities as part of its risk financing strategy.

As part of its climate resilience assessment, Aygaz considers several key areas of uncertainty, particularly regarding potential shifts in regulatory frameworks and evolving market and technology dynamics.

One significant source of uncertainty stems from the ongoing design of Türkiye's Emissions Trading System (ETS), which remains in the legislative development phase. This uncertainty affects predictions about the implementation timeline, sectoral coverage, and financial impacts of future carbon pricing mechanisms. Uncertainties in various scenario analyses related to carbon regulations may also lead to unforeseen cost factors in Aygaz's medium- and long-term strategic planning. Additionally, the introduction of new emissions regulations, carbon taxes, and emerging incentive or penalty frameworks both in Türkiye and internationally may directly influence Aygaz's operating model. These evolving policy measures contribute to uncertainty around future compliance obligations and financial liabilities, complicating the task of predicting the scale and scope of operational compliance requirements. Despite these uncertainties, Aygaz conducts regular climate scenario analyses to evaluate to improve its strategic adaptability in the face of both current market shifts and future regulatory and physical climate risks.

RISK MANAGEMENT

Assessment Process of Risks and Opportunities

In 2025, Aygaz began integrating the processes of identifying, assessing, prioritizing, and monitoring sustainability- and climate-related risks and opportunities into the Company's broader enterprise risk management (ERM) system. Within this framework, risks and opportunities related to climate change, carbon regulations, energy transition, natural resource use, environmental compliance, and social impact are classified within the Company's general risk inventory under six categories: operational, financial, market, technology, compliance, and reputation risks. These are regularly reviewed by the Sustainability Directorate.

Key parameters in the assessment process include the likelihood of a risk occurring, its potential impact across various risk categories (operational, financial, market, technology, compliance, and reputation), its effect on the value chain (direct operations, upstream, and downstream), and its timeframe (short-, medium-, and long-term). In addition, physical risks such as heatwaves, floods, and droughts and transition risks such as carbon pricing, shifts in product demand, and new environmental regulations are analyzed separately and integrated into the risk matrix.

The Sustainability Directorate is responsible for monitoring environmental and social metrics, analyzing the data, and incorporating it into the risk assessment process. These analyses, supported by data from relevant units and business partners, are conducted using a 5x5 risk and opportunity matrix, which evaluates risks based on financial impact and probability of occurrence. The monitoring process is coordinated by the Sustainability Directorate, and the potential impacts of each identified risk on Aygaz's operations, supply chain, and financial structure are continuously tracked.

Identified risks and opportunities are evaluated in coordination with relevant departments and business partners, prioritized based on their potential impact and likelihood, and incorporated into the Company's strategic decision-making processes, along with corresponding action plans. All assessments are carried out in alignment with Aygaz's corporate risk framework by considering financial impact.

The Sustainability Directorate reports on sustainability- and climate-related risks and opportunities to the Risk Management Committee at least once a year. Key decisions and mitigation or adaptation actions are presented to Executive Management through meetings of the Sustainability Leaders Team, ensuring that Aygaz's overall risk profile remains current and aligned with the evolving landscape of sustainability and climate change.

Scenario Analyses

Aygaz effectively employs scenario analyses as part of its process for identifying and evaluating sustainability- and climate-related risks. The Company utilizes IEA and IPCC scenarios, Türkiye's Nationally Determined Contribution commitment, and sectoral trend analyses to identify, assess, prioritize, and monitor sustainability- and climate-related risks and opportunities.

As part of the Risk and Opportunity Workshop, planned in 2024 and held in 2025, Aygaz updated its 2021 risk and opportunity assessment, which had been conducted in line with the Task Force on Climate-related Financial Disclosures (TCFD)* methodology. The updated analysis incorporated scenario-based evaluations to identify and prioritize sustainability- and climate-related risks and opportunities. These analyses utilized the IEA STEPS, IEA APS, and IEA NZE scenarios published by the International Energy Agency (IEA) and the RCP 2.6, RCP 4.5, and RCP 8.5 scenarios published by the Intergovernmental Panel on Climate Change (IPCC).

Using these scenarios, Aygaz assessed the potential impacts of carbon pricing mechanisms and the wider adoption of electric vehicles on its business model. In parallel, physical risk analyses were conducted to examine the short-, medium-, and long-term impacts of climate-related variables such as temperature increases, changes in precipitation patterns, drought, and sea level rise on the Company's facilities, supply chain, and logistics operations. Climate projections for the years 2030, 2035, 2040, 2050, and 2100 were reviewed within the scope of these analyses. Türkiye's updated NDC commitment was also taken into account in scenario modeling.

These scenario analyses enabled Aygaz to systematically identify potential threats and opportunities under different climate futures and to assess both transition risks and physical risks.

Looking ahead, the Company plans to incorporate Shared Socioeconomic Pathways (SSP) scenarios into its analysis framework. These scenarios will allow Aygaz to integrate global political, economic, and development trends into its risk assessments.

Identifying and Prioritizing Risks and Opportunities

In 2023, Aygaz conducted a materiality assessment to identify the material topics shaping its sustainability strategy. This process incorporated global sustainability trends, relevant international standards, stakeholder expectations, and alignment with the Company's business strategy. The assessment evaluated the potential environmental, social, and economic impacts of these issues through stakeholder

** TCFD recommendations have been incorporated into ISSB's IFRS S1 and S2 standards in 2024.*

RISK MANAGEMENT

engagement, external trend analysis, and impact assessments. Additionally, the potential financial effects of these topics for Aygaz were evaluated based on input from executives, investors, and other key stakeholders.

To assess sustainability- and climate-related risks, Aygaz employs a 5x5 risk and opportunity matrix, which evaluates risks based on financial impact and probability of occurrence. Within this framework, risks such as carbon pricing, the increasing market share of electric vehicles, regulatory pressures, climate change, and physical environmental impacts are prioritized and incorporated into the Company's risk and opportunity inventory.

In recent years, sustainability- and climate-related risks have become high-priority categories for Aygaz due to increasing regulatory pressures and the accelerating transition to a low-carbon economy. These risks are continuously monitored within the strategic planning process, and action plans are developed to address them.

Assessing Risks and Opportunities

Aygaz evaluates sustainability- and climate-related risks and opportunities using a 5x5 risk and opportunity matrix, which assesses each item based on its financial impact and likelihood of occurrence. This framework incorporates both quantitative and qualitative analyses and considers a range of impacts, including environmental, financial, operational, reputational, and legal effects. During the Risk and Opportunity Workshop held in 2025, a total of 47 risks were evaluated and 24 were classified as transition risks and 23 as physical risks.

The materiality assessment considers various parameters, including the likelihood of risk occurrence, the magnitude of impact (financial, operational, legal, reputational), and the timeframe (short-, medium-, and long-term). The alignment of each risk with Aygaz's strategic objectives, along with the Company's current adaptive capacity, is also factored into the evaluation. The potential severity of a risk is assessed based on its possible effect on the Company's operations, financial position, supply chain, legal obligations, and stakeholder relationships.

Key risk factors include potential cost increases from national and international carbon pricing mechanisms, market share losses due to the growth of electric vehicle adoption, and potential revenue declines as projected in IEA and IPCC scenarios.

Risk probabilities are categorized as very low, low, medium, high, or very high on a 5x5 matrix, depending on the expected likelihood of occurrence across the short, medium, and long term. Risks with a score of 1 are classified as very low, scores between 2 and 6 as low, scores between 8 and 12 as medium, scores between 15 and 20 as high, and a score of 25 as very high.

For medium-level risks, timely action is required if it is deemed economically viable. For high and very high risks, immediate mitigation measures must be designed and implemented. In addition, the potential impact of each identified risk across the value chain is evaluated and integrated into Aygaz's strategy.

Aygaz has established a financial threshold value based on revenue to evaluate the potential financial impact of identified risks and opportunities. Following a detailed assessment, it was determined that the expected financial impacts of the identified items fall below the Company's materiality threshold. Furthermore, the presence of significant uncertainties arising from local and global developments in the financial impact calculation contributes to the ambiguity in the decision-making process. As a result, Aygaz has opted not to disclose quantitative financial estimates of climate risks and opportunities. Instead, their qualitative impacts are presented.

Climate-related risks identified include extreme weather events, the wider adoption of electric vehicles, and carbon pricing mechanisms. Opportunities include the development of alternative fuel products and the strategic use of LPG as a transition fuel.

The Risk and Opportunity Workshop, planned in 2024 and held in 2025, systematically evaluated opportunities linked to new market dynamics, investments in alternative fuels, regulatory incentives, and resource efficiency, all emerging during the transition to a low-carbon economy.

The outcomes of these assessments are scored and recorded in Aygaz's risk and opportunity inventory, and necessary action plans are developed accordingly. This process is coordinated by the Sustainability Directorate, and the results are integrated into both the enterprise risk management system and strategic planning processes. Finalized action plans are presented to Executive Management.

As part of the analysis, the likelihood of physical and transition risks occurring over the short-, medium-, and long-term, and their potential financial impacts, were evaluated using the available data from the reporting period. Given that the projected financial impacts remained below the material threshold, and due to the high degree of uncertainty involved in such projections, Aygaz reaffirmed its decision to disclose these impacts qualitatively rather than quantitatively. The qualitative impacts of climate-related risks and opportunities are discussed in detail in the "Risks and Opportunities" section of the report.

METRICS AND TARGETS

Aygaz reports in accordance with the Oil and Gas – Refining and Marketing volume of the Sector-Specific Implementation Guidelines of TSRS. The relevant criteria and metrics are disclosed in the "Annexes" section of this report. In addition, Aygaz monitors and regularly discloses environmental, social, and governance (ESG) metrics in line with the GRI Standards. The Company's 2023 performance data was evaluated on the LSEG Platform, which is used to assess eligibility for the Borsa Istanbul (BIST) Sustainability Index in 2024. The metrics and associated targets for relevant activities are transparently presented.

Climate-Related Metrics

Aygaz tracks the potential impacts of its identified climate-related risks, including high temperatures and extreme weather events. The Risks and Opportunities Table, developed for this purpose, provides a detailed overview of each risk, including its potential impact on the Company's cash flow, access to financing, and cost of capital. Aygaz also systematically presents the preventive and adaptive actions taken and their influence on its strategy and decision-making processes.

To monitor progress toward its emissions reduction targets, Aygaz regularly tracks its Scope 1 and Scope 2 greenhouse gas emissions. Emission data is disclosed in the "Greenhouse Gas Emission Metrics section" of the report.

In line with Koç Holding's climate strategy, Aygaz discloses its targets and performance in areas such as reducing carbon emissions to enhance climate resilience and support the transition to a low-carbon economy, exploring investments in alternative green energy sources and new products (biogas, rDME and hydrogen), promoting a sustainable supply chain by raising supplier awareness and implementing green purchasing policies, reducing process-related hazardous waste, and decreasing fresh water consumption.

Greenhouse Gas Emissions

Aygaz calculates its greenhouse gas (GHG) emissions—including Scope 1, Location-Based Scope 2, and Scope 3—in accordance with the ISO 14064-1 standard and the Greenhouse Gas Protocol Corporate Standard. All emissions data is independently verified by third parties. Aygaz's direct greenhouse gas emissions are calculated as emissions from stationary combustion, mobile combustion, and leakage. Direct emissions consist of: emissions from the stationary combustion of fuels such as natural gas, diesel, and LPG in equipment such as boilers, furnaces, power generators, and fire pumps; emissions from the combustion of fuels like gasoline, diesel, and LPG in vehicles used on- and off-road; and fugitive emissions from leakage.

Aygaz's indirect emissions arise solely from the consumption of purchased electricity across production facilities, terminal offices, and filling plants in Türkiye. These are calculated using the International Energy Agency (IEA) 2024 emission factors.

Aygaz applies the principle of selecting the least uncertain methodology for calculating its GHG inventory. Accordingly, emission factors were applied in the following order of availability: Tier 3: operational data-specific emission factors, based on technology; Tier 2: national emission factors, when Tier 3 data was unavailable; and Tier 1: default emission factors from the IPCC, used when national data was insufficient.

Aygaz's greenhouse gas inventory calculations were performed by multiplying operational activity data by the appropriate emission factors, in accordance with formulas provided in the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

Subsidiaries' emissions were also factored in the calculations. For Anadoluhisarı Tankercilik A.Ş., Scope 1 and Scope 2 emissions were calculated based on its Gebze office location. Scope 1 and Scope 2 emissions from Aygaz Doğalgaz and Akpa, both of which do not have production facilities, were included in the head office calculations. Emissions from the Balkaynak office were also consolidated under head office totals. Scope 1 and Scope 2 emissions for the Balkaynak İnegöl Water Plant were separately verified in accordance with ISO 14064-1 and included in the consolidated reporting.

Assets' Resilience and Adaptation to Climate Change

Aygaz has assessed the vulnerability of its assets and inventory to the impacts of climate change to ensure operational continuity. However, due to the significant uncertainties stemming from both local and global developments in the calculation of financial and non-financial impacts, and the resulting ambiguity in the decision-making process, Aygaz is currently unable to disclose specific quantitative data. Instead, po

tential impacts on LPG inventory have been addressed in the notes to the 2024 Consolidated Financial Statements.
In 2024, Aygaz made significant progress toward its carbon and energy transition targets through investments and project implementations, including energy efficiency and renewable energy initiatives. As a result of enhanced operational efficiency and a reduced production volume, the Company's total Scope 1 and Scope 2 emissions declined from 15,050 tons CO_2e in 2022 and 14,905 tons CO_2e in 2023 to 11,917 tons CO_2e by the end of 2024.

During the same period, Aygaz increased its renewable energy consumption from 212 GJ to 785 GJ, contributing to both GHG emissions reduction and lower energy costs.

METRICS AND TARGETS

Some operational efficiency projects' investment costs were reflected in 2024, including: TL 514,000 for the Valve Plant Radiant Heater Replacement, TL 1,865,000 for the Filling Plant Air Line Enhancements and Inverter-Controlled Air Compressor Usage, and TL 36,374,000 for the Manisa Akçaköy Solar Power Plant in 2023–2024.

To support its target of reducing absolute Scope 1 and 2 emissions by 50% by 2030, Aygaz plans to expand its renewable energy investments, deepen feasibility studies and R&D into on alternative energy sources (hydrogen, biofuels, rDME), and implement green purchasing policies and sustainable supplier practices to encourage green transformation across the supply chain.

As of the reporting period, Aygaz has not adopted an internal carbon pricing mechanism for itself or its subsidiaries. However, the Company monitors carbon prices used in Koç Holding's scenario analysis process and incorporates these reference values into its forward-looking planning and evaluations.

The carbon pricing assumptions tracked by Koç Holding for the energy sector are detailed in Table 2 of this report. Aygaz did not apply internal carbon pricing in 2024.

Climate-Related Targets

Aygaz adopts an environment-focused management approach aimed at minimizing the environmental impacts of its operations. In line with its sustainability strategy, the Company has set climate-related targets aligned with the Paris Agreement's objective of limiting global warming to 1.5°C, while also taking into consideration Türkiye's Nationally Determined Contribution (NDC) commitment. To support the transition to a low-carbon economy, Aygaz is expanding its sustainable product portfolio and working to reduce its operational environmental footprint in areas such as water consumption and waste management. The Company is also exploring investment opportunities in alternative green energy sources and low-carbon products, while setting sustainable supply chain goals. Aygaz adopts a holistic approach, focusing on material topics including climate action, efficient use of natural resources, and biodiversity conservation.

Aygaz has established emission reduction targets to mitigate the risk of increasing operational and financial costs and the potential loss of competitiveness stemming from the introduction of carbon pricing mechanisms (carbon taxes and emissions trading systems). In response to anticipated regulatory shifts, such as bans on internal combustion engine (ICE) vehicles and the international aviation carbon offset program, Aygaz also aims to explore opportunities in alternative products.

Aygaz's climate-related targets include:

- Reducing Scope 1 and Scope 2 GHG emissions by 50% by 2030, compared to the 2017 baseline.
- Achieving carbon neutrality in Scope 1 and Scope 2 emissions by 2050.
- Exploring investment opportunities in alternative green energy sources and products, such as biogas, rDME and hydrogen.
- Raising supplier awareness and implementing green purchasing policies for a sustainable supply chain.
- Decreasing identified process-related hazardous waste by 50% by 2030, compared to the 2017 baseline.
- Reducing fresh water consumption by 25% by 2030, compared to the 2023 baseline.

These are absolute gross emission reduction targets, covering Scope 1 and Scope 2 emissions. Aygaz monitors the following greenhouse gases, expressed as CO_2 equivalents: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and hydrofluorocarbons (HFCs). The Company did not apply a sector-specific decarbonization pathway in establishing these targets. Similarly, the targets for fresh water consumption and process-related hazardous waste reduction are set as absolute reductions. The Company's climate-related targets have not been third-party verified yet. However, the targets for GHG emissions reduction, process-related hazardous waste reduction, and fresh water consumption reduction apply to Aygaz and all its subsidiaries.

Reviewing Targets

Aygaz regularly reviews its sustainability- and climate-related targets to ensure alignment with the Company's strategic priorities, operational performance, regulatory developments, and the pace of sectoral transformation.

Table 2. Carbon Prices Tracked Through Koç Holding's Scenario Analysis for the Energy Sector

Applicable Sectors	USD (2023) / ton CO_2	Category	2028	2030	2035	2040	2050
Energy	For the energy sector	Shadow Price	25	33	38	43	48

METRICS AND TARGETS

This review process is carried out by the Sustainability Leaders Team and coordinated by the Sustainability Directorate. The validity, applicability, and adequacy of targets are assessed using environmental, social and governance (ESG) performance data collected from relevant departments. When necessary, Aygaz updates its targets, revises timelines, or adjusts metrics to reflect evolving conditions. The Company monitors target-related metrics through third-party platforms. The Health, Safety, and Environment (HSE) Department and the Sustainability Directorate regularly track these metrics and report progress to Executive Management. During the reporting period, Aygaz revised its fresh water consumption reduction target from 40% to 25% by 2030, reflecting the expanded scope to include the operations of subsidiaries.

Monitoring Targets and Disclosing Target-Specific Performance

Using the 2023 materiality assessment, Aygaz has identified the material sustainability topics shaping its strategy across the Company and its subsidiaries. These material topics are regularly reviewed in light of evolving regulations, sectoral trends, and stakeholder expectations, ensuring that Aygaz's sustainability strategy remains up-to-date. Aygaz has established each target to support its goals of combating climate change and transitioning to a low-carbon economy in alignment with its corporate strategy, Koç Holding's 2050 carbon neutrality vision, sectoral developments, national and international regulatory frameworks, and stakeholder expectations. The goal-setting and review process is led by the Sustainability Directorate and the Sustainability Leaders Team, with final approval from Executive Management. This process ensures a balance between the Company's long-term growth strategies and environmental impacts.

Aygaz monitors progress toward each target using quantitative indicators, with oversight from the working groups under the Sustainability Leaders Team. The Carbon and Energy Transition Working Group manages energy and emissions action plans. The Alternative Products and Biofuels Working Group and Hydrogen and Ammonia Working Group explore investment opportunities in alternative green energy products such as biogas, rDME, and hydrogen. The Circular Economy Working Group assesses environmental impacts and develops roadmaps to reduce process-related hazardous waste and fresh water consumption. These working groups report their action plans and activities to Executive Management through the Sustainability Directorate.

Aygaz regularly reviews its sustainability- and climate-related targets based on the company's strategic priorities, operational performance, regulatory developments, and the pace of sectoral transformation. The target review process is by the Sustainability Leaders Team, coordinated by the Sustainability Directorate. The validity, applicability and adequacy of the targets are evaluated using environmental, social and governance performance data received from the relevant units. When necessary, targets, timelines, or metrics are revised accordingly.

Aygaz monitors its Scope 1 and Location-Based Scope 2 greenhouse gas emissions annually and compares performance against sectoral benchmarks to identify further reduction opportunities. Emission values, calculated in accordance with the ISO 14064-1:2018 Standard, are continuously monitored using digital indicators through third-party applications. Process-related hazardous waste and fresh water consumption are also monitored using digital indicators through the same applications. Progress is assessed with a measurable, comparable, and reliable approach.

Scope 1 emissions decreased from 6,550 tons CO_2e in 2023 to 4,200 tons CO_2e in 2024, marking a 36% reduction. Scope 2 emissions decreased from 8,355 tons CO_2e in 2023 to 7,717 tons CO_2e in 2024, with an 8% reduction. Freshwater consumption dropped from 94,278 m^3 in 2023 to 69,348 m^3 in 2024, demonstrating a 27% year-over-year reduction. Process-related hazardous waste remained stable, at 233 tons in 2024 compared to 231 tons in 2023 but reflected a 39% reduction compared to the 2017 baseline of 382 tons.*

Aygaz did not have any carbon credits accumulated or purchased within the reporting period. In line with its emission reduction targets, the Company considers the use of carbon credit mechanisms as supporting tools when necessary, in addition to direct emission reduction and energy efficiency investments, through the activities of the Sustainability Directorate. As part of its emission reduction strategy, the Company aims to reduce carbon emissions by continuing its operational efficiency efforts and renewable energy investments. Looking ahead, Aygaz plans to neutralize remaining emissions through carbon offsetting after all operational efficiency improvements and renewable energy use are implemented. No carbon credit was used within the current reporting period.

* *Baseline: 2017*

Baseline process-related hazardous waste amount: 382 tons

ANNEXES

Table 3. Process-Related Hazardous Waste Metrics

Waste (tons)	2024
Process-Related Hazardous Waste Amount	233

Table 4. Freshwater Consumption Metrics

Water Amount (m^3)	2024
Total Water Withdrawal	167,707
Wastewater	98,359
Water Consumption	69,348

Table 5. Greenhouse Gas Emission Metrics

Greenhouse Gas Emissions	2024
Scope 1 (tons CO_2e)	4.200
Scope 2 (tons CO2e)*	7.717
Total (Scope 1 and Scope 2)	**11.917**

* Scope 2 emissions are location-based. I-REC and YEK-G certifications were not used for the Scope 2 emissions in 2024.

Sector-Specific Implementation Guidelines of TSRS 2 – Volume 13 – Oil and Gas – Refining and Marketing

Table 6. Sustainability Disclosure Topics and Metrics

Topic	Metric	Category	Unit of Measure	Code	Aygaz's Response
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO2-e, Percentage (%)	EM-RM-110a.1	Gross global Scope 1 emissions: 4,200 tons CO2e Percentage covered under emission-limiting regulations: 0%
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	None	EM-RM-110a.1	Aygaz aims to achieve carbon neutrality by 2050 and reduce its Scope 1 and Scope 2 greenhouse gas emissions by 50% by 2030, compared to the 2017 baseline. Total Scope 1 and 2 emissions reduced from 15,050 tons CO2e in 2022 to 11,917 tons CO2e by year-end 2024. The Company is introducing technological improvements to reduce energy consumption at its facilities and developing low-carbon production practices. Aygaz also develops strategic roadmaps to achieve its climate targets through its Carbon and Energy Transition Working Group, which focuses on managing emissions and energy transformation. The actions require for the transition to a low-carbon economy are planned, and projects to reduce energy consumption and lower the carbon footprint are prioritized. The use of renewable energy is expanded across the organization.
Water Management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	EM-RM-140a.1	(1): Total Water Withdrawal = 167,707 m3 Percentage of Water Withdrawal to Total in Regions with Extremely High Water Stress: 16.19% Percentage of Water Withdrawal to Total in Regions with High Water Stress: 36.27% (2): Total Water Consumption = 69,347 m3 Percentage of Water Consumption to Total in Regions with Extremely High Water Stress: 22.35% Percentage of Water Consumption to Total in Regions with High Water Stress: 37.41%
Product Specifications & Clean Fuel Blends	Total addressable market and share of market for advanced biofuels and associated infrastructure	Quantitative	Presentation currency, Percentage (%)	EM-RM-410a.2	Aygaz does not sell any biofuel products.
	Renewable fuel volumes for blends: (1) net production amount, (2) net purchased amount	Quantitative	Barrel of oil equivalent (BOE)	EM-RM-410a.3	Aygaz's fuel blends do not contain any renewable fuels.

Table 7. Activity Metrics

Activity Metric	Category	Unit of Measure	Code	Aygaz's Response
Refining throughput of crude oil and other feedstocks	Quantitative	Barrels of oil equivalent (BOE)	EM-RM-000.A	Aygaz does not engage in activities related to refining throughput of crude oil and other feedstocks.
Refining operating capacity	Quantitative	Million barrels per calendar day (MBPD)	EM-RM-000.B	Aygaz does not engage in activities related to refining throughput of crude oil and other feedstocks.

Risks and Opportunities

Risk Information	Risk Description	Impact on Cash Flow, Access to Financing and Capital Cost	Aygaz's Actions	Impact on Strategy and Decision-Making Processes
Risk Type: Physical Risk **Risk Description:** Acute Physical - Extreme Weather Events (Heat Waves) **Risk Term:** Long term **Risk Probability:** Higher Likelihood of Occurrence **Risk Level:** Moderate **Impact Type:** Anticipated **Risk Occurring in Country/Region:** Türkiye **Impacted Value Chain:** Direct Operations **Anticipated Financial Impact:** Decline in Production Capacity	Given the potential impact on operational processes, a risk of operational interruptions and disruptions to service continuity is anticipated due to inadequate contingency plans and business continuity mechanisms for climate-related disasters such as extreme weather events (heat waves).	In determining the risk's financial impact, a scenario analysis was conducted for Aygaz's most critical operational location. During the financialization process, a calculation was performed using the data for the ratio of land exposed to annual heat waves projected for the years 2030, 2035, 2040, and 2050, as specified in the RCP 2.6, RCP 4.5, and RCP 8.5 scenarios published by the Intergovernmental Panel on Climate Change (IPCC), and the resulting daily cost of such an outage occurring. Due to the uncertainties around the potential number of outage days assumed as default in the financialization study, the financial impact of the risk is not quantified. The potential impact of the risk are anticipated as increased costs and loss of business.	Aygaz has established the necessary business continuity mechanisms within its civil defense and emergency plans to mitigate the risk of extreme weather events. As part of these plans, backup and rapid commissioning processes have been prepared at its facilities. In the event of a potential process disruption at filling plants, Aygaz plans to receive logistical support from alternative facilities. The Company protects its assets against physical climate risks through comprehensive insurance policies. These include coverage for natural disasters, earthquakes, and climate-related damage, particularly for strategically important assets such as facilities and infrastructure. Aygaz also conducts location-based risk assessments for its facilities and infrastructure assets to evaluate exposure to physical climate-related risks, including extreme weather events.	To ensure uninterrupted service during crises, emergency scenarios are developed, and logistics support plans involving alternative facilities are strategically assessed. Insurance policies are reviewed in light of rising physical risks, and asset protection strategies are incorporated into decision-making processes.

Risk Information	Risk Description	Impact on Cash Flow, Access to Financing and Capital Cost	Aygaz's Actions	Impact on Strategy and Decision-Making Processes
Risk Type: Transition Risk **Risk Description:** Technology Risk - Transition to Low Emission Technology and Products **Risk Term:** Medium, Long **Risk Probability:** Unlikely **Risk Level:** Moderate - High **Impact Type:** Anticipated **Risk Occurring in Country/Region:** Türkiye **Impacted Value Chain:** Downstream **Anticipated Financial Impact:** Revenue Loss Due to Lower Demand for Products and Services	According to assessments based on global developments and industry-aligned trends, global regulations, such as sales bans on internal combustion engine (ICE) vehicles and carbon offset programs implemented in the international aviation sector, are among the key transition risks that may reduce demand for products and services. Therefore, a decline in sales volumes could be anticipated in the medium to long term.	To assess the financial impact of this risk, projections from the International Energy Agency (IEA)'s STEPS (Stated Policies Scenario), APS (Announced Pledges Scenario), and NZE (Net Zero Emissions by 2050 Scenario) were used to analyze changes in the market share of electric vehicles. This assessment provided forecasts for the impact of electric vehicle adoption on autogas market share for the years 2030, 2035, and 2050, and estimated the potential effects on Aygaz's autogas revenues. However, due to the absence of regional data in the calculation and the uncertainty surrounding the relationship between electric vehicle growth and autogas market share, the financial impact could not be quantified. The risk is expected to result in potential revenue loss stemming from reduced demand for products and services.	Aygaz plans to diversify its business model through investments in alternative energy sources such as biogas and hydrogen. Projects are being developed to encourage the conversion of fleet vehicles to LPG. Strategic decisions regarding energy use and distribution are guided by IEA STEPS, APS, and NZE scenarios, as well as Türkiye's Nationally Determined Contribution (NDC). In the climate scenario analyses planned in 2024 and carried out in 2025, Aygaz identified a potential decline in LPG demand due to the increased adoption of electric vehicles as a transition risk and evaluated its possible impacts.	Advancements in alternative fuel technologies are integrated into strategic planning processes to evaluate the long-term sustainability of the traditional LPG business model. The accelerating shift toward new energy technologies informs Aygaz's investment decisions and product development strategies, emphasizing the importance of innovation-driven business models. In line with its sustainability strategy, Aygaz prioritizes sustainability- and climate-related investments in its short-, medium-, and long-term planning. Information on investments during the reporting period is provided in the Strategy and Decision-Making section of this report.

Risk Information	Risk Description	Impact on Cash Flow, Access to Financing and Capital Cost	Aygaz's Actions	Impact on Strategy and Decision-Making Processes
Risk Type: Transition Risk **Risk Description:** Policy Risk – Carbon Pricing Mechanisms **Risk Term:** Medium, Long **Risk Probability:** Higher Likelihood of Occurrence **Risk Level:** Moderate - High **Impact Type:** Anticipated **Risk Occurring in Country/Region:** Türkiye **Impacted Value Chain:** Direct Operations Upstream **Anticipated Financial Impact:** Increase in Direct Costs	Based on assessments of the sectoral impact of regulatory developments, the implementation of carbon pricing mechanisms is expected to lead to increased operational and financial costs.	The financial impact assessment was conducted using projections from the International Energy Agency (IEA)'s STEPS, APS, and NZE scenarios, along with emissions trading system (ETS) price estimates provided by Koç Holding. The assessment identified potential costs for the years 2030, 2035, 2040, and 2050. However, due to the lack of sufficient data regarding the probability, timing, and impact of potential future carbon pricing mechanisms arising from climate-related transition risks, the financial impact of this risk is not disclosed quantitatively. The potential impacts are projected to include an increase in both operational and financial costs.	Aygaz regularly measures and verifies its carbon emissions on an annual basis and sets reduction targets accordingly. The company aims to reduce its emissions by 50% by 2030, using 2017 as the baseline, and to achieve carbon neutrality by 2050. To support this goal, Aygaz sources 2,900 MWh of energy annually from solar power generated by the Manisa Solar Power Plant, which has an installed capacity of 1.59 MW. Commissioned in November 2024, the plant is expected to reduce annual CO_2emissions by 1,250 tons. Research and assessments are ongoing regarding low-carbon and green alternative energy sources. Additionally, efforts have been initiated to develop sustainable supply chain practices.	The Carbon and Energy Transition Working Group leads the planning of climate targets, implementation actions, and the development of roadmaps to support Aygaz's transition to a low-carbon economy. As part of its strategy to mitigate the impact of rising carbon costs, Aygaz prioritizes investments in renewable energy to support a shift toward low-carbon energy alternatives. Supply chain management processes are increasingly aligned with sustainability criteria.

Opportunity Information	Opportunity Description	Impact on Cash Flow, Access to Financing and Capital Cost	Aygaz's Actions	Impact on Strategy and Decision-Making Processes
Opportunity Description: Products and Services - Developing New Products or Services through R&D and Innovation **Opportunity Term :** Medium, Long **Opportunity's Probability:** Quite likely **Opportunity Level:** Moderate - High **Impact Type:** Anticipated **Opportunity Arising in Country/Region:** Türkiye **Impacted Value Chain:** Direct Operations, Upstream, Downstream **Anticipated Financial Impact:** Revenue Increase Due to Access to New and Emerging Markets	Aygaz aims to gain a competitive edge by diversifying its business model through investments in alternative energy sources and by expanding LPG into new areas of use. This opportunity supports the development of sustainable and alternative fuel products, enabling product diversification, access to new customer segments, and stronger positioning in sustainability-driven markets.	Due to the absence of sufficient data regarding the likelihood, timing, and potential impact of this transition opportunity, including future R&D and innovation activities related to the development of new products and services, the financial impact could not be quantified. Still, access to new customer segments is expected to increase sales volume and diversify revenue streams. Additional anticipated outcomes include gaining a competitive advantage, reducing the carbon footprint, and expanding into new markets.	Aygaz identifies the transition to a low-carbon economy as a core strategic priority, in alignment with Koç Holding's Carbon Transition Program and 2050 carbon neutrality target. Within the scope of the GreenOdor project, Aygaz achieved a 70% reduction in SO_2 emissions from LPG odorants in 2024 by minimizing chemical use. To support the development of low-emission alternative fuels to LPG, research is ongoing in collaboration with Koç University on the production of methanol-based renewable dimethyl ether (rDME), and preparations for application tests are currently underway. R&D efforts are also in progress to develop production technologies enabling the use of bio-DME alongside or as a substitute for LPG.	Positioning the low-carbon transition as a strategic priority ensures that environmental impacts are integrated into long-term investment decisions. The Company's emphasis on R&D and product development fosters an innovation-driven decision-making approach, shaping its strategies for market expansion and competitive positioning.

Opportunity Information	Opportunity Description	Impact on Cash Flow, Access to Financing and Capital Cost	Aygaz's Actions	Impact on Strategy and Decision-Making Processes
Opportunity Description:	LPG holds a strategic position as a transition fuel in the energy transformation process due to its lower emissions profile compared to more carbon-intensive fuels. This characteristic enables alignment with sustainability goals and offers flexibility in meeting carbon regulations, creating a competitive advantage for the sector's transformation.	Due to insufficient data regarding the likelihood, timing, and potential impact of this transition opportunity, which is expected to increase future sales of existing products and services, the financial impact could not be quantified. However, the competitive edge and potential revenue growth offered by LPG may result in cost advantages through a reduced carbon footprint and mitigation of long-term environmental risks. These benefits may also enhance access to local and international sustainable financing sources, supporting the company's long-term competitiveness and shaping its investment and product development priorities.	Production technologies have been developed to enable the use of rDME as an alternative to or in combination with LPG, with assessments conducted for autogas and cylinder gas applications. As part of the "Low Sulfur LPG" project, an innovative adsorbent technology was developed to reduce sulfur content in LPG. A high-performance, zeolite-based adsorbent material was designed to effectively remove sulfur from LPG. Launched in 2023, the project also led to the production of LPG-fueled power generator prototypes, with both stationary and mobile models designed to meet various operational needs. Thanks to LPG's cleaner combustion profile, the newly developed power generator systems have achieved lower emissions compared to conventional diesel systems.	Technology development initiatives aimed at reducing carbon emissions accelerate the integration of sustainability objectives into business decision-making processes. Projects that enhance the environmental performance of LPG play a key role in reshaping product development strategies in alignment with evolving environmental regulations.
Products and Services - Increasing Sales of Existing Products and Services				
Opportunity Term :				
Medium, Long				
Opportunity's Probability:				
likely				
Opportunity Level:				
Moderate - High				
Impact Type:				
Anticipated				
Opportunity Arising in Country/Region:				
Türkiye				
Impacted Value Chain:				
Direct Operations				
Anticipated Financial Impact:				
Revenue Increase Due to Higher Demand for Products and Services				

Shape the future with confidence

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LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE INFORMATION PRESENTED UNDER THE TURKISH SUSTAINABILITY REPORTING STANDARDS OF AYGAZ A.Ş. AND ITS SUBSIDIARIES

Convenience Translation of Auditor's Limited Assurance Report Originally Issued in Turkish

To the General Assembly of Aygaz A.Ş.;
We have been engaged to perform a limited assurance engagement on the information ("Sustainability Information") presented by Aygaz Anonim Şirketi and its subsidiaries (collectively referred to as the "Group") for the year ended December 31, 2024, in accordance with the Türkiye Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Türkiye Sustainability Reporting Standards 2 "Climate-Related Disclosures."

Our assurance engagement does not cover information related to prior periods and other information associated with the Sustainability Report (including any images, audio files, or embedded videos).

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained as summarized under the section "Summary of the Work We Performed as the Basis for our Assurance Conclusion," nothing has come to our attention that causes us to believe that the Group's Sustainability Information for the year ended December 31, 2024, has not been prepared, in all material respects, in accordance with the Turkish Sustainability Reporting Standards ("TSRS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA") in the Official Gazette dated December 29, 2023, number 32414(M). We do not provide any assurance conclusion regarding information related to prior periods and any other information associated with the Sustainability Report (including any images, audio files, or embedded videos).

Inherent Limitations in the Preparation of Sustainability Information

The Sustainability Information is subject to inherent uncertainties due to lack of scientific and economic information. The inadequacy of scientific data leads to uncertainties in the calculation of greenhouse gas emissions. Additionally, due to the lack of data regarding the likelihood, timing, and impacts of potential physical and transition climate risks, the Sustainability Information is subject to uncertainties related to climate-related scenarios.

Responsibilities of Management and Those Charged with Governance Regarding Sustainability Information

The Group's Management is responsible for:

- Preparing the Sustainability Information in accordance with the principles of the Turkish Sustainability Reporting Standards;
- Designing, implementing, and maintaining internal controls to ensure the Sustainability Information is free from material misstatement due to fraud or error;
- Additionally, the Group Management is responsible for selecting and implementing appropriate sustainability reporting methodologies as well as making reasonable assumptions and suitable estimates.

Those Charged with Governance are responsible for overseeing the Group's sustainability reporting process.

Responsibilities of the Independent Auditor Regarding the Limited Assurance Engagement on the Sustainability Information

We are responsible for the following matters:

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE INFORMATION PRESENTED UNDER THE TURKISH SUSTAINABILITY REPORTING STANDARDS OF AYGAZ A.Ş. AND ITS SUBSIDIARIES

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- Planning and performing the assurance engagement to obtain limited assurance about whether the Sustainability Information contains material misstatements due to error or fraud,
- Reaching an independent conclusion based on the evidence obtained and procedures performed, and
- Reporting the conclusion reached to the Group's management.

As we are responsible for expressing an independent conclusion on the Sustainability Information prepared by management, to avoid compromising our independence, we were not permitted to be involved in the preparation process of the Sustainability Information.

Application of Professional Standards

We have conducted the limited assurance engagement in accordance with the Assurance Engagement Standard 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Public Oversight, Accounting and Auditing Standards Authority (POA), and the Assurance Engagement Standard 3410 "Assurance Engagements on Greenhouse Gas Statements" relating to the greenhouse gas emissions in the Sustainability Information.

Independence and Quality Control

We have complied with the independence provisions and other ethical requirements set out in the Code of Ethics for Independent Auditors (including Independence Standards) issued by POA, which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was performed by an independent and multidisciplinary team consisting of auditors and sustainability and risk specialists.

We have utilized the work of our expert team to assess the reasonableness of the information and assumptions related to the Group's climate and sustainability-related risks and opportunities. We remain solely responsible for our assurance conclusion.

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

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

- Face-to-face and online interviews were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period.
- The Group's internal documentation was used to review and assess the sustainability-related information.
- The disclosure and presentation of sustainability-related information were evaluated.
- Through inquiries, we obtained an understanding of the Group's control environment and information systems relevant to the preparation of the Sustainability Information. However, we did not evaluate the design of particular control activities, did not obtain evidence about their implementation, nor did we test their operating effectiveness.
- The appropriateness and consistency of the Group's estimation development methods were evaluated. However, our procedures did not include testing the data on which the estimates are based or independently developing our own estimates to evaluate the Group's estimates.

The procedures performed in a limited assurance engagement differ in nature, timing, and extent from those in a reasonable assurance engagement and are less comprehensive. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited
Didem Tuşel Özdoğan, SMMM
Sorumlu Denetçi

24 July 2025
İstanbul, Türkiye

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