



Compliant with the Turkish  
Sustainability Reporting Standards

# SUSTAINABILITY REPORT 2025





**Shape the future  
with confidence**

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

**LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE INFORMATION  
PRESENTED UNDER THE TURKISH SUSTAINABILITY REPORTING STANDARDS OF BORUSAN  
BİRLEŞİK BORU FABRİKALARI SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**To the General Assembly of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret Anonim Şirketi,**

We have been assigned to perform limited assurance engagement on the information ("Sustainability Information") presented 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" of Borusan Birleşik Boru Fabrikaları Sanayi ve Ticaret Anonim Şirketi and its subsidiaries (collectively referred to as the "Group") for the year ended December 31, 2025.

Our assurance engagement does not include the information related to other information associated with Sustainability Information (including any images, audio files, website links 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 Group's Sustainability Information for the year ending December 31, 2025, has not been prepared, in all material respects, in accordance with the Türkiye Sustainability Reporting Standards ("TSRS"), as published by the Public Oversight Accounting and Auditing Standards Authority of Türkiye ("POA") in the Official Gazette dated December 29, 2023 and numbered 32414(M). We do not provide any assurance conclusion regarding the information related to any other information associated with the Sustainability Information (including any images, audio files, website links 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, frequency, and impacts of potential physical and transition climate risks, the Sustainability Information is subject to uncertainties related to climate-related scenarios.



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### **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 Türkiye Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;
- 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 of Sustainability Information**

We are responsible for the following:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Group Management.

Since we are responsible for providing an independent conclusion on the Sustainability Information prepared by management, we are not permitted to be involved in the preparation process of the Sustainability Information in order to ensure that our independence is not compromised.

### **Professional Standards Applied**

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



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### **Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Independent Auditors, issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. 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 carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk management specialists. We have used the work of our expert team to assess the reliability 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 we Performed as the Basis for our Assurance Conclusion**

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

- 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 have been evaluated.
- Through inquiries, we obtained an understanding of 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, we did not obtain evidence about their implementation, or we did not 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 separately developing our own estimates against which to evaluate Group's estimates.



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

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

A member firm of Ernst & Young Global Limited

Zeynep Okuyan Özdemir, SMMM  
Partner

7 August 2026  
İstanbul, Türkiye

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## TERMS AND ABBREVIATIONS

|                  |                                                                                                                                                                                            |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BBB/Borusan Pipe | Borusan Birleşik Boru Fab. San. Tic. A.Ş                                                                                                                                                   |
| CBAM/CBAM        | Carbon Border Adjustment Mechanism – A system in which the EU taxes emissions in imported goods.                                                                                           |
| CR               | Cold-Rolled Coil – Cold-Rolled Sheet                                                                                                                                                       |
| CDP              | Carbon Disclosure Project – A global reporting platform that enables organizations to measure and disclose their environmental impacts.                                                    |
| CMIP5            | Coupled Model Intercomparison Project Phase 5 – An IPCC-based modeling project that includes a comparative analysis of global climate models.                                              |
| CMIP6            | Coupled Model Intercomparison Project Phase 6 – A global climate modeling framework that forms the basis for the IPCC's latest climate projections.                                        |
| CSO              | Member of the Executive Board (Responsible for People and Sustainability)                                                                                                                  |
| EcoVadis         | A global supplier rating platform.                                                                                                                                                         |
| ERW              | Electric Resistance Welded – A pipe manufacturing method using electric resistance welding. Suitable for thin-walled, high-precision pipes.                                                |
| ETS              | Emissions Trading System – A market-based mechanism implemented to limit and price carbon emissions.                                                                                       |
| EBIT             | Earnings Before Interest and Taxes – A profitability indicator used in financial impact analyses.                                                                                          |
| Physical Risks   | Risks arising from event-based climate change (acute physical risks) or long-term changes in climate events (chronic physical risks). Examples include floods, droughts, and extreme heat. |
| Transition Risks | These are risks arising from efforts to transition to a low-carbon economy.                                                                                                                |
| HSAW             | Helical Submerged Arc Welding – Used in the production of large-diameter pipes using the helical submerged arc welding method.                                                             |
| HRC              | Hot-Rolled Coil – Hot-rolled sheet                                                                                                                                                         |
| ICK              | Executive Board                                                                                                                                                                            |
| IPCC             | Intergovernmental Panel on Climate Change – A UN body that prepares scientific assessment reports on global climate change.                                                                |
| ISO 14046        | An international environmental management standard used for calculating water footprints.                                                                                                  |
| ISO 14064        | An international standard for the calculation and reporting of greenhouse gas emissions.                                                                                                   |

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## TERMS AND ABBREVIATIONS

|                   |                                                                                                                                                                                    |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scope 1 Emissions | Direct greenhouse gas emissions resulting from sources owned or controlled by the organization.                                                                                    |
| Scope 2 Emissions | Indirect greenhouse gas emissions resulting from the production of purchased or acquired electricity, steam, heating, or cooling consumed by the facility.                         |
| Scope 3 Emissions | Other indirect greenhouse gas emissions related to the supply chain and the product life cycle.                                                                                    |
| LSAW              | Longitudinal Submerged Arc Welding – A longitudinal submerged arc welding method; typically preferred for high-pressure pipes.                                                     |
| MRV               | Monitoring, Reporting, and Verification – The process of monitoring, reporting, and verifying emissions.                                                                           |
| Roll Form         | A production technique that shapes metal strips into pipe form using a continuous rolling process.                                                                                 |
| SCR               | Sustainability and Climate Risk – A GARP-approved international certification program that provides professional credentials in Sustainability and Climate Risk.                   |
| Cold Drawing      | A forming process performed at room temperature to improve the mechanical properties of tubes process.                                                                             |
| SRM               | Stretch Reduction Mill – A hot-forming method used to achieve the desired pipe diameter and wall thickness.                                                                        |
| SSP2-4.5          | Medium-level climate scenario – A projection based on the medium-level emission growth assumption within the CMIP5/6 framework.                                                    |
| SSP5-8.5          | High-emission scenario – A scenario in which fossil fuel use increases and carbon emissions remain high.                                                                           |
| TFRS              | Turkish Financial Reporting Standard                                                                                                                                               |
| TSRS              | Turkish Sustainability Reporting Standards – A sustainability reporting framework published by the KGK sustainability reporting framework.                                         |
| TSRS 1            | Turkish Sustainability Reporting Standards – General Provisions Standard – Contains explanations on fundamental topics such as strategy, governance, risk management, and metrics. |
| TSRS 2            | TSRS Standard on Climate-Related Disclosures – Regulates organizations' disclosures regarding climate risks and opportunities.                                                     |

# ABOUT THE REPORT

At Borusan Pipe, we are proud to share with the public our stakeholder relationships—shaped in accordance with the principles of transparency, accountability, and creating sustainable value—through our sustainability report, which we have prepared in compliance with the Türkiye Sustainability Reporting Standards (TSRS).

This report covers our activities and the progress we have made during the period from January 1 to December 31, 2025, and is consistent with our financial reporting period. The risks and opportunities included in the report have been assessed and identified within the framework of the materiality approach.

The data and assumptions used in this report have been determined to be consistent with the data and assumptions included in Borusan Pipe's financial statements, which are prepared in accordance with Turkish Financial Reporting Standards (TFRS). Additionally, the currency used in this report is consistent with the Turkish Lira (TL), which is the presentation currency in our company's financial statements.

The subsidiaries in which the Group holds direct and indirect ownership, along with the respective ownership percentages, as of December 31, 2025, are presented below.

| BUSINESS ACTIVITY | SUBSIDIARY                                                  | LOCATION    | DECEMBER 31, 2025 | DECEMBER 31, 2024 |
|-------------------|-------------------------------------------------------------|-------------|-------------------|-------------------|
| STEEL PIPE        | BORUSAN PIPE US INC<br>("BORUSAN PIPE US")                  | USA         | 100%              | 100%              |
| HOLDING           | BORUSAN BERG PIPE HOLDING CORP.<br>("BERG PIPE")            | USA         | 100%              | 100%              |
| STEEL PIPE        | BERG PIPE MOBILE CORP.                                      | USA         | 100%              | 100%              |
| STEEL PIPE        | BERG PIPE PANAMA CITY CORP.                                 | USA         | 100%              | 100%              |
| STEEL PIPE        | BORUSAN BERG PIPE LOGISTICS CORP.<br>(**)                   | USA         | 100%              | -                 |
| HOLDING           | BORUSAN PIPE HOLDING BV<br>("BP HOLDING BV")                | NETHERLANDS | 100%              | 100%              |
| HOLDING           | BORUSAN PIPE COOPERATIVE U.A.<br>("BP COOP")                | NETHERLANDS | 99%               | 99%               |
| STEEL PIPE        | BORUSAN VOBARNO TUBI SPA<br>("VOBARNO") (*)                 | ITALY       | 100%              | 99%               |
| STEEL PIPE        | BORUSAN TUBE INTERNATIONAL GMBH<br>("BORUSAN TUBE GERMANY") | GERMANY     | 100%              | 100%              |
| STEEL PIPE        | BORUSAN TUBE PRODUCTS S.A.<br>("BORUSAN TUBE ROMANIA")      | ROMANIA     | 100%              | 100%              |
| STEEL PIPE        | BORUSAN PIPE ESPANA SA<br>("BP ESPANA")                     | SPAIN       | 99%               | 99%               |

(\*)As a result of the merger with Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş., following the acquisition by Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş. of all of BMB Holding A.Ş.'s assets and liabilities as a whole, the 1% stake in Borusan Vobarno Tubi SPA held by BMB Holding A.Ş. was transferred to Borusan United Pipe Factories Ind. and Com. Inc. As a result of this transaction, Borusan United Pipe Factories Ind. and Com. Inc.'s ownership stake in Borusan Vobarno Tubi SPA reached 100%.

(\*\*) Borusan Berg Pipe Logistics Corp. was established on December 9, 2025.

Only the facilities where Borusan Pipe's production activities are carried out have been included in the scope of this report. Accordingly, in addition to the production facilities located in Türkiye, four production facilities belonging to Borusan Pipe US Inc., Berg Pipe Mobile Corp., and Berg Pipe Panama City Corp., which operate in the United States, as well as the production facilities of Borusan Vobarno Tubi SPA and Borusan Tube Products S.A., which operate in Italy and Romania, have been included in

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the reporting scope. The commercial subsidiaries located in Germany, Spain, and the Netherlands have been excluded from the scope. These locations do not house physical offices, employ staff, or conduct energy-related operational activities; they are registered solely to provide a legal address to ensure the continuity of commercial processes. Since this situation does not meet the “operational control” and “activity-based emissions” criteria outlined in the GHG Protocol corporate standards, it was concluded that these affiliates do not need to be included in the greenhouse gas inventory.

As part of the assessment of climate-related risks and opportunities, carbon regulations, CBAM, and water scarcity continued to be among the priority topics. The financial implications of carbon pricing mechanisms and potential impacts stemming from CBAM could not be quantified with a reliable degree of certainty due to uncertainties in current data sets and future assumptions. Consequently, certain financial disclosures required under TSRS 2 were provided only to a limited extent during the current reporting period.

In analyses related to water resources, it was determined that the financial effects currently fall below the financial materiality threshold. However, the issue continues to be monitored due to the fact that some of the locations where the company operates are in regions experiencing high water stress, as well as uncertainties regarding the long-term effects of climate change. In this context, water scarcity has been identified as a qualitatively significant risk from the perspectives of operational resilience and sustainability, even though it does not create a financially significant impact.

Methodological studies and data development activities are ongoing to enable a more comprehensive assessment of the financial effects of these risks. Depending on improvements in data quality and analytical capabilities, the goal is to update the financial impact assessments in future reporting periods. The assessments presented were prepared based on current data sets, climate scenarios, and underlying assumptions; they may differ in future reporting periods depending on regulatory developments, market conditions, and the actual course of climate change.

Based on these assessments, it has been concluded that none of the physical and transition risks and opportunities mentioned in the report have had an impact significant enough to require a material adjustment to the book values of assets and liabilities recognized in the financial statements as of the current reporting period.

Borusan Pipe’s 2025 TSRS-compliant sustainability report was subject to a limited assurance engagement by an independent third-party auditor, which was conducted in accordance with TSRS standards. The auditor’s statement is included in the relevant section of the report. The assurance process aims to enhance confidence in the accuracy, accountability, and traceability of the information presented in the report.

Furthermore, this report marks Borusan Pipe’s second sustainability report prepared in accordance with TSRS. In this context, the report includes comparative data with the previous reporting period, and performance improvements and trends have been analyzed using relevant indicators.

The data collection, analysis, and risk and opportunity identification methods used in the report have been applied and refined to ensure consistency with the previous period. This approach contributes to strengthening a systematic framework that supports the traceability of sustainability performance and the continuity of reporting.

Please send your comments, suggestions, and questions regarding the report to the following email address: [bbsurdurulebilirlik@borusan.com](mailto:bbsurdurulebilirlik@borusan.com)

For Borusan Pipe’s sustainability initiatives: [bbsurdurulebilirlik@borusan.com](mailto:bbsurdurulebilirlik@borusan.com) For investor relations: [bb.investor@borusan.com](mailto:bb.investor@borusan.com)

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# STATEMENT OF COMPLIANCE (TSRS 1-72)

This report has been prepared in full compliance with TSRS 1 General Provisions on the Disclosure of Sustainability-Related Financial Information and TSRS 2 Climate-Related Disclosures, issued by the Public Oversight Authority (KGK), covering the period from January 1, 2025, to December 31, 2025.

This report contains our company's material sustainability-related information and disclosures regarding climate-related risks and opportunities. It aims to provide transparent and reliable information within the framework of TSRS 1 and TSRS 2.

Our company has made sustainability-related financial disclosures under TSRS in accordance with the guidance provided by TSRS and has provided information within the framework of materiality.

This report was approved by the Board of Directors on August 7, 2026, and authorized for publication.

During the reporting period, transparent, reliable, and comparable information was presented in accordance with TSRS 1 and TSRS 2. TSRS 1 was fully implemented, while the provisions of TSRS 2 were applied only with respect to climate-related risks and opportunities, taking advantage of the available exemptions. Disclosures regarding other sustainability topics are planned to be expanded in future reporting periods.

As part of the reporting process conducted under TSRS 2, the following exemptions were utilized pursuant to the extension of the transition exemptions for the first implementation period granted by the KGK's Board Decision dated December 25, 2025.

- In accordance with TSRS 1 Annex E5, this reporting period includes disclosures only regarding climate-related risks and opportunities.
- In accordance with TSRS 1 Annex E6(b), comparative information on sustainability issues other than climate-related risks and opportunities was not presented during this reporting period. It is planned to expand disclosures in this area in future reporting periods.
- In accordance with TSRS 1 E4, this report was prepared and disclosed to the public following the publication of the 2025 Consolidated Financial Statements.
- Disclosures regarding Scope 3 greenhouse gas emissions were not presented in this reporting period in accordance with the transition exemption defined in the Board Decision of the Public Oversight, Accounting, and Auditing Standards Authority dated December 27, 2023 (Transitional Provision 3).

The analyses, assessments, and projections included in Borusan Pipe's sustainability reporting are structured based on current data sources, sector-specific reference standards, and national/international regulatory expectations. Various sections of the report incorporate methods such as financial threshold values determined relative to net sales and the assessment of physical climate risks based on scenario-driven assumptions.

The company utilizes CMIP5- and CMIP6-based climate scenarios with globally recognized scientific validity in its climate risk analyses, relying on medium- and high-emission scenarios such as SSP2-4.5 and SSP5-8.5. However, by their very nature, such long-term projections involve various uncertainties. In particular:

- Variations among CMIP models,
- discontinuities in meteorological patterns,
- and the nonlinear and regionally variable nature of climate conditions limit the accuracy of quantitative projections.

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In assessing transition risks, the “Net Zero Emissions by 2050 (NZE)” scenario developed by the International Energy Agency (IEA)—which represents the transition to a low-carbon economy on a global scale—was used as the basis. Within this framework, the potential impacts of carbon pricing mechanisms, energy transition, technological advancements, and regulatory changes on company operations have been analyzed. However, assessments of transition risks involve a certain degree of uncertainty, as they may be affected by changes that could occur over time in climate policies, carbon pricing mechanisms, technological advancements, and market dynamics.

For this reason, the report does not include definitive numerical projections regarding physical risks and climate impacts; instead, trends for future periods are explained through qualitative assessments, probability ranges, and location-based sensitivity analyses.

The sector-based metrics used in this report are structured in accordance with the sector standards published by the Public Oversight, Accounting, and Auditing Standards Authority (KGK).

Under TSRS 2’s “Guidance on Sector-Based Application,” Volume 9—Iron and Steel Production—has been designated as the reference sectoral guide, taking into account Borusan Pipe’s primary business activity of steel pipe manufacturing. While a significant portion of the indicators included in this guide align with Borusan Pipe’s areas of operation, the production processes of steel pipe manufacturing differ in certain aspects from those of steel production. Therefore, the applicability of the sector-specific metrics was evaluated in light of the company’s operational realities and is presented in the “Sector-Based Metrics” section.

# MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOARD

Dear Shareholders, Business Partners, and Colleagues,

At Borusan Pipe, in 2025, we left behind a period in which uncertainties and the dynamics of transformation in the global steel pipe industry became even more pronounced. Geopolitical developments, shifting trade policies, regional differences in demand, and cost pressures necessitated a more disciplined, agile, and resilient management approach across all the regions where we operate. We effectively navigated this challenging environment by leveraging the flexibility provided by our strong global footprint and diversified business model.



In the United States, we reinforced our position as a preferred global partner through the high-value-added projects and engineering solutions we delivered. With new contracts signed in the U.S. in 2025, we strengthened our order portfolio and enhanced our financial and operational predictability for the coming period. In Türkiye, we took significant steps toward streamlining our operations and consolidating them under a single structure. Through this transformation, we aim to increase our efficiency by improving production costs and simplifying operations.

While supporting our growth through our activities in various regions and sectors, we continue to develop our ability to adapt quickly to changing market conditions.

We continue to place our sustainability approach at the center of our business model. In our 2025 report, prepared in accordance with the Türkiye Sustainability Reporting Standards (TSRS), we share our climate-related risks and opportunities, our transition plans, and our performance indicators within a transparent and measurable framework. While strengthening the foundations we established during our first reporting period, we are resolutely continuing our efforts toward a low-carbon economy through initiatives focused on energy efficiency, renewable energy use, process optimization, and supply chain transformation.

Through the steps we've taken in the areas of water management and resource efficiency, we're reducing the environmental impact of our operations while strengthening our climate resilience. We view our approach to sustainability as an integrated value creation model that encompasses innovation, occupational health and safety, employee experience, and social contribution.

As we continue to grow on a global scale, we remain steadfast in our commitment to being a reliable and strong solution partner that creates value in every region where we operate.

## **Zafer Atabey**

Chairman of the Executive Board – Global CEO,  
Borusan Pipe

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# OUR BUSINESS MODEL

Borusan Pipe's business model is shaped around sectoral diversification, a local production approach in global markets, operational excellence, innovation, and sustainable value creation. Thanks to its production infrastructure spread across different regions and its multi-segment business model, the company offers a balanced and resilient structure in the face of fluctuating market conditions.

In line with its strategy aimed at balancing risks and capitalizing on diverse market dynamics, Borusan Pipe operates in four main business segments:

- **Infrastructure & Project Pipes:** The company manufactures large-diameter, high-strength pipes for the transportation of oil, natural gas, and water. In this business segment, spiral-welded pipes, LSAW line pipes, and other high-performance pipe solutions for project-based applications are particularly prominent. These products are used in large-scale infrastructure investments as well as energy and transmission projects; their project-based structure provides the advantage of long-term order visibility and operational planning.
- **Energy Pipes (Wells & Drilling):** The company produces pipes designed for oil and natural gas exploration and production activities that are resistant to high pressure and harsh field conditions. In this business segment, OCTG pipes and ERW line pipes are particularly prominent; these products are used in drilling, well completion, and transportation applications within the energy sector. The company's production expertise in this field also supports its product development capacity to serve not only traditional energy applications but also next-generation energy solutions such as carbon capture, geothermal, and similar technologies.
- **Industrial & Construction Pipes:** The company offers a broad product portfolio for construction, infrastructure, machinery, and general industrial applications. Within this business segment, industrial pipes, water pipes, structural pipes, and SRM plumbing pipes are particularly prominent. These products, which cater to various application areas, help the company diversify its customer base and establish a more balanced structure to address varying demand cycles. Additionally, thanks to its local production capabilities and extensive production network, the company offers the advantages of fast delivery and flexible production in relevant markets.
- **Automotive Tubes:** The company offers high-precision, value-added tube solutions developed according to customer specifications for the automotive industry. In this business segment, ERW and cold-drawn tubes, as well as specialty, precision tubes and profiles, and further-processed tubes are particularly prominent. These products are developed to meet the quality, precision, and consistency expectations of the automotive original equipment manufacturer (OEM) and supplier industries; the long-term, project-based business model supports revenue predictability and the continuity of customer relationships.

With 10 production facilities located across three continents and an annual production capacity of approximately 1.7 million metric tons, the company operates on a global scale, deriving a significant portion of its revenue from international markets.

The key elements forming the foundation of Borusan Pipe's business model are as follows:

- **Local production strategy in global markets:** Thanks to our production infrastructure located in the U.S., Europe, and Türkiye, we ensure proximity to customers, logistical advantages, and compliance with regulations.

- **A multi-segment and balanced portfolio structure:** Diverse business lines provide flexibility in the face of demand fluctuations and help balance risks.
- **Project-based and long-term business model:** Long-term contracts secured particularly in the infrastructure and project segments enhance predictability in revenue and production planning.
- **Flexible and integrated production infrastructure:** The facility structure, which allows for production shifts between segments, optimizes capacity utilization.

As of 2025, the company has transitioned to a regional management model by streamlining and integrating its organizational structure; it has taken significant steps to consolidate its production activities in Türkiye under the Gemlik campus and to enhance coordination in its U.S. operations. This transformation aims to accelerate decision-making processes and increase operational efficiency.

Borusan Pipe aims to create long-term value by integrating sustainability principles into its business model through investments focused on low-carbon production, resource efficiency, digitalization, and innovation. This approach enables the company to holistically manage both its financial performance and its environmental and social impacts.



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# BORUSAN PIPE VALUE CHAIN

## Value Chain and Integrated Operations Structure

Borusan Pipe's value chain is built on an end-to-end integrated structure, spanning from raw material procurement to the delivery of the final product to the customer. The company operates on a global scale with 10 production facilities located across three continents, an annual production capacity of approximately 1.7 million metric tons, and 2,292 employees. As of 2025, Borusan Pipe generates 85% of its revenue from global markets. Thanks to its extensive production network, multi-segment business model, and, in particular, increasing order visibility in project-based work, the company offers a structure that supports operational efficiency, flexibility, and customer focus.

## Raw Materials and Supply Chain Management

Borusan Pipe sources its steel raw materials primarily from local suppliers; when necessary within the framework of its global supply chain, it procures materials from international sources. This approach supports local suppliers while also contributing to supply security and the maintenance of a competitive cost structure.

The inputs used in production processes are categorized into three main groups:

- **Primary Raw Materials:** These include flat steel products such as HRC, CR, and plate, which constitute the most significant component of the production cost structure.
- **Auxiliary Raw Materials:** These consist of materials that enhance product performance, such as zinc and polyethylene (PE) coatings.
- **Machinery, Equipment, and Spare Parts:** These are the equipment that ensures production continuity and are managed using a circular approach.

Suppliers are evaluated according to standards that encompass Borusan Pipe's ethical, environmental, and social criteria; responsible supply chain management is supported through sustainable procurement practices.

## Production and Operational Structure

Borusan Pipe operates production facilities in Türkiye, the United States, Italy, and Romania, utilizing various production technologies such as ERW, HSAW, LSAW, SRM, cold drawing, and advanced processing. Spanning approximately 1 million m<sup>2</sup> of production space, this infrastructure offers a flexible and integrated production capability capable of serving various industries.

Quality, environmental, energy, and occupational health and safety management systems are implemented in an integrated manner across all facilities; and operational efficiency is continuously improved through a lean organizational structure.

## Logistics and Delivery

Borusan Pipe manages its production and logistics processes using a project- and customer-based planning approach; thanks to its global operational network, it ensures timely and reliable deliveries to various markets. A strong order portfolio and long-term contracts provide high visibility in production planning.

## Sectors Served and Customer Segments

Borusan Pipe diversifies its product and service portfolio across four main sectors:

- **Infrastructure & Projects (44% of revenue):** Solutions for large-scale infrastructure projects such as water, oil, and natural gas pipelines
- **Industry & Construction (23% of revenue):** Pipe and profile products for construction, industrial, and infrastructure applications
- **Energy (22% of revenue):** Drilling and line pipes used in oil and natural gas exploration and production activities
- **Automotive (11% revenue share):** High-precision, value-added specialty pipes for the automotive industry

This diversified structure helps balance risks arising from different market dynamics and contributes to sustainable growth.

## Customer Relations and Collaboration Model

Borusan Pipe's customer approach is based not only on product supply but also on long-term business partnerships. Within the framework of a business model developed in line with the "win-win" principle:

- Custom engineering solutions tailored to customer needs are provided,
- Production and delivery processes are managed in accordance with the project schedule,
- Reliability, quality, and sustainability are adopted as core priorities.

## After-Sales Support

Borusan Pipe prioritizes customer satisfaction in its after-sales processes as well; it strengthens customer relationships through technical support, feedback management, and long-term business partnerships.



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# GOVERNANCE

## Corporate Governance

Borusan Pipe adopts compliance with corporate governance principles as a fundamental governance approach and conducts its operations in accordance with the Turkish Commercial Code (TTK), capital markets legislation, and relevant regulations. The authorities and responsibilities of the members of the Board of Directors—the company’s governing and representative body—are defined in accordance with the provisions of the company’s articles of association and relevant legislation.

The Borusan Pipe Board of Directors consists of both executive and non-executive members, with the majority of the board comprised of non-executive members. The roles of Chairman of the Board of Directors and Chairman of the Executive Board are held by different individuals, thereby ensuring the principle of separation of duties.

At Borusan Pipe, to ensure that the Board of Directors effectively fulfills its duties and responsibilities, the Audit Committee, the Early Risk Detection Committee, and the Corporate Governance Committee—established in accordance with the Capital Markets Law, the Capital Markets Board’s Communiqué on Corporate Governance Principles, and the provisions of the Turkish Commercial Code—carry out their activities within the framework of established management policies and procedures.

At Borusan Pipe, sustainability and climate-related risks and opportunities are integrated into corporate risk management, sustainability governance, and strategic decision-making processes. Physical and transition risks arising from climate change, as well as sustainability opportunities, are regularly assessed within the framework of relevant policies, procedures, and management systems; they are tracked within the corporate risk inventory and reviewed at the senior management and Board of Directors levels. In this context, sustainability and climate issues are reflected in investment decisions, operational processes, performance targets, and the long-term value creation approach, and are supported by action plans designed to enhance the company’s resilience.

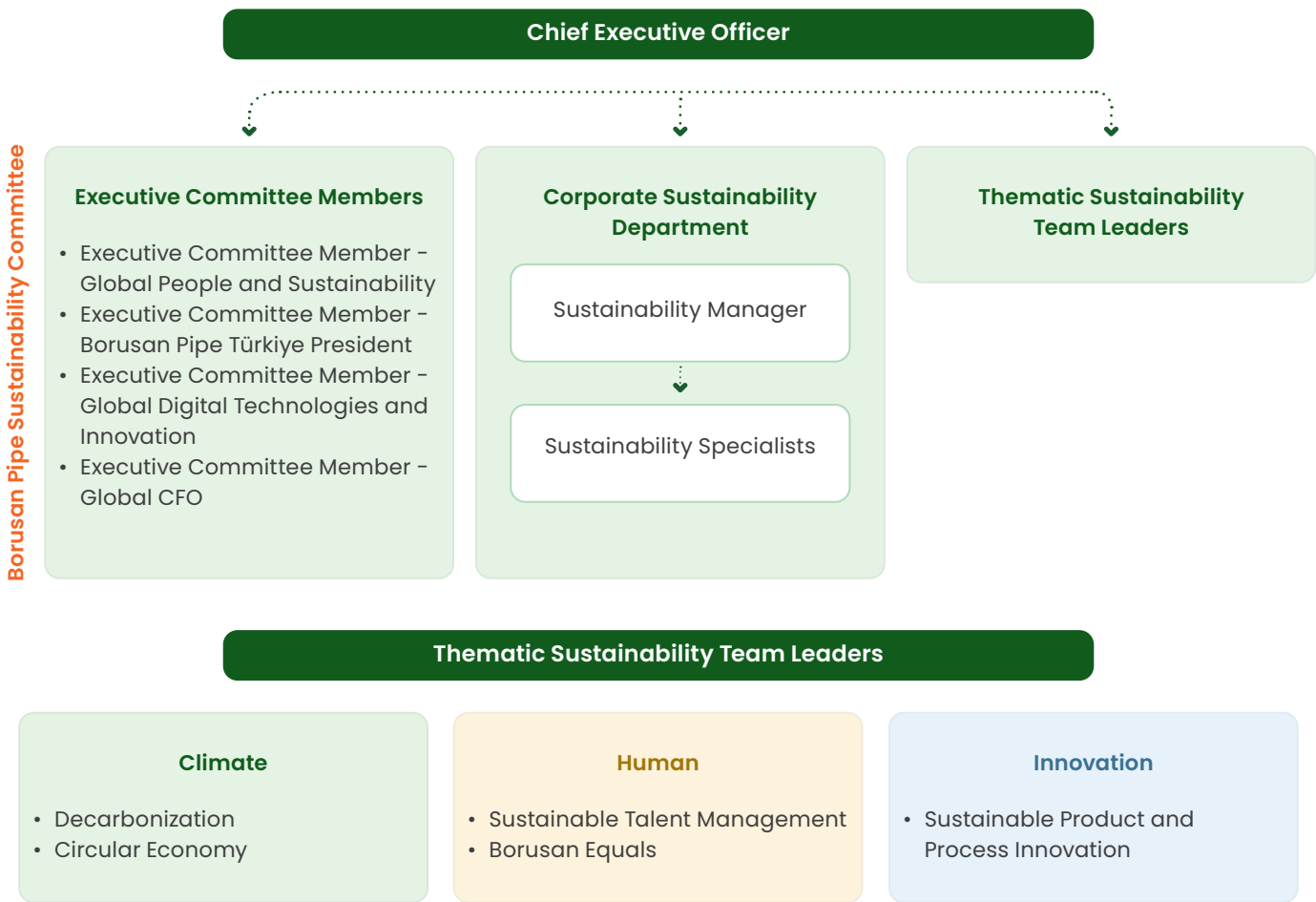
The resumes, responsibilities, and distribution of internal and external roles of Board of Directors members are made available to stakeholders through Borusan Pipe’s publicly accessible sources and the relevant sections of the annual report. The company approaches corporate governance in accordance with the principles of transparency, accountability, responsibility, fairness, and innovation, and integrates this approach into its business processes.

# Sustainability Organization

As of 2025, Borusan Pipe continues to implement its approach to managing sustainability and climate-related risks and opportunities across its production operations in Türkiye, the U.S., Italy, and Romania. This structure enables the evaluation of data and field insights from production facilities operating in different regions under a centralized governance model; it reflects a holistic sustainability approach tailored to the company’s multi-location operational structure.

The company’s sustainability structure is managed through teams comprising representatives from various fields of expertise and location-based leads. Thanks to this structure, climate-related developments arising from operations in Türkiye, the U.S., Italy, and Romania are regularly monitored; findings regarding physical and transition risks are shared with the central sustainability organization. In this way, a participatory governance model is maintained that is both responsive to the needs of local operations and ensures consistency across the company.

Assessments of climate risks and opportunities are addressed under headings such as water stress, carbon regulations, energy costs, technological transformation, and supply chain impacts, and the potential effects of these factors on the value chain are analyzed on a location-by-location basis. Data collected from all locations is consolidated to form the basis for company-wide risk and opportunity assessments within the framework of the TSRS.



Regular capacity-building initiatives are conducted for relevant employees and managers on climate change, the low-carbon transition, carbon footprint calculation, TSRS-compliant risk management, CDP, and similar international frameworks. In 2025, efforts continued to expand this approach in a more structured manner on a global scale.

Borusan Pipe utilizes external technical expertise, consulting services, and legal support as needed in managing climate risks. In particular, developments related to carbon regulations, the ETS, CBAM, and other regional regulations are monitored specifically for the regions where the company operates, and the compliance process is supported accordingly.

Strategic direction and prioritization regarding sustainability issues are determined by the Executive Board; climate-related findings are evaluated within the scope of investment and transformation decisions and, when necessary, escalated to the Board of Directors. In this process, climate risks are addressed not only in terms of their environmental impacts but also in conjunction with their operational, commercial, and financial implications. In this context, assessments of current regulatory developments, compliance requirements, and emerging opportunities are regularly included on the agenda of the Executive Board and Board of Directors' quarterly meetings.

Borusan Pipe implements periodic reporting and evaluation mechanisms tailored to its multi-location operational structure; sustainability data, project outcomes, and risk-opportunity assessments from various regions are regularly presented to senior management. Climate-related risks and opportunities are also taken into account in annual planning and budgeting processes, and priorities are reassessed accordingly.

Through this multi-layered and globally structured governance approach, Borusan Pipe aims to strengthen not only its operational sustainability but also the climate-related resilience of its operations across different regions.

| Department/<br>Person                     | Frequency of<br>Reporting | Communication Method                                                                                          | Content of the Information                                                                                                                                                                       |
|-------------------------------------------|---------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sustainability Committee</b>           | Monthly and annually      | Team reports, location-based field assessments, investment and improvement recommendations                    | Climate risk and opportunity assessments, operational impacts, priority action areas, and strategic guidance from operations in Türkiye, the U.S., Italy, and Romania                            |
| <b>Executive Board</b>                    | Monthly                   | Consolidated sustainability reporting, location data, agile team feedback, and management assessment meetings | Critical developments regarding physical and transition risks, regulatory compliance status, location-based risk-opportunity outcomes, investment and transformation priorities, target outcomes |
| <b>Board of Directors</b>                 | Quarterly                 | Management presentations, risk reports, decision-support documents                                            | Priority climate risks, regulatory developments, key findings regarding global operations, investment and action plan recommendations, target outcomes                                           |
| <b>Teams and Location Representatives</b> | Weekly / monthly          | Internal team meetings, field observations, data assessment activities                                        | Local climate risks, operational impacts, areas for improvement, and project progress in Türkiye, the U.S., Italy, and Romania                                                                   |
| <b>Risk and Internal Control Team</b>     | Quarterly*                | Financial risk assessments, internal control reporting, scenario analyses                                     | The effects of climate risks on financial indicators, cost structure, investment decisions, and corporate risk prioritization                                                                    |

| Department/<br>Person                     | Frequency of<br>Reporting | Communication Method                                                                                            | Content of the Information                                                                                                                 |
|-------------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| All relevant<br>employees and<br>managers | Annual and<br>ongoing     | Training programs,<br>awareness campaigns,<br>digital learning tools,<br>contributions from<br>external experts | Climate change, carbon footprint,<br>TSRS-compliant reporting, scenario<br>analyses, regulatory developments,<br>and low-carbon transition |

\*The frequency of briefings by the Risk and Internal Control Team was set at three times per year for 2025, but a decision was made to hold quarterly briefings in 2026.

### *Duties and Responsibilities*

At Borusan Pipe, the management of climate-related risks and opportunities is carried out under the oversight of the Board of Directors and the leadership of the Executive Committee. The Board of Directors monitors significant climate-related risks and opportunities; evaluates sustainability targets, climate-related investment proposals, and strategic transformation projects; and approves them as necessary. In addition, the company's long-term sustainability approach and strategic directions are regularly reviewed, and decisions are made in line with the risk and opportunity assessments communicated by management.

The CEO, who also serves as Chair of the Sustainability Committee, represents the company on sustainability matters and ensures the integration of climate-related risks and opportunities into the company's strategies, business plans, and investment decisions. The CEO leads the implementation of sustainability initiatives across the organization and chairs monthly Sustainability Committee meetings to monitor the progress of actions taken. He oversees the assessment of climate-related factors—such as carbon emissions, energy efficiency, water usage, and regulatory developments—in investment processes; he evaluates developments regarding climate-related performance, risks, and opportunities at the Executive Board and Board of Directors levels. He also submits budget and resource requirements for sustainability investments to the Board of Directors for review.

Yaşar Zafer Atabey, who serves as Chairman of the Executive Board (Global CEO) and Chairman of the Sustainability Board, has extensive experience in the steel sector, spanning many years and management experience and in multinational production. Drawing on his experience in managing operations, he leads the strategic assessment of climate-related risks and opportunities. Through his roles at sector-specific and sustainability-focused organizations, he closely monitors developments in climate change, low-carbon transition, energy transition, carbon regulations, and sustainable production; this knowledge and experience support the effective handling of climate-related investment decisions, risk assessments, and long-term sustainability targets at the executive management level. Atabey's representative roles in sector-specific and sustainability-focused organizations contribute to the regular monitoring of global sustainability trends, climate policies, and developments related to sectoral transformation.

As the Chief Sustainability Officer (CSO), he is responsible for coordinating the development and implementation of the sustainability strategy. In this capacity, he ensures the integration of climate change, decarbonization, and sustainability priorities into business processes; he also leads the setting and monitoring of carbon reduction targets. The CSO also contributes to maintaining alignment on sustainability between the Borusan Group and Borusan Pipe, guides the work of sustainability teams, and tracks sustainability performance indicators and progress toward targets. CBAM ensures that priority issues such as CBAM, ETS, climate change, and decarbonization are incorporated into corporate strategies and reduction plans, and monitors processes aimed at linking sustainability performance to performance and compensation systems.

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Nihan Alhan, who serves as Chief Sustainability Officer (CSO), has many years of executive experience in human resources management, organizational transformation, and corporate strategy within multinational organizations. The leadership experience she has gained in organizations operating on a global scale provides her with a strong perspective on integrating evolving stakeholder expectations, regulatory developments, and sustainability priorities into corporate strategies. Thanks to her experience in the integrated management of human resources and sustainability functions, she contributes to addressing sustainability issues not only from an environmental perspective but also in terms of governance, organizational transformation, performance management, and organizational development. In addition, by closely monitoring developments related to climate change, decarbonization, sustainability reporting standards, stakeholder expectations, and sustainable business models, she leverages her knowledge and experience in these areas to support the company's long-term value creation approach.

The Global Sustainability Manager coordinates sustainability activities across operations in Türkiye, the U.S., Italy, and Romania. He ensures that climate-related risk and opportunity analyses are conducted and consolidated company-wide, coordinates the work of sustainability teams, and reports sustainability performance results to senior management. Additionally, the role is responsible for coordinating TCFD/TSRS-compliant risk analyses, CDP processes, carbon footprint studies, and similar technical processes. The Global Sustainability Manager consolidates sustainability data from global locations, coordinates competency development and training activities, and supports communication efforts related to sustainability with internal and external stakeholders.

Ahu Olgun, who serves as Global Sustainability Manager, has experience in the areas of sustainability, climate change, carbon management, and corporate sustainability reporting. Throughout her career, she has conducted work on climate-related risk and opportunity analyses, greenhouse gas emissions management, Carbon Border Adjustment Mechanism (CBAM) compliance efforts, sustainability reporting, and environmental performance management. Her expertise in international sustainability standards, climate-related disclosure requirements, and carbon regulations contributes to the processes of assessing climate-related issues, monitoring performance, and reporting. Additionally, her experience with sustainability practices spanning operations in various countries supports a holistic, company-wide approach to addressing climate issues.

The Sustainability Department is responsible for conducting analyses related to physical and transition risks. In this context, water stress, carbon regulations, carbon costs, energy transition, and other climate-related issues are evaluated. The department also analyzes the impacts of risks and opportunities on the value chain, provides technical support and guidance to sustainability teams, and presents strategic action recommendations to senior management.

The Sustainability Teams, meanwhile, develop projects and initiatives in line with the company's sustainability goals, assess location-specific climate risks and opportunities, and identify areas for operational improvement. The teams also prepare project budget requirements and implementation plans, integrate sustainability data from operations in Türkiye, the U.S., Italy, and Romania into reporting processes, and regularly report progress to the Sustainability Committee and the Global Sustainability Manager.

The Sustainability Committee is responsible for evaluating and guiding the company's sustainability and climate priorities. The Committee reviews project proposals and risk and opportunity assessments submitted by the sustainability teams, brings key issues to the attention of senior management, and ensures alignment with the Borusan Group's sustainability approach. It also monitors global sustainability developments and regulatory changes, and regularly tracks the progress of sustainability projects and initiatives.

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The competencies of employees with climate-related duties and responsibilities are regularly reviewed, and their development needs are supported through training programs, technical expert support, and capacity-building initiatives. The goal is to ensure that the knowledge and competencies of relevant teams remain up-to-date on topics such as CBAM, ETS, sustainability reporting standards, and climate change.

Teams responsible for sustainability initiatives include employees with expertise in environmental engineering, energy management, occupational health and safety, quality management, and sustainability; support is sought from independent consulting firms and technical experts as needed. The Board of Directors and relevant committees receive periodic briefings on changing regulations, climate risks, sustainability performance, and strategic developments. This ensures the continuity of the knowledge and expertise necessary for assessing and monitoring climate-related risks and opportunities.

Thanks to this structure, Borusan Pipe manages climate-related risks and opportunities with a holistic approach across all regions where it operates; it provides an effective governance mechanism linking strategic decision-making processes with operational practices.

#### *Trade-off Analyses*

Borusan Pipe considers environmental, operational, and financial effects collectively when assessing climate-related risks and opportunities. Both short- and long-term impacts are evaluated in investment and transformation decisions; potential trade-offs between sustainability indicators—such as emissions reduction, energy efficiency, water consumption, and resource use—and financial and operational impacts are analyzed. In this context, cost-benefit analyses are conducted during decision-making processes, and solutions that support long-term value creation are prioritized.

#### *Target-Setting Process*

At Borusan Pipe, climate-related targets are set by taking into account carbon footprint results, risk and opportunity analyses, regulatory requirements, operational priorities, and financial impacts. Senior management, sustainability teams, and relevant operational representatives contribute to the target-setting process. Progress toward these goals is tracked through monthly sustainability meetings, periodic performance evaluations, and annual review processes, and is reported to senior management.

At Borusan Pipe, sustainability goals are managed through responsibilities distributed across different levels of the organization. As part of the 2025 performance targets, sustainability indicators have been integrated into the performance evaluation processes of the Chairman of the Executive Board, Executive Board members, the Chief Sustainability Officer (CSO), plant directors, and other directors and managers. While the highest level of responsibility—for developing, implementing, and monitoring the sustainability strategy—is assigned to the CSO, plant directors play a key role in implementing operational measures. Thanks to this structure, sustainability goals are treated not merely as a specialized function but as an organizational responsibility spanning from senior management down to the operational management level.

In 2025, sustainability metrics were also taken into account in managers' performance evaluation and compensation processes, and approximately 7% of the criteria used in calculating performance bonuses will consist of climate-related targets and indicators. The level of integration of climate-related performance indicators into compensation mechanisms was determined based on the weightings of the sustainability targets assigned to the relevant management levels within the performance bonus. The calculation reflects the weighted impact of the targets assigned to the CEO,

members of the Executive Board, the Chief Sustainability Officer (CSO), plant directors, and managers at the director and manager levels, and demonstrates the integration of climate-related targets into the corporate performance management system. For this reason, the portion of senior executive compensation reflected in the financial statements for the current period that can be attributed to climate-related issues cannot be reliably measured or separated from the overall performance bonus system. The relevant indicators are regularly monitored in line with the targets defined at the beginning of the year and are scored during the year-end performance evaluation process, taking into account the level of achievement.

| Role                                                                                                                                                                                                                                                                                                                                                                                                                                                | Level of Contribution |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Chief Executive Officer (Global CEO)                                                                                                                                                                                                                                                                                                                                                                                                                | ★★☆☆☆ (5)             |
| <b>Members of the Executive Board</b> <ul style="list-style-type: none"> <li>Executive Board Member – General Manager of Borusan Pipe US</li> <li>Member of the Executive Board – General Manager of Borusan Berg Pipe</li> <li>Member of the Executive Board – General Manager of Borusan Pipe Türkiye</li> <li>Member of the Executive Board – CFO</li> <li>Member of the Executive Board – Global Digital Technologies and Innovation</li> </ul> | ★★☆☆☆ (5)             |
| ICK Member—Global Human Rights and Sustainability (CSO)                                                                                                                                                                                                                                                                                                                                                                                             | ★★★★★ (15)            |
| Factory Directors                                                                                                                                                                                                                                                                                                                                                                                                                                   | ★★★★☆ (10)            |
| Directors and Managers                                                                                                                                                                                                                                                                                                                                                                                                                              | ★★☆☆☆ (5)             |
| Technical Teams                                                                                                                                                                                                                                                                                                                                                                                                                                     | -                     |
| Other Teams                                                                                                                                                                                                                                                                                                                                                                                                                                         | -                     |

### Sustainability Budget

At Borusan Pipe, climate-related investment and activities are evaluated within the scope of annual planning and budgeting processes. Resource requirements for projects and actions identified by sustainability teams are reviewed and prioritized by the Global Sustainability Manager, the Chief Sustainability Officer (CSO), and relevant functions. Climate-related investment proposals are evaluated at the Executive Board level, taking into account emission reductions, energy efficiency, water management, adaptation requirements, and financial effects; significant investment decisions and resource allocations are submitted to the Board of Directors for approval. In this way, climate-related risks and opportunities are integrated into the budgeting and investment processes. The budget for improving environmental processes, combating climate change, and decarbonization efforts for 2025, approved by the Board of Directors, amounts to 4,136,150 U.S. dollars (177,216,242.05 TL<sup>1</sup>). In addition, there are separate budget line items allocated for other projects and activities in the areas of sustainability and the environment. Through projects budgeted for 2025 that contribute to decarbonization, an annual reduction of approximately 731 metric tons of CO<sub>2</sub> emissions is targeted.

<sup>1</sup>The exchange rate used is 42.8457 TL.



# STRATEGY

## Identification of Climate-Related Risks and Opportunities

Borusan Pipe's operations are conducted within an end-to-end integrated value chain structure that spans from raw material procurement to production, logistics, and delivery to the end customer. This integrated structure contains critical touchpoints in terms of climate-related risks and opportunities.

In particular, dependence on steel, energy, and water inputs; the energy intensity of production technologies; logistics-related emissions; the carbon intensity of the product portfolio; and its recycling potential are among the key factors shaping the company's climate-related financial impacts.

With 85% of revenue expected to be generated from global markets by 2025 and the United States playing a prominent role in the revenue mix, climate and trade regulations are further increasing their strategic importance for Borusan Pipe's business model.

Borusan Pipe regularly monitors climate and carbon regulations in the regions where it operates and assesses their legal, commercial, and operational impacts using a holistic approach. With the Climate Law, which entered into force in Türkiye on July 9, 2025, a legal framework has been established for the national Emissions Trading System; preparations for secondary regulations regarding allowances, market operations, and compliance obligations have begun. This development means that carbon costs will become more visible in the medium term, particularly for energy-intensive industrial companies. Within this framework, Borusan Pipe continues its efforts to prepare for carbon pricing, implement energy efficiency projects, strengthen its emissions measurement and monitoring capabilities, and evaluate low-carbon production alternatives.

For its European operations, 2025 marked a period of increased regulatory clarity, but also one in which implementation obligations became more defined. Operations in Italy and Romania are conducted

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within the regulatory framework of the EU Emissions Trading System (EU ETS). As the EU ETS serves as the primary carbon pricing mechanism for industrial and energy-related emissions, it directly affects the competitiveness of production facilities in Europe in terms of energy efficiency, the use of low-carbon electricity, and product carbon content. On the other hand, the transition period for the CBAM, which covers iron and steel products, continued through the end of 2025; a shift to the full implementation phase is projected to begin in 2026; and amendments simplifying the mechanism were adopted in 2025. Therefore, for Borusan Pipe, the accuracy of embedded emissions data in trade flows to Europe, supply chain transparency, and the impact of carbon costs on commercial pricing are of critical importance.

In the U.S., while there is no mandatory economy-wide carbon pricing mechanism at the federal level, climate and environmental policies vary by state.

Regional market mechanisms, such as Washington State's Cap-and-Invest Program and the Regional Greenhouse Gas Initiative (RGGI), demonstrate that regulations at the local government level—where carbon is priced—continue to be in place. In contrast, steps taken by the White House in early 2025 to withdraw from the Paris Agreement and signals of rollbacks in certain federal climate policies have increased uncertainty in the regulatory framework. For Borusan Pipe, this situation—particularly in the infrastructure and project segment, which is experiencing strong growth and high order visibility in the U.S.—requires the company to maintain the advantages of being a local producer while closely monitoring state-level environmental and reporting obligations.

As part of its climate resilience strategies, Borusan Pipe is developing country- and region-specific initiatives within a centralized strategic framework. The company has streamlined its organizational structure, begun managing its U.S. operations under a more coordinated framework, and made a strategic decision to consolidate its production activities in Türkiye under the Gemlik Campus. This transformation is important not only for improving operational efficiency and the cost structure but also for managing climate-related risks in a more integrated manner. The consolidation of the production infrastructure enables a more centralized and data-driven approach to evaluating energy consumption, logistics flows, capacity utilization, and investment priorities. In 2025, the acceleration of digital transformation, SAP integration, robotic applications, and data analytics solutions further supported this capability. Climate resilience assessments were conducted based on existing data sets, scenario assumptions, and future projections. In these assessments, the key areas of uncertainty include the implementation timeline for climate policies, the development of carbon pricing mechanisms, fluctuations in energy markets, the pace of technological transformation, changes in customer demand, vulnerabilities in the supply chain, and projections regarding the frequency and intensity of extreme weather events. The company evaluates the effects of these uncertainties under various scenarios, integrates them into its strategic decision-making processes, and periodically updates its assessments in line with new data and regulatory developments.

Borusan Pipe assesses climate-related risks not only from the perspective of adaptation costs but also in terms of commercial and strategic opportunities. The company's product portfolio, which encompasses the energy, infrastructure and projects, industrial and construction, and automotive segments, combines the predictability of project-based work with the operational diversity of these various segments. In addition, it is noted that energy pipes play a critical role in sustainability-focused applications such as carbon capture and geothermal projects. For this reason, Borusan Pipe views the transition to a low-carbon economy not only as a regulatory risk but also as an opportunity for product transformation, market diversification, and high-value-added sales.

Borusan Pipe continues to follow a structured analysis approach in line with the TSRS 2 standard to assess the impact of climate-related risks and opportunities on financial resilience, capital allocation, and strategic direction.

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The methodology established in 2024 was maintained in 2025; risks and opportunities were reviewed and updated in light of current developments, changing regulations, and operational data.

The assessment process was conducted with the participation of sustainability, the value chain, financial planning, and relevant business units, and was finalized with senior management approval.

### *Methodological Approach*

Climate-related risks and opportunities;

- In accordance with the disaggregation and aggregation principles outlined in TSRS 2 and TSRS 1,
- classified as physical (acute and chronic) and transition (regulatory, technological, market, and reputational) risks,
- The analysis was conducted across the entire value chain (upstream, direct operations, and downstream activities).

In the assessment of financial effects, the effects on EBITDA were considered; changes of 5% or more were defined as the financial materiality threshold and included in the prioritization process.

### *Time Horizon*

Climate risks and opportunities are addressed across three time horizons aligned with the company's strategic planning cycles:

- **Short-Term (0–3 years):** Operational impacts, extreme weather events, and regulatory compliance
- **Medium-Term (3–10 years):** Carbon pricing, CBAM impacts, and technological transformation
- **Long-Term (10+ years):** Net-zero targets, infrastructure transformation, and climate resilience

This framework is integrated into all decision-making mechanisms, ranging from annual budget processes to long-term investment planning.

### *Prioritization and Integration*

Risks and opportunities are prioritized through impact-probability analyses, scenario studies, and cost-benefit assessments; factors that exceed the financial materiality threshold are incorporated into strategic decision-making processes. Climate-related risks are assessed within the same framework as financial, operational, strategic, legal, and reputational risks under the company's corporate risk management methodology. During the prioritization process, each risk is scored by considering its likelihood of occurrence, potential financial effects, impact on operational continuity, legal and regulatory obligations, stakeholder expectations, and impact on company strategy. As a result of this assessment, climate-related risks with high impact and high likelihood are classified as priority risks and integrated into risk mitigation actions and investment plans. As a result of this assessment, the priority level of climate risks is reviewed in comparison with other corporate risk categories; carbon regulations, energy costs, physical climate impacts, and supply chain-related risks are regularly reassessed within the company's strategic risk inventory.

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With the updates made in 2025, the impacts of developments—particularly in carbon regulations, energy costs, and global trade dynamics—on the risk profile were reassessed.

## Assessment Based on Market Dynamics

Borusan Pipe closely monitors market dynamics shaped by increasing competition in the global steel pipe sector, changes in trade policies, and the impact of the energy transition; it aligns its strategic investments and operational structure accordingly.

Borusan Pipe's production structure in the U.S.—comprising the Panama City, Baytown, and Mobile facilities—offers an integrated setup that provides resilience against changes in trade policies thanks to the advantage of local production. The U.S. production network provides the logistical and operational flexibility needed to serve large-scale projects.

The company did not experience any significant climate-related production disruptions or customer-related interruptions in its operations during 2025. The consignment shipping model and flexible logistics planning approach are among the key factors supporting supply chain continuity.

In the medium term, the widespread adoption of carbon pricing mechanisms, carbon border adjustments (CBAs), and similar measures continues to play a decisive role in shaping the cost structure and competitive conditions in carbon-intensive sectors such as steel. Demand for low-carbon and traceable products is growing, particularly in climate-sensitive markets, especially in Europe. Life cycle assessment (LCA), environmental product declarations (EPD), and carbon footprint data have become an important part of customer expectations. However, the fact that standards regarding the definition of “green steel” have not yet been fully clarified continues to create uncertainty in the sector.

Borusan Pipe's production and commercial presence in Europe strengthens its ability to comply with these regulations and meet customer expectations; its multi-continental production network and diversified customer portfolio provide a balancing structure against geopolitical developments and changes in trade policies.

To respond quickly to evolving industry conditions, the company continues to develop its flexible production infrastructure, investments in digitalization, and sustainability-focused initiatives. Environmental performance is monitored through platforms such as CDP and EcoVadis, and carbon and water footprint data are verified in accordance with international standards.

Thanks to its multinational production structure and engineering expertise, Borusan Pipe has the ability to reposition its existing assets in response to changing market and climate conditions. Production lines can be adapted to different product groups, and operational efficiency is enhanced through modernization and capacity optimization efforts.

With regard to the physical impacts of climate risks, the geographic regions where Borusan Pipe operates were assessed during the 2025 reporting period using the Climate Scale physical risk analysis tool. Within this scope, short-, medium-, and long-term physical risks—particularly water stress—were analyzed under the SSP2-4.5 and SSP5-8.5 climate scenarios. The physical climate scenarios used do not represent a transition scenario aligned with the long-term temperature goal of the Paris Agreement—the most current climate agreement in force—but were used to assess physical risks that may arise under different climate conditions.

In assessing transition risks, the International Energy Agency's (IEA) “Net Zero Emissions by 2050” (NZE) scenario—which is consistent with the Paris Agreement's long-term temperature goal—was used as

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the basis. As part of this analysis conducted during the 2025 reporting period, the potential impacts of carbon pricing mechanisms, energy transition, technological advancements, and regulatory changes on the company's operations were assessed.

Thanks to this holistic approach, Borusan Pipe views climate change not merely as a risk factor, but also as an opportunity for new product development, market diversification, and creating a competitive advantage.

## Climate-Related Physical Risks

Borusan Pipe assesses physical risks arising from climate change using a systematic approach across all regions where it operates. The analysis methodology established in 2024 was maintained in 2025; assessments continued as climate risks were reviewed in light of current data.

In this context, operational data, international climate scenarios, and software-supported modeling tools were used to identify acute and chronic physical risks. As part of the studies conducted using the Climate Scale physical risk analysis tool, water scarcity, temperature increases, extreme weather events, and fire risks were analyzed on a location-by-location basis.

Physical risks are addressed under two main headings:

- **Acute Risks:** Sudden events such as floods, storms, and heat waves can create the risk of operational disruptions and logistical delays, particularly at facilities in the U.S.
- **Chronic Risks:** Long-term effects such as water scarcity and rising temperatures are placing pressure on production processes and resource efficiency.

As part of the scenario analyses, CMIP5- and CMIP6-based projections were considered in the assessment of physical risks; analyses were conducted under the **SSP2-4.5 (medium emissions)** and **SSP5-8.5 (high emissions)** scenarios. The analyses were conducted comparatively to cover different time frames, and regional sensitivities were identified.

The findings indicate that water scarcity is the most critical physical risk across all operational regions. In particular, locations such as Gemlik, Halkalı, and Vobarno have been classified as having high water stress.

Climate risks were analyzed by considering the components of hazard, exposure, and vulnerability, and the risks were classified according to their severity.

Since the climate projections used in the modeling studies inherently contain certain uncertainties, the assessments were primarily based on qualitative analyses; trends and potential impacts were integrated into decision-making processes.

Based on these analyses, water management infrastructure has been strengthened, particularly in regions with high water stress; and measures aimed at improving resource efficiency and operational resilience have been implemented.

## Physical Risk 1: Water Scarcity

| TSRS Heading                       | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk Name                          | Water Scarcity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Risk Category                      | Chronic physical risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Risk Definition                    | This risk is assessed as the risk that, as a result of the depletion of water resources, increased water stress, and the intensification of hydrological drought conditions due to climate change, access to water used in production activities may become more difficult, water costs may rise, or operational continuity may be adversely affected.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Affected Areas                     | According to analyses conducted as part of the Climate Scale project, the Gemlik, Halkalı in Türkiye, and the Vobarno facility in Italy are among the priority regions exposed to high water stress and the risk of hydrological water scarcity. Water-intensive production processes (galvanizing, surface preparation processes), cooling systems, hydrostatic testing applications, coating processes, port-related logistics infrastructure, and open-air logistics operations may be affected.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Affected Stages of the Value Chain | Procurement, production, logistics, and sales stages. Water scarcity can have indirect effects not only on direct production activities but also on the cost structure and logistics continuity of suppliers operating in water-intensive sectors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Affected Assets / Locations        | Gemlik, Halkalı, and Vobarno production lines, water-intensive process equipment, port infrastructure, and logistics support assets. According to analyses conducted as part of the Climate Scale application, the Gemlik and Halkalı facilities in Türkiye and the Vobarno facility in Italy have been assessed as high-risk in terms of water scarcity. These locations account for approximately 30% of the total number of locations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Scenarios and Assumptions Used     | The physical risk assessment was conducted using the Climate Scale physical risk analysis tool. Short-, medium-, and long-term physical risks were analyzed under the SSP2-4.5 and SSP5-8.5 scenarios.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Time Horizon                       | The risk is expected to have an impact in the medium term.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Risk Probability                   | High                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Type of Effect                     | Expected Effect                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Expected Effects                   | It may lead to difficulties in water supply, loss of efficiency in production processes (such as coating and surface preparation), constraints in cooling and testing applications, pressure on production continuity, and a need for resilience in logistics operations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Financial Effects                  | There is a potential for increased water costs, the need for additional investment in water supply, a reduction in production capacity, rising supplier costs, and a decline in profitability. The financial impact was assessed through scenario analyses based on the potential inability to produce the relevant products. In assessments of water scarcity risk, the potential financial effects have remained below the financial materiality threshold during the current period. However, because some locations where the company operates are situated in regions with high water stress and due to uncertainties regarding the long-term effects of climate change on water resources, the issue is considered qualitatively significant by management and continues to be monitored. Therefore, while water scarcity is included in the reporting scope as a risk considered from the perspectives of sustainability and corporate resilience, even though it does not have a financially significant impact. |

| TSRS Heading                 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impact on Strategy           | The risk of water scarcity is one of the key physical climate risks taken into account in Borusan Pipe's investment planning and resource allocation processes. In this context, priority is given to technologies that increase water efficiency, support water reuse, and boost recovery rates, particularly in locations with high water stress. In addition to financial returns, contributions to water usage performance and operational resilience are also evaluated in investment decisions, and this The approach aims to reduce the company's dependence on water resources in the long term. In this context, a budget of 1,319,246 U.S. dollars (56,524,018.34 TL) has been allocated for 2025. <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Impact on the Business Model | The risk of water scarcity, access to water resources used in production processes, and water costs, thereby affecting operational continuity and the cost structure. For this reason, Borusan Pipe considers initiatives related to water efficiency, water recovery, and alternative water sources to be key elements of its business model. This approach aims to both support production continuity and strengthen operational resilience by reducing dependence on water resources in the long term. When evaluating BBB's locations in Türkiye and other global sites, our Gemlik, Halkalı, and Vobarno facilities fall into the "high" risk category in terms of water scarcity. This indicates that 30% of our total locations are in the high-risk group for water scarcity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Resilience Assessment        | Borusan Pipe aims to enhance its operational resilience by expanding water efficiency, recovery, and reuse practices to mitigate the risk of water scarcity. Through investments and process improvements implemented in locations with high water stress, the company aims to maintain production continuity and reduce dependence on water resources. This approach strengthens the company's change. This approach aims to strengthen the company's resilience to water-related risks associated with climate risks associated with climate change.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Risk Management Actions      | <p>Borusan Pipe implements water efficiency projects, circular economy practices, water recovery systems, process optimizations, water footprint measurements, and the monitoring of water withdrawal volumes as a performance indicator to mitigate the risk of water scarcity. By the end of 2025, work on the ISO 46001 Management System initiatives have been launched. Additionally, efforts are underway to reuse effluent from the treatment plant. Reducing water usage, implementing water recovery processes, measuring the water footprint, and monitoring water withdrawal Activities to regularly monitor the volume of water are ongoing. At the Gemlik facility, treatment processes were established in surface ponds to enable the use of water for a longer period. Additionally, the new treatment plant, budgeted for 2024, was commissioned, and by improving the treatment plant's efficiency, water is now treated to a quality exceeding discharge standards. Thus, the first phase for water reuse has been implemented.</p> <p>To manage the risk of water scarcity, efforts are focused on, increasing process optimizations, implementing employee awareness programs, and the inclusion of necessary investments in investment plans approved by the Board of Directors. In the short term, the goal is to implement practices that support low water consumption and water reuse . In the medium term, the company plans to develop and expand the implementation of the ISO 46001 Water Efficiency Management System. This will enable the systematic monitoring of water performance, tracking of targets, and water The goal is to integrate management more effectively into corporate processes is the objective. In the long term, the goals include evaluating alternative water sources in locations with high water stress, increasing water recovery rates, and strengthening operational resilience against water risks associated with climate change.</p> |

<sup>2</sup>The exchange rate used is 42.8457 TL.

| TSRS Heading                     | Description                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Governance Link</b>           | Water scarcity risk is assessed by sustainability teams, the Global Sustainability Manager, the CSO, the Executive Board, and, when necessary (such as for investment decisions), at the Board of Directors level. The resources required to achieve these targets are provided through Board of Directors decisions, investment planning, and technology and process improvements. |
| <b>Relevant Metrics</b>          | EM-IS-140a.1: total water withdrawal, total water consumption, and ratios in regions with high water stress. Additionally, water withdrawal per unit of product and water recovery rate are tracked.                                                                                                                                                                                |
| <b>Related Targets</b>           | The target is to reduce water withdrawal per unit of product compared to the 2021 base year. This target has been set at 25% for 2025 and 2026.                                                                                                                                                                                                                                     |
| <b>Monitoring Frequency</b>      | Water withdrawal, water consumption, and water efficiency performance are reported monthly to the Executive Board and quarterly to the Board of Directors.                                                                                                                                                                                                                          |
| <b>Reporting and Review</b>      | Risks and related performance indicators are tracked as part of sustainability reporting processes and presented to the Executive Board on a monthly basis and to the Board of Directors on a quarterly basis.                                                                                                                                                                      |
| <b>Rationale for Materiality</b> | This risk has been included in the reporting as a significant risk due to its potential impact on long-term operational continuity, supply chain resilience, and sustainability priorities.                                                                                                                                                                                         |

## Climate-Related Transition Risks

To assess climate-related transition risks, scenario-based analyses were conducted with input from in-house experts and support from external consultants. As part of these analyses, the potential impacts of policy, market, legal, reputational, and technology-related risks on Borusan Pipe's operations, cost structure, competitive strength, and long-term value creation capacity were evaluated.

In terms of policy risks, the effects of the widespread adoption of CBAM and other carbon pricing mechanisms on carbon costs and export activities were examined. Regarding market risks, the potential effects of increased demand for low-carbon products on customer preferences and competitive conditions were assessed. In legal risk analyses, the effects of regulations—such as emissions trading systems, environmental disclosure obligations, and sustainability reporting requirements—on compliance processes and the cost structure were taken into account. Regarding technology risks, the need to transition to low-carbon production technologies and the investment requirements of this transformation were evaluated, while in terms of reputational risks, the potential effects of changes in stakeholders' expectations regarding sustainability performance were analyzed.

In recent years, national policies for transitioning to a low-carbon economy have impacted Borusan Pipe's operations in Europe has a significant impact on companies based in the region and their export-oriented business models. In this context, the Carbon Border Adjustment Mechanism (CBAM) and carbon regulations implemented by the European Union have been assessed as a critical transition risk factor for the company. Borusan Pipe conducts its short-, medium-, and long-term planning by taking into account climate-related risks and opportunities projections. As part of analyses conducted using the Climate Scale data platform and IPCC (Intergovernmental Panel on Climate Change) scenarios, potential impacts that may arise throughout the value chain have been assessed and integrated into strategic decision-making processes.

In the scenario analyses conducted by Borusan Pipe, the potential impacts on the company of changes that may arise in carbon pricing mechanisms—particularly the CBAM—and emissions trading systems were assessed. As part of these analyses, the potential effects of increases in carbon costs on the company's cost structure, competitive conditions in export markets, supply chain requirements, and investment needs for low-carbon technologies were examined.

Within the framework of these scenarios, taking into account both regulatory developments and market dynamics, the potential impacts of factors such as the CBAM on Borusan Pipe's business model were systematically examined.

### **Transition Risk 1: Carbon Regulations and CBAM**

| TSRS Heading                       | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk Name                          | Border Carbon Adjustment Mechanism (CBAM)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Risk Category                      | Policy-driven transition risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Risk Description                   | Global carbon regulations and the implementation of the EU BCM pose cost, compliance, and competitive risks for Borusan Pipe, which operates in carbon- and energy-intensive sectors and exports to the EU.                                                                                                                                                                                                                                                                                                                       |
| Cause of the Risk                  | The widespread adoption of carbon pricing mechanisms, the reporting of embedded emissions, and the application of a carbon price to emissions                                                                                                                                                                                                                                                                                                                                                                                     |
| Affected Areas                     | Export processes to Europe, emission-intensive production lines, and the raw material supply chain                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Affected Stages of the Value Chain | Procurement, production, and sales processes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Affected Assets / Locations        | Europe, the U.S., and Türkiye are exposed to transition risks at varying levels.                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Impact on Europe                   | The EU ETS, CBAM, and related regulations create cost pressures linked to carbon pricing; embedded emissions obligations may affect export processes.                                                                                                                                                                                                                                                                                                                                                                             |
| U.S. Impact                        | While mandatory carbon pricing at the federal level is not as stringent as in the EU, state-level regulations and trade policies create indirect transition risks. The local production and supply structure partially offsets these risks.                                                                                                                                                                                                                                                                                       |
| Impact on Türkiye                  | If the national ETS transition process continues and carbon pricing mechanisms are implemented, there may be a risk of increased energy costs and operational expenses.                                                                                                                                                                                                                                                                                                                                                           |
| Impact from Raw Materials          | Emissions covered by the CBAM stem largely from the raw materials used, and a significant portion of the transition risk is supply chain-related.                                                                                                                                                                                                                                                                                                                                                                                 |
| Scenario and Assumptions Used      | As of 2025, these risks have been reassessed in line with the IEA's Net Zero Emissions by 2050 (NZE) scenario, which represents the transition to a low-carbon economy. The NZE scenario projects the widespread adoption of carbon pricing mechanisms and rising carbon costs, which will have a decisive impact on the cost structure and competitive conditions of the steel sector. It is assumed that the widespread adoption of carbon pricing mechanisms will lead to increased customer demand for low-emission products. |
| Time Horizon                       | Medium and long term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Risk Probability                   | High                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Impact Type                        | Expected Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Expected Impacts                   | Increase in carbon costs, weakened export competitiveness, pressure on customer preferences and market share                                                                                                                                                                                                                                                                                                                                                                                                                      |

| TSRS Heading                         | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Anticipated Financial Effects</b> | The company plans to analyze the potential cost impacts arising from embedded emissions under the CBAM on a monthly basis throughout 2026 for its EU locations and to assess the financial impacts that may arise under various carbon pricing scenarios announced by the European Commission. These efforts aim to monitor potential impacts on export revenues, production costs, investment decisions, and competitive strength. These efforts contribute to understanding the potential impacts on export revenues, production costs, investment needs, and profitability. The cost analysis is based solely on the costs of EU locations and do not include customer costs. While the potential financial impacts have been assessed; however, due to uncertainties regarding the available data sets, developments in the regulatory framework, and embedded emissions calculations, reliable quantitative financial projections could not be developed. Therefore, these financial impacts are described qualitatively for the reporting period. |
| <b>Impact on Strategy</b>            | Within the scope of transition risks, rising carbon costs and regulatory requirements are taken into account in Borusan Pipe's investment and resource allocation processes. Investments in low-emission raw materials, energy efficiency, renewable energy, and compliance with the CBAM are among the strategic priorities; to support these areas, an investment budget of approximately 1,356,952 U.S. dollars (58,139,558.31 TL <sup>3</sup> ) has been planned for 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Impact on the Business Model</b>  | The impact of embedded emissions from carbon-intensive raw materials on costs, along with growing customer expectations for low-carbon products, is increasing the need for transformation in raw material procurement, product development, and production processes. Accordingly, the use of low-carbon raw materials, product carbon footprint management, and sustainable production practices are becoming key components of the business model. At Borusan Pipe, as part of the ongoing ERP transformation process, work continues to assess the impact of the Carbon Border Adjustment Mechanism (CBAM) on raw material planning processes. Our products evaluated under carbon regulations and the Carbon Border Adjustment Mechanism (CBAM) account for 9% of our total revenue.                                                                                                                                                                                                                                                               |
| <b>Resilience Assessment</b>         | Borusan Pipe is strengthening its resilience to transition risks through its multi-site production structure in Türkiye, the U.S., Italy, and Romania, its advanced emissions reporting infrastructure, its BCM compliance efforts, and its investment plans for low-carbon production. This approach aims to safeguard the company's operational continuity, export activities, and long-term competitiveness amid rising carbon costs and regulatory requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Risk Management Actions</b>       | Work continues on CBAM-compliant reporting systems, emissions monitoring and verification infrastructure, energy efficiency, renewable energy, process optimization, and low-carbon raw material conversion efforts are ongoing. The CBAM-compliant data monitoring and reporting infrastructure, planned for the ERP system in 2024, was implemented in 2025. This infrastructure is intended to enable more systematic tracking and reporting of embedded emissions data and to facilitate CBAM reporting. As part of the transition to low-carbon raw materials, efforts have been initiated to evaluate supplier data and track the emissions impacts associated with raw materials.                                                                                                                                                                                                                                                                                                                                                                |
| <b>Governance Link</b>               | Board of Directors decisions, investment planning, technical consulting support, and R&D activities support the transformation process.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Relevant Metrics</b>              | EM-IS-110a.1 – Gross total Scope 1 emissions and the proportion of these emissions under regulations; EM-IS-110a.2 – Emissions reduction targets and performance assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Relevant Targets</b>              | In line with the target of reducing emissions intensity per product—covering Scope 1 and 2 emissions—it is planned to achieve an 8% reduction is planned by 2025 and 2026 compared to the 2021 base year, with this rate gradually increasing to reach 35% by 2034.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Monitoring Frequency</b>          | Greenhouse gas emissions performance is reported monthly to the Executive Board and quarterly to the Board of Directors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Reporting and Review</b>          | Assessments generated by the CBAM-compliant reporting system are reported monthly by the Global Sustainability Manager to the senior management of the relevant locations. Additionally, they are presented monthly to the Executive Committee by the Global Sustainability Manager.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

<sup>3</sup>The exchange rate used is 42.8457 TL.

| TSRS Heading              | Description                                                                                                                                                                |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rationale for Materiality | Exports to the EU have been assessed as the most significant transition risk for Borusan Pipe due to embedded emissions from raw materials and pressure from carbon costs. |

## Climate-Related Opportunities

### **Opportunity 1: Shift Toward Alternative Energy Sources and Products**

Borusan Pipe views product and market opportunities related to the energy transition not only as new revenue streams but also as a strategic opportunity to diversify its business model, enhance its competitive strength, and strengthen its long-term corporate resilience.

| TSRS Heading                          | Detailed Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Opportunity Description               | The transition to a low-carbon economy is driving infrastructure investments in energy transformation and increasing demand for sustainable products. High-performance steel pipes used in renewable energy, energy transmission systems, and high-performance steel pipes used in next-generation energy infrastructure are creating new growth areas for Borusan Pipe.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Areas Where the Opportunity May Arise | Renewable energy investments, energy transmission infrastructure, energy storage systems, and low-carbon industrial transformation projects.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Affected Value Chain Stage            | Product development and sales (downstream). While opportunities arise primarily in product development and sales processes, they also impact the supply chain due to the use of low-carbon raw materials and improvements in product environmental performance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Time Horizon                          | Medium and long term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Opportunity Size                      | High                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Impact Type                           | Expected                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Financial Effects                     | Increased investment in energy transition and growing demand for low-carbon products have the potential to generate sales of high-value-added products and create new export opportunities. The expansion of the EPD-certified product portfolio and access to new markets are considered factors that could have a positive impact on sales revenue and profitability in the medium and long term. In this context, Climate-related opportunities are expected to have positive financial effects on the company's revenue growth, market diversification, competitive strength, and capacity to create long-term value. However, during the current reporting period, the opportunities have been assessed primarily on a qualitative basis, and sufficient data has not yet been generated to enable a reliable quantitative calculation of the financial effect. For this reason, the financial impacts of these opportunities have been described qualitatively during the current reporting period, while their medium- and long-term impacts continue to be monitored. |
| Impact on Strategy                    | The growth of markets related to the energy transition is influencing product development, R&D, and investment priorities. In this context, low-carbon products, EPD certification, sustainable production practices, and new product solutions for the energy transition are considered strategic growth areas.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Impact on the Business Model          | The energy transition and rising demand for low-carbon products are driving Borusan Pipe to transform its product portfolio toward high-value-added products with verified environmental performance. The development of products suitable for use in low-carbon energy infrastructure is helping the company create new revenue streams alongside its existing product segments. EPD-certified products are projected to account for 17% of total sales volume by 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| TSRS Heading          | Detailed Description                                                                                                                                                                                                                                                                                                                                              |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resilience Assessment | The development of products and markets aimed at the energy transition is helping Borusan Pipe diversify its customer portfolio and revenue streams. This reduces dependence on specific sectors or markets, enabling the company to adapt to changing It supports the company's long-term competitiveness and resilience under regulatory and market conditions. |

| TSRS Heading            | Detailed Explanation                                                                                                                                                                                                                                                                                                  |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Opportunity Initiatives | R&D activities, EPD certification processes, technical training, product development efforts, engineering solutions, and business development activities targeting new markets are ongoing. EPD work was conducted for the Houston locations in 2025.                                                                 |
| Governance Link         | Opportunity areas are evaluated by sustainability teams, the Global Sustainability Manager, the CSO, and the Executive Board; they are integrated into investment and product development decisions.                                                                                                                  |
| Relevant Metrics        | Number of EPD-certified products, share of EPD-covered sales in total sales, and sales of products supporting the energy transition.                                                                                                                                                                                  |
| Related Targets         | The target is to expand the scope of EPD-certified products and roll them out to new locations. EPD efforts for products at the Houston location began in 2025. Work has also begun for the Halkalı locations; however, due to the decision to relocate, it was determined that the process would continue in Gemlik. |



## RISK MANAGEMENT

Borusan Pipe conducts its operations with a sustainability-focused approach; in line with this, it assesses the risks and opportunities it may face within an integrated framework. The risks the company faces are becoming increasingly intertwined with climate change, environmental pressures, regulatory requirements, and global market dynamics. For this reason, sustainability-focused risk management is viewed not only as a matter of environmental responsibility but also as a fundamental element of operational and financial resilience.

Risks and opportunities identified in the context of sustainability and climate change are addressed at the highest management level at Borusan Pipe; the Board of Directors serves as the highest governing body responsible for overseeing and monitoring this process. The work carried out by the Sustainability Committee is regularly brought to the Board of Directors' agenda and integrated into strategic decision-making processes.

As of 2025, the sustainability and risk management approach established in previous years has been maintained; climate-related risks and opportunities have been reviewed in light of current developments, and the assessment processes have continued. In this context, carbon regulations, the TSRS compliance process, European Union regulations, supply chain compliance, and decarbonization projects continue to feature among the top priorities.

### Analysis of Risks by Value Chain and Time Horizon

Borusan Pipe systematically analyzes risks not only in terms of their impacts but also in terms of their position within the value chain and their temporal dimensions:

- Upstream risks: Raw material procurement and logistics processes
- Direct operational risks: Production operations and processes

- 
- Downside risks: Customer usage processes and post-sales activities

Risks are also addressed from short-term (0–3 years), medium-term (3–10 years), and long-term (10+ years) perspectives; this framework enables a comprehensive approach to both sudden and long-term systemic risks.

## The Growing Importance of Climate Risks

Borusan Pipe's production processes are highly dependent on energy and steel inputs, and a significant portion of its greenhouse gas emissions consists of embedded emissions from raw materials. This situation increases the importance of supply chain-related risks, particularly under the Carbon Footprint Management Directive (CBAM) and similar carbon regulations.

Climate-related risks—including carbon footprint management, volatility in energy and raw material costs, regulations, and customer expectations—are becoming increasingly visible and a top priority. In this context, climate risks are not limited to environmental impacts alone but are directly linked to competitiveness and financial performance.

## Corporate Risk Management and Internal Control Structure

At Borusan Pipe, the risk management and internal control functions fall under the responsibility and control of Company Management. Company Management submits its financial statements—prepared in accordance with International Financial Reporting Standards (IFRS)—along with defined key performance indicators and related disclosures, to the Board of Directors on a monthly basis as part of a comprehensive report.

Climate-related risks and opportunities are also addressed within the corporate risk management system; they are identified, assessed, prioritized, and monitored with the participation of the Risk and Internal Control Team, the Global Sustainability Directorate, and relevant business units. Assessments by the Internal Control Unit serve as one of the key inputs used in identifying climate-related risks and opportunities; the effectiveness of control activities and action plans related to the identified risks is reviewed on a regular basis. In addition, findings and improvement recommendations obtained through periodic internal control and audit activities conducted by the Holding and the Internal Control Unit regarding sustainability processes are shared with the relevant management levels and contribute to enhancing the effectiveness of management processes for climate-related risks and opportunities.

The Internal Control Unit supports the identification, prioritization, and management of risks and opportunities through a proactive approach; risk-mitigating actions are implemented as a result of efforts carried out with the participation of various functions.

By continuously improving its corporate risk management processes, the company aims to identify factors that could affect its operations at an early stage and manage them in line with its risk appetite.

## Methodology and Analytical Approach

Borusan Pipe's risk assessment methodology is based on the systematic analysis of risks in terms of their scope, time horizon, probability, and impact levels.

- Scopes of impact: Financial, operational, environmental, strategic, compliance, and reputation
- Time Horizon: Short, medium, and long term

- Probability and impact: Assessment using a standardized scoring system

This methodology is adapted to the context of climate change and supported by scenario analyses; the impacts of risks and opportunities on the business model, strategy, and value chain are addressed through a holistic approach.

## Data Sources and Modeling Approach

In risk and opportunity analyses, international reporting frameworks, carbon pricing data, and sector analyses are used as primary data sources. While Climate Scale and CMIP6 projections are considered in physical risk analyses, the NZE scenario—which represents the global energy transition—is used as a reference in assessing transition risks.

Borusan Pipe is continuing its preparatory work for an internal carbon pricing system and is developing a roadmap to integrate carbon costs into business decisions and assess long-term financial impacts. Through the indicators and monitoring mechanisms established within this framework, both environmental and financial performance are regularly tracked and integrated into decision-making processes.

## TRANSITION PLAN

Borusan Pipe views the fight against climate change as an integral part of its long-term corporate strategy and approaches the transition to a low-carbon economy as a strategic area of transformation in terms of managing climate-related risks, evaluating new business opportunities, and maintaining its competitive edge. The company's transition plan is structured around reducing greenhouse gas emissions, improving energy efficiency, expanding the use of renewable energy, ensuring compliance with CBAM and carbon regulations, enhancing water and resource efficiency, and evaluating low-carbon product and market opportunities.

Borusan Pipe aims to reduce its Scope 1 and Scope 2 greenhouse gas emission intensity per product by 22% by 2030 and by 35% by 2034, compared to the 2021 base year. To achieve these targets, energy efficiency projects, process optimizations, renewable energy investments, the development of production technologies, and digital monitoring systems are among the key elements of the transition plan.

### Time Horizons of the Transition Plan

Borusan Pipe has structured its transition plan into three phases in alignment with Borusan Holding's decarbonization approach.

| Phase     | Phase                               | Key Focus Areas                                                                                                                                                               |
|-----------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2024–2034 | Phase 1 – Efficiency and Offsetting | Energy efficiency projects, process optimizations, use of renewable energy, digital monitoring systems, and offsetting emissions increases resulting from growth              |
| 2034–2044 | Phase 2 – Energy Transition         | Efforts to expand the use of renewable energy, reduce emissions from electricity generation, evaluate low-carbon energy solutions, and reduce emissions from the supply chain |
| 2044–2053 | Phase 3 – Deep Decarbonization      | Integration of electrification, alternative fuels, hydrogen, and other low-carbon production technologies into operations                                                     |

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In the first phase, the goal is to reduce emissions intensity through energy and resource efficiency measures and to offset any increases in emissions resulting from growth. In the second phase, the focus will be on accelerating the transition to renewable energy and reducing emissions from the value chain. In the final phase, a comprehensive operational transformation is planned by evaluating the feasibility of hydrogen, electrification, and alternative low-carbon production technologies in line with technological advancements.

In developing the transition plan, the following assumptions were taken into account: carbon pricing mechanisms will become more widespread; financial obligations under the CBAM will increase; customer expectations will shift toward low-carbon and traceable products; the use of renewable energy will become more widespread; and access to low-carbon production technologies will increase. The plan's success depends on factors such as access to low-emission raw materials, renewable energy supply, technological development, clarification of the regulatory framework, and the provision of necessary investment resources.

Borusan Pipe's transition plan also guides investment and resource allocation decisions. Investments in energy efficiency, renewable energy, water recovery, the use of low-carbon raw materials, CBAM compliance systems, emissions monitoring infrastructure, and product carbon footprint studies are considered strategic priorities. In addition to financial returns, investment decisions also take into account emission reduction potential, the impact of carbon costs, operational resilience, customer expectations, and contributions to long-term competitiveness.

Efforts are ongoing to improve the quality of data related to Scope 3 emissions and to manage supply chain-related emissions more effectively. In the coming period, the goal is to integrate initiatives related to the use of low-emission raw materials, supplier transformation, and product-based carbon footprint management more comprehensively into the transition plan.

The implementation of the transition plan and performance monitoring are carried out under the coordination of the sustainability teams, the Global Sustainability Director, the Chief Sustainability Officer (CSO), the Sustainability Committee, and the Executive Board. Progress is regularly monitored and reported to senior management through indicators such as greenhouse gas emission intensity, energy consumption, renewable energy use, water efficiency metrics, product carbon footprint studies, and emission data under the CBAM framework.

With this transition plan, Borusan Pipe aims to manage climate-related transition risks, capitalize on opportunities arising in a low-carbon economy, comply with the CBAM and similar regulations, maintain its competitive strength in export markets, and support its capacity for long-term value creation.

## Key Dependencies Underpinning the Plan:

The success of Borusan Pipe's transition plan depends on internal and external factors such as the development of low-carbon technologies, access to renewable energy, the transformation of the supply chain, the evolution of the regulatory framework, the availability of investment resources, and changes in customer expectations. The company regularly monitors these dependencies and aims to achieve its long-term decarbonization target by updating its transition plan in line with changing conditions.

| Area of Dependency                                   | Description                                                                                                                                                                                                                          |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The Development of Low-Carbon Technologies</b>    | The technical and economic feasibility of electrification, alternative fuels, hydrogen, and other low-carbon production technologies is crucial in terms of long-term emissions reduction performance.                               |
| <b>Renewable Energy Access</b>                       | The availability and cost of renewable energy sources, along with the development of related infrastructure, are among the key factors in achieving targets for reducing Scope 2 emissions.                                          |
| <b>Raw Materials and Supply Chain Transformation</b> | The development of low-carbon raw material options, improvements in suppliers' emissions performance, and access to reliable emissions data support the reduction of emissions, particularly those originating from the value chain. |
| <b>Regulatory Developments</b>                       | The development of regulations such as CBAM, emissions trading systems, and carbon pricing mechanisms can influence the priorities of the transition plan and investment decisions.                                                  |
| <b>Investment and Financing Opportunities</b>        | The implementation of energy efficiency, renewable energy, and decarbonization projects depends on securing the necessary investment resources and financing opportunities.                                                          |
| <b>Customer and Market Expectations</b>              | The growing demand for low-carbon products with verified environmental performance is influencing the shaping of product development and investment priorities.                                                                      |
| <b>Data and Reporting Infrastructure</b>             | Reliable monitoring and reporting of emissions, energy consumption, and other sustainability indicators are critical to the effective management of the transition plan.                                                             |

The scope of this plan is being reviewed to include an assessment of U.S. operations as of 2025. The implementation and objectives of the transition plan for U.S. locations will be shaped in phases based on operational conditions, data infrastructure, and future analyses. The plan is being updated in line with evolving regulatory requirements, technological advancements, market conditions, and performance results, with the long-term goal of strengthening its alignment with science-based approaches and international best practices. This approach supports Borusan Pipe's competitiveness, operational resilience, and long-term value creation capacity during the transition to a low-carbon economy.



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# METRICS AND TARGETS

## Climate-Related Metrics

National and international frameworks are among the key elements shaping Borusan Pipe's sustainability performance and strategic goals. In this regard, Borusan Pipe has established metrics aligned with SASB sector standards; these metrics are reported under TSRS 1 and TSRS 2, clearly defining both the current status and future targets. Within this framework, targets and metrics for locations in Türkiye have been implemented using 2021 as the baseline. For facilities in the United States, 2024 has been designated as the KPI monitoring year, and targets have been set for 2025.

Borusan Pipe uses the Carbon Smart platform for its greenhouse gas emissions calculations. The calculations have been verified in accordance with the Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard) and the relevant ISO standard (ISO 14064), and are calculated to cover all areas of operation based on the scope of financial consolidation. Emissions data is reported under Scope 1 and Scope 2 categories, including both direct and indirect sources, and all of the company's operational assets are evaluated within this scope.

Scope 1 Greenhouse Gas Emissions refer to the total emissions from stationary combustion sources (steam boilers, cafeterias, heating, and fuels used in generators), mobile combustion sources (fuels used in passenger vehicles, forklifts, and construction equipment), and fugitive emissions (air conditioning, refrigerant gases, etc. and gases used in fire suppression systems). The Scope 1 Greenhouse Gas Emissions calculation method was applied, utilizing activity data, emission factors, and the global warming potential (GWP) formula.

Scope 2 Greenhouse Gas Emissions refer to greenhouse gas emissions resulting from the use of purchased electricity. In the calculation of Scope 2 Greenhouse Gas Emissions, emission factors and activity data obtained from market-based, location-based, national, and sources such as the IPCC and EPA were used.

For greenhouse gas calculations, an inventory based on these calculations was created. For activity data in the calculations, consumption values from invoices and fire extinguisher refill receipts are used for all locations due to their high reliability. An assumption is made only regarding the diesel consumption of the generator at the Halkalı location. The fuel consumption value is determined from the specification document based on the operating hours of the relevant generator. This value is used as activity data to calculate the emission value.

Uncertainty calculations have been performed for all assumptions and calculations. These uncertainty calculations are conducted via the Carbon Smart platform. Using the platform, uncertainty calculations were performed separately for each category to determine the total uncertainty for the emission factor, activity data, and NKD on a per-calculation basis. For Categories 1 and 2, IPCC and EPA meter uncertainty values were used in the calculations. GHG uncertainty was assessed within a 95% confidence interval, and the IPCC and EPA meter uncertainty confidence intervals were used as a reference in this approach. For the uncertainty of activity data in other categories, the "Pedigree Matrix" methodology was utilized. As a result of IPCC meter uncertainty calculations for locations in Türkiye and Europe, it was observed that fugitive emissions exhibited high uncertainty. As a result of EPA meter uncertainty calculations for locations in the United States, it was observed that emissions from stationary and mobile combustion sources exhibited high uncertainty. The source of measurement uncertainty stems from meter uncertainty. For data entries, verified data (invoices, delivery notes, and other supporting documents) were used to determine the reliability (certainty) of the source according to the Pedigree Matrix, and the process proceeded by accepting meter uncertainty from the IPCC

in conjunction with the selection of emission factors. Data quality is paramount, and measurement uncertainty is established by accepting meter uncertainty.

| Topic                     | Metric Definition                                                                 | Birim                            | 2024 Actual | 2025 Actual |
|---------------------------|-----------------------------------------------------------------------------------|----------------------------------|-------------|-------------|
| Greenhouse gas* emissions | Gross Direct (Scope 1) Greenhouse Gas Emissions                                   | tons of CO <sub>2</sub> e        | 52,469.39   | 46,577.77   |
|                           | Gross Energy-Related Indirect (Scope 2) Greenhouse Gas Emissions (Location-Based) | metric tons of CO <sub>2</sub> e | 67,697.92   | 63,012.88   |
|                           | Net Indirect (Scope 2) Greenhouse Gas Emissions (Market-Based)                    | metric tons of CO <sub>2</sub> e | 27,024.41   | 25,581.43   |
|                           | Total Emissions (Scope 1 + 2)                                                     | metric tons of CO <sub>2</sub> e | 120,167.31  | 109,590.65  |

\*Subsidiaries in Germany, Spain, and the Netherlands are registered solely for commercial purposes and have not been included in the greenhouse gas inventory scope as they have no operational activities, personnel, or energy consumption. Additionally, Borusan Berg Pipe Logistics Corp. was not included in the inventory scope during the reporting period because it was established on December 9, 2025.

## Volume 9—Iron and Steel Producers Metrics

| Topic                    | Metric Definition                                                                                                                                                         | Unit        | 2024 Actual  | 2025 Actual  | Description                                                                                 |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------|--------------|---------------------------------------------------------------------------------------------|
| Greenhouse gas emissions | Percentage of gross total Scope 1 emissions covered by regulations                                                                                                        | %           | 0            | 0            | SASB CODE: EM-IS-110                                                                        |
|                          | Negotiation of long- and short-term strategies or plans to manage Scope 1 emissions and emission reduction targets, and the analysis of performance against these targets | Description | NA           | NA           | Described in the Strategy section. EM-IS-110a.2                                             |
| Energy Management        | Total Energy Consumed                                                                                                                                                     | Gigajoules  | 1,543,947.18 | 1,493,063.00 | EM-IS-130a.1                                                                                |
|                          | Percentage of Grid Electricity                                                                                                                                            | %           | 17.76        | 37.18        | EM-IS-130a.1                                                                                |
|                          | Percentage of Renewable Energy                                                                                                                                            | %           | 19.84        | 19.24        | EM-IS-130a.1                                                                                |
|                          | Total Fuel Consumed                                                                                                                                                       | Gigajoules  | 970,474.86   | 935,890.99   | EM-IS-130a.1                                                                                |
|                          | Coal Percentage                                                                                                                                                           | %           | 0            | 0            | EM-IS-130a.1                                                                                |
|                          | Natural Gas Percentage                                                                                                                                                    | %           | 100          | 90.87        | EM-IS-130a.1                                                                                |
|                          | Renewable Energy Percentage                                                                                                                                               | %           | 0            | 19.24        | IREC certificates are obtained is being obtained. No carbon credits were used. EM-IS-130a.1 |

| Subject          | Metric Definition                                 | Unit                    | 2024 Actual | 2025 Actual | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------|---------------------------------------------------|-------------------------|-------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Water Management | Total Water Withdrawn                             | thousand m <sup>3</sup> | 852.34      | 910.346     | EM-IS-140a.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                  | Total water consumed                              | thousand m <sup>3</sup> | NA          | NA          | Borusan Pipe regularly monitors and verifies water withdrawal and discharge volumes at all its facilities verifies them. However, when calculating net water consumption, water losses due to evaporation are not measured directly; they are calculated based on theoretical and generally accepted assumptions. For this reason, losses due to evaporation were not included in the verification and total water consumption could not be calculated based on direct measurements. |
|                  | Ratios for both in regions with high water stress | %                       | NA          | NA          | This is described in the Strategy section. EM-IS-140a.1                                                                                                                                                                                                                                                                                                                                                                                                                              |

## Climate-Related Targets

Borusan Pipe establishes measurable performance indicators and long-term transformation targets as part of its management of climate-related risks and opportunities. These targets focus on reducing greenhouse gas emissions, increasing energy and water efficiency, improving resource efficiency, and supporting the transition to a low-carbon economy. The targets are established in alignment with the company's strategic priorities and transition plan; their achievement levels are reviewed by senior management at least once a year and, when deemed necessary, are updated during the year in light of changing regulatory requirements, operational developments, and performance results.

For the 2025 reporting period, the scope of the targets has been expanded to include U.S. locations; however, for targets related to locations in Türkiye, there have been no changes to the scope of the targets, target levels, base year definitions, or performance monitoring methodologies compared to the previous reporting period. The data used to calculate target performance has been subject to independent assurance; greenhouse gas (GHG) emissions data has been verified in accordance with the GHG standard, and water footprint data has been verified in accordance with the ISO 14046 standard.

### The Two Key Performance Targets Set:

#### 1. Reduction of Gross Emission Intensity per Product (Scope 1 + 2)

As part of its climate transition plan, Borusan Pipe aims to reduce Scope 1 and Scope 2 greenhouse gas emission intensity per product. Although different base years are used for operations in Türkiye and the United States, the same methodology, performance indicators, and emissions reduction approach are applied across all locations. This ensures consistent tracking of emissions performance and enables the management of decarbonization targets on a global scale.

| Indicator                      | Value                                                                                                                                            |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Target                         | Reduction of Scope 1 and Scope 2 greenhouse gas emission intensity per product at locations in Türkiye                                           |
| Base Year                      | 2021                                                                                                                                             |
| 2024 Achievement               | 0.1033 metric tons of CO <sub>2</sub> e per product                                                                                              |
| 2025 Achievement               | 0.0972 metric tons of CO <sub>2</sub> e per product<br>17.90% reduction compared to the 2021 base year                                           |
| 2025 Target Achievement Status | Target Achieved                                                                                                                                  |
| 2025 Target                    | 8% reduction compared to the 2021 base year                                                                                                      |
| 2034 Target                    | 35% reduction compared to the 2021 base year                                                                                                     |
| Monitoring Method              | MRV-compliant emissions monitoring system and product-specific emissions intensity analyses                                                      |
| Related Risk                   | Transition risk arising from CBAM and ETS                                                                                                        |
| Related TSRS Metrics           | EM-IS-110a.1 – Scope 1 and 2 greenhouse gas emissions; EM-IS-110a.2 – Emissions intensity (metric tons of CO <sub>2</sub> e per unit of product) |

| Indicator                      | Value                                                                                                                                    |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Target                         | Reduction of Scope 1 and Scope 2 greenhouse gas emission intensity per product at U.S. locations                                         |
| Base Year                      | 2023                                                                                                                                     |
| 2024 Actual                    | The 2025 target has been added. Therefore, there is no 2024 actual figure.                                                               |
| 2025 Actual                    | 0.0664 metric tons of CO <sub>2</sub> e/product<br>40.54% reduction compared to the 2023 base year                                       |
| 2025 Target Achievement Status | Target Achieved.                                                                                                                         |
| 2025 Target                    | 5% reduction compared to the 2023 base year                                                                                              |
| Monitoring Method              | MRV-compliant emissions monitoring system and emissions intensity analyses by product                                                    |
| Related Risk                   | Transition risk stemming from CBAM and ETS                                                                                               |
| Related TSRS Metrics           | EM-IS-110a.1 – Scope 1 and 2 greenhouse gas emissions; EM-IS-110a.2 – Emissions intensity (metric tons of CO <sub>2</sub> e per product) |

## 2. Reducing Water Withdrawal per Unit of Product

Borusan Pipe aims to reduce water withdrawal per unit of product to enhance its operational resilience against the risks of water stress and water scarcity caused by climate change. These targets have been established in line with a water efficiency and circular water management approach and are supported by water recovery, reuse practices, and process improvements. Performance results are regularly monitored and evaluated as part of the company's water management roadmap. Targets for 2025 have been defined for U.S. locations, similar to those established for locations in Türkiye.

| Indicator                      | Value                                                                                                                                                                                                                                                                                                                      |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Target                         | Türkiye Locations Reduction in water withdrawal per unit of product                                                                                                                                                                                                                                                        |
| Base Year                      | 2021                                                                                                                                                                                                                                                                                                                       |
| 2024 Actual                    | 0.5614 m <sup>3</sup> /unit                                                                                                                                                                                                                                                                                                |
| 2025 Actual                    | 0.6382 m <sup>3</sup> /product<br>19.54% reduction compared to the 2021 base year                                                                                                                                                                                                                                          |
| 2025 Target Achievement Status | The failure to fully meet the target was due to production volumes falling below the 2024 level and the postponement of the implementation schedule for some water recovery projects being pushed back to the next period. Nevertheless, a 20% improvement in water withdrawal intensity per unit of product was achieved. |
| 2025 Target                    | A 25% reduction compared to the 2021 base year                                                                                                                                                                                                                                                                             |
| 2034 Target                    | 40% reduction compared to the 2021 base year                                                                                                                                                                                                                                                                               |
| Monitoring Method              | Water withdrawal measurement systems, water recovery practices, and process improvement indicators                                                                                                                                                                                                                         |
| Related Risk                   | Physical risk associated with water scarcity                                                                                                                                                                                                                                                                               |
| Related TSRS Metrics           | EM-IS-140a.1 – Total water withdrawal, total water consumption, and ratios in regions with high water stress                                                                                                                                                                                                               |

| Indicator                      | Value                                                                                                   |
|--------------------------------|---------------------------------------------------------------------------------------------------------|
| Target                         | U.S. Locations Reduction in water withdrawal per unit of product                                        |
| Base Year                      | 2023                                                                                                    |
| 2024 Actual                    | The 2025 target has been added. Therefore, there is no 2024 actual figure.                              |
| 2025 Actual                    | 0.2075 m <sup>3</sup> /product<br>20.79% reduction compared to the 2023 base year                       |
| 2025 Target Achievement Status | Target Achieved                                                                                         |
| 2025 Target                    | A 5% reduction compared to the 2023 base year                                                           |
| Monitoring Method              | Water withdrawal measurement systems, water recovery practices, and process improvement indicators      |
| Related Risk                   | Physical risk associated with water scarcity                                                            |
| Related TSRS Metrics           | EM-IS-140a.1 – Total water withdrawal, total water consumption, and ratios in high-water-stress regions |

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## EVENTS AFTER THE REPORTING PERIOD

On April 15, 2026, the shares held by Borusan United Pipe Factories Industry and Trade Inc.'s partners Zehra Nurhan Kocabıyık, Ayşe Nükhet Özmen, and Fatma Zeynep Hamedî, were acquired by Borusan Holding A.Ş. under a special transaction notification; as a result of this transaction, Borusan Holding A.Ş.'s stake in the company's capital increased from 72.04% to 74.85%.

Subsequently, on May 12, 2026, Borusan Holding A.Ş. acquired approximately A total of 8,500,000 Class B shares, representing 6%, were sold to institutional investors through an accelerated bookbuilding process; the settlement of this transaction was completed on May 14, 2026, and as a result of the transaction, Borusan Holding A.Ş.'s direct ownership stake in the Company stood at 68.85%.

Additionally, the liquidation process of Borusan Pipe Espana S.A., one of the Group's subsidiaries, was completed as of March 27, 2026, and the legal entity of the company ceased to exist as of that date.