



**Energy Growing
with the Power
of Nature**

"Existing in harmony with nature, not dominating it, brings true power and sustainable success."

Table of Contents

CHAPTER 1

Introduction

- 2 Report and Company Information
- 4 Message from the General Manager

CHAPTER 2

About Aydem Renewables

- 12 Aydem Renewables in Brief
- 16 Aydem Holding Group Companies
- 19 Operation Map
- 20 Vision, Mission, Strategy and Values
- 22 Capital, Shareholding Structure and Subsidiaries
- 24 Milestones
- 27 Highlights of 2023
- 30 Main Indicators
- 36 Awards and Achievements

CHAPTER 3

Corporate Governance

- 40 Board of Directors
- 46 Assessment of the Board of Directors
- 49 Senior Management
- 52 Financial Benefits Provided to Board Members and Senior Executives
- 52 Declaration of Compliance with Corporate Governance Principles
- 54 Committees and Policies
- 62 General Assembly
- 62 Internal Audit and Control Activities
- 63 Ratings

CHAPTER 4

Value Creation Structure

- 65 Sustainable Governance Structure
- 69 Sustainability Strategy
- 71 Risk Management and Practices
- 87 Objectives and Performance Indicators
- 88 Stakeholder Engagement
- 91 Double Materiality Assessment
- 96 Value Creation Model
- 100 Contribution to Sustainable Development Goals (SDGs)
- 106 The Sustainability Principles Compliance Framework
- 118 Sustainable (Green) Financing Framework

CHAPTER 5

External Environment

- 126 Overview of the Turkish Economy and Renewable Energy Sector in 2023

CHAPTER 6

Financial Assets

- 128 Investments and Areas of Activity
- 134 Total Installed Capacity

CHAPTER 7

Operational Assets

- 136 Hydroelectric Power Plants
- 142 Wind Power Plants
- 145 Hybrid Solar Power Plant
- 146 Geothermal Power Plant
- 147 Operational Efficiency
- 150 Availability and Business Continuity

CHAPTER 8

Knowledge and Innovation Assets

- 155 R&D and Innovation
- 158 Cyber Security and Information Privacy
- 160 Digital Transformation
- 162 Infrastructure and Technology
- 163 Data Management

CHAPTER 9

Environmental Assets

- 166 Environmental Management System
- 168 Combating Climate Change and Adaptation
- 172 Renewable Energy Supply
- 177 Emissions Trading
- 179 Energy Efficiency
- 182 Water Use and Management
- 184 Circular Economy and Waste Management
- 186 Biodiversity

CHAPTER 10

Human Resources Asset

- 190 Human Resources
- 194 Organization Structure
- 196 Ethics, Transparency and Anti-Corruption
- 197 Diversity, Equality and Inclusive Workplace
- 200 Talent and Performance Management
- 204 Recruitment Processes
- 206 Employee Training and Development
- 210 Employee Satisfaction
- 212 Remuneration Management
- 214 Personnel Management and Fringe Benefits
- 216 Occupational Health and Safety

Growing with Investments

As a workplace with the International Occupational Safety Outstanding Achievement Award and Great Place to Work® Certificate, we prioritize people. We take our place in the BIST Sustainability Index and accelerate our efforts for a better future with our identity as Turkey's leader in the Environmental-Social-Governance score.



Our Advantages

1. Aydem Renewables' vision is shaped on the basis of being in harmony with nature, guided by science and technology.
2. This report tells the story of a renewable energy company that respects the power of nature and believes that existing in harmony with it is the key to building a clean and sustainable energy future.

CHAPTER 11

Social Assets

- 224 Supply Chain Management
- 226 Corporate Social Responsibility
- 232 Engagement with Local Communities

CHAPTER 12

Financial Status and Dividend Distribution

- 234 Information on Private and Public Audits Conducted in 2023
- 234 Dividend Distribution Policy
- 236 Dividend Distribution Proposal 2023
- 237 Dividend Distribution Table 2023

CHAPTER 13

Other Considerations

- 238 Changes in the Accounting Period
- 242 Legislative Amendments in 2023
- 249 Amendments to the Articles of Association
- 249 Information on Lawsuits Filed Against the Company that May Affect the Financial Position and Activities of the Company and Their Possible Results
- 250 Explanations on the Administrative and Judicial Sanctions Imposed on the Company and the Members of the Board of Directors of the Company Due to Practices Contrary to the Provisions of the Legislation
- 250 Information on Own Shares Acquired by the Company
- 251 Information on Privileged Shares
- 252 Information on Debt Instruments
- 252 Donations and Aids
- 253 Changes Between Reporting Period and Preparation Period of the Report
- 254 Other Issues

CHAPTER 14

Financial Information

- 256 Statement of Responsibility
- 258 The Annual Affiliation Report
- 259 Statement on (Integrated) Annual Report 2023
- 260 The Independent Auditor's Opinion on the Board of Directors' Annual (Integrated) Report
- 262 Sustainable (Green) Financing Framework Allocation and Impact Report Independent Assurance Statement
- 263 As of December 31, 2023 Consolidated Financial Statements and Independent Auditor's Report

CHAPTER 15

Attachments

- 270 Declarations of Independence
- 274 Corporate Governance Information Form (CGIF)
- 288 Corporate Governance Compliance Report (CGCR)
- 296 Performance Tables
- 302 GRI Index
- 308 TSRS Index
- 309 ESRs Index
- 313 SASB Index

Contact

Report and Company Information

About the Report

Sustainability and ESG Context

The 2023 Integrated Annual Report (Report) of Aydem Yenilenebilir Enerji (Aydem Renewables) addresses in detail the company's performance in environmental, social and managerial (ESG) as well as financial areas in line with its strategic goals and priorities.

This Report, which is the main source of disclosure regarding the Company's ESG performance, should be evaluated with the Policies on Aydem Renewables website.

Report Period

The data in the report covers the period between January 1, 2023 and December 31, 2023, unless otherwise stated.

The report includes the integrated business model, risk and opportunity management, priorities, future strategies, stakeholder communication and performance indicators in financial, environmental, social and managerial areas that summarize Aydem Renewables' ability to generate long-term value for its stakeholders.

Aydem Renewables' Ecosystem

The information contained in the report covers all activities of Aydem Renewables. In order to accurately reflect the integrity of the Company, the report also includes information on Sarı Perakende Enerji Satış ve Ticaret Inc., Eytur Energy Electricity Generation and Trade Inc, Başat Electricity Generation and Trade Inc Inc. and Akköprü Renewable Energy Generation Inc, which are wholly owned subsidiaries of Aydem Renewables. In line with the financial reporting principles used in the report, the financial data of the subsidiaries are shared by including them in the performance figures. In this context, references to "Aydem Renewables", "Company", "we", "us" and "our" and all similar expressions in the report belong to Aydem Renewables and its subsidiaries subject to consolidation, unless otherwise stated or unless the content shared requires otherwise.

Standards and Frameworks

Aydem Renewables 2023 Integrated Annual Report has been prepared by considering the following standards, frameworks and requirements of ESG rating companies.

- Global Reporting Initiative (GRI)
- United Nations Sustainable Development Goals (UN SDGs)
- United Nations Women's Empowerment Principles (UN WEPs)
- United Nations Global Compact (UNGC)
- Sustainability Accounting Standards Board (SASB) -Renewable Resources and Alternative Energy (Solar energy technology and project developers)
- IFRS
- Turkish Sustainability Reporting Standards (TSRS)
- European Sustainability Reporting Standards (ESRS)

CMB and Annual Report References

Explanations on Aydem Renewables' compliance with the principles in the Capital Markets Board (CMB) Corporate Governance Principles and Sustainability Principles Compliance Framework are included in the report.

Audit Approach

A statement of limited assurance has been obtained from Güney Bağımsız Denetim ve SMMM A.Ş., an independent auditor, for selected ESG indicators in the report in accordance with International Standard on Assurance Engagements 3000 - "Standard on Assurance Engagements Other Than Independent Audits or Reviews of Historical Financial Information" ("ISAE 3000" Revised) and International Standard on Assurance Engagements 3410 - "Assurance Engagements on Greenhouse Gas Statements" ("ISAE 3410") issued by the International Auditing and Assurance Standards Board.

The Independent Assurance Statement, including the list and scope of the assurance indicators, can be found on pages 260-261 of the report. The financial information in the report has been audited by the same independent audit firm. The related Independent Auditor's Statements can be found on page 262.

Throughout the report 🟢 denotes externally assured value.

About the Company

Trade Name Aydem Yenilenebilir Enerji A.Ş.
Trade Registry Number 13798
Company Registration Date 06.07.1995
Mersis Number 0165003740400011
Issued Capital 705,000,000.00 TL
Registered Capital Ceiling 2,000,000,000,000.00 TL

ABOUT AYDEM SHARES

Public Offering Date April 29, 2021
Traded on Borsa İstanbul
Stock Code AYDEM
Traded Market BIST Star

INDICES TRADED ON

BIST Sustainability
BIST All Shares-100
BIST Services
BIST Corporate Governance
BIST Electricity
BIST Denizli
BIST All Shares
BIST Buyback
BIST 500
BIST Stars

CONTACT US

Corporate Website <https://www.aydemyenilenebilir.com.tr/en>
Investor Relations Website <yatirimciiliskileri.aydemyenilenebilir.com.tr/en>

HEADQUARTERS

Adalet Mahallesi Hasan Gönüllü Bulvarı No: 15/1
Merkezefendi Denizli - Türkiye
Telephone +90 258 242 27 76
E-mail yatirimciiliskileri@aydemenerji.com.tr / investorrelations@aydemenerji.com.tr

Message from the General Manager



Dear Stakeholders

In the 100th anniversary of our Republic, we are proud to share with you the first integrated annual report of Aydem Renewables.

The year 2023 was marked by a devastating earthquake disaster on February 6. Therefore, I would like to commemorate once again with mercy and respect our citizens who lost their lives in the earthquake. The solidarity and rapid aid reflex we have shown as a nation in the face of the devastation has been our greatest consolation.

In 2023, as we have for nearly 30 years, we continued to contribute to our country's energy supply and sustainable future at full speed. In this way, while strengthening our leading position in our sector, we have also demonstrated a significant performance.

We continued to achieve our targets without any interruption.

As Turkey's largest and pioneering company in the field of renewable energy, we continued our contribution to our country's energy supply and future in 2023 and achieved a performance that satisfied our stakeholders.

We ended the year with assets of over TL 55 billion and EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization) of TL 5 billion 187 million.

In 2023, we managed our debt at levels in line with our strategy with our investments and Eurobond repurchases. We stood by our investors with share purchases during high index declines.

Our high corporate governance standards were registered.

With the 2023 assessment, our CMB Corporate Governance Principles Compliance Rating was 9.56 out of 10.) With the score we achieved, we reinforced our leading position in the sector as the company with the highest Corporate Governance Principles Compliance Rating among BIST Electricity Index companies as of the date of receipt, and continued to be included in the Borsa İstanbul Corporate Governance Index (XKURY).

Through our 160 MWm new investments, we differentiate ourselves in the sector and prepare for the future

While we positively differentiated ourselves in the sector with our unabated investments in renewable energy, we once again underlined our determination to carry our leading identity into the future.

With an installed capacity of 82.15 MWm, Uşak Hybrid SPP, the largest hybrid solar power plant in Turkey, was

accepted by the Ministry on February 23, 2023. The Uşak Hybrid SPP, which we successfully commissioned, is an indicator of our innovation in the sector with both its installed capacity and technological infrastructure, contributing 8% to our total installed capacity. We anticipate that our power plant will contribute 164,000 MWh to our annual production.

As part of our capacity increase investments, we commissioned 11 turbines with an installed capacity of 6 MWm each at Uşak WPP and 2 wind turbines with an installed capacity of 6 MWm each at Söke WPP. These units, which are Turkey's largest wind turbines with the largest rotor diameter, not only increased our production capacity, but also reinforced our position in the sector in terms of technological and environmental sustainability.

As a company focusing on sustainable efficiency with new technologies, we achieved a high availability rate of 99.82% at all our power plants located in four different regions of Turkey.

We are registering our contribution to a sustainable future.

For the second time, we succeeded in being included in the 2023 Water Security and Climate Change Program Global A List of the international environmental reporting platform Carbon Disclosure Project (CDP). As Aydem Renewables, we succeeded in being the only company in Turkey to be included in the Global A List in both Climate Change and Water Security categories according to the 2023 CDP results.

Our science-based greenhouse gas emission reduction targets have been endorsed by the Science Based Targets initiative (SBTi). With this step, our company has taken its place

among more than 5,000 companies and financial institutions around the world, demonstrating its commitment to leaving a livable world for future generations.

As Aydem Renewables, we are included in the BIST Sustainability Index, which is updated based on the sustainability performance of companies traded on Borsa İstanbul. At the same time, we have been included in the FTSE4Good Index, which is designed to measure the performance of companies that are successful in environmental, social and governance practices created by the Global Index Provider Financial Times Stock Exchange (FTSE) Russell. We continue to work in accordance with international standards by keeping our sensitivity to sustainability and the environment at the highest level.

In 2023, we continued our commitment to social development by providing 60.3 million TL support to social projects. Observing the positive results of our efforts in social development further strengthens our belief in a sustainable future.

The awards we have won, show the appreciation of our stakeholders.

In 2023, we were honoured with many national and international awards for our achievements

At Aydem Renewables, we take our steps for "Equal Life" by adopting the approach of justice and equality in every field. With our people-oriented corporate culture, we have been included in the "Turkey's Best Employers List" in the category of "500-999" employees for the third time in a row and in the "Best Employers List" of the Aegean region for the second time in the survey conducted by the Great Place to Work® Institute. With our innovative

At Aydem Renewables, we adopt the approach of justice and equality in every field and take our steps for "Equal Life".

efforts in the sector, we were included in the Innovation By All, Production and Manufacturing List for the second time in 2023.

As a company that prioritizes occupational health and safety, in 2023, we were awarded the highest level of "Distinction" and the "Outstanding Achievement" award at the "2023 International Occupational Safety Awards" organized by the UK-based British Safety Council, one of the world's most respected institutions. This success, which we achieved in our first year of participation, is valuable in terms of demonstrating our performance in the field of occupational health and safety in the Turkish energy sector.

At The Stevie International Business Awards®, one of the prestigious awards of the global business world, we received the Bronze Stevie® Award in the Corporate Social Responsibility-Success Category with the "Purple Turbine Blades Project". Our 2022 sustainability and annual reports received a total of 12 awards from the LACP 2022 Vision Awards, including "Platinum", demonstrating the advanced point we have reached in transparency and sustainability reporting.

We won the Sustainable Production and Consumption Association's Low Carbon Hero Award for the fourth time with our Uşak Hybrid SPP and Uşak WPP Capacity Increase projects, which will contribute to the prevention of 300 thousand tons of carbon dioxide emissions annually.

About the future

Although global and local markets are going through a challenging period, we are hopeful for the future. We believe that our country will continue its rise in the global arena by utilizing its potential in the medium and long term. On the other hand, we anticipate that our sector will become an even more important player as decarbonization steps tighten within the scope of the targets set by the Paris Climate Agreement. With our new investments, we aim to approximately double our current capacity in the short term. Considering the most recent of these investments, we aim to exceed 1,700 MWm installed capacity by the end of 2025.

I would like to thank all our stakeholders, especially my colleagues who have contributed to the success of our company, for their contributions and support to our performance in 2023.

As Aydem Renewables, we will continue to produce in line with the goals of our country and work to leave a better world for future generations.

Yours sincerely,

Serdar MARANGOZ
Vice Chairman of the Board of Directors and General Manager

WE REFLECT OUR PIONEERING AND INNOVATIVE APPROACH IN OUR INVESTMENTS



Sustainability Approach



We have a strong technical team capable of undertaking all construction works of our power plants and innovative projects. Our investment plans in areas such as energy efficiency projects, energy storage systems and digital management applications aim to contribute to a sustainable energy future with the power of nature and the support of modern technology. The combination of science, innovative approach and imagination allows us to create more effective and efficient solutions in energy production, strengthening our leadership in the sector.

**WE GROW IN RENEWABLE
ENERGY WITH THE
PRINCIPLES OF RESPECT FOR
NATURE AND RESPONSIBLE
PRODUCTION**





Purple Blade

With our integrated power plants based on wind, solar, water and other renewable energy sources, we generate environmentally friendly energy inspired by the power of nature and contribute to the energy supply of our country. We shape our projects not only in terms of energy generation, but also with the awareness of minimising environmental impacts and social responsibility.

**WE AIM FOR A BETTER
FUTURE WITH OUR VISION
AND DETERMINATION**



For Future Generations

Through education, health and environmental projects, we demonstrate our commitment to adding value to society and humanity beyond being just an energy producer. We aim to minimize our impact on the ecosystem with our projects integrated with nature-friendly technologies, and we bear the responsibility of leaving a livable world to future generations. With the principle of giving back to nature the energy we take from nature, we are taking firm steps towards our goal of becoming Turkey's leading renewable energy company. We continue to work hard for a sustainable and greener future.

20

HPP

20 hydroelectric power plants

3

WPP

3 wind power plants

1

Hybrid SPP

1 hybrid solar power plant

1

GPP

1 geothermal power plant



As of 2023, the Company's installed HPPs account for 72% (852.1 MWm), WPPs for 20% (238.5 MWm), hybrid SPPs for 7% (82.2 MWm) and GPPs for 1% (6.9 MWm).

It is Turkey's largest private sector company in terms of installed capacity, generating energy from 100% renewable energy sources.

Turkey's largest 100% renewable energy private sector company

In 1995, Aydem Yenilenebilir Enerji Inc started its renewable energy generation journey under the umbrella of Aydem Energy and in 1997, Aydem Yenilenebilir Enerji Inc, which realized Turkey's first private hydroelectric power plant project in Denizli, is Turkey's largest private sector company in terms of installed capacity, generating energy from 100% renewable energy sources.

Consisting of 20 hydroelectric power plants (HPP), 3 wind power plants (WPP), 1 hybrid solar power plant (SPP) and 1 geothermal power plant (GPP), the Company contributes to Turkey's energy transformation by generating clean energy with its young portfolio.

Aydem Renewables in Brief

Aydem Renewables is institutionalizing its support for the sustainable development of our country and humanity.

As of 2023, the installed capacity of the Company consists of 72% (852.1 MWm) HPPs, 20% (238.5 MWm) WPPs, 7% (82.2 MWm) hybrid SPPs and 1% (6.9 MWm) GPPs.

Aydem Renewables' power plants operating in the Black Sea, Aegean, Mediterranean and Marmara regions implement environmentally friendly production models with Zero Waste Certificate, Renewable Energy (IREC) and Emission Reduction Certificates (VCS & GS).

Aydem Renewables' long-term average generation capacity (run-rate) as of the end of 2023 is 3,444 GWh.



Growth supported by strong internal competencies

In addition to its 28 years of unique experience in renewable energy generation, Aydem Renewables has carried out the development and implementation of construction and electromechanical projects of all power plants, except for 2 power plants, with its competent human resources. The Company carries out most of the maintenance work at its power plants with expert maintenance and repair teams that utilize high technology and quality.

A corporate citizen supporting sustainable development

Aydem Renewables became a participant of the United Nations Global Compact (UNGC) in 2021, which it signed in 2020 to carry its support for the sustainable development of our country and humanity to a corporate level.

In 2022, the Company became a signatory to the Science Based Targets initiative's (SBTi) near-term emission reduction and Net-Zero commitments and the Women's Empowerment Principles (WEPs).

Emphasizing its commitment to clearly defined principles and values in line with the United Nations Global Compact and the United Nations Sustainable Development Goals, Aydem Renewables has been regularly presenting the social, economic and environmental outputs of its activities to its stakeholders since 2019 through sustainability reports prepared in accordance with the Global Reporting Initiative (GRI) Standards.

Aydem Renewables in Brief



Aydem Renewables (AYDEM) is traded on Borsa İstanbul Stars Market.

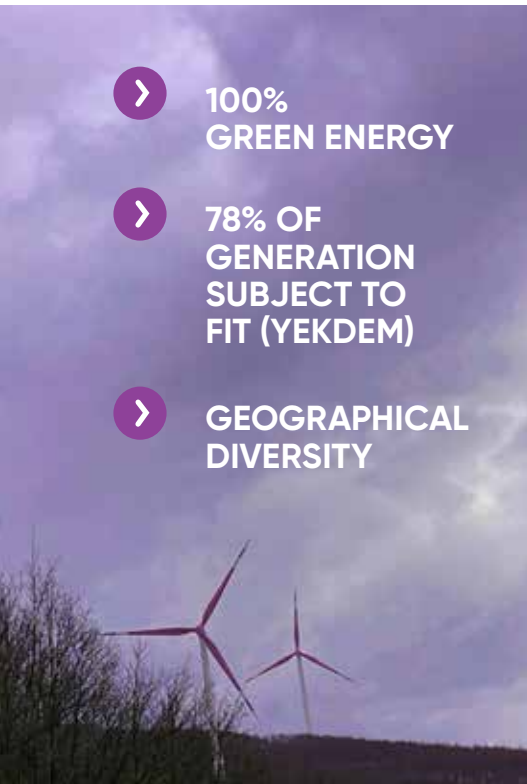
In April 2021, Aydem Renewables successfully realized the largest public offering of the last 3 years with its transaction size, and its shares are traded on Borsa İstanbul Stars Market under the symbol "AYDEM".



Aydem Renewables has reached the highest level of excellence and transparency in corporate governance.

In April 2022, SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri Inc. rated the Company's level of compliance with the "Corporate Governance Principles" published by the Capital Markets Board of Turkey (CMB) for the first time, and the Company achieved a score of 9.48 out of 10 points, and was included in the Borsa İstanbul Corporate Governance Index (XKURY) following this result. In 2023,

the Company's compliance with the CMB Corporate Governance Principles was evaluated at 9.56 out of 10. The score we received in 2023 in terms of Corporate Governance Rating Score is the highest score in the Electricity Index as of the date of receipt. We consider this development as indicators of Aydem Renewables' excellence in corporate governance and the high level it has reached in the field of transparency.



> 100%
GREEN ENERGY

> 78% OF
GENERATION
SUBJECT TO
FIT (YEKDEM)

> GEOGRAPHICAL
DIVERSITY

To the future with a business model that creates sustainable value

Aydem Renewables' business model is based 100% on green energy generation, 78% of which is subject to FIT (YEKDEM), and the advantage of geographical diversity. While supporting this model with new and modern facilities, the company is moving forward with determination to the future with investments that provide portfolio diversity.



Aydem Holding Group Companies



Apart from renewable energy generation, Aydem Energy plays an important role in meeting Turkey's electricity demand with its other companies and activities in the sector.

RENEWABLE ENERGY PRODUCTION

Aydem Renewables

Establishment: 1995

Fully Renewable Energy Generation Portfolio: 25 (20 Hydroelectric Power Plants, 3 Wind Power Plants, 1 Hybrid Solar Power Plant, 1 Geothermal Power Plant)

Total Installed Power: 1,179.63 MWm

ELECTRICITY DISTRIBUTION

ADM Electricity Distribution (ADM Elektrik Dağıtım)

Establishment: 2008

Distribution Region: Aydın, Denizli, Muğla

Turkey's First Private Electricity Distribution Licensee

3.3 million Population
2.3 million Consumers

GDZ Electricity Distribution (GDZ Elektrik Dağıtım)

Establishment: 2013

Distribution Region: İzmir, Manisa

6 million Population
3.8 million Consumers

ELECTRICITY RETAIL SALES

Aydem Retail (Aydem Perakende)

Establishment: 2008

Turkey's First Privatized Retail Company

Electricity Supply Service in 81 Provinces of Turkey

I-REC Certified Green Energy Sales

More than 2 million locations
Energy for More than 8 million People

Gediz Retail (Gediz Perakende)

Establishment: 2013

Türkiye'nin 81 ilinde Elektrik Tedarik Hizmeti

I-REC Sertifikalı Yeşil Enerji Satışı

More than 3 million locations
Energy for more than 12 million People

OTHER

Parla Solar

Establishment: 2014

Solar Panel Production

Production Area 33.000 m²
Production Capacity: 150 MWm

GDZ Enerji

Establishment: 2013

Increasing operational efficiency
and shaping service sector
dynamics

Elsan Electrical Equipment (Elsan Elektrik Gereçleri)

Establishment: 1980

Electrical Equipment Production and Sales

Production Capacity:
30 thousand tons/year
65% of Sales Export

Tümaş

Establishment: 1986

Turkey's first and largest natural stone producer

Hundreds of projects
in Turkey and abroad

Turkey's first and pioneering integrated energy company



Aydem Holding Group Companies



A community of more than 12,000 employees energizing and empowering the lives of more than 20 million people.

It operates in the fields of electricity generation, distribution and retail with its game-changing approach and determination to break new ground in the energy sector in Turkey. With more than 12 thousand employees and a socially and environmentally sensitive approach, as in its more than 40 years of deep-rooted history, it always works by putting people at the center. It transforms energy into an innovative power to make today and the future brighter.

As Turkey's leading energy company, it focuses on renewable energy while working for Turkey's sustainable future, generating energy from hydroelectric, wind and geothermal sources. With many firsts, it leaves its mark on the future and breaks the mold in the energy sector.

Turkey's first and pioneering
**INTEGRATED ENERGY
COMPANY**

Turkey's largest company with a
100% renewable energy portfolio
AYDEM RENEWABLES

Turkey's top three largest
**HAS ONE OF THE
RENEWABLE ENERGY
PORTFOLIO**

Turkey's First Private Sector
Hydroelectric Power Plant
**BEREKET
HYDROELECTRIC
POWER PLANT**

TURKEY'S FIRST DOMESTIC
SOLAR CELL PRODUCTION
PARLA SOLAR

Turkey's first private sector
electricity distribution company
**ADM ELECTRICITY
DISTRIBUTION**

Turkey's first private sector
electricity retail company
**AYDEM ELECTRICITY
RETAIL**

Turkey's first and only one-time
collaboration with 14 group
companies
**"A GREAT WORKPLACE"
CERTIFICATE**

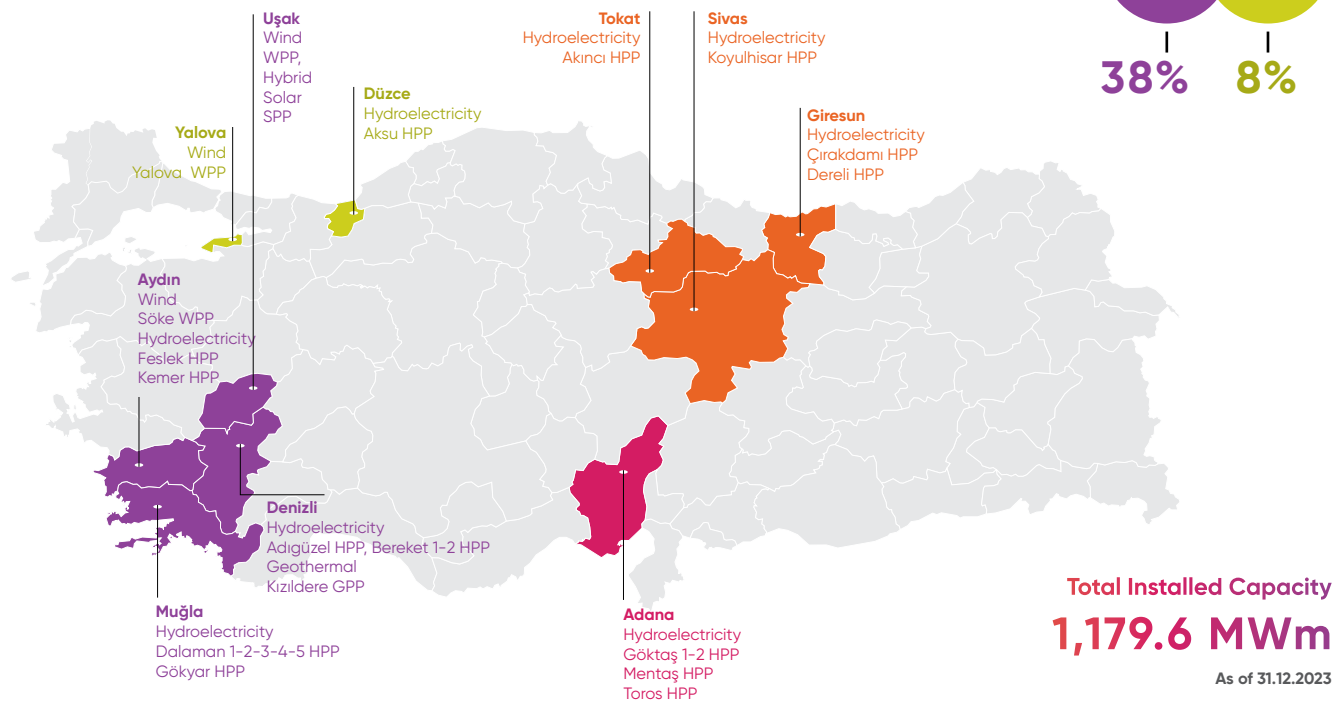
Turkey's first and only one with
9 group companies
**ON THE "BEST
EMPLOYERS" LIST**

Turkey's first and largest hybrid
solar power plant
**UŞAK HYBRID SOLAR
POWER PLANT**

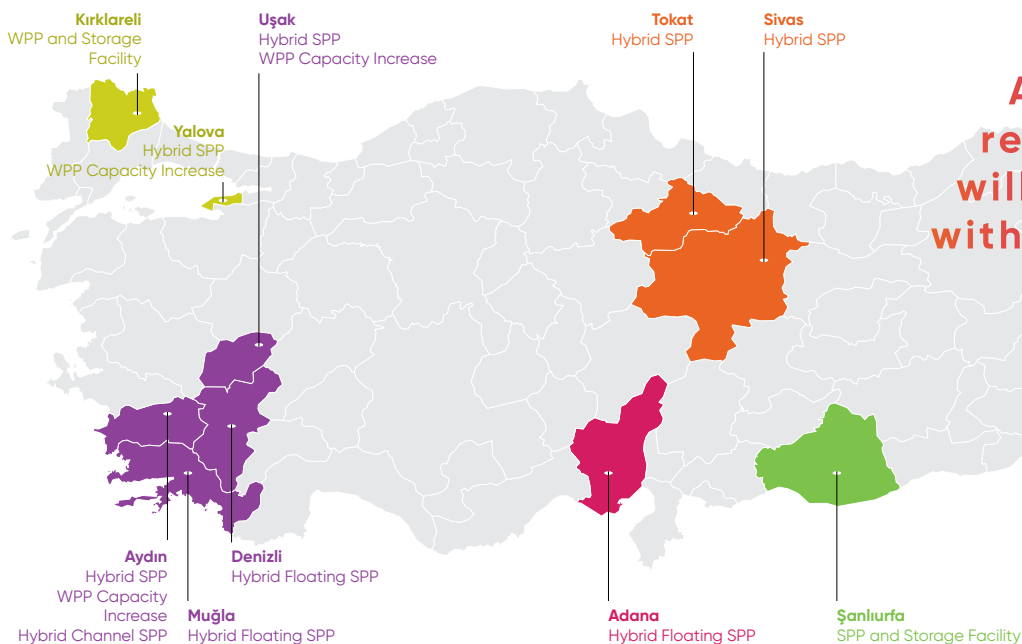
Operation Map

Aydem Renewables realizes energy production in a wide geography in Turkey.

Total Installed Capacity – Regional Distribution



Total Planned Investments Regional Distribution (2023-2026)



A more stable revenue profile will be achieved with a diversified production portfolio.

Vision, Mission, Strategy and Values

We generate energy for life with an approach that prioritizes employee satisfaction.

VISION - MISSION - STRATEGY

With our sustainability culture, which we have developed by evaluating the social and economic impact areas, the expectations of all our stakeholders and our corporate strategy, our vision of "Clean energy for a sustainable future" and our mission of "Being Turkey's leading renewable energy generator", we work by considering the sustainability of natural resources, the environment and the needs of future generations. With our renewable energy-focused approach, we always aim to move our Company forward.

At this point, we strive to create the highest value for all our internal and external stakeholders by adding new ones to our achievements. With our innovative investments in renewable energy, we will continue to be Turkey's largest private company generating energy from 100% renewable sources and lead our

sector. We support the sustainable development of our country by adhering to sustainability, innovation and people-orientation, which are among our corporate focuses, and we continue our efforts with determination to add value to the future.

While producing the "clean energy" of today and the future with sustainability, we continue to work to respect the environment and people, create and share long-term value for our stakeholders and society, strengthen our team, and produce the clean energy of the future with our strong and successful business model.

Supported by our innovation, even in the most unpredictable times, we have introduced Turkey to many "firsts" with our courage, agility, willpower and understanding of events from different perspectives.

Being innovative is our main point of departure while seeking the better for today and the future. With our corporate culture that shapes the energy market with new approaches, we act with an understanding that transforms people's interest in energy with technological innovations and makes energy more effective in all areas of life thanks to digitalization.

Our business is to serve people within the framework of our human-oriented approach.

This understanding is at the center of our work as we work to make human life better. We choose to develop by adding value to people.

We prioritize and listen to the needs of all our stakeholders.

While positioning customer and stakeholder relations at the focal point of our activities, we also generate energy for life with a perspective that works with the highest standards in workplace safety, fulfills all the requirements of being an employer brand, and cares about employee loyalty and satisfaction.



OUR VALUES

Sensitivity

While carrying our organization into the future by doing our job in the best way possible; we fulfill our responsibilities towards individuals, society, our country and the environment. We ensure that our work is carried out within the framework of our business ethics while performing our work in the targeted time and quality. We adopt a transparent and accountable working style in accordance with procedures and rules. We speak up if we encounter an unethical or unfair practice. We take into account how our behavior affects others.

Dynamism

We follow the needs of our colleagues and stakeholders that arise under changing conditions and make the necessary improvements in the working environment, our business conduct system, products and services. We pioneer the electricity sector with the steps we take and guide development and change in the sector. With curiosity in our soul, we try new ways to fulfill products, processes and services more efficiently, quickly and error-free.

Touching Life

"People" are at the center of every work we do, every step we take. Our continuous improvement, curiosity, inquisitive spirit and the expertise we have gained over the years enable us to develop solutions that add energy and value to every moment of life. We allow our colleagues to express their different ideas, value their social needs and celebrate their successes together. We work to improve the quality of life of our stakeholders by accurately analyzing their needs and expectations.

We follow the needs of our colleagues and stakeholders that arise under changing conditions.



Capital, Shareholding Structure and Subsidiaries

Subsidiaries	Ownership (%)		Main Activities
	December 31, 2023	December 31, 2022	
Ey-Tur Enerji Elektrik Generation and Trade Inc ("Ey-tur") / HPP	100	100	The generation of electricity using a hydro energy source.
Başat Elektrik Generation and Trade Inc ("Başat") / HPP	100	100	The generation of electricity using a hydro energy source.
Sarı Retail Energy Sales and Trade Inc ("Sarı Retail")	100	100	Electricity trade
Akköprü Renewable Energy Production Inc	100	100	The generation of electricity using a hydro energy source.

Capital and Shareholding Structure	December 31, 2023		December 31, 2022	
Shareholders	TL	%	TL	%
Aydem Energy Investments Inc	574,975,680	81.55683	574,975,680	81.55683
Publicly Traded ¹	130,000,000	18.43972	130,000,000	18.43972
Other ²	24,320	0.00345	24,320	0.00345
Total	705,000,000	100	705,000,000	100

¹Within a period of 30 days following the commencement of trading of the Company shares on BIST, price stabilising transactions were carried out on the Company shares. In this context, 18,679,595 shares were purchased by Aydem Energy Investments Inc),

²Kocaer Demir San, Trade (0.00164%), Mopak Kağıt Karton San, Trade Inc, (0.00164%), Aciselsan Acıpayam Sel, San, Trade Inc, (0.00010%) shares,





Milestones

1995

Aydem Renewables was established in Denizli and started its activities.

1997

Aydem Renewables started energy generation by establishing Bereket 1, Turkey's first private hydroelectric power plant, on Çürüksu, a tributary of the Büyük Menderes River in Denizli.

1998

Bereket II Hydroelectric Power Plant established in Denizli started energy generation.

1999

The first section of the Dalaman Hydroelectric Power Plant, built on the Dalaman Stream in Muğla, started energy generation.

2004

Feslek Hydroelectric Power Plant established on the Büyük Menderes River in Aydın started energy generation.

2005

All of the Dalaman I-V Hydroelectric Power Plants built on the Dalaman Stream in Muğla started energy generation.

2006

Gökyar Hydroelectric Power Plant, built on the Dalaman Stream in Muğla, started energy generation.

Mentaş Hydroelectric Power Plant, built on the Seyhan River in Adana, started energy generation.

2008

Kızıldere Geothermal Power Plant established in Denizli-Sarayköy started energy generation.

2009

Koyulhisar Hydroelectric Power Plant established on the Kelkit River in Sivas started energy generation.

2012

Çırakdamı Hydroelectric Power Plant established on the Aksu River in Giresun started energy generation.

Kumkısıq Biogas Energy Plant established in Denizli started energy generation.

2013

Toros Hydroelectric Power Plant established in Adana started energy generation.

2014

Dereli Hydroelectric Power Plant established in Giresun started energy generation.

Uşak Wind Power Plant established in Uşak-Banaz started energy generation.

Düzce Aksu Hydroelectric Power Plant established in Düzce started energy generation.

2015

Söke Wind Power Plant established in Aydın started generation.

Göktaş II Hydroelectric Power Plant established in Adana started energy generation.

2016

Yalova Wind Power Plant established in Yalova-Armutlu started energy generation.

Göktaş I Hydroelectric Power Plant established in Adana started energy generation.

2017

Adıgüzel Hydroelectric Power Plant in Denizli joined the portfolio through privatization.

Kemer Hydroelectric Power Plant in Aydın joined the portfolio through privatization.

2018

Akıncı Hydroelectric Power Plant established in Tokat started energy generation.

2020

The Company's first sustainability report was published and the report received the "Silver Award" at the LACP Awards organized by the League of American Communications Professionals.

Aydem Renewables became a signatory of the UN Global Compact.

Aydem Renewables was recognized as the leader of the Turkish electricity and gas services sector by Vigeo Eiris/Moody's, one of the world's most important independent rating companies in the field of Environment and Governance (ESG).

The official opening ceremony of the Akıncı Hydroelectric Power Plant in Tokat was held.

Aydem Renewables received the First Prize in the Syndicated Loan Transactions of the Year category at the Bonds, Loans & Sukuk Turkey Awards 2020.

Aydem Renewables was selected as the "Company with the Highest Profit Before Tax" in the Anatolia 500 Survey conducted annually by Ekonomist magazine.

2021

Aydem Renewables ranked 4th among 100 companies in the Great Place to Work Institute® Turkey's Best Employers survey.

With a transaction size of TL 1.3 billion, the largest public offering of the last 3 years was realized.

USD 750 million green bond issuance was successfully realized.

Aydem Renewables was ranked first in Turkey in the electricity and gas services sector for the second consecutive year as a result of the evaluation conducted by Moody's/ Vigeo Eiris within the scope of ESG, and became the sector leader in the "Emerging Markets" world ranking.

Aydem Renewables became a participant of the United Nations Global Compact (UNGC), which it signed in 2020.

Aydem Renewables increased its rating to "B Management Level" as a result of both CDP Climate Change and Water Security surveys. In the CDP Supplier Engagement Rating (SER), Aydem Renewables received the highest rating in the power generation sector in Turkey in 2021 by raising its rating to "A- Leadership Level".

Following the "EIA Positive" decision, the current license power of Uşak WPP reached 114.30 MWm.

Aydem Renewables became a signatory of the Science Based Targets initiative (SBTi).

2022

Aydem Renewables became a signatory of the Science Based Targets initiative (SBTi).

Within the scope of the Carbon Disclosure Project, Aydem Renewables achieved the highest score of "A Leadership Level" in the Water Security and Climate Change Survey and became the only company in Turkey to be included in the A List Report, which includes global leaders in 2022, with its success in these two categories. In the CDP Supplier Engagement Rating (SER), it received the "A Leadership Level".

Aydem Renewables, whose first Corporate Governance Rating Score was determined as 9.48, was included in the Borsa İstanbul Corporate Governance Index (XKURY).

Aydem Renewables joined the signatories of the United Nations Women's Empowerment Principles (WEPs).

Aydem Renewables prepared its third Sustainability Report with GRI approval.

Auxiliary Source SPP investment approvals were obtained for Uşak WPP, Yalova WPP and Söke WPP. Installation works of Uşak WPP Hybrid SPP 82.15 MWm project have been completed. As of 23.02.2023, Ministry Acceptance was realized.

Kumkısı LFG Power Plant, whose generation license expired, was transferred to Denizli Metropolitan Municipality.

Aydem Renewables' first Annual Report received 5 awards at the LACP 2021 Vision Awards.

Aydem Renewables was included in the Great Place to Work® Turkey and Aegean Best Employers List as well as the Manufacturing and Innovation 2022 Best Employers List.

Aydem Renewables received the First Prize in the Public Offering Transactions of the Year category and the Second Prize in the Corporate Bond Issuance of the Year category at the Bonds, Loans & Sukuk Turkey Awards 2022.

Sustainability Report received 2 awards from LACP 2021/22 Vision Awards. It ranked 55th in the Top 100 Reports list worldwide.

Milestones

Aydem Renewables has taken its place among 5,000+ companies and financial institutions in the world that have set science-based goals.

2023

Achieved the highest score of "A Leadership Level" in the Water Security and Climate Change Programs within the scope of the Carbon Disclosure Project for the second time

Aydem Renewables is the only energy company in Turkey to be included in the A List Report, which includes global leaders.

Aydem Renewables has set greenhouse gas emission reduction targets in accordance with the criteria and recommendations set by SBTi (Science Based Targets initiative) and these targets have been approved by SBTi. Aydem Renewables has taken its place among 5,000+ companies and financial institutions in the world that have set science-based targets.

Aydem Renewables commissioned Turkey's largest hybrid SPP in Uşak. It is also the first solar power plant in the company's portfolio.

Aydem Renewables doubled the installed capacity of Uşak WPP to 127.5 MWm with new turbines with 11 purple blades, each with a power of 6 MWm.

Aydem Renewables' WPP installed capacity in Söke reached 57 MWm with two new turbines of 6 MWm each.

Aydem Renewables, which considers sustainability in all its investments and activities, was included in the BIST Sustainability Index with its successful performance in this field.

Aydem Renewables, whose Corporate Governance Rating Score was determined as 9.56, is among the companies included in the Electricity Index as of the date of the Corporate Governance Rating. The highest degree of compliance with the Principles and continued to be included in the Borsa İstanbul Corporate Governance Index (XKURY).

The 2023 Stevie International Business Awards® In the Achievement in Corporate Social Responsibility Category, Aydem Renewables received the "Bronze Stevie®" award for its "Purple Turbine Blades Project".

"Distinction", the highest level of the British Safety Council International Occupational Safety Award, which was attended for the first time, with 51 points. The only company in the Turkish energy sector to receive the "Distinction" award.

Aydem Renewables prepared its fourth sustainability report, the 2022 Sustainability Report, as GRI approved.

Aydem Renewables was included in the Great Place to Work® Turkey and Aegean Best Employers List as well as the Manufacturing and Innovation 2022 Best Employers List.

Sustainability Report received 6 Awards, including Platinum, from LACP Vision Awards. It ranked 71st in the Top 100 Reports list worldwide.

Annual Report received 6 awards, including Platinum, at the LACP Vision Awards. It ranked 79th in the Top 100 Reports list worldwide.

Uşak Hybrid SPP & Uşak WPP Capacity Increase projects received the Sustainable Production and Consumption Association (SÜT-D) Low Carbon Hero award for the fourth time with the emission values they will prevent.

Highlights in 2023



Aydem Renewables commissioned the 82.15 MWm Uşak Hybrid SPP.

Turkey's largest hybrid SPP is commissioned in Uşak.

Aydem Renewables commissioned Uşak Hybrid SPP, Turkey's largest hybrid solar power plant (SPP) with a capacity of 82.15 MWm. Uşak Hybrid SPP, which uses 155 thousand panels with double surface, 20% more efficient than standard panels, will provide maximum performance by generating energy even from the light reflected from the snow on the ground, especially in winter months. Meeting the annual energy needs of 54,700 households, Uşak Hybrid SPP will prevent 104,121 tCO₂e carbon dioxide emissions annually.

WPP installed capacity in Uşak increased to 127.5 MWm with new purple blades.

Aydem Renewables doubled the capacity of its wind power plant (WPP) in Uşak's Banaz district with 11 new turbines. With this investment, which is the largest wind turbines to generate energy in Turkey, the installed capacity of the plant reached 127.5 MWm. The wind blades, painted purple for the sustainability of the bird population, started to contribute to Turkey's clean energy supply.

WPP Power in Söke reached 57 MWm with two new turbines.

Aydem Renewables, Turkey's largest company generating energy exclusively from renewable resources, has commissioned two new turbines, each with an installed capacity of 6 MWm, to increase the wind capacity of Söke WPP with the approval of the Ministry and started energy production. The installation of our two new turbines with a total power of 12 MWm, with a blade length and rotor diameter of 165 meters, was completed in a short period of three months.

Aydem Renewables in BIST Sustainability Index

Aydem Renewables started to be traded in the BIST Sustainability Index, which evaluates the sustainability performance of companies with an international methodology. Aydem Renewables, which is a participant of the United Nations Global Compact (UNGC) and a signatory of the Science-Based Targets initiative (SBTi) and considers sustainability in all its investments and activities, was included in the Index with its successful performance in this field.

As of April 7, 2023, the company with the highest degree of compliance with corporate governance principles among BIST Electricity Index companies

Aydem Renewables' Capital Markets Board (CMB) Corporate Governance Principles Compliance Rating was announced as 9.56 out of 10 full points. In the report prepared by SAHA Corporate Governance and Credit Rating Services (SAHA Rating), the Company's Corporate Governance Compliance Rating Score increased from 9.48 in 2022 to 9.56. With this score, Aydem Renewables became the company with the highest degree of compliance with Corporate Governance Principles among the companies in the BIST Electricity index as of April 7, 2023 and continued to be included in the Borsa İstanbul Corporate Governance Index (XKURY).

Highlights in 2023

Aydem Renewables has taken its place among 5000+ companies and financial institutions in the world that have set science-based goals.

Aydem Renewables took a pioneering step in the Turkish energy sector with the approval of the Science Based Targets initiative (SBTi). The Company, whose Scope 1 and Scope 2 emissions are classified in line with the 1.5°C trajectory in line with the Near-Term Target commitment, also committed to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 51% and absolute Scope 3 greenhouse gas emissions from capital goods by 30% by 2032 compared to the base year of 2022.

Aydem Renewables, while taking its place in "The Business Ambition for 1.5°C» campaign led by SBTi and in partnership with UNGC and We Mean Business Coalition, announced that it will also participate in the "UNFCCC Race to Zero" campaign launched by COP26 Climate Action Leaders, which aims to create the largest coalition towards the goal of net zero carbon by 2050.

In the Carbon Disclosure Project (CDP) Climate Change and Water Security Programs

Aydem Renewables' rating was confirmed as "A Leadership Level" as a result of the CDP - Carbon Disclosure Project (Carbon Disclosure Project) Climate Change Reporting in 2022. We became the only company in Turkey to receive "A Leadership Level" in both of these categories in 2022 reporting.

CDP Global Leaders Award to Aydem Renewables

Aydem Renewables continues to be on the Global A List by achieving "A Leadership Level" in both Climate Change and Water



Security Reporting. In 2023, Aydem Renewables is the only organization in Turkey among all sectors to achieve "A Leadership Level" in both Climate Change Reporting and Water Security Reporting for two consecutive years and to be on the Global Leaders List (A List). It is also the only organization in the energy sector to achieve "A Leadership Level" in both categories in 2023. It is planned to present the 2023 awards to CDP Leaders during the CDP Turkey Conference and Award Ceremony to be held on May 21, 2024.

Aydem Renewables receives occupational safety award from the UK

Aydem Renewables received the "Distinction" rating, the highest level with 51 points, at the 2023 International Occupational Safety Awards organized by the British Safety Council for the 65th time this year. In the organization where more than 250 companies from Turkey participated and 29 companies were entitled to receive awards, the Company became the only company in Turkey to receive the "Outstanding Achievement" award in the energy sector with the highest "Distinction" rating.

Aydem Renewables is on the "Great Place to Work®" Innovation by All™ List in 2023!

Aydem Renewables has succeeded in being included in the Innovation by All™ List by the Great Place to Work® Institute in the category of companies with more than 500 employees. With this prestigious award, Great Place to Work® recognizes the best employers that encourage employees to participate in innovation and contribute to the company every year.

12 Awards to Aydem Renewables from LACP 2022 Vision Awards

Aydem Renewables was awarded for both its annual and sustainability reports at the LACP 2022 Vision Awards. The company won a total of 12 awards in the "Energy-Equipment and Services" category, including the highest award, the "Platinum Award", for its annual and sustainability reports published in 2022.

Aydem Renewables launched a research project in Söke, the first of its kind in Turkey, to determine the relationship between WPPs and the efficiency of beehives.

Aydem Renewables became a carbon hero for the fourth time

Aydem Renewables was deemed worthy of the Low Carbon Hero award at the 8th Carbon Summit organized by the Sustainable Production and Consumption Association with the support of the Republic of Turkey Ministry of Environment, Urbanization and Climate and İstanbul Technical University (ITU) with the emission value to be prevented by Uşak Hybrid SPP and Uşak WPP Capacity Increase projects.

To heal wounds in solidarity

February 6, 2023 was one of the biggest earthquake disasters ever experienced in the history of Turkey. Believing in the power of solidarity, Aydem Renewables, together with Aydem Energy group companies, contributed to the efforts to support the earthquake zone in coordination with AFAD and Red Crescent from the first day. Aydem team of 160 people, including 44 search and rescue personnel from across the group companies, supported the efforts in the earthquake zone. They worked to provide energy to the region and to distribute the aid materials delivered. In Hatay, Aydem and the Red Crescent provided food support to 2,000 citizens every day.

Kızılcaören SPP illuminates the villages and streets of Uşak with the sun

Aydem Renewables, on behalf of Uşak Governorship and Provincial Special Provincial Administration, completed and delivered the SPP plant, which it undertook from project design to installation in Kızılcaören Village of Banaz district, to the Administration in a short period of 4 months. The SPP plant, which consists of 3,065 panels with a total installed power of 1.84 MWe on an area of approximately 28 thousand square meters in Kızılcaören Village, aims to generate 3 thousand MWh of energy annually. The SPP will meet the energy consumption of a total of 546 units, including 245 villages, and the organizations within its structure.

33 tons of triticale seed support for 100 farmers on the 100th anniversary of the Republic

Aydem Renewables provided 33 tons of triticale seed support to 100 farmers in the 100th anniversary of the Republic with a social responsibility project to popularize triticale agriculture and support farmers in Uşak.

Aydem Renewables acts with the motto "Always further for society" and realizes social responsibility projects for the local people it comes into contact with in the power plant regions. Triticale was planted on 170 decares of land in Uşak, where Turkey's largest hybrid SPP and purple wind turbines are located. The plant was harvested in the summer and 33 tons of seeds were obtained. A similar project is planned to be realized next year with the production of "Hungarian vetch", another fodder plant.

The first beekeeping research project in Turkey within the scope of biodiversity started in Söke

Contributing to Turkey's sustainability with its biodiversity projects, Aydem Renewables launched a research project in Söke, the first of its kind in Turkey, to determine the relationship between WPPs and the productivity of beehives. With the "Beekeeping Activities Monitoring and Support Project", the Company also provided theoretical and practical training to beekeepers from Söke in Aydın in cooperation with Düzce University Beekeeping Research Development and Application Center (DAGEM).

Key Indicators

Net Generation by Power Plant (GWh)								
Power Plant Name	2020	2020	2020	2020	2021	2021	2021	2021
	Realized							
	Quarter 1 Total	2. Quarter Total	3. Quarter Total	4. Quarter Total	Quarter 1 Total	2. Quarter Total	3. Quarter Total	4. Quarter Total
Bereket I-II HPP	5	6	8	10	4	5	6	8
Feslek HPP	5	6	7	9	4	5	7	8
Dalaman HPP	23	50	72	75	15	45	63	66
Gökyar HPP	9	14	16	20	9	12	14	19
Mentaş HPP	39	70	87	101	27	48	66	77
Koyulhisar HPP	3	58	132	177	12	47	95	101
Toros HPP	83	188	217	231	27	74	81	94
Aksu HPP	40	79	81	82	17	59	73	96
Kemer HPP	0	19	57	57	0	14	35	35
Adıgüzel HPP	0	25	29	29	0	5	4	4
Çırakdamı HPP	32	92	96	100	12	56	62	78
Dereli HPP	27	93	97	99	9	54	61	76
Söke WPP	48	81	124	157	47	90	136	177
Uşak WPP	49	72	102	131	46	79	111	154
Yalova WPP	42	70	115	150	45	70	108	152
Kızıldere GPP	0	0	0	0	0	0	0	0
Akıncı HPP	89	180	288	362	29	92	165	177
Göktaş 1 HPP	106	248	316	363	67	128	162	201
Göktaş 2 HPP	142	327	417	417	90	172	218	270
Total	742	1,680	2,261	2,636	457	1,053	1,467	1,793

Condensed Consolidated Statements (IFRS)

Summary Statement of Financial Position (TL million)

	31 Aralık 2023	31 Aralık 2022
Current Assets	4,738	5,040
Fixed Assets	50,868	54,749
Total Assets	55,607	59,788
Short Term Liabilities	2,087	2,633
Long Term Liabilities	24,899	27,833
Total Liabilities	26,986	30,466
Equity	28,621	29,322
Total Liabilities and Shareholders' Equity	55,607	59,788

Note: Inflation accounting has been applied to the presented data for 2022 and 2023 in accordance with TAS 29.

2022	2022	2022	2022	2023	2023	2023	2023
Realized							
Quarter 1 Total	2. Quarter Total	3. Quarter Total	4. Quarter Total	Quarter 1 Total	2. Quarter Total	3. Quarter Total	4. Quarter Total
4	6	6	9	4	6	7	10
5	5	5	6	3	5	5	6
31	60	83	86	2	27	54	61
12	18	20	25	6	12	14	20
43	60	78	90	19	45	59	78
38	76	143	197	27	97	171	244
75	174	196	207	19	84	99	114
30	82	90	103	33	74	86	112
10	35	92	92	0	4	37	37
0	0	0	0	0	0	0	0
18	90	99	113	26	112	124	132
15	92	100	111	27	120	131	138
50	91	137	176	41	77	114	152
38	69	110	156	43	95	187	268
37	65	103	143	33	55	97	140
0	0	0	0	0	0	0	0
68	139	238	317	50	193	308	420
78	168	223	272	40	102	148	193
109	229	303	368	53	138	200	260
661	1,457	2,024	2,469	421	1,241	1,837	2,380

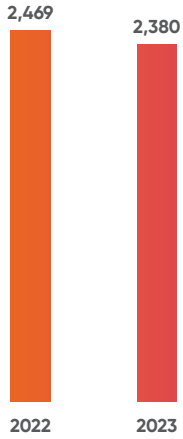
Summary Statement of Profit or Loss (TL Million)

	December 31, 2023	December 31, 2023
Revenue	6,359	7,566
Cost of Sales	(3,611)	(3,377)
Gross Profit	2,748	4,189
General Administrative Expenses	(632)	(349)
Other Operating Income, Net	941	876
Operating Profit	3,057	4,716
Depreciation and Amortization Expenses	2,130	2,148
EBITDA	5,187	6,864
EBITDA Margin (%)	82	91
Expenses from Investing Activities, Net	(3,358)	(4,942)
Finance Expenses, Net	(12,150)	(2,946)
Monetary Gain/(Loss)	14,307	13,271
Profit/(Loss) Before Tax from Continuing Operations	1,857	10,099
Tax (Expense)/Income	(3,137)	(5,126)
Net Profit/(Loss) for the Period	(1,280)	4,973

Note: Inflation accounting has been applied to the presented data for 2022 and 2023 in accordance with TAS 29.

Key Indicators

**Total Production
(GWh)**



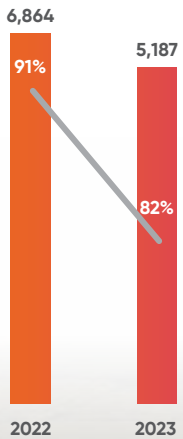
**Average Sales Price of Power Plants
(USD/MWh)***



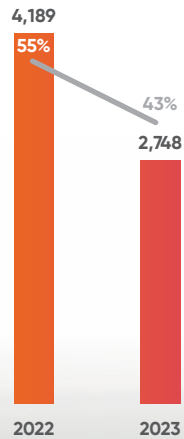
**Income
(TL million)**



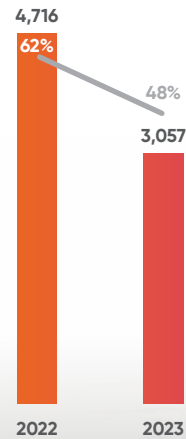
**EBITDA ve EBITDA Margin
(TL million/%)**



**Gross Profit and Gross Profit Margin
(TL million/%)**

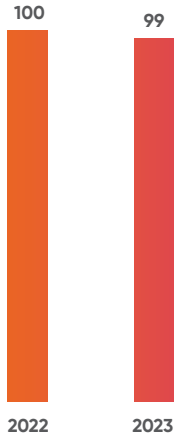


**Operating Profit and Gross Profit Margin
(TL million/%)**



*Including ancillary service income

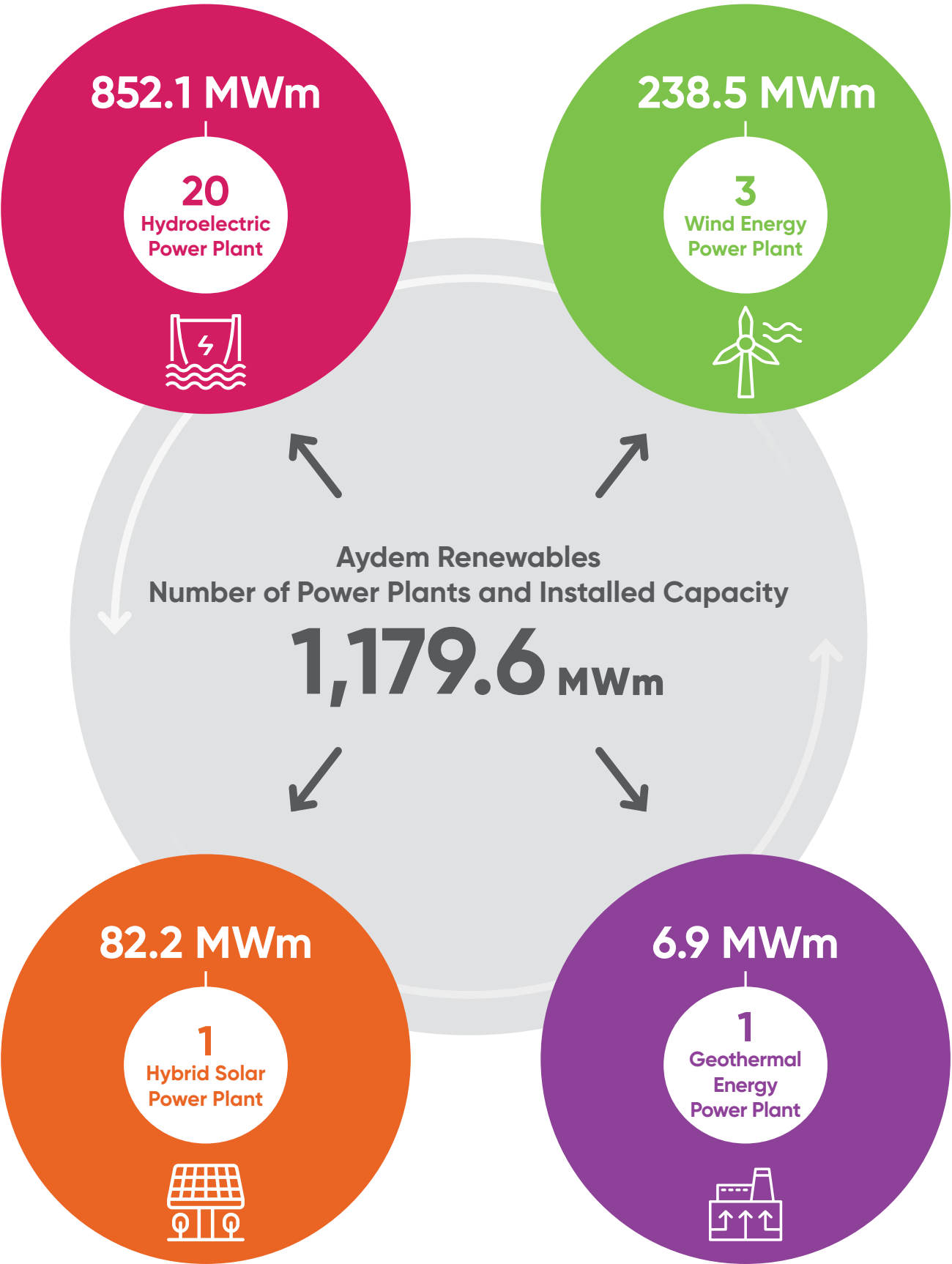
Note: Inflation accounting has been applied to the presented data for 2022 and 2023 in accordance with TAS 29.

Cash Conversion (%)**Cash and Cash Equivalents (TL million)****Net Financial Liabilities/EBITDA (x)**

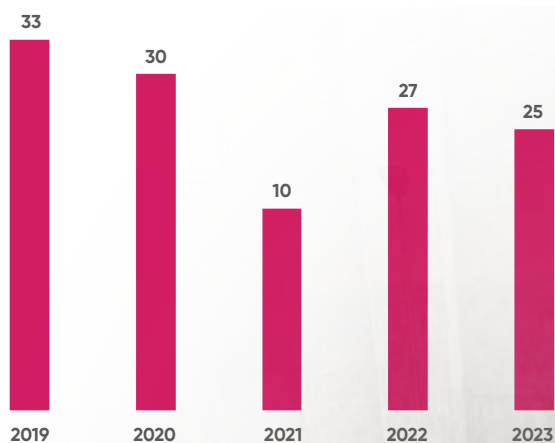
	2023	2022
Revenue (TL million)	6,369	7,566
EBITDA (TL million)	5,187	6,864
EBITDA Margin (%)	82	91
Cash Conversion (%)	99	100
Gross Profit (TL million)	2,748	4,189
Gross Profit Margin (%)	43	55
Operating Profit (TL million)	3,057	4,716
Operating Profit Margin (%)	48	62
Cash and Cash Equivalents (TL million)	2,020	2,717
Net Profit/(Loss) for the Period (TL million)	(1,280)	4,973
Net Financial Liabilities/EBITDA	3.5x	2.8x
Profit/(Loss) per Share (TL)	7.1	(1.8)

Note: Inflation accounting has been applied to the presented data for 2022 and 2023 in accordance with TAS 29.

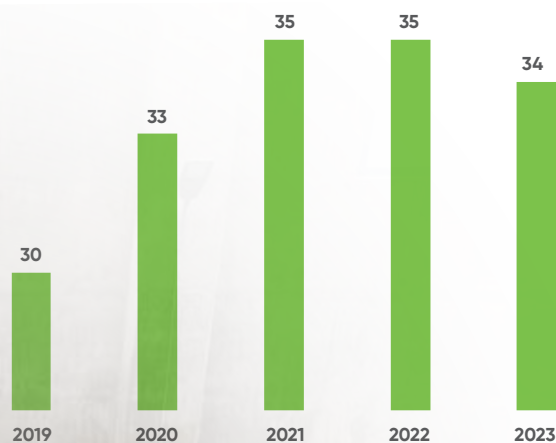
Key Indicators



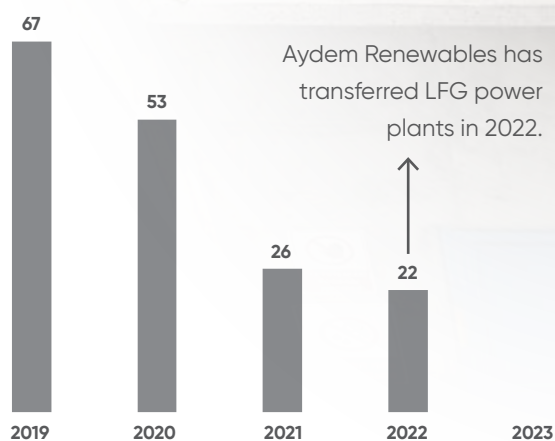
Capacity Utilisation Rate HPP (%)



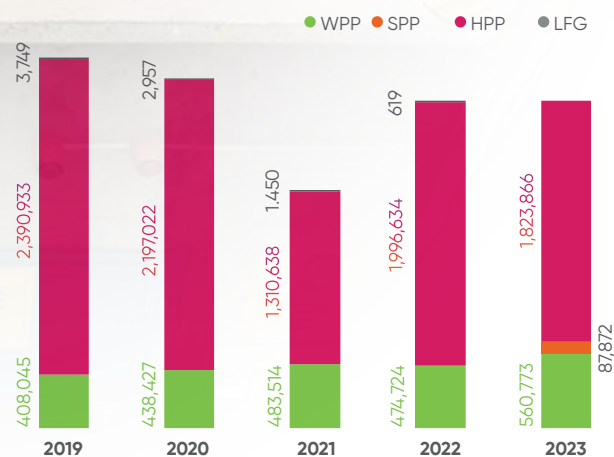
Capacity Utilisation Rate WPP (%)



Capacity Utilisation Rate LFG (%)



Electricity Production (MWh)



Awards and Achievements

Aydem Renewables won domestic and international awards in 2023 and its activities were appreciated by its stakeholders.



Science-Based Targets initiative (SBTi)'s Net-Zero Determination of Commitment

As a signatory of SBTi (Science Based Targets initiative), last year, in line with our Near-Term Goal commitment, our scope 1 and 2 emissions were classified in line with the 1.5°C trajectory. We are among the more than 5,000 companies in the world that have set Science Based Targets.



The 2023 Stevie International Business Awards®

The 2023 Stevie International Business Awards® "Purple Turbine Blades Project" "Bronze Stevie®" award in the Achievement Category of Corporate Social Responsibility.



LACP Vision Awards

6 Awards for 2022 Annual Report

Platinum Award in the Energy-Equipment Services category, 79th in the LACP 2022 Vision Awards Top 100 World Ranking, 7th in the Europe, Middle East and Africa (EMEA) Region Top 80, Gold Award for "Best Message to Shareholders" with the Annual Report in the EMEA Region Achievement Award, Technical Achievement Award, Turkey Top 20 list.

6 Awards for 2022 Sustainability Report

Platinum Award in the Energy-Equipment Services category, 71st in the LACP 2022 Vision Awards Top 100 World Ranking, 6th in the EMEA (Europe, Middle East and Africa) Region Top 80, "Best Developed Report" Gold Award, Technical Achievement Award, Turkey Top 20 list.



CDP Climate Change Reporting

Became one of the global climate leaders by achieving "A Leadership" score in Climate Change categories for the second consecutive year. (According to the 2023 CDP results, it is the only company in Turkey to be included in the Global A List in both Climate Change and Water Security categories for 2 consecutive years).

CDP Water Security Reporting

Water Security became one of the global climate leaders by scoring "A Leadership" for the second time in a row in the Climate Change categories. (According to the 2023 CDP results, it was the only company in Turkey to make the Global A List in both Climate Change and Water Security categories).



British Safety Council International Safety Award

"Distinction", the highest level of the British Safety Council International Occupational Safety Award, which was attended for the first time, with 51 points. The only company in the Turkish energy sector to receive the "Distinction" award.



Great Place to Work® Institute Turkey's Best Employers Survey

Success in being included in the Turkey's and Aegean's Best Employers Lists, as well as the Best Employers List for Production and Manufacturing.



Participation in the BIST Sustainability Index

Aydem Renewables, which considers sustainability in all its investments and activities, was included in the BIST Sustainability Index with its successful performance in this field.

CMB Corporate Governance Principles Compliance Note

As of 7 April 2023, the Company has the highest degree of compliance with Corporate Governance Principles among the BIST Electricity Index companies with 9.56 points (out of 10 full points) and continued to be included in the Borsa İstanbul Corporate Governance Index (XKURY).

Awards and Achievements



Turkey's Largest Hybrid SPP Uşak Hybrid SPP, Turkey's largest hybrid solar power plant, received ministerial acceptance on February 23, 2023 and started its production activities. With an installed capacity of 82.15 MWm, Uşak Hybrid SPP is also the first solar power plant of our company.

Turkey's Largest Purple Blade Turbines

Turkey's largest purple bladed wind turbines with a rotor diameter of 165 meters were installed and commissioned at Uşak Wind Power Plant.





Sustainable Production and Consumption Association (SÜT-D) "Low Carbon Hero" Award

Low Carbon Hero award for the fourth time with the emission values to be prevented by Uşak Hybrid SPP and Uşak WPP Capacity Increase projects.



Board of Directors



İdris KÜPELİ

Chairman of the Board of Directors

After double majoring in Finance and Business Administration at Florida International University, USA, he completed his master's program (MBA) in the same departments at Miami University, USA. He started his career at Laurel Oak Financial Services. Between 2005 and 2009, he worked as a Director at Morgan Stanley in the USA and then continued as a Project Director at NextEra Energy in Miami, USA between 2009 and 2012. In 2012, he returned to Turkey and worked as Project Finance and Trade Director at TANAP, Trans Anatolian Natural Gas Pipeline Project, one of the most important energy projects of Turkey and Azerbaijan, until 2014. Subsequently, he served as Group Chief Investment Officer (CIO) of SOCAR Turkey. As of 2018, Mr. Küpelİ is the Chief Executive Officer (CEO) of Aydem Energy and Chairman of the Board of Directors of Aydem Renewables.



Serdar MARANGOZ

Vice Chairman of the Board of Directors and General Manager

Serdar Marangoz graduated from METU Electrical and Electronics Engineering Department and started his career at Siemens AG. Since 2009, Mr. Marangoz has assumed senior management positions in different companies under the roof of Aydem Energy, and continued to work as Aydem Electricity Market and Regulation Manager, Executive Board Member at ADM and GDZ Electricity Distribution companies, respectively. In 2019, he was appointed as Chief Commercial Officer (CCO) of Aydem Energy and Board Member of Aydem Renewables. In 2019, he was appointed as a member of the Board of Directors of Aydem Retail and Gediz Retail companies, as well as general manager since 2021. Until 2023, he served as the general manager of retail group companies. As of October 25, 2023, Marangoz has been serving as the General Manager of Aydem Renewables.



Asya Vuslat SALDANLI

Board Member

Asya Vuslat Saldanlı, who completed her high school education in Denizli and studied English for a year at Mentora College in Washington, DC, graduated from George Mason University, Department of Systems Engineering. Saldanlı, who focused on operations research and renewable energy in school, did her graduation project on the development and optimization of a transportation network consisting of flying vehicles. After graduating in 2020, Saldanlı returned to Turkey and joined Aydem Energy.

Asya Vuslat Saldanlı, who has been actively involved in various projects in Aydem Energy's subsidiaries, started to serve as a Board Member of the company in December 2021.



Galip AYKÖSE

Board Member

In 1998, Galip Ayköse completed his undergraduate studies at METU Business Administration Department and started his career in the audit department of Arthur Andersen and worked at different levels within Ernst & Young until 2012. Afterwards, he assumed managerial positions in the finance teams of Petline, Karadeniz Holding and Çalık Enerji in the energy sector, and in May 2019, he started to work as the Chief Financial Officer of Aydem Holding. In addition to this position, Ayköse also served as a member of the Board of Directors in Aydem Holding companies and was reappointed as a member of the Aydem Renewables Board of Directors in September 2023.



Ersin AKYÜZ*

Independent Board Member

Ersin Akyüz holds a BA and MA in Economics from the London School of Economics and an MBA in Finance from the University of Chicago. He started his career at Bankers Trust International Ltd. in London in 1989, followed by Morgan Stanley in London in 1996. In 2005, he joined Deutsche Bank in London and then moved to Deutsche Bank in Turkey in 2008 as CEO and country manager. Ersin Akyüz retired in 2019 after a thirty-year banking career and was appointed as an independent board member of the Company in April 2020.



Serpil DEMİREL

Independent Board Member

Serpil Demirel holds a bachelor's degree in Metallurgical Engineering from METU. She started her career as a sales engineer at Doğa Madencilik Company within Eczacıbaşı in 1993 and worked as marketing and sales manager between 1999 and 2004. In 2004, Demirel joined Esan following the merger of Doğa Madencilik and Esan companies within Eczacıbaşı and served as domestic sales manager, marketing sales manager, marketing sales director, marketing sales director and assistant general manager, respectively. Between January 1, 2015 and March 31, 2021, she worked at Esan, first as general manager and then as CEO. Serpil Demirel was appointed as an independent board member of the Company in June 2021.

*Mr. Ersin AKYÜZ resigned from the Board of Directors of the Company on 18.03.2024 and Mr. Aslı DURMAZ was appointed as a member of the Board of Directors to serve until the same term of office and to submit to the approval of the shareholders at the first general assembly meeting.

Board of Directors



Fatma Dilek BİL

Independent Board Member

Having completed her high school education at Northport High School in the USA and her higher education in international finance and international marketing at the University of North Texas, Dilek Bil worked as a banker in the fields of credit and marketing at American Express Bank, Koç-American Bank, BNP-AK-Dresdner and Societe Generale. In 1994, she founded Kangaroo Communication and Consultancy and provided strategic brand communication and creative advertising solutions to many national and international brands until 2012. Since 2012, he has been providing sustainable development consultancy to organizations.

She is the founder of Purpose-Sustainable Ideas platform and a partner of Mentoro Platform. She focuses on integrating business strategies with sustainability strategies, communication with internal and external stakeholders, sustainability reporting, setting and measuring targets. It produces solutions that will pave the way for the business world in this regard. As of 2016, he is an Independent Member of the Board of Directors of Akmerkez REIT. He is the Chairman of the Risk Committee and a member of the

Corporate Governance and Audit Committees.

He is a member of WWF Turkey-DHKV Board of Directors. He manages corporate governance and risk issues. He is the Sustainability Advisor to the Board of Directors of Turkish Clothing Manufacturers' Association (TGSD) and the founding mentor of GENÇ TGSD-Sustainability Platform representing TGSD.

She is a member of UN Global Compact Turkey and works in the Environment Working Group. She served as the President of KAGIDER (Women Entrepreneurs Association) and is a member of the High Advisory Board. She is the Chairman of the Board of Directors of "Accademia Italiana della Cucina İstanbul" affiliated to the Italian Ministry of Culture. She works on the development of agriculture-based economies and gastro-economy between Italy and Turkey.

He took part in the establishment of the Friends of Wine Association in 1989 and has been the Chairman of the Board of Directors since January 2020. He works with the mission of developing viticulture and wine culture. He is a founding member of FODER (Financial Literacy and Inclusion Association) and served as Vice Chairman of the Board of Directors for 6 years. He is the advisor to the 35th President of Galatasaray Sports Club. He prepared and presented the program "Let This World Last!" on CNBC-e to draw attention to the importance of creating economic, social and environmental benefits by integrating sustainability principles into business strategy in Turkey. She was a member of the Executive Board of the Turkish-British Business Council of DEİK and was involved in the establishment of the "Grow with Turkey" platform. She is married to Faruk Bil and is the mother of Ömer Fuad.



Mehmet Hayati ÖZTÜRK

Independent Board Member

Mehmet Hayati Öztürk holds a bachelor's degree in Chemical Engineering from Hacettepe University. He started his career in 1977 at Petkim, the only large-scale petrochemical producer in Turkey, which has been listed on the stock exchange since 1990. After serving in various positions at Petkim, he was appointed as Petkim's Assistant General Manager responsible for R&D, finance, projects, investments, planning, sales and marketing. He served as Petkim's General Manager between 2010 and 2012 and as a member of the Board of Directors between 2012 and 2015. Mehmet Hayati Öztürk, who worked as the CEO advisor of SOCAR Turkey, Turkey's largest foreign investor, until August 2017, was appointed as an independent board member of the Company in April 2020.

Aydem Renewables Board of Directors

Name - Surname	Mission	Election Based Board Decision	Appointment Date	Termination Date
Aydem Holding Inc. Real Person Representative İdris KÜPELİ	Chairman of the Board of Directors	Executive Decree dated 29.03.2023 and numbered 2023/14	29.03.2023	29.03.2026
Serdar MARANGOZ	Vice Chairman of the Board of Directors	Executive Decree No. 2023/28 dated 25.10.2023	25.10.2020	29.03.2026
Galip AYKÖSE	Board Member	Executive Decree No. 2023/25 dated 25.09.2023	25.09.2023	29.03.2026
Asya Vuslat SILDANLI	Board Member	Executive Decree dated 29.03.2023 and numbered 2023/14	29.03.2023	29.03.2026
Fatma Dilek BİL	Independent Board Member	Executive Decree dated 29.03.2023 and numbered 2023/14	29.03.2023	29.03.2026
Serpil DEMİREL	Independent Board Member	Executive Decree dated 29.03.2023 and numbered 2023/14	29.03.2023	29.03.2026
Mehmet Hayati ÖZTÜRK	Independent Board Member	Executive Decree dated 29.03.2023 and numbered 2023/14	29.03.2023	29.03.2026
Ersin AKYÜZ*	Independent Board Member	Executive Decree dated 29.03.2023 and numbered 2023/14	29.03.2023	29.03.2026

29 meetings of the Board of Directors were held in 2023 and the attendance rate was realized as 100%.

	Independent Member of the Board of Directors	Female Member in the Board of Directors	Executive Member of the Board of Directors
Quantity	4	3	2
Ratio	50%	37.50%	25%

*Mr. Ersin AKYÜZ resigned from the Board of Directors of the Company on 18.03.2024 and Mr. Aslı DURMAZ was appointed as a member of the Board of Directors to serve until the same term of office and to submit to the approval of the shareholders at the first general assembly meeting.

Board of Directors

Duties of the members of the Board of Directors and executives outside the Company

Name-Surname	Person Acting on Behalf of a Legal Entity Member	Gender	Mission	Profession	Date of First Election to the Board of Directors	Whether the Executor is in Charge	Duties in the Incorporation in the Last 5 Years	Positions Held Outside the Company as of the Latest Status
AYDEM HOLDING INC.	İDRİS KÜPELİ	Male	Chairman of the Board of Directors	Manager	03/04/2020	Executive Officer	Chairman of the Board of Directors	(i) GDZ Enerji Yatırımları Inc. (representing Aydem Holding Inc.), (ii) Aydem Elektrik Perakende Inc. (representing Aydem Holding Inc.), (iii) Parla Solar Panel ve Hücre Üretim Inc. (representing Aydem Holding Inc.), (iv) Gediz Elektrik Perakende Satış Inc. (representing Aydem Holding Inc.), (v) Aydem Enerji Yatırımları Inc. (representing Aydem Holding Inc.), (vi) Aydem Plus Enerji Çözümleri Trade Inc. (representing Aydem Holding Inc.), (vii) YF Operational Kiralama Inc. (representing Aydem Holding Inc.), (viii) Akköprü Yenilenebilir Enerji Inc. (representing Aydem Yenilenebilir Enerji Inc.), (ix) Parla Enerji Yatırımları Inc. (representing Aydem Holding Inc.), (x) ADM Energy Elektrik Yatırımları Inc. (representing Parla Enerji Yatırımları Inc.), (xi) Gediz Enerji Yatırımları Inc. (representing GDZ Enerji Yatırımları A.Ş.), Vice Chairman: (i) Elsan Elektrik Gereçleri Sanayi ve Ticaret Inc. (representing Aydem Holding Inc.), Board Member: (i) Aydem Holding Inc. – CEO
SERDAR MARANGOZ		Male	Vice Chairman of the Board of Directors	Manager	25/10/2023	Executive Officer	Vice Chairman of the Board of Directors, Board Member, General Manager	Chairman of the Board of Directors : Sarı Perakende Enerji Satış Ve Ticaret A.Ş., Vice Chairman of the Board of Directors: Entek Elektrik İnşaat Inc., Board Member: YF Operational Leasing Inc. (representing GDZ Enerji Yatırımları Inc.), Elsan Elektrik Gereçleri San. Ve Trade Inc., Akköprü Yenilenebilir Enerji Inc.
GALİP AYKÖSE		Male	Board Member	Manager	25/09/2023	Non-Executive	Board Member	Aydem Holding Inc. Chief Financial Officer, Board Member: (i) Aydem Enerji Yatırımları Inc., (ii) Gediz Elektrik Perakende Satış Inc. (representing Gdz Enerji Yatırımları Inc.), (iii) Aydem Elektrik Perakende Satış Inc. (representing Adm Energy Yatırımları Inc.), (iv) Aydem Plus Enerji Çözümleri Trade Inc.
ASYA VUSLAT SILDANLI		Female	Board Member	Engineer	20/12/2021	Non-Executive	Board Member	Aydem Holding Inc. System Engineer; Chairman of the Board of Directors: Sürdür Store Tasarım Bilişim ve Ticaret Inc.
MEHMET HAYATİ ÖZTÜRK		Male	Board Member	Chemical Engineer	03/04/2020	Non-Executive	Independent Board Member	
ERSİN AKYÜZ		Male	Board Member	Manager	03/04/2020	Non-Executive	Independent Board Member	
SERPİL DEMİREL		Female	Board Member	Engineer	10/06/2021	Non-Executive	Independent Board Member	
FATMA DİLEK BİL		Female	Board Member	Manager	10/06/2021	Non-Executive	Independent Board Member	(i) Purpose-Sustainable Ideas platform founder, (ii) Mentoro Platform partner, (iii) Akmerkez REIT Independent Board Member, (iv) WWF Turkey-DHKV Board Member, (v) Turkish Clothing Manufacturers' Association (TGSD) Board of Directors Sustainability Advisor, (vi) Member of UN Global Compact Turkey, (vii) High Advisory Board Member of KAGIDER (Women Entrepreneurs Association), (viii) Chairman of the Board of Accademia Italiana della Cucina İstanbul, (ix) Chairman of the Board of Friends of Wine Association, (x) Founding Member of FODER (Financial Literacy and Access Association)

At least 5 Years of Experience in Auditing, Accounting and/or Finance	Share in Capital (%)	Share Group Represented	Independent Member of the Board of Directors	Link to the PDP Disclosure of Independence Declaration	Whether the Independent Member is Evaluated by the Nomination Committee	Whether there are any members who lost their independence	Committees and Duties
Yes	81.56	A	Not Independent Member				Chairman of the Investment Committee
Yes		A	Not Independent Member				Investment Committee Member, Sustainability, Environment, Occupational Health and Safety Committee Member
Yes		A	Not Independent Member				
No.		A	Not Independent Member				
Yes			Independent Member	https://www.kap.org.tr/en/Bildirim/1007608	Not evaluated	No.	Member of the Investment Committee - Member of the Audit Committee - Member of the Corporate Governance Committee - Chairman of the Early Detection of Risk Committee - Member of the Environment OHS Continuity Committee
Yes			Independent Member	https://www.kap.org.tr/en/Bildirim/1007608	Not evaluated	No.	Member of the Investment Committee - Chairman of the Audit Committee - Member of the Corporate Governance Committee - Member of the Early Detection of Risk Committee - Member of the Environment OHS Continuity Committee
Yes			Independent Member	https://www.kap.org.tr/en/Bildirim/1007608	Not evaluated	No.	Corporate Governance Committee Chairman - Early Risk Detection Committee Member - Investment Committee Member - Environment OHS Continuity Committee Member - Audit Committee Member
Yes			Independent Member	https://www.kap.org.tr/en/Bildirim/1007608	Not evaluated	No.	Chairman of the Environment OHS Continuity Committee - Audit Committee Member - Corporate Governance Committee Member - Early Detection of Risk Committee Member - Investment Committee Member

Evaluation of the Board of Directors

Messages from Management, Risks and Opportunities

As Aydem Renewables, we use internationally recognized risk management principles in our risk management processes and fully comply with the Capital Markets Board's Corporate Governance Principles regulation. As Aydem Renewables, we integrate risk management into the entirety of our activities and strategic planning; we implement a reliable risk management mechanism in all our investment decisions and processes, and evaluate all risks and opportunities comprehensively. Thanks to our risk awareness, which has become a corporate culture in all our processes and units, we ensure that our strategic decisions and operational activities remain within the limits of our risk appetite, and we manage all risk factors that may adversely affect our Company and our stakeholders, including financial performance and reputation, in the most effective way. We regularly review the risk management policies and systems that we have determined in order to identify and analyze the risks to be encountered, determine appropriate risk limits and monitor key risk indicators and risks in comparison with the relevant limits.

The Board of Directors is responsible for establishing plans and policies regarding risk management activities at Aydem Renewables. The Board of Directors has assigned the Early Detection of Risk Committee to manage risks effectively. The Committee consists of non-executive members of the Board of Directors and is chaired by an independent member of the Board of Directors. The Early Detection of Risk Committee

convenes periodically at least six times a year and more frequently if needed. Aydem Renewables Risk Management Policy has been approved by Aydem Renewables Board of Directors and explains Aydem Renewables' risk management strategy, general principles and management principles regarding the risk management framework. The Company's risk management manager or legal and compliance manager is responsible for the creation of supporting documentation and implementation of risk management activities in parallel with the Risk Management plan and policies. In addition, risk management has been fully integrated into Aydem Renewables' daily operations and strategic planning in order to make faster decisions and take quick action in volatile and competitive market conditions.

As Aydem Renewables, we work with the belief that protecting the assets and values of our Company in the long term, ensuring sustainable financial performance, competitiveness and growth, and protecting the interests of all our stakeholders can be achieved through effective management of financial and non-financial risks. In addition to the financial effects of risks, we evaluate the reputational effects that may arise, the effects before supervisory and regulatory bodies, the effects on employees, and our value chain. As Aydem Renewables, we use internationally recognized risk management principles in our risk management processes and fully comply with the Capital Markets Board's Corporate Governance Principles regulation.

As Aydem Renewables, we integrate risk management into the entirety of our activities and strategic planning; we implement a reliable risk management mechanism in all our investment decisions and processes, and comprehensively evaluate all risks and opportunities. Thanks to our risk awareness, which has become a corporate culture in all our processes and units, we ensure that our strategic decisions and operational activities remain within the limits of our risk appetite, and we manage all risk factors that may adversely affect our Company and our stakeholders, including financial performance and reputation, in the most effective way.

Thanks to our pioneering role in renewable energy generation in our country, we actively benefit from the legal regulations and incentives that support clean energy and seize the opportunities offered by these regulations without wasting time. In this context, as an indicator of our foresighted and accurate investments in the past, 79.64% of our 2023 total net generation amount from renewable energy sources was subject to the "Renewable Energy Resources Support Mechanism" FIT (YEKDEM), the most important incentive program in our country, which was created to encourage rapid growth in renewable energy generation and offers a 10-year, dollar-indexed purchase guarantee, and thus we obtained 79.93% of our 2023 revenues with a fixed dollar-indexed pricing. In this context, we manage our currency risk.

In order to manage operational risks, we regularly conduct structural, hydraulic, geological and topographical inspections at our power plants and prepare and implement our action plans; we continuously monitor and analyze wind data at our power plants with our technical teams. For our sustainable financial success target, thanks to our regular maintenance, all efficiency-enhancing effective reinforcement, rehabilitation works and investments, our availability ratio, which is one of the most important indicators of energy production efficiency and represents the ratio of the time when the power plant is ready to generate energy to the maximum time when the relevant power plant can theoretically generate energy, was realized as 99.6%, well above the sector average. As Aydem Renewables, we have modern power plants equipped with high quality and long-lasting equipment and machinery. With our portfolio of young power plants and continuous updates to our equipment and systems, we incur less maintenance costs, which we see as a strategic advantage, and we also believe that technology plays a critical role in the implementation of our plans to transition to a low carbon economy and our climate goals. As Aydem Renewables, we implement our environmental and social management plans prepared on the basis of all our power plants and regularly check our practices.

Furthermore, we are aware that the new incentive mechanism established by legal regulation in 2020 in order to support hybrid power plants that produce from renewable energy sources in our country is a great opportunity that we can achieve positive results in the short and medium term. Through this mechanism, which allows companies to build a new production plant on the sites of their existing plants and to benefit from the capacity in the licence of their existing plants, we aim to benefit from more than one renewable energy source in a single power plant, to eliminate the negative effects that may arise from climate change risks, and to significantly increase our efficiency, total net production and revenues.

Assessment of the Board of Directors on the Internal Audit and Control System and the Activities Carried Out in this Scope

Internal audit and control activities carried out within Aydem Yenilenebilir Enerji Inc. have a systematic structure designed to evaluate whether risk management, financial reporting, control and governance processes are carried out effectively, adequately, efficiently and in compliance with existing legal and internal regulations, and whether information systems are managed in a safe and reliable manner. The Internal Audit Function, which carries out its activities within this scope with a risk-oriented approach, reports its activities carried out to provide reasonable assurance to the Board of Directors,

shareholders and other stakeholders to the Audit Committee consisting of independent members and acts as an independent and objective assurance function that receives its authorization from the Board of Directors of the company through the Audit Committee. The Internal Audit Function also oversees the proper definition, adequate and effective realization of the objectives related to compliance with the ethical rules and working principles defined within the company and fulfills the activities within its area of responsibility.

Accordingly, central and on-site internal audit activities were conducted within the Company in accordance with the Audit Plan for 2023. Audit and control activities were found to be capable of providing a reasonable level of assurance to risk management, internal control and governance processes. Agreements were reached with the Management on actions to improve individual control deficiencies identified during the audits and periodically monitored whether these actions were implemented in a timely manner.

Evaluation of the Board of Directors

Assessment of the Board of Directors on the Financial Position and Results of Operations

As a result of great efforts and devoted work, our company was offered to the public on April 29, 2021 and started trading on the Borsa İstanbul – Stars Market and was recorded as the largest public offering of the last three years with a size of TL 1.3 billion.

In addition, the sale and issuance of USD 750 million bonds with a maturity of 5.5 years was completed on August 2, 2021. With the amount obtained through the bond issuance, the Company's loan debt to the banks has been fully repaid and the remaining amount is planned to be used in the next 3 years in line with the Company's goal of doubling its installed capacity. With this successful bond issuance, in which leading fund institutions from around the world participated, the Company will not make any principal payments for three years and this fund will be used for investments in the same way.

As of March 20, 2021, our Company has started to apply cash flow hedge accounting in order to present financial performance more accurately and reflect the results of operations more realistically.

In 2023, 2,380 GWh of generation was realized, generating revenues of TL 6.4 billion. With the positive contributions of effective portfolio management and high availability ratios, our EBITDA was realized at TL 5.2 billion, corresponding to an EBITDA margin of 82%.

The Company's net financial debt, which was TL 19 billion in 2022, amounted to TL 18 billion at the end of 2023, with a net financial debt/ EBITDA ratio of 3.5.

Assessment of the Board of Directors on the Committees

There are five committees within the Board of Directors: Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee, Investment Committee, Sustainability, Environment, Occupational Health and Safety Committee.

The Audit Committee convenes at least four times a year, at least once every three months; the Corporate Governance Committee convenes at least four times a year; the Early Detection of Risk Committee convenes at least six times a year; the Investment Committee convenes once every three months; and the Sustainability, Environment, Occupational Health and Safety Committee convenes once every three months.

The Committees convened in accordance with the meeting agendas established within the scope of their objectives and duties, within the framework of their working principles, and recommendations and presentations were made to the Board of Directors in line with the decisions taken.

Detailed information on committees

<https://yatirimciiliskileri.aydemyenilenebilir.com.tr/en/corporate-governance/board-of-directors/committees>

Senior Management



Serdar MARANGOZ

General Manager

Serdar Marangoz graduated from METU Electrical and Electronics Engineering Department and started his career at Siemens AG. Since 2009, Mr. Marangoz has assumed senior management positions in different companies under the umbrella of Aydem Energy, and continued to work as Aydem Electricity Market and Regulation Manager, Executive Board Member at ADM and GDZ Electricity Distribution companies, respectively. In 2019, he was appointed as Chief Commercial Officer (CCO) of Aydem Energy and Board Member of Aydem Renewables. In 2019, he was appointed as a member of the Board of Directors of Aydem Retail and Gediz Retail companies, as well as general manager since 2021. Until 2023, he served as the general manager of retail group companies. As of October 25, 2023, Marangoz has been serving as the General Manager of Aydem Renewables.



Firat SOĞANCIK

Finance Director

Firat Soğancık graduated from İstanbul Technical University, Department of Management Engineering and worked as Structured Finance Senior Specialist at TAV Airports Holding between August 2005 and September 2009. He then worked at Zorlu Enerji as Structured Finance Chief from October 2009 to November 2010 and at Ak Enerji as Business Planning and Modeling Manager from November 2010 to November 2014. Subsequently, he worked as Budget and Control Manager at Akcez Energy from December 2014 to December 2015. Between January 2016 and June 2021, he served as Deputy CFO and Acting CFO at Sakarya Elektrik Dağıtım Inc. Firat Soğancık, who started as Treasury Manager at Aydem Renewables in September 2021, was appointed as the Company's Financial Affairs Director in April 2023.



Adnan CAN

Operations Director

Adnan Can graduated from Karadeniz Technical University, Department of Electrical and Electronics. He started his career at EÜAŞ in 1990, where he worked in various managerial positions. Adnan Can was appointed as Operations Director at Aydem Renewables in 2019.

*Mr. Firat Soğancık, who served as the Finance Director of our Company, resigned from his position as of March 31, 2024. At the Board of Directors Meeting of our Company dated April 1, 2024 and numbered 2024/13, it was decided to appoint Mr. Mehmet Özülkü as the Financial Affairs Director.

Senior Management



Hüseyin GÜNLÜ

Project and Maintenance Director

Hüseyin Günlü holds a bachelor's degree in Mechanical Engineering from Gaziantep University. He started his career as a site supervisor at Batman Dam and HPP in 1995, as a site supervisor at Karkamış Dam and HPP between December 1997 and February 1999, as a calibration specialist at TSE-Sojustest Metrology and Calibration Company between March 1999 and November 2001, and as a mechanical maintenance specialist engineer at Petkim Petrokimya Holding Inc. between November 2001 and August 2008. Between August 2008 and August 2009, he worked as a senior mechanical maintenance engineer at Botaş Oil Pipeline Company.

In August 2009, Günlü rejoined Petkim Petrokimya Holding Inc., where he had previously worked as a mechanical maintenance specialist engineer, and worked as central workshop manager until November 2011, and then as mechanical and construction support manager between November 2012 and October 2016. After working as project manager at PSG Engineering and Construction between May 2017 and October 2018, Günlü worked as project and plant manager at Salt Project Makine between October 2018 and February 2019. Günlü has been working as Maintenance and Project Director at the Company since February 2019.



Erdem UYSAL

Investment and Business

Development Director

Erdem Uysal graduated from Middle East Technical University, Department of Civil Engineering and started his career in 2006 in Gama's industrial plant project abroad. He then took part in İçtaş's cultural center and living complex projects abroad. In 2010, he returned to Turkey and worked in Finansbank's project finance team. Subsequently, he assumed different roles in project management, budget, work program and contract management in İçtaş's and Rönesans' domestic projects. Until May 2022, Uysal worked as Asset Management Director at Rönesans, managing investment plans and operating budget processes, before joining Aydem Energy. Uysal took office as Aydem Renewables Investment and Business Development Director in January 2023.

Personnel with a Voice in Management

Name-Surname	Mission	Profession	Duties in the Incorporation in the Last 5 Years	Positions Held Outside the Company as of the Latest Status
Serdar MARANGOZ	Vice Chairman of the Board of Directors, General Manager	Manager	Vice Chairman of the Board of Directors, Board Member, General Manager	Chairman of the Board of Directors: Sarı Perakende Enerji Satış Ve Ticaret Aş, Vice Chairman of the Board of Directors: Entek Elektrik İnşaat Inc., Board Member: YF Operational Leasing Inc. (representing GDZ Enerji Yatırımları Inc.), Elsan Elektrik Gereçleri San. Ve Trade Inc., Akköprü Yenilenebilir Enerji Inc.
Fırat SOĞANCIK*	Finance Director	Certified Public Accountant	Finance Director, Treasury Manager	
Adnan CAN	Operations Director	Electrical Engineer	Operations Director	
Hüseyin GÜNLÜ	Maintenance and Project Director	Mechanical Engineer	Maintenance and Project Director	
Erdem UYSAL	Investment and Business Development Director	Civil Engineer	Investment and Business Development Director	

*Mr. Fırat Soğancı, who served as the Finance Director of our Company, resigned from his position as of March 31, 2024. At the Board of Directors Meeting of our Company dated April 1, 2024 and numbered 2024/13, it was decided to appoint Mr. Mehmet Özülcü as the Financial Affairs Director.

Financial Rights Provided to Board Members and Senior Executives

Between 01.01.2023–31.12.2023, the total gross amount of financial benefits provided to Board Members and Senior Executives is TL 37,374,290.

Declaration of Compliance with Corporate Governance Principles

Aydem Yenilenebilir Enerji Inc. ("the Company") continues its efforts to internalize and implement the "Corporate Governance Principles" determined by the Capital Markets Board ("CMB") within the Company. The Investor Relations Unit, which is assigned to internalize and develop Corporate Governance practices and whose activities are overseen by the Company's Corporate Governance Committee, continues its activities in the areas of public disclosure and transparency, shareholder and stakeholder relations within the framework of the Capital Markets Law ("CMB"), the Turkish Commercial Code ("TCC"), the Company's Articles of Association and the CMB Corporate Governance Communiqué No. II-17.1 ("Communiqué").

The Company is in the first group according to the grouping made by the CMB according to the systemic importance of companies in terms of the implementation of Corporate Governance Principles. In this context, the Company complies with all mandatory Corporate Governance Principles.

On the other hand, the Corporate Governance Principles, which are not mandatory but not yet implemented/partially implemented within the Company, have not led to any conflict of interest so far. In this context, the principles not yet implemented/partially implemented are listed below:

Regarding principle numbered **1.4.2**, the Company has shares with privileged voting rights; According to the Company's Articles of Association;

- Provided that the capital represented by Class A shares continues to represent at least 30% of the issued capital of the Company, half of the members of the Company's Board of Directors shall be elected among the candidates nominated by the shareholders holding the majority of the capital represented by Class A shares,
- Approval of the annual report, budget and financial statements and release of the members of the Board of Directors,
- To amend the articles of association, except for capital increases to be made according to the registered capital system,
- Changing the Company's field of activity, entering into new lines of business or abandoning existing lines of business
- Capital increase, liquidation, dissolution, termination, capital decrease, change of type of the Company, except for capital increases to be made according to the registered capital system,
- To apply for bankruptcy, concordat, financial restructuring within the scope of Article 309/m. of the Execution and Bankruptcy Law No. 2004,
- To transfer all or part of the commercial enterprise of the Company,
- In order for Class A shares to be sold on the stock exchange, such

sale must be approved by the shareholders holding the majority of the capital represented by Class A shares,

- can only be taken with the approval of the shareholders holding the majority of the capital represented by Class A shares.

Regarding principle **1.5.2**, utmost care is given to the exercise of minority rights. Shareholders constituting one-twentieth of the share capital may request the Board of Directors to call the general assembly for a meeting by stating the reasons and the agenda in writing, or if the general assembly is already convened, they may request the Board of Directors to put the matters they wish to be resolved on the agenda. The request to add an item to the agenda is made pursuant to Article 411 of the Law.

Regarding principle **3.4.1**, the Company holds ISO 9001: Quality Management System, ISO 14001: Environmental Management System, ISO 27001: Information Security Management System, ISO 45001: Occupational Health and Safety Management System and ISO 50001: Energy Management System certificates as an indicator of its sensitivity to quality, environment, community and employee health in all its activities. The Company is committed to maximizing customer and employee satisfaction through its quality, environmental, information security, occupational health and safety management systems policies.

Regarding principle no. **4.2.8**; although the Company has a directors and officers liability insurance, the policy amount is below the rate mentioned in the Communiqué, considering the high capital of the Company.

Regarding principle no. **4.4.7**; due to the significant contribution of the Company's Board Members' work experience and sectoral experience to the Board of Directors, they are not restricted from assuming other duties outside the Company and this situation does not cause any conflict of interest. It is also submitted for the information of the shareholders at the general assembly meeting. The resumes of our Board Members are included in our annual report and on the Company's corporate website.

Regarding principle no. **4.5.5**; Committees are formed in accordance with the relevant regulations, taking into account the knowledge and experience of the members of the Board of Directors, and based on the requirement of the Communiqué that the chairmen of the committees should be elected among the Independent Members of the Board of Directors, the members of the Board of Directors are assigned to more than one committee, taking into account the number of committees to be formed. On the other hand, members serving on more than one committee ensure communication between the committees working on related issues, increase opportunities for cooperation and ensure that the committees act in accordance with their legal authorities and responsibilities.

Regarding principle **4.5.7**; since the Committees do not receive consultancy services from any

person/organization, information on the independence of the consultancy service is not included in the annual report.

Regarding principle no. **4.6.5**; it is aimed to establish a balance between the rights and interests that need to be protected in terms of the Personal Data Protection Law and Remuneration Policy and the rights of shareholders and stakeholders to receive information in terms of the transparency requirement in accordance with the Communiqué, taking into account the principle of proportionality in the disclosure of remuneration and fringe benefits provided to the members of the Board of Directors and senior executives. In this context, the remuneration of the members of the Board of Directors and senior executives is not disclosed on an individual basis and is included in the annual report as a total amount.

According to the Corporate Governance Rating Report prepared by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri Inc. and disclosed to the public on April 7, 2023, the Company's corporate governance rating score is 9.56 (out of 10) and the main headings are as follows: Shareholders 9.21, Public Disclosure and Transparency 9.88, Stakeholders 9.92 and Board of Directors 9.42. The Company has been included in the Borsa İstanbul Corporate Governance Index (XKURY) since April 21, 2022.

The Company's "Corporate Governance Compliance Report" and "Corporate Governance Information Form" for the year 2023 were published on the Corporate Website of the Public Disclosure Platform (<https://www.kap.org.tr/en/>) on March 3, 2023 in accordance with the CMB's decision dated 10.01.2019

and numbered 2/49. The relevant report and information form and their updates during the period can be accessed by selecting the Company name, notification type and subject (Corporate Governance Information Form/Corporate Governance Compliance Report) from the detailed query field in the notification queries tab.

<https://www.kap.org.tr/en/Bildirim/1119444>
<https://www.kap.org.tr/en/Bildirim/1119443>

In addition, in order to increase the Company's compliance with corporate governance principles in 2024, an action plan has been prepared for the non-mandatory and non-implemented items and all necessary work is underway for all practices that can be put into effect in this regard.

As Aydem Renewables, we are pleased to announce the launch of our newly designed Investor Relations website. With this advanced user-friendly platform, we aim to prioritize open and timely communication with our stakeholders by providing comprehensive and up-to-date information about the Company in terms of corporate governance, facilitating access for investors and other interested parties.

You can access our Investor Relations website at <https://yatirimciiliskileri.aydemyenilenebilir.com.tr/en>

We are committed to transparency and open communication with our stakeholders. This new website aims to continue our ongoing commitment to providing a valuable resource for the investment community.

Committees and Policies

In accordance with the relevant legislation, a total of five committees were established within the Company as Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee, Investment Committee and Sustainability, Environment, Occupational Health and Safety Committee with the resolution of the Board of Directors dated July 6, 2020 and numbered 2020/27. Details regarding the job descriptions and working principles of the committees are given below. Pursuant to the Articles of Association, changes in the working principles of the committees are subject to the approval of the Board of Directors.

Audit Committee

The Audit Committee fulfills the duties and responsibilities set forth in the working principles and undertakes the duties assigned to it by the Articles of Association and the Corporate Governance Communiqué. The main purpose of the Audit Committee is to oversee the Company's accounting system and practices, the functioning of the internal control system, the public disclosure of the Company's financial information, the effectiveness of the Company's internal audit and independent audit activities and the Company's compliance with the relevant legislation and corporate ethical rules. The Audit Committee consists of at least two members and the members of the Audit Committee are elected among the independent members of the Board of Directors. At least one of these members must have five years of experience in audit/accounting and finance. In the event that any member of the Committee ceases to be a member of the Board of Directors or loses the title of independent member in

accordance with the capital markets legislation, the membership of the Committee shall also cease. The members of the Audit Committee and the Chairman of the Committee are determined by the Board of Directors. The term of office shall not exceed three years and committee members whose term of office expires may be reappointed. The Audit Committee convenes with the presence of the absolute majority of its members and takes decisions with the majority of the members present at the meeting. The Audit Committee shall convene at least four times a year, at least once every three months, except in cases where it convenes urgently within the framework of the Principles on Regarding Related Party Transactins, and the Audit Committee meetings shall be held at the Company headquarters or at another location where the members of the Audit Committee are present, prior to each scheduled board meeting, in line with the timing of the board meetings to the extent possible. The Audit Committee shall put all its work in writing, keep a record of it and report to the Board of Directors, including information on the work of the Audit Committee and the results of the Audit Committee meetings, and shall immediately notify the Board of Directors in writing of the findings and recommendations related to its duties and responsibilities. Minutes of the Audit Committee meetings are approved by the Committee members and kept with the Committee decisions.

The Company's internal audit manager or a member appointed by the Committee assumes the responsibility of Rapporteur reporting to the Committee Chairman. The Rapporteur presents the meeting agenda and related documents

to the Committee members before the meeting. He/she ensures the attendance of the persons requested by the Chairman to attend the meeting. He/she writes the minutes and decisions of the meeting and ensures their distribution to the relevant parties. The secretariat of the Board of Directors is responsible for the administrative organization of the meetings, the distribution of the minutes of the meetings to the members of the Board of Directors and the storage of the decisions in the decision book. Unless invited by the Committee Chairman, no one other than the Committee members may attend the Committee meetings.

The Audit Committee fulfills the following duties, including but not limited to the following:

- The Company's responsible managers and the independent external auditor take the opinions of the Company's responsible managers and the independent external auditor regarding the accuracy and compliance of the annual and interim financial statements (including footnotes) to be disclosed to the public with the accounting principles followed by the Company, and report to the Board of Directors in writing together with their own assessments.
- The selection of the independent audit firm, preparation of independent audit contracts and initiation of the independent audit process, and the work of the independent audit firm at every stage are carried out under the supervision of the Audit Committee.
- The Audit Committee determines the independent audit firm to be retained by the Company and the services to be provided by such firm, and submits the same to the

Board of Directors for approval to be submitted to the opinion of the Company's shareholders. The Audit Committee receives a written statement from the independent external auditor confirming that he/she is independent in independent audits and reports to the Board of Directors its assessment of any factors that may threaten the independence of the external auditor before the selection of the independent external auditor is proposed to the Board of Directors.

- Oversee that the independent external auditor fulfills its obligation to share with the committee significant issues related to the Company's accounting policy and practices, alternative implementation and disclosure options within the framework of the relevant accounting standards and accounting principles previously communicated to the Company management, their possible results and implementation proposal, and significant correspondence between the Company management and the Committee.
- The Board of Directors is obliged to convene extraordinary meetings to examine the terms and conditions of each discontinuous related party transaction exceeding 3% of the Company's gross profit in the profit and loss statement for the previous year or total assets in the balance sheet for the previous year and to submit a report to the Board of Directors on each discontinuous related party transaction exceeding the said limit.
- In cases where the Corporate Governance Communiqué or other relevant rules and regulations require the preparation of an independent valuation report, the Audit Committee ensures that this independent valuation report is

obtained and that references to this independent valuation report are included in the Audit Committee report.

- At its meetings following the publication of the relevant quarterly financial statements, the Board reviews the related party transactions carried out in accordance with the continuous related party transaction for which annual approval has been obtained during the relevant period and submits a report to the Board of Directors following its annual review of related party transactions.
- Ensures that the internal audit activity operates independently and objectively. Continuously review internal audit responsibilities, resources, activities and performance. Review and approve the regulations and procedures defining internal audit authorities, responsibilities and processes. Review and approve the internal audit organization, working principles, annual audit plan and possible updates to these matters.
- Oversees any difficulties that may be encountered in the conduct of internal audit activities, including restrictions on access to information required under the audit principles. Review reports, findings, actions and action status prepared by the Internal Audit Unit.
- It conveys its opinions and suggestions regarding the Company's internal control system to the Board of Directors, taking into consideration the notifications of the Company's senior management and independent external auditor on the subject.
- It ensures that all necessary measures are taken to ensure that both internal audit and independent external audit are carried out in an adequate and

transparent manner.

- Review and ensure the implementation of policies and procedures regarding unethical transactions and misconduct. Oversees the establishment of the necessary mechanisms to communicate relevant issues to the committee.
- It oversees compliance with internal regulations to prevent conflicts of interest that may arise between the members of the Board of Directors, senior management or other related parties and the misuse of information that is a trade secret or that may affect the value of the Company's shares.
- It receives reports from the Company's Legal and Compliance Consultancy regarding the regulations within the scope of compliance with the legislation.
- When necessary, the internal audit, independent audit and the Company's accounting or internal control system evaluate the behaviors of the officials who assume important duties in the Company's accounting or internal control system in violation of the regulations set forth herein, and share their findings and recommendations on this matter with the Board of Directors.
- The Audit Committee determines the methods and criteria to be applied in the examination and finalization of the complaints received by the Company regarding the Company's accounting and internal control system and independent audit, and in the evaluation of the notifications of the Company's employees regarding the Company's accounting and independent audit within the framework of the confidentiality principle.

Committees and Policies

- Upon the request of the Board of Directors, it undertakes other duties and responsibilities that may be considered within the scope of its field of duty.
- It evaluates the effectiveness of the risk management system carried out within the scope of the Company and shares information and works in cooperation with other committees established by the Board of Directors for this purpose.
- In the event that the Company's shares are offered to the public, the Company is obliged to prepare a report within ten business days following the public disclosure of its financial statements for a period of two years following the commencement of trading of the relevant shares on the stock exchange, including an assessment of whether the assumptions taken as a basis in determining the public offering price have been realized or not, and if not, the reason thereof.
- The decisions of the Audit Committee are advisory to the Board of Directors and the work and recommendations of the committee do not eliminate the responsibilities of the members of the Board of Directors arising from the TCC. The Board of Directors provides the necessary resources and support for the Audit Committee to fulfill its duties and responsibilities. The Audit Committee may obtain information from the Company's executives and employees (within the framework of confidentiality, if necessary) regarding the matters subject to its review or when deemed necessary, and may invite the relevant persons to the committee meetings. The Audit Committee may benefit from the opinions of independent experts on matters deemed necessary in relation to its activities.

Corporate Governance Committee

The Corporate Governance Committee fulfills the duties and responsibilities set forth in the working principles and undertakes the duties assigned to it by the Articles of Association and the Corporate Governance Communiqué. The main purpose of the Corporate Governance Committee is to assist the Board of Directors in complying with corporate governance principles, including investigations in case of non-compliance with corporate governance principles and identification of conflicts of interest, overseeing the investor relations unit and fulfilling the duties delegated to the Nomination Committee and Remuneration Committee.

The Committee is composed of at least three members who are members of the Board of Directors or who are not members of the Board of Directors but have expertise in their own fields, and the chairman of the Corporate Governance Committee is elected from among the independent members of the Board of Directors. The majority of the Committee members are elected from non-executive members of the Board of Directors. The Investor Relations Unit Manager is a natural member of the Corporate Governance Committee.

The members of the Corporate Governance Committee are determined by the Board of Directors. The term of office may not exceed three years and committee members whose term of office expires may be reappointed. The members of the Corporate Governance Committee shall be selected from among the non-executive members of the Board of Directors as far as possible.

The Corporate Governance Committee may include experts in accounting, finance, audit, law, management, etc. The Corporate Governance Committee convenes at least four times a year, as often as deemed necessary for the efficiency of its activities, at the Company headquarters or at another location where the committee members are present. The timing of the meetings of the Corporate Governance Committee shall be compatible with the timing of the Board of Directors meetings as much as possible. The Corporate Governance Committee convenes with the presence of the absolute majority of its members and takes decisions with the majority of the members present at the meeting. The Corporate Governance Committee puts all its activities in writing, keeps a record of them and reports to the Board of Directors, including information on the results of committee activities and committee meetings. The Corporate Governance Committee immediately notifies the Board of Directors in writing of any findings and suggestions related to its duties and responsibilities.

The Remuneration Committee and the Nomination Committee are now under the Corporate Governance Committee. With this decision; The Corporate Governance Committee is responsible for establishing a transparent system for the identification, evaluation and training of suitable candidates for the Board of Directors and managerial positions with administrative responsibilities, and determining policies and strategies in this regard.

The Corporate Governance Committee regularly evaluates the structure and efficiency of the Board of Directors and submits its

recommendations to the Board of Directors regarding possible changes in these matters.

The Board of Directors determines the principles, criteria and practices to be used in the remuneration of the members of the Board of Directors and executives with administrative responsibilities by taking into account the long-term goals of the Company and oversees them.

The Corporate Governance Committee submits its recommendations to the Board of Directors regarding the remuneration of board members and executives with administrative responsibilities, taking into account the degree of achievement of the criteria used in remuneration.

The Corporate Governance Committee evaluates the nominations for independent membership, including those of the management and shareholders, by taking into consideration whether the candidate meets the independence criteria or not, and submits its assessment in a report to the Board of Directors for its approval.

Minutes of the Corporate Governance Committee meetings are approved by the Corporate Governance Committee members and kept with the Committee decisions. Minutes are shared with the members before the next meeting and official approval is obtained at the next meeting. The Company's investor relations unit manager or a member appointed by the Committee assumes the responsibility of Rapporteur reporting to the Committee Chairman. The Rapporteur submits the meeting agenda and related documents to the Committee members before the meeting. He/she ensures the

attendance of the persons requested by the Chairman to attend the meeting. He/she writes the minutes and decisions of the meeting and ensures their distribution to the relevant parties. The secretariat of the Board of Directors is responsible for the administrative organization of the meetings, the distribution of the minutes of the meetings to the members of the Board of Directors and the storage of the decisions in the decision book.

The Corporate Governance Committee fulfills the following duties, including but not limited to the following:

- Preparation of proposals for the appointment of members to the Board of Directors,
- Ensuring the effectiveness and independence of the members of the Board of Directors within the scope of corporate governance principles,
- Ensuring the acceptance and implementation of corporate governance principles by the Board of Directors,
- Providing coordination and oversight for the realization of corporate governance assessment and rating activities.

Early Detection of Risk Committee

The Early Detection of Risk Committee fulfills the duties and responsibilities set forth in the working principles and undertakes the duties assigned to it by the Articles of Association and the Corporate Governance Communiqué. The main purpose of the Early Detection of Risk Committee is to assist the Board of Directors in the early detection of risks that may jeopardize the existence, development and continuity of the Company, to implement appropriate risk management strategies and to

establish an expert committee for risk management and to fulfill other duties assigned to it by the legislation. The Early Detection of Risk Committee consists of at least two members. In case the Early Detection of Risk Committee consists of two members, both of them, and in case there are more than two members, the majority of the members are elected from the non-executive members of the Board of Directors. The chairman of the Committee is elected from among the independent members of the Board of Directors. Specialists who are not members of the Board of Directors may be included in the committee.

The members of the Early Detection of Risk Committee are determined by the Board of Directors. The term of office may not exceed three years and committee members whose term of office expires may be reappointed. The members of the Early Detection of Risk Committee are selected from among the non-executive members within the scope of possibilities. Risk may be assigned to the Risk Committee. The Early Detection of Risk Committee convenes at least six times a year, as often as deemed necessary for the effectiveness of its work, at the Company headquarters or at another location where the committee members are present. The timing of the meetings of the Early Detection of Risk Committee shall be compatible with the timing of the Board of Directors meetings as much as possible. The Early Detection of Risk Committee convenes with the presence of the absolute majority of its members and takes decisions with the majority of the members present at the meeting. The Early Detection of Risk Committee puts all its activities in writing, keeps a record of them and reports to the Board of Directors, including information

Committees and Policies

on the results of the activities and meetings of the Early Detection of Risk Committee. The Risk Committee immediately notifies the Board of Directors in writing of the findings and suggestions related to its duties and responsibilities.

Minutes of the meetings of the Early Detection of Risk Committee are approved by the members of the Early Detection of Risk Committee and kept with the decisions of the Committee. The Company's manager in charge of risk management or the legal and compliance manager or a member appointed by the Committee assumes the responsibility of Rapporteur reporting to the Committee Chairman. The Rapporteur submits the meeting agenda and relevant documents to the Committee members before the meeting. He/she ensures the attendance of the persons requested by the Chairman to attend the meeting. He/she writes the minutes and decisions of the meeting and ensures their distribution to the relevant parties. The secretariat of the Board of Directors is responsible for the administrative organization of the meetings, the distribution of the minutes of the meetings to the members of the Board of Directors and the storage of the decisions in the decision book.

The Early Detection of Risk Committee fulfills the following duties, including but not limited to the following

- Identifying and periodically assessing existing and potential operational, strategic, compliance, financial and other risks and preparing recommendations for taking relevant actions in connection with these risks,
- Establishment of risk management systems and establishment of organizational infrastructures

related to risk management within the Company and preparation of proposals for the development of related systems to increase functionality,

- Suggesting solutions to risks to the Board of Directors and the Audit Committee,
- Identifying, evaluating and monitoring the existing and potential risk factors that may affect the achievement of the Company's objectives within the framework of the corporate risk management systematic and ensuring that the principles for managing the relevant risks in accordance with the Company's risk profile are determined and used in decision-making mechanisms,
- Establishing a company-wide corporate risk management approach, ensuring the establishment and maintenance of an effective risk management framework,
- Carrying out studies to determine the risk policies and the relevant standards and methodologies used in managing the risks within the Company and submitting them to the Board of Directors for approval,
- Carrying out studies to prepare policies that define the Company's risk appetite and are in line with the strategic plan and targets approved by the Board of Directors, and submitting these studies to the Board of Directors for approval,
- Establishing the indicators within the scope of risk appetite and proposals regarding their levels, submitting them to the Board of Directors for approval, monitoring the indicators and presenting the results, evaluations and recommendations to the Board of Directors when necessary,
- Ensuring that the Company's strategies and risk appetite are

effectively implemented throughout the Company,

- Adequately informing the members of the Board of Directors about the Company's risk-creating activities, including strategic management, capital and resource management, risk profile, risk appetite, business activities, financial performance and reputation, and presenting recommendations to the Board of Directors in this context,
- Ensuring that internal processes are maintained, including stress testing where appropriate, to ensure that capital and liquidity levels and asset-liability structure are in line with the normal and stressed conditions of the company,
- Evaluating and proposing risk management strategies for the risks to be accepted and managed, shared or completely eliminated in the Company for the risks assessed according to probability and impact calculations,
- Providing an opinion to the Board of Directors to establish internal control systems, including risk management and information systems and processes that can minimize the effects of risks that may affect the Company's stakeholders, particularly shareholders,
- Ensuring the integration of risk management and internal control systems into the Company's corporate structure and business processes,
- Evaluating and approving the risk studies carried out within the Company, informing the Board of Directors when necessary and presenting suggestions,
- Evaluate the development and maintenance of management reporting to ensure that information is timely, accurate and relevant,
- Monitoring the latest status of audit

matters and findings, evaluating the effectiveness and efficiency of the actions taken,

- Overseeing the activities related to business continuity management,
- Reviewing the risk management systems at least once a year and overseeing that the practices of the relevant departments that assume responsibility for the management of risks are carried out in accordance with the decisions of the Early Detection of Risk Committee,
- Early detection of technical insolvency and alerting the Board of Directors and developing proposals on measures to be taken,
- In the quarterly report to be submitted to the Board of Directors, assessing the situation, pointing out the dangers, if any, and showing the remedies and sharing this report with the independent auditor, the Audit Committee and the Internal Audit Unit,
- Preparation and submission to the Board of Directors of an annual evaluation report to form the basis for the Board of Directors' assessment of the Early Detection of Risk Committee members, frequency of meetings, working principles including the activities carried out and the effectiveness of the committee, which will be included in the annual report.

All kinds of resources and support required for the Early Detection of Risk Committee to fulfill its duties are provided by the Board of Directors. The Early Detection of Risk Committee may invite any manager it deems necessary to its meetings and receive their opinions. The Early Detection of Risk Committee shall benefit from the opinions of experts in their fields when necessary. The Early Detection of Risk Committee acts under its

own authority and responsibility, and submits a quarterly report to the Board of Directors containing its assessment of the situation, recommendations and suggestions.

These reports submitted to the Board of Directors are also communicated to the independent auditor. The Board of Directors is responsible for the final decision.

Investment Committee

The Investment Committee fulfills the duties and responsibilities set forth in the working principles and undertakes the duties assigned to it by the Articles of Association. The main purpose of the Investment Committee is to evaluate, submit for the approval of the Board of Directors and follow-up processes of investment and business development projects over USD 1 million, which are in line with the purpose and subject matter of the Company's Articles of Association. The Investment Committee consists of at least three members.

The members of the Investment Committee are appointed by the Board of Directors. The term of office may not exceed three years and committee members whose term of office expires may be reappointed. The Investment Committee convenes quarterly. In cases deemed necessary for the efficiency of the work, it may convene more frequently at the Company headquarters or at another location where the committee members are present. The timing of the Investment Committee meetings shall be consistent with the timing of the Board of Directors meetings to the extent possible. The Investment Committee convenes with the presence of the absolute majority of its members and takes decisions with the majority of the members present at the meeting.

The Investment Committee puts all its activities in writing, keeps a record of them and reports to the Board of Directors, including information on the Committee's activities and the results of the Committee meetings. The Investment Committee immediately notifies the Board of Directors in writing of any findings and suggestions related to its duties and responsibilities. Minutes of the Investment Committee meetings are approved by the Committee members and kept with the Committee decisions. Minutes are shared with the members before the next meeting. The Company's Chief Financial Officer or a member appointed by the Committee assumes the responsibility of Rapporteur reporting to the Committee Chairman. The Rapporteur submits the meeting agenda and related documents to the Committee members before the meeting. He/she ensures the attendance of the persons requested by the Chairperson to attend the meeting. He/she writes the minutes and decisions of the meeting and ensures their distribution to the relevant parties. The secretariat of the Board of Directors is responsible for the administrative organization of the meetings, distribution of the minutes of the meetings to the members of the Board of Directors and keeping the decisions in the decision book. The Investment Committee evaluates the Investment Projects to be realized within the Company, its subsidiaries or affiliates according to certain Investment Criteria and reports its opinions on the relevant investment to the Board of Directors. The relevant reporting is prepared by taking into account project basic and feasibility analyses, project financing analyses, budget approval and Investment Criteria. The Board of Directors is authorized to take investment decisions regarding

Committees and Policies

investment projects. However, the Board of Directors cannot take an investment decision without the opinion of the Investment Committee on the relevant investment project. Investment Projects must be realized in accordance with the following criteria:

- No investment in power plants using fossil fuels for energy production;
- Not making investments that are incompatible with the Company's sustainability, environment, occupational health and safety, governance and social policies;
- Not conflict with obligations under existing contracts, including loan agreements;
- The internal rate of return (equity IRR) of any asset under construction, development and/or development is not less than 10% in US dollars,
- Except for investments that are considered to have a strategic and significant impact on the Company's long-term policies and growth plans, the investment amount of any asset is not more than 20% of the total asset value;
- The total investment amount of assets under construction and/or under construction is not more than 25% of the total asset value;
- Preventing concentration of counterparty risk by ensuring that revenues from a single customer do not exceed 30% of total revenues;
- Not investing in projects that have a negative impact on UNESCO World Heritage sites or areas designated for nature conservation (e.g. Wetlands of International Importance under the Ramsar Convention); and
- Not investing in projects involving child labor and forced labor.

All kinds of resources and support required for the Committee to fulfill its duties are provided by the Board of Directors. The Committee may invite the managers and consultants it deems necessary to its meetings and receive their opinions. The Committee shall benefit from the opinions of experts and consultants when necessary.

Sustainability, Environment, Occupational Health and Safety Committee

The Sustainability, Environment, Occupational Health and Safety Committee fulfills the duties and responsibilities set out in the working principles and undertakes the duties assigned to it by the Articles of Association. The main purpose of the Sustainability, Environment, Occupational Health and Safety Committee is to develop a culture of sustainability, life, occupational health and safety that encompasses the Company's employees and all operating facilities, and to proactively adopt and develop a safe behavior approach, including environmental regulations and activities. In addition, it is to inform the Board of Directors about preventive/improvement measures, areas of opportunity and operational results to ensure the implementation of sustainability principles. The Sustainability, Environment, Occupational Health and Safety Committee consists of a Board member or the General Manager, Operations Director, Maintenance and Projects Director, HSE and Sustainability Manager. The Chairman of the Sustainability Working Group also participates in the Committee, contributes to the issues on the agenda and records the meeting notes.

In the event that the meeting agenda of the Sustainability, Environment, Occupational Health and Safety Committee includes items on stakeholder engagement and social impact, the Human Resources Director and Corporate Communications Manager also attend. The Independent Board Member chairs the Committee.

The members of the Sustainability, Environment, Occupational Health and Safety Committee are appointed by the Board of Directors. The term of office may not exceed three years and committee members whose term of office expires may be reappointed. The Sustainability, Environment, Occupational Health and Safety Committee convenes quarterly. In cases deemed necessary for the effectiveness of the work, it convenes more frequently at the Company headquarters or at another location where the committee members are present. The timing of the Occupational Health, Safety and Environment Committee meetings is aligned with the timing of the Board of Directors meetings as much as possible. The Sustainability, Environment, Occupational Health and Safety Committee convenes with the presence of the absolute majority of its members and takes decisions with the majority of the members present at the meeting. The Sustainability, Environment, Occupational Health and Safety Committee puts all its activities in writing, keeps records and reports to the Board of Directors, including information on the results of the Committee's activities and Committee meetings. The Sustainability, Environment, Occupational Health and Safety Committee immediately notifies the Board of Directors in

writing of any determinations and recommendations related to its duties and responsibilities. Minutes of the Sustainability, Environment, Occupational Health and Safety Committee meetings are approved by the Committee members and kept with the Committee decisions. The Company's HSE and Sustainability Manager or a member appointed by the Committee or the Head of the Sustainability Working Group assumes the responsibility of Rapporteur reporting to the Committee Chairman. The Rapporteur presents the meeting agenda and relevant documents to the Committee members before the meeting. He/she ensures the attendance of the persons requested by the Chairman to attend the meeting. He/she writes the minutes and decisions of the meeting and ensures their distribution to the relevant parties. The secretariat of the Board of Directors is responsible for the administrative organization of the meetings, the distribution of the minutes of the meetings to the members of the Board of Directors and the storage of the decisions in the decision book.

The Sustainability, Environment, Occupational Health and Safety Committee fulfills the following duties, including but not limited to

- OHS performance and targets, taking into account feedback from the OHS Board and Life Safety Subcommittee and field personnel;
- Studies to ensure continuous improvement and development in environmental activities;
- Evaluation of feedback on environmental and social performance, energy consumption, waste management, environmental and social risks;
- Evaluation of KPI applications and related issues;
- Evaluation of OHS culture dissemination activities and planned management walks and audit results;
- Monitoring and reporting of training activities on OHS, environmental and social issues;
- Setting targets for the prevention of occupational accidents and occupational diseases, monitoring and performance measurement of efforts to create healthy and safe work environments, and reporting the data and information provided by the relevant units to the committee chairman, the member of the Board of Directors;
- Identifying, measuring, monitoring, recording, auditing and reporting the environmental and social risks and impact dimensions of the Company's operations;
- Increased organizational resilience through continuous improvement of OHS performance, including proactive risk prevention, monthly planned safety checks, monthly management OHS walk, regulatory preventive actions, near misses, unsafe conditions and behavior, LTI.
- Sustainability reporting and ESG scoring.

All kinds of resources and support required for the Committee to fulfill its duties are provided by the Board of Directors. The Committee may invite the managers and consultants it deems necessary to its meetings and receive their opinions. The Committee shall benefit from the opinions of experts and consultants when necessary.

Number of meetings of committees in 2023

In 2023, there were 4 Audit Committees, 5 Corporate Governance Committees, 6 Early Detection of Risk Committees, Sustainability, Environment, Occupational Health and The Security Committee held 4 meetings and the Investment Committee did not hold any meetings. The management committees include The rate of participation in the relevant committees was realized at 100% for 2023.

Policies

Click here to access the policies that regulate Aydem Renewables' activity cycle

<https://yatirimciiliskileri.aydemyenilenebilir.com.tr/en/corporate-governance/policies>



General Assembly

For the 2022 Ordinary General Assembly Meeting held on March 29, 2023, please click <https://yatirimciiliskileri.aydemyenilenebilir.com.tr/en/corporate-governance/general-assembly>

In 2023, there was not any extraordinary general assembly meeting.



Internal Audit and Control Activities

The main purpose of the Internal Audit function is to provide reasonable assurance that risks are appropriately identified and managed in the risk management, control and governance processes designed and implemented by Aydem Renewables management; that business processes and transactions are in compliance with policies, procedures and relevant legislation; that resources are used economically and efficiently and effectively protected within the Company's sustainability goals; and that financial, managerial and operational information is available in an accurate, reliable and timely manner. In addition, the Internal Audit function ensures that the objectives related to compliance with the ethical rules and working principles defined within the company are appropriately defined, adequate and effective fulfillment of the requirements of the law.

The Internal Audit function is an independent assurance function that reports its activities to the Audit Committee of the Aydem Renewables Board of Directors, which consists of independent members, and receives its authorization from the Board of Directors of the company through the Audit Committee. The Audit Plan, which is implemented with the annual approval of the Audit Committee and the Board of Directors, is created by risk-based categorization of the processes that include business activities that support the achievement of the company's strategic goals. The results of the audit work carried out in accordance with the Audit Plan are periodically presented to the Board of Directors, the Audit Committee and the relevant management elements. The Internal Audit Unit bases its activities on International Standards on Internal Auditing

and Internal Control Governance Frameworks and applies risk-based audit methodology. In addition, it coordinates with the activities carried out by the independent audit. The audit process includes planning and preparation, fieldwork and reporting of audit results, as well as formal audit action follow-up procedures to verify the implementation of risk mitigation actions recommended by Internal Audit and accepted by Management. Within Aydem Renewables, Energy Trade and Production Optimization Audit, Procurement Audit, SAP PM Maintenance Practices Audit, Logistics and Inventory Management Audit, Operational Technologies and Business Practices and Information Security and Cyber Security Audit were performed in accordance with the 2023 Audit Plan.

Rating Notes

Aydem Renewables went through a rating process with 3 different credit rating agencies in 2023. The credit rating information received is given below in date order.

FITCH RATINGS (14.11.2023)

National Long Term Rating	B / (Stable)
---------------------------	--------------

S&P GLOBAL RATINGS (11.10.2023)

National Long Term Rating	B / (Stable)
---------------------------	--------------

FITCH RATINGS (18.09.2023)

National Long Term Rating	B / (Stable)
---------------------------	--------------

S&P GLOBAL RATINGS (11.09.2023)

National Long Term Rating	B / (Negative)
---------------------------	----------------

JCR EURASIA RATING (30.05.2023)

Long Term International Foreign Currency Rating	BB / (Negative)
Long Term International Local Currency Rating	BB / (Negative)
Long Term National Rating	BBB+ (tr) / (Stable)
Short Term National Rating	J2 (en) / (Stable)

Click here for Aydem Renewables' credit ratings

<https://yatirimciiliskileri.aydemyenilenebilir.com.tr/en/shares-and-debt-instruments/credit-ratings>



Rating Notes

Corporate Governance Rating

In the rating report dated April 7, 2023 prepared by SAHA Corporate Governance and Credit Rating Services (SAHA Rating) for the purpose of rating the level of compliance with the Corporate Governance Principles published by the Capital Markets Board (CMB), Aydem Renewables' Corporate Governance Compliance Rating Score was determined as 9.56. With the report prepared by Saha Rating, it has been revealed that our Company has achieved substantial compliance with the Corporate Governance Principles published by the Capital Markets Board (CMB). Our Company has been included in the Borsa İstanbul Corporate Governance Index (XKURY) since April 21, 2022.

Considering the results of the rating on the basis of the headings evaluated by SAHA Rating on the basis of 100 full points each, Aydem Renewables achieved 92.07 points in the Shareholders section; 98.79 points in the Public Disclosure and Transparency section, 99.24 points in the Stakeholders section and 94.18 points in the Board of Directors. Thanks to this high score, our Company has become the highest scoring company among the companies in the BIST Electricity Index, as of the date of the rating.

Click here for Aydem Renewables' corporate governance ratings <https://yatirimciiliskileri.aydemyenilenebilir.com.tr/en/corporate-governance/corporate-governance-compliance-rating>



Scores for Carbon Disclosure Project (CDP) Reporting

Moving towards the target of fulfilling its environmental responsibilities, our Company carries out CDP Climate Change and Water Security Reports.

Aydem Renewables' rating was confirmed as "A Leadership Level" as a result of the CDP - Carbon Disclosure Project (Carbon Disclosure Project) Climate Change Reporting in 2022. With this rating, we became the only company in Turkey to receive "A Leadership Level" in both of these categories in 2022 reporting.

As a result of the CDP - Carbon Disclosure Project (Carbon Disclosure Project) Water Security Reporting conducted by Aydem Renewables in 2023, its rating was confirmed as "A Leadership Level". "A Leadership Level" is the highest rating received in the energy sector in our country in 2023.

Our company continued to remain on the Global A List by receiving the "A Leadership Level" grade in both Climate Change Reporting and Water Security Reporting. In 2023, our Company is the only company in our country, among all sectors, to receive A Leadership Level in both Climate Change Reporting and Water Security Reporting for 2 consecutive years and to be included in the Global Leaders List (A List). At the same time, our Company is the only company in the energy sector to receive A Leadership Level in both categories in 2023.

Corporate Environmental, Social and Governance (ESG) Performance

Aydem Renewables repeated its success of being the leader of its sector in Turkey by receiving the "A1 Advanced Level" rating with 65 points in the Environmental, Social and Governance (ESG) performance ranking conducted by the independent rating agency Moody's/Vigeo Eiris. Aydem Renewables also ranked first among 54 companies in the "Emerging Markets" world ranking. Aydem Renewables, one of the signatories of the United Nations Global Compact (UNGC) in Turkey, increased its score to 65 with an 8-point increase in the ESG performance assessment for 2021. Aydem Renewables managed to outperform 98% of the companies in the ranking, which evaluated approximately 5,000 companies worldwide.

Sustainable Governance Structure

Aydem Renewables supports its commitment to sustainability and environmentally friendly energy production with a strong sustainable governance structure. The basis of this structure is the integration of sustainability principles into all operations and strategic decision-making processes of the company. This governance structure of Aydem Renewables is designed in accordance with environmental, social and governance (ESG) standards and these standards guide all activities of the company. The Sustainability, Environment, Occupational Health and Safety Committee is the management body responsible for overseeing sustainability-related risks and opportunities. The governing body and key decision makers are informed about sustainability-related risks and opportunities at least six times a year through face-to-face or online meetings. Based on the decisions of the Sustainability, Environment, Occupational Health and Safety Committee and the Board of Directors, targets are set in consideration of current Sustainability trends and company needs, and these targets are submitted to the Board for approval.

Aydem Renewables addresses risk management and sustainability strategies with an integrated approach and carries out an effective management process through various committees. The Early Detection of Risk Committee examines the risks faced by the company, including risks related to sustainability and climate change, in terms of their financial dimensions and their impact on employees, stakeholders, society and the environment, and ensures that these risks are managed. This committee comprehensively assesses the company's risk profile and aims to identify and manage potential risks at an early stage.

The Investment Committee considers environmental, social and governance criteria when making investment decisions. This approach enables Aydem Renewables to make the right and effective decisions in renewable energy investments and aims to ensure that each investment contributes to the fight against climate change and the company's sustainability approach. In line with the company's business model and mission, every investment in sustainable energy contributes directly to environmental sustainability targets.

Aydem Renewables adopts a comprehensive and integrated approach to sustainability and risk management at both operational and strategic levels through all committees in its governance structure, thus strengthening its leading position in the sector and its commitments in the field of sustainable energy.

Sustainability, Environment, Occupational Health and Safety Committee

Aydem Renewables' Sustainability, Environment, Occupational Health and Safety Committee contributes significantly to the development of the company's sustainability, environment and occupational health and safety (OHS) culture and meticulously fulfills its interdisciplinary duties in these areas. This Committee, which fulfills the duties and responsibilities determined within the framework of the Articles of Association and working principles, adopts a proactive approach to sustainability, occupational health and safety issues, including the company's employees and all operating facilities, and ensures development in these areas.

The Committee ensures that proactive measures are taken in these areas by developing environmental regulations and safe behavior approaches in Aydem Renewables' activities. At the same time, the Committee ensures that sustainability principles are implemented, preventive and remedial measures are taken, areas where opportunities can be created are evaluated and the Investment Committee, Early Detection of Risk Committee and the Board of Directors are informed about the results of the activities.

Sustainable Governance Structure

The Committee consists of a Board member or the General Manager, Operations Director, Maintenance and Projects Director, and HSE (Health, Safety, Environment) and Sustainability Manager. The Chairman of the Sustainability Working Group also participates in the Committee, contributing to the agenda items and recording the meeting notes. When stakeholder engagement and social impact issues are on the agenda, the Human Resources Director and Corporate Communications Manager also participate. This structure, in which a member of the Board of Directors chairs the Committee, ensures that Aydem Renewables adopts an effective and comprehensive approach in the fields of sustainability, environment and OHS and strengthens the company's activities in these areas. This approach plays a critical role in achieving the company's sustainability goals and reinforcing its social responsibility awareness.

Members of the Sustainability, Environment, Occupational Health and Safety Committee are appointed by the Board of Directors. The term of office is limited to three years and committee members whose term of office expires may be reappointed.

For the effectiveness of the Committee's work and the achievement of the company's targets in the areas of sustainability, environment and OHS, it is essential to meet quarterly. More frequent meetings may be held when deemed necessary, and these meetings may be held at the company headquarters or at another location where the committee members are present. The timing of the meetings is

planned in line with the timing of the Board of Directors meetings as much as possible.

The Aydem Renewables' Sustainability Environment, Occupational Health and Safety Committee convened four times in total in 2023. The decisions taken at these meetings had a direct impact on the company's sustainability management and were significantly reflected in Aydem's policies and operations. The decisions taken in the committee were taken into consideration and implemented in all processes of Aydem Renewables. As a result of these decisions, important steps have been taken such as revising the company's sustainability reporting structure, inclusion in the Borsa İstanbul (BIST) sustainability index and applications to various sustainability-related initiatives.

Aydem Renewables' Sustainability, Environment, Occupational Health and Safety Committee has adopted a disciplined working method to effectively manage the company's sustainability and safety practices. The Committee's meetings and decision-making processes reflect the importance the company attaches to these issues and its commitments in this area. The Committee convenes with absolute majority and takes decisions with the majority of the members present. All work performed by the Committee is documented, recorded and reported to the Board of Directors. This reporting increases the transparency and accountability of the Committee's work. The Committee immediately notifies the Board of Directors in writing of its determinations and suggestions regarding its duties and responsibilities, which ensures that

its decisions and determinations are taken into consideration by senior management.

The minutes of the Committee meetings are approved by the members and kept, which ensures that decisions and discussions are recorded. A Rapporteur is appointed to coordinate the work of the Committee and to ensure the orderly conduct of the meetings. This Rapporteur works under the Chairperson of the Committee and prepares and distributes the meeting agenda, relevant documents and decisions. This role of the Rapporteur contributes to the effective functioning of the Committee and the efficient management of the meetings. The Secretariat of the Board of Directors is responsible for the administrative organisation of the meetings, the distribution of the minutes of the meetings to the members of the Board of Directors and the storage of the decisions in the decision book.

Aydem Renewables' Sustainability, Environment, Occupational Health and Safety Committee fulfills various critical tasks for the company to achieve its sustainability, environment and OHS goals. These tasks are as follows:

- 1. Understanding the Sustainability Needs of Stakeholders:** Understanding the sustainability needs of stakeholders and carrying out activities accordingly.
- 2. Sustainability Working Group Review:** To review the work of the Sustainability Working Group, playing a guiding role in sustainability-related policies, activities and processes.

3. **Managing Sustainability Priorities:** Managing sustainability priorities, ensuring integration with strategy and tracking targets.
4. **Tracking Critical Success Factors:** Tracking activities related to critical success factors.
5. **Relations with Internal and External Stakeholders:** Acting as a development center for different stakeholders and managing relationships with internal and external stakeholders.
6. **Support and Analysis of Environmental, Social, Governance (ESG) Principles:** Support on ESG principles and assessment of risk and opportunity analysis.
7. **Reviewing Risks and Providing Input:** Reviewing risks around sustainability and providing input to the Risk Committee.
8. **Monitoring OHS Targets and Performance:** Monitoring OHS targets and performance by taking into account feedback from the OHS Board and Life Safety Subcommittee and field personnel.
9. **Improvement of Environmental Activities:** Planning and decision making to realize the recommendations made by the Working Group through continuous improvement and development of environmental activities.
10. **Assessment of Performance and KPI Implementation:** Assessment of environmental and social performance, energy consumption, waste management, as well as KPI implementation and related issues.

11. **Dissemination of OHS Culture:** Dissemination of OHS culture and evaluation of planned management walks and audit results.
12. **Monitoring and Reporting of Training Activities:** Monitoring and reporting of training activities on OHS, environmental and social issues.
13. **Prevention of Work Accidents and Occupational Diseases:** Prevention of occupational accidents and occupational diseases, monitoring and performance measurement of efforts to create healthy and safe work environments.
14. **Proactive Risk Prevention and OHS Performance Improvement:** Continuous improvement of OHS performance, including proactive risk prevention, monthly planned safety checks, monthly management OHS walk, regulatory preventive actions, near misses, unsafe conditions and behavior, LTI.
15. **Sustainability Report and ESG Scoring:** Preparation and presentation of sustainability report and ESG scoring.

Aydem Renewables' Sustainability, Environment, Occupational Health and Safety Committee receives all necessary resources and support from the Board of Directors in order to fulfill its duties effectively. This support enables the Committee to effectively develop and implement policies and practices in the fields of sustainability, environment, occupational health and safety. The Committee may invite company executives and consultants to its meetings and benefit from their opinions and suggestions when

deemed necessary in its work. This enables the Committee to make more comprehensive and informed decisions by taking into account the knowledge and experience of various departments and experts within the company. The Committee receives and benefits from the opinions of experts and consultants. This approach enables the Committee to gain in-depth understanding and expertise on the complex and technical issues it faces.

In 2023, sub-working groups established within Aydem Renewables related to sustainability worked on various projects to help the company achieve its sustainability goals. These projects include the following:

- Biodiversity Studies Sub-working groups have taken an active role in projects for the protection and enhancement of biodiversity in the context of environmental issues. These projects include topics such as reducing environmental impact and protecting natural habitats.
- Workplace Practices Projects carried out by human resources are focused on improving the company's sustainability practices in the workplace. These projects include efforts to improve employee well-being and sustainable practices in the workplace.
- Supplier Management and Sustainable Supply Chain Efforts In relation to procurement, the Company has taken an active role in supplier management and sustainable supply chain efforts. These efforts aim to integrate and improve sustainability standards and practices throughout the company's supply chain.

Sustainable Governance Structure

The active participation of sub-working groups in these projects ensures that Aydem Renewables progresses effectively towards achieving its sustainability goals and continuously improves its performance in these areas. As part of Aydem Renewables' overall sustainability strategy, these efforts both strengthen the company's business model and play an important role in adding value to all stakeholders.

Integrated Management Systems

Aydem Renewables is a leader in the renewable energy sector and implements Integrated Management Systems (ISO 9001:2015, ISO 45001:2018, ISO 14001:2015, ISO 50001:2018) in order to use domestic and renewable resources in the most efficient way in line with its vision and mission.

Aydem Renewables fulfills the following commitments in this context:

- 1. Maintaining Integrated Management Systems** To ensure that these systems are maintained in the most effective manner.
- 2. Process Management with Risk Based Thinking** Managing processes with risk based thinking.
- 3. Meeting the Expectations of Related Parties** To carry out studies to meet the expectations of related parties.
- 4. Being an Environmentally Respectful and Protective Organization** Being respectful to the environment and sensitive to environmental protection.
- 5. Effective Use of Resources** To ensure the effective use of resources.
- 6. Waste Reduction and Recovery** To reduce waste, ensure recovery and prevent pollution.
- 7. Zero Work Accidents and Occupational Diseases Principle** To act with the principle of zero work accidents and zero occupational diseases.
- 8. To give utmost importance to the health, safety and security** of contractors, suppliers and employees.
- 9. Encouraging Multi-Directional Communication** Seeking employees' ideas and ensuring their participation.
- 10. Continuous Improvement** To achieve continuous improvement in quality, environment, occupational health and safety and energy efficiency performance.
- 11. Environmentally Friendly and Energy Efficient Products and Services** Prefer environmentally friendly and energy efficient products and services.
- 12. Ensuring the Continuity of the Integrated Management System** To provide resources to ensure the continuity of the Integrated Management System.
- 13. To be a learning, continuously developing and sharing organization by making training activities continuous.**
- 14. Combating Climate Change** Providing the necessary resources for the protection of biodiversity and natural ecosystem environments in the areas of activity in the fight against climate change.
- 15. Implement and Develop Integrated Management Systems** Implement, develop and continuously improve the effectiveness of Integrated Management Systems.
- 16. Complying with Legal Legislation, Standards and Rules** Complying with the legal legislation, standards, directives and rules of the organizations to which it is affiliated within the scope of its fields of activity.

Sustainability Strategy

Aydem Renewables plays a pioneering role in Turkey's renewable energy sector and has a vision that dedicates its 27 years of experience to creating value not only for the company, but also for all stakeholders and future generations. The company is aware that the key to long-term success is to move forward in a structure that respects the environment, is sensitive to its employees and society, and considers the needs of future generations. Accordingly, Aydem Renewables not only exceeds its own targets, but also assumes the responsibility of pioneering the clean energy transformation for all its stakeholders and its country.

The company's corporate strategy is integrated with a sustainability perspective and this approach is supported by a sustainable governance model and environmental and social performance targets. This approach of Aydem Renewables puts the sustainability of the needs of future generations at the center.

Aydem Renewables considers sustainability-related risks and opportunities as a central factor in strategic decision-making processes and this approach supports the company's long-term success and sustainable growth.

While continuously identifying and assessing environmental, social and governance (ESG) risks and opportunities, the Company takes into account important issues such as climate change, resource utilization, energy efficiency and waste management, as well as sustainability-related legal regulations and market trends. These risks and opportunities are integrated into Aydem Renewables' strategic planning and goal setting processes. Thus, they are effective in a wide range of areas from investment decisions to operational activities, from the development of innovative projects to customer and supplier relations.

The assessment of sustainability-related risks and opportunities plays an important role in determining Aydem Renewables' long-term sustainability goals and developing the strategies and action plans necessary to achieve these goals. The Company views these opportunities as opportunities for innovative and sustainable growth and demonstrates a proactive approach in areas such as developing new products and services, increasing energy efficiency and investing in renewable energy sources. Aydem Renewables takes into account the expectations and concerns of its stakeholders and works in effective communication and cooperation with them. This approach strengthens the company's market position and improves its relations with stakeholders.

Sustainability Strategy

Aydem Renewables adopts a strategic approach to sustainability-related risks and continuously assesses the resilience of its business model. This approach is based on the long-term success and sustainable growth of the company. Aydem Renewables' business model is shaped according to sustainability principles and designed to quickly adapt to market changes and environmental regulations. The company focuses on continuous improvement and developing innovative solutions against sustainability-related risks. These solutions are manifested in adopting technological innovations, optimizing business processes and offering sustainable products and services.

As Turkey's largest company generating energy from 100% renewable sources, Aydem Renewables aims to continuously move forward for the country, the environment, employees and stakeholders. Acting with this sense of responsibility, the company continues to generate energy for a sustainable future by saying "always further". This vision enables the company to adopt and act in line with sustainability principles in all its activities, while at the same time reinforcing its awareness of social and environmental responsibility. This approach of Aydem Renewables constitutes a fundamental building block to contribute to a sustainable future and play a leading role in the energy sector.

As an inclusive employer, Aydem Renewables attaches great importance to providing its employees with a work environment based on fundamental rights and freedoms, equal opportunities and diversity. The company advocates the presence of women in all areas and levels of economic life and is proud to be a signatory of the United Nations Women's Empowerment Principles (WEPs).

With the Equal Life initiative, Aydem aims to realize an internal transformation on gender equality and spread this transformation to all its stakeholders. In addition, Aydem believes that domestic violence and abuse is an equality issue and a violation of human rights and adopts a zero-tolerance approach to violence. In this context, on November 25th, the International Day for the Elimination of Violence against Women, the Company published the Procedure for Combating Domestic Violence. This procedure aims to provide a work environment where employees who have been subjected to violence can speak up in confidence and confidentiality and receive support and assistance.

Aydem Renewables, acting with the understanding of "We generate and work for society" and "We stand by sustainable development", acts consciously against the risk of climate change to ensure that current and future generations benefit fairly from the opportunities brought by development. By increasing social awareness, the Company focuses on investing in society and continuously improving itself.

Aydem Renewables transparently shares its commitment to the 10 principles of the United Nations Global Compact at the global level with its "Progress Report" every year. It advances its sustainability approach and develops its commitments with the principle of "always further". The Company sets out its principles and makes commitments in many stages of its business model, from investment decisions to operations, from governance structure to decision-making mechanism. This approach plays an important role in achieving the Company's sustainability goals and creating value for society.

Risk Management and Practices

Messages from Management, Risks and Opportunities

Aydem Renewables uses internationally recognized risk management principles in its risk management processes and fully complies with the Capital Markets Board's Corporate Governance Principles regulation. Risk management is integrated into the company's operations and strategic planning, and a reliable risk management mechanism is applied in all investment decisions and processes. All risks and opportunities are comprehensively assessed. Risk awareness, which has become a part of the company culture, ensures that strategic decisions and operational activities remain within the limits of risk appetite, and all risk factors that may adversely affect the company and its stakeholders, including financial performance and reputation, are effectively managed. Risk management policies and systems are regularly reviewed to identify and analyze the risks that may be encountered, to set appropriate risk limits, and to monitor risks according to key risk indicators.

The Board of Directors is responsible for establishing plans and policies regarding risk management activities at Aydem Renewables.

The Board of Directors has appointed the Early Detection of Risk Committee to manage risks effectively. The Committee consists of non-executive members of the Board of Directors and is chaired by an independent member of the Board of Directors.

The Early Detection of Risk Committee convenes periodically at least six times a year and more frequently if needed. Aydem Renewables Risk Management Policy has been approved by the Aydem Renewables Board of Directors and explains Aydem Renewables' risk management strategy, general principles and management principles regarding the risk management framework. The Company's risk management manager or legal and compliance manager is responsible for the creation of supporting documentation and implementation of risk management activities in parallel with the Risk Management plan and policies. In addition, risk management has been fully integrated into Aydem Renewables' daily operations and strategic planning in order to make faster decisions and take quick action in volatile and competitive market conditions.

Aydem Renewables works with the belief that protecting its assets and values in the long term, ensuring sustainable financial performance, competitiveness and growth, and protecting the interests of all stakeholders can be achieved through effective management of financial and non-financial risks. In addition to the financial impact of risks, the reputational impact, the impact before supervisory and regulatory bodies, and the impact on employees are also evaluated in a way to cover the value chain. Aydem Renewables, which plays a leading role in renewable energy production in the country, actively benefits from legal regulations and incentives that support clean energy, and the opportunities offered by these regulations are utilized without losing time.

Exposed risks are measured and monitored with reference to methods in accordance with international standards and in compliance with legal regulations. At Aydem Renewables, policies regarding risk management activities are established through the Early Detection of Risk Committee and risks are managed effectively. In the risk management process, a strategy consisting of eight components is followed. Within the scope of this strategy, existing and potential risks that may affect the achievement of the Company's objectives are identified, assessed and monitored in line with corporate risk management systems. In the light of the studies carried out, principles and actions for managing the relevant risks are determined in accordance with the Company's risk-taking profiles, and these principles are taken into account when making decisions. While managing the processes, information is continuously shared with the relevant units and Committees and the Company works in an integrated manner.

Factors such as climate change, depletion of natural resources, natural disasters with changing frequency and impact, changing economic balances, technological innovations, digitalization are considered as risks that may affect Aydem Renewables' business processes and stress tests are applied under various scenarios. In addition, the effectiveness of business continuity activities is regularly reviewed. At Aydem Renewables, all risk management activities are recorded.

Risk Management and Practices

In this way, risk management has been fully integrated into Aydem Renewables' daily operations and strategic planning in order to make faster and more accurate decisions in volatile and competitive market conditions.

Early Detection of Risk Committee

The Early Detection of Risk Committee fulfills the duties and responsibilities set forth in the working principles and undertakes the duties assigned to it by the Articles of Association and the Corporate Governance Communiqué. The main purpose of the Early Detection of Risk Committee is to assist the Board of Directors in the early detection of risks that may jeopardize the existence, development and continuity of the Company, to implement appropriate risk management strategies and to establish an expert committee for risk management and to fulfill other duties assigned to it by the legislation.

The Early Detection of Risk Committee consists of at least two members. If the Early Detection of Risk Committee consists of two members, both of them, and if there are more than two members, the majority of the members are elected from the non-executive members of the Board of Directors. The chairman of the Committee is elected from among the independent members of the Board of Directors.

The members of the Early Detection of Risk Committee are determined by the Board of Directors. The term of office may not exceed three years and committee members whose term of office expires may be reappointed.

The members of the Early Detection of Risk Committee are selected from among the non-executive members, where possible. Risk may be assigned to the Risk Committee.

The Early Detection of Risk Committee convenes at least six times a year, as often as deemed necessary for the effectiveness of its activities, at the Company headquarters or at another location where the committee members are present. The timing of the Early Detection of Risk Committee meetings shall be consistent with the timing of the Board of Directors meetings as much as possible. The Early Detection of Risk Committee convenes with the presence of the absolute majority of its members and takes decisions with the majority of the members present at the meeting. The Early Detection of Risk Committee puts all its activities in writing, keeps a record of them and reports to the Board of Directors, including information on the results of the activities and meetings of the Early Detection of Risk Committee. The Risk Committee immediately notifies the Board of Directors in writing of the findings and suggestions related to its duties and responsibilities.

Minutes of the meetings of the Early Detection of Risk Committee are approved by the members of the Early Detection of Risk Committee and kept with the decisions of the Committee.

The Company's manager responsible for risk management or legal and compliance manager or a member appointed by the committee shall assume the responsibility of Rapporteur reporting to the Committee Chairman.

The Rapporteur submits the meeting agenda and relevant documents to the Committee members before the meeting. He/she ensures the attendance of the persons requested by the Chairman to attend the meeting. He/she writes the minutes and decisions of the meeting and ensures their distribution to the relevant parties.

The secretariat of the Board of Directors is responsible for the administrative organization of the meetings, the distribution of the minutes of the meetings to the members of the Board of Directors and the storage of the decisions in the decision book.

The Early Detection of Risk Committee fulfills the following duties, including but not limited to the following;

- Identifying and periodically assessing existing and potential operational, strategic, compliance, financial and other risks and preparing recommendations for taking relevant actions in connection with these risks,
- Establishment of risk management systems and establishment of organizational infrastructures related to risk management within the Company and preparation of proposals for the development of related systems to increase functionality,
- Suggesting solutions to risks to the Board of Directors and the Audit Committee,

- Identifying, evaluating and monitoring the existing and potential risk factors that may affect the achievement of the Company's objectives within the framework of the corporate risk management systematic and ensuring that the principles for managing the relevant risks in accordance with the Company's risk profile are determined and used in decision-making mechanisms,
- Establishing a company-wide corporate risk management approach, ensuring the establishment and maintenance of an effective risk management framework,
- Carrying out studies to determine the risk policies and the relevant standards and methodologies used in managing the risks within the Company and submitting them to the Board of Directors for approval,
- Carrying out studies to prepare policies that define the Company's risk appetite and are in line with the strategic plan and targets approved by the Board of Directors, and submitting these studies to the Board of Directors for approval,
- Establishing the indicators within the scope of risk appetite and proposals regarding their levels, submitting them to the Board of Directors for approval, monitoring the indicators and presenting the results, evaluations and recommendations to the Board of Directors when necessary,
- Ensuring that the Company's strategies and risk appetite are effectively implemented throughout the Company,
- Adequately informing the members of the Board of Directors about the Company's risk-creating activities, including strategic management, capital and resource management, risk profile, risk appetite, business activities, financial performance and reputation, and presenting recommendations to the Board of Directors in this context,
- Ensuring that internal processes are maintained, including stress testing where appropriate, to ensure that capital and liquidity levels and asset-liability structure are in line with the normal and stressed conditions of the company,
- Evaluating and proposing risk management strategies for the risks to be accepted and managed, shared or completely eliminated in the Company for the risks assessed according to probability and impact calculations,
- Providing an opinion to the Board of Directors to establish internal control systems, including risk management and information systems and processes that can minimize the effects of risks that may affect the Company's stakeholders, particularly shareholders,
- Ensuring the integration of risk management and internal control systems into the Company's corporate structure and business processes,
- Evaluating and approving the risk studies carried out within the Company, informing the Board of Directors when necessary and presenting suggestions,
- Evaluate the development and maintenance of management reporting to ensure that information is timely, accurate and relevant,
- Monitoring the latest status of audit matters and findings, evaluating the effectiveness and efficiency of the actions taken,
- Oversight of activities related to business continuity management,
- Reviewing the risk management systems at least once a year and overseeing that the practices of the relevant departments that assume responsibility for the management of risks are carried out in accordance with the decisions of the Early Detection of Risk Committee,
- Early detection of technical insolvency and alerting the Board of Directors and developing proposals on measures to be taken,
- In the quarterly report to be submitted to the Board of Directors, assessing the situation, pointing out the dangers, if any, and showing the remedies in this regard, and sharing this report with the independent auditor, the Audit Committee and the Internal Audit Unit,
- Preparation and submission to the Board of Directors of an annual evaluation report to form the basis for the Board of Directors' assessment of the Early Detection of Risk Committee members, frequency of meetings, working principles including the activities carried out and the effectiveness of the committee, which will be included in the annual report.

Risk Management and Practices

All kinds of resources and support required for the Early Detection of Risk Committee to fulfill its duties are provided by the Board of Directors. The Early Detection of Risk Committee may invite any manager it deems necessary to its meetings and receive their opinions. The Early Detection of Risk Committee may benefit from the opinions of experts when necessary. The Early Detection of Risk Committee acts under its own authority and responsibility, and submits a quarterly report to the Board of Directors containing its assessment of the situation, recommendations and suggestions. These reports submitted to the Board of Directors are also communicated to the independent auditor. The Board of Directors is responsible for the final decision.

ESRS Risk Categories

All situations that may jeopardize the existence, development and continuity of the Company, prevent the realization of strategic, operational and financial targets and negatively change the Company's image in the eyes of all stakeholders are defined as risks and effective measures are taken for each risk. Within this framework, necessary monitoring is carried out based on the financial and non-financial risk definitions and actions are taken to eliminate these risks. Risks under six headings deployed under integrated risk management are categorized by taking into account their causes, events and consequences. Under the management of the Sustainability, Environment, Occupational Health and Safety Committee, climate change, depletion of natural resources, legal changes that have occurred or will occur, natural disasters, changing economic balances, new markets, technological

innovations, digitalization and all other risks related to sustainability are classified and managed within six main risk categories. In addition to the Risk Management Methodologies applied for these risks, special studies are conducted on climate change and sustainability issues, this monitoring mechanism is taken to the next level and actions are determined to eliminate risks.

The six main types of risks faced by Aydem Renewables and the potential impacts of these risks on the company can be explained in detail as follows:

1. **Strategic Risks:** This risk type includes factors that may affect Aydem Renewables' long-term targets and sustainable growth plans. Strategic risks may arise from factors such as changes in market trends, technological innovations, strategies of competitors or transformations in consumer preferences. The Company manages these risks through market research, competitive analysis and strategic planning. Aydem Renewables conducts market research, competitive analysis and strategic planning to manage these risks. These processes include continuously following market and technological developments, analyzing the strategies of competitors and carefully monitoring the transformation of consumer preferences. Through these methods, the company is able to identify strategic risks, develop proactive approaches to them and shape sustainable growth strategies in line with its long-term targets.
2. **Operational Risks: Errors in business** processes, technology management or human resources policies fall under this risk category. Operational risks may include equipment failures, productivity losses, improper data management or human errors. Aydem Renewables manages these risks through effective business processes, regular training programs and a strong internal control system. In order to manage operational risks, structural, hydraulic, geological and topographical controls are regularly carried out at power plants, action plans are prepared and implemented. Wind data is continuously monitored and analyzed by technical teams. In order to achieve the target of sustainable financial success, regular maintenance, effective efficiency-enhancing retrofitting and rehabilitation works, and investments, the availability ratio, which is an important indicator of energy generation efficiency and represents the ratio of the time the power plant is ready for energy generation to the maximum time it can theoretically generate energy, is well above the sector average.

3. **Employment/Safety/Business Continuity and Environmental**

Risks: This category covers issues such as occupational accidents, employee health issues, workforce stability and compliance with environmental regulations. In order to manage these risks, Aydem Renewables takes various measures to provide a safe and healthy working environment, increase employee satisfaction and ensure full compliance with environmental regulations. These measures include regular health and safety trainings, ergonomics and health-promoting practices in the workplace, mechanisms where employees can voice their health and safety concerns, continuous monitoring and evaluation for compliance with environmental regulations, and the use of technologies to reduce environmental impacts.

4. Regulatory Risks: This category includes risks associated with changes in the regulatory framework and new legislation in the energy sector. These risks may arise in the form of new environmental standards, emission limitations or licensing requirements. Aydem Renewables manages these risks by closely following legal and regulatory developments and constantly updating compliance strategies.

5. Market Risks: Risks arising from the volatility of energy prices and changes in consumer behavior. These risks may be related to demand fluctuations or price changes. Aydem Renewables uses various financial instruments and demand management strategies to mitigate market risks.

6. Credit Risks: Includes risks related to access to financing, interest rates and debt management. These risks can affect the company's financial stability and borrowing costs. Aydem Renewables addresses these risks through careful financial planning, debt structuring and interest rate risk management strategies.

Risky issues that Aydem Renewables may face and the relationship of these risks with the six main risk types identified by the company are shown in the table below. This table includes various risk types such as strategic, operational, employment/safety/environmental, regulatory, market and credit risks. Each type of risk has been assessed in terms of its impact on Aydem Renewables' business strategies, operational processes and financial performance. In addition, the possible impacts of risks on the company and how these impacts can be managed are also discussed in the table. This analysis provides a basis for determining and implementing the company's risk management strategy.

The risky issues that Aydem Renewables may face and the relationship of these risks with the company's six main risk types are detailed in the table below. Each risk type is assessed and managed in a wide range of areas, from the company's long-term targets to daily operations, from employee health and safety to environmental compliance, from market fluctuations to financial accessibility.

The importance of each type of risk in Aydem Renewables' strategic decision-making processes and operational activities is measured by the measures and management strategies taken and evaluated as part of the company's overall risk management strategy. This comprehensive risk management approach aims to ensure that the company is resilient and flexible against the risks it may face.

Aydem Renewables analyzes the financial impacts of financial risks and sustainability-related risks with an integrated approach and this process is at the core of the company's overall risk management strategy. Financial risks can arise from factors such as market fluctuations, credit risks, changes in interest rates and exchange rates, and these risks can have a direct impact on the company's financial health and cash flows. Sustainability-related risks can arise from environmental regulations, climate change, resource scarcity and societal expectations, and have the potential to affect the company's financial performance and reputation in the long term.

Risk Management and Practices

Assessment of Risky Issues that Aydem Renewables may face within the Scope of 6 Main Risk Categories

Risky Issues for Aydem Renewables	Strategic Risks (Risks that may affect long-term targets and sustainable growth plans.)	Operational Risks (Risks arising from errors in the management of business processes, technologies or human resources.)
The operation, maintenance and refurbishment of power plants carries significant risks that can lead to unexpected power outages, reduced efficiency and unexpected capital expenditures.	Unexpected capital expenditures can also involve strategic risks, as they can affect the company's long-term strategic planning.	Activities such as the operation, maintenance and refurbishment of power plants and associated unexpected outages or efficiency problems are considered operational risks.
The failure or damage to one of the Company's major power plants could adversely affect the Company's operations.	A major power plant outage could have an impact on the company's long-term goals and strategies.	Plant outages or damages are directly related to operational processes.
The Company is subject to certain risks associated with obtaining and maintaining the equipment and services it needs for its current and future operations.	The dependence of long-term operational plans on this equipment and services is associated with strategic risks.	The provision and maintenance of equipment and services involves operational risks as part of business processes.
The Company may not be able to maintain its relationships with its suppliers.	Since supply chain management plays a key role in strategic planning, failure to maintain relationships involves strategic risks.	Sustainability of supplier relations is part of the operational functioning.
The Company's planned acquisitions may not be completed or, if completed, may not be as beneficial as expected. Acquisitions may cause the Company's management to lose focus and may increase the Company's debt to equity ratio. The failure of such acquisitions may reduce the Company's profitability.	Risks related to strategic objectives include the risk that acquisitions fail to deliver the planned benefits and distract management focus.	Failed acquisitions can have a negative impact on operational processes and profitability.
Failure of the Company to comply with the transfer of operating rights agreement for Adigüzel HPP and Kemer HPP in any way may cause the competent authorities to take measures or cancel the contractual operating rights.	Canceling contracts could affect the company's long-term strategic plans.	Revocation of operating rights may have a direct impact on operational activities.
Any damage to the natural environment caused by the construction or operation of the Company's power plants may result in increased costs due to legal action, compliance studies and/or cessation of production activities at the power plants.		The cessation of production activities can have a direct impact on operational processes and the cost structure.

Employment/Safety/Business Continuity and Environmental Risks (Risks of occupational accidents, employee health issues, workforce stability and compliance with environmental regulations.)	Regulatory Risks (Risks related to the change of the regulatory framework in the energy sector and risks related to new laws or regulations.)	Market Risks (Risks arising from volatility in energy prices and changes in consumer behavior)	Credit Risks (Risks related to access to financing, interest rates and debt management)
Any damage that may occur during the operation of the power plants includes risks related to safety and business continuity.	This includes regulatory risks related to contractual non-compliance, legal obligations and regulatory authorities.	The dependence of the required equipment and services on market conditions implies that these risks may also be related to market risks.	In the event that capital expenditures are higher than expected, credit risks are also related to this situation, as the need for financing increases and this has an impact on the company's credit profile.
		Relationships with suppliers are dependent on market conditions and fluctuations in the supplier market, which therefore entails market risks.	An increase in the debt-to-equity ratio and the financial burden of acquisitions can affect a company's credit profile.
Damage to the natural environment is directly related to environmental risks.	Regulatory risks include legal actions and compliance requirements arising from environmental damage.		

Risk Management and Practices

Assessment of Risky Issues that Aydem Renewables may face within the Scope of 6 Main Risk Categories

Risky Issues for Aydem Renewables	Strategic Risks (Risks that may affect long-term targets and sustainable growth plans.)	Operational Risks (Risks arising from errors in the management of business processes, technologies or human resources.)
Operations carried out during electricity generation activities can be hazardous and can lead to accidents. In certain cases, it may cause injury to people or material damage. This may cause significant interruptions in the Company's operations and/or expose the Company to judicial and administrative sanctions.		Operational risks include interruptions in business activities as a result of potential accidents.
The Company's existing insurance policies may not be sufficient to cover all potential losses. It is not possible to obtain insurance to cover all risks that may arise in the event of an accident or damage or in any other way.	Inadequate comprehensive risk management strategy and insurance planning can also involve long-term strategic risks.	The financial impact of unexpected financial liabilities and losses can increase the company's credit risks.
The Company's operations are heavily dependent on its information technology ("IT") infrastructure. Delays, interruptions in the Company's IT systems and networks or cyber-attacks on these systems and networks may adversely affect the Company's operations.	Strategic risks include cyber security threats and their impact on the company's overall operations.	Delays and outages in IT infrastructure are directly related to operational risks.
The Company may be exposed to risks due to possible unethical behavior or unlawful conduct of its employees, suppliers, agents or other third parties.	Strategic risks are also associated with this situation, as the company's reputation and brand value can be negatively affected by such behavior.	Unethical or unlawful behavior includes operational risks related to business processes and internal controls.
In addition to other related parties, the Company has entered into and will continue to enter into related party transactions with its indirect controlling shareholder.	Related party transactions can affect the company's strategic relationships and reputation.	Transactions with related parties may create risks of operational complexity and conflicts of interest.
The loss of key personnel or the inability to recruit key personnel and qualified employees may limit the Company's growth and adversely affect its operations.	It is associated with strategic risks as it may affect the company's growth and development strategies.	Personnel changes can also involve operational risks, as managing the workforce is part of the company's day-to-day operations.
Union representation of workers at the Company's power plants may increase the Company's employment-related costs. An increase in the number of work slowdowns may adversely affect the Company's operations.	The management of labor-related processes and union relations can affect the company's long-term business strategies.	Work slowdowns can disrupt operational processes.

Employment/Safety/Business Continuity and Environmental Risks (Risks of occupational accidents, employee health issues, workforce stability and compliance with environmental regulations.)

Accidents that may occur during operations and their impact on human health fall into this category.

This category includes the loss of key personnel and the inability to secure a qualified workforce.

Trade union representation and work slowdowns can affect labor costs and job security.

Regulatory Risks (Risks related to the change of the regulatory framework in the energy sector and risks related to new laws or regulations.)

Accidents that can result in judicial and administrative sanctions also bring risks related to regulatory compliance.

Unlawful behavior is associated with regulatory risks as it affects legal compliance issues.

Market Risks (Risks arising from volatility in energy prices and changes in consumer behavior)

Credit Risks (Risks related to access to financing, interest rates and debt management)

The financial impact of unexpected financial liabilities and losses can increase the company's credit risks.

Failure of IT systems can also affect credit risks as it can have an impact on financial transactions and reporting.

Related party transactions can have an impact on financial terms and credit terms.

Risk Management and Practices

Assessment of Risky Issues that Aydem Renewables may face within the Scope of 6 Main Risk Categories

Risky Issues for Aydem Renewables	Strategic Risks (Risks that may affect long-term targets and sustainable growth plans.)	Operational Risks (Risks arising from errors in the management of business processes, technologies or human resources.)
The Company may be adversely affected by changes in tax legislation or practice, increases in tax rates or tax audits.	A company's financial planning and profitability targets can be strategically affected by increases in tax costs.	Potential problems arising from tax audits may affect operational activities.
The Company is jointly and severally liable for the actions of its subcontractors in violation of the relevant laws and regulations. As a result of the activities of subcontractors, the Company's liability may arise or the Company may be subject to legal proceedings.	The possibility of legal proceedings may affect the company's overall strategic position.	Risks related to the activities of subcontractors may affect the operational processes of the company.
The Company's indebtedness and financial liabilities may adversely affect the Company's operations, financial position and results of operations.	The company's financial soundness and debt management strategy influence overall business strategies and long-term financial planning.	The management of financial liabilities is part of operational processes and these liabilities can affect operational performance.
The Company is required to comply with certain covenants under its Eurobond obligations.		The fulfillment of financial commitments involves operational risks as they can affect the day-to-day operational activities of the company.
The inability to obtain credit or capital due to volatility in the credit and capital markets or other factors could make it more difficult for the Company to develop its projects or finance acquisitions.	Accessibility of financing is a factor that can affect the company's overall growth and acquisition strategies.	
Disruptions caused by widespread public health concerns, including the COVID-19 pandemic, could adversely affect the Company's business, results of operations, prospects or financial condition.	Long-term planning and future prospects may be at strategic risk due to uncertain situations such as pandemics.	Global health crises such as pandemics can lead to operational disruptions and business continuity issues.
Electricity generation from renewable energy sources relies heavily on favorable meteorological conditions (including the supply of appropriate amounts of water and wind).		Managing production processes that depend on favorable meteorological conditions involves operational risks.
Demand for electricity may fall.	Long-term revenue projections and growth targets may be affected by changes in demand.	Reduced demand can impact operational planning and capacity utilization.

Employment/Safety/Business Continuity and Environmental Risks (Risks of occupational accidents, employee health issues, workforce stability and compliance with environmental regulations.)	Regulatory Risks (Risks related to the change of the regulatory framework in the energy sector and risks related to new laws or regulations.)	Market Risks (Risks arising from volatility in energy prices and changes in consumer behavior)	Credit Risks (Risks related to access to financing, interest rates and debt management)
	Changes in tax legislation and increases in tax rates point directly to regulatory risks.		
	Responsibilities arising from illegal activities of subcontractors constitute regulatory risks.		
			The company's debt burden and financial obligations are directly related to credit risks.
	Compliance with Eurobond covenants is directly related to regulatory and contractual requirements and therefore entails regulatory risks.		Eurobond obligations and related commitments are associated with credit risks, including the company's financing costs and debt management.
		Changes in market conditions can affect the ability to raise finance and the cost of projects.	Fluctuations in credit and capital markets directly affect credit access and financial conditions.
Public health concerns include the health of workers and safety procedures in the workplace.			
Uncertainties in the availability of natural resources such as water and wind can increase environmental risk factors.		The variability of meteorological conditions can affect supply and demand in the energy market, which involves market risks.	
		A reduction in electricity demand is an indicator of market demand and energy sales and therefore involves market risks.	

Risk Management and Practices

Assessment of Risky Issues that Aydem Renewables may face within the Scope of 6 Main Risk Categories

Risky Issues for Aydem Renewables	Strategic Risks (Risks that may affect long-term targets and sustainable growth plans.)	Operational Risks (Risks arising from errors in the management of business processes, technologies or human resources.)
The Company's operations are dependent on the signing and maintaining the validity of the licenses, permits and regulations required for the operation of its power plants and mandatory agreements with public institutions.	Long-term operational strategies depend on existing and potential legislation and regulatory agreements.	The management and maintenance of permits and regulations are important for the continuity of operational activities.
Electricity market prices and forecast prices may vary significantly.	The company's long-term financial performance and strategic planning may be affected by uncertainties in market prices.	Price fluctuations can affect operational planning and budgeting.
Reduced or discontinued government support for renewable energy or other changes in government energy policy and energy legislation could adversely affect the Company's future investment and growth plans.	Reduced government support or changes in legislation could affect the company's long-term strategies and growth potential.	
The Company is subject to potential currency risk for Completion Payments under the FIT (YEKDEM) incentive and the Company's currency risk will increase when the FIT (YEKDEM) period ends for the Company's power plants.	The end of the FIT (YEKDEM) period and its impact on financial planning can be considered among the company's strategic risks.	
The Company may face significant uncertainties related to the development of new power plants. New projects may not be efficient, may never be completed or may not perform as expected.	The uncertainties and performance of new projects can affect the company's long-term strategic plans.	Challenges in project completion and performance issues are associated with operational risks.
Operational difficulties in connecting to the transmission and distribution grid may adversely affect the Company's ability to sell the electricity it generates.	Such challenges affecting the ability to sell electricity could undermine the company's overall strategic objectives.	Difficulties in connecting to the transmission and distribution grid are directly related to operational risks.
The Company is subject to collection risk arising from electricity sales.		The management of collection processes is part of operational activities and therefore contributes to operational risks.

Employment/Safety/Business Continuity and Environmental Risks (Risks of occupational accidents, employee health issues, workforce stability and compliance with environmental regulations.)	Regulatory Risks (Risks related to the change of the regulatory framework in the energy sector and risks related to new laws or regulations.)	Market Risks (Risks arising from volatility in energy prices and changes in consumer behavior)	Credit Risks (Risks related to access to financing, interest rates and debt management)
	Risks related to licenses, permits and regulations and mandatory agreements, legislation and legal compliance.		
		The variability of electricity market prices and forecasts falls under the category of market risks.	
	Changes in energy policies and legislation are directly related to legal compliance and regulatory risks.	Changes in government support may have an impact on market conditions and the company's revenue expectations.	
		The impact of FIT (YEKDEM) incentive system and exchange rate changes on the company's revenues is related to market risks.	The financial impact of currency risk is important for the company's financial soundness and credit risks.
		Market risks can include new projects failing to meet market expectations or efficiency issues.	
		These challenges could affect the company's electricity sales and its position in the market.	
		The general liquidity situation in the market and the payment capacity of customers may affect market risks, which may increase collection risk.	Collection risk includes the risk that customers do not pay their debts on time and in full, which is directly related to credit risks.

Risk Management and Practices

Risk Management Strategy

Aydem Renewables implements the risk management process with a comprehensive and strategic approach. The company's risk management strategy consists of an eight-step process and each step of this process is meticulously carried out.

Aydem Renewables 8-Stage Risk Management Strategy



The first stage is governance, and the company's risk management policies and procedures are determined within this framework. In the second stage, objectives are clearly defined so that risk management activities are aligned with the company's overall objectives.

The third stage is case detection, which involves the proactive identification of potential risks. In the fourth stage, risk assessment, the magnitude and likelihood of the identified risks are assessed and prioritized. This stage is critical to understanding the potential impact of risks on the company.

In the fifth stage, action is taken against risks. Taking effective action involves developing and implementing effective risk mitigation strategies and response plans. The sixth stage, control activities, involves regular audits and assessments to monitor the effectiveness of risk management strategies and ensure continuous improvement.

This systematic risk management approach of Aydem Renewables supports the company's sustainable growth and operational success. This strategic process enables the company to effectively manage the risks that the company faces or may face, minimize the potential negative impact of these risks on company targets and maintain its competitive advantage. Aydem Renewables continuously improves its risk management strategy and focuses on adopting the best practices in the sector in this field.

The seventh stage, information and communication, plays a central role in Aydem Renewables' risk management process. This stage involves sharing accurate and timely information related to risk management among all relevant parties, thus supporting informed decision-making processes. Establishing an open, transparent and two-way communication channel within and outside the company is a critical factor in the success of risk management practices. Dissemination of the company's risk management policies, procedures and risk awareness among all employees is an important part of this phase.

The eighth stage, risk monitoring, involves continuously reviewing the effectiveness of Aydem Renewables' risk management processes and making necessary adjustments. This stage involves regular monitoring, evaluation and reporting of risks and risk management activities. This continuous monitoring enables the company to respond quickly and effectively to risks, update risk management strategies and implement continuous improvement processes.

Risk Assessment Structure

Aydem Renewables conducts risk assessment processes with a rigorous methodology and places it at the center of its risk management strategy. The company's risk assessment process starts with the identification of key risks and includes the classification of these risks as acceptable or unacceptable.

Identified risks are defined as potential factors that may affect the company's objectives and operational processes, and each of these risks is evaluated in detail. Acceptable risks are risks that are considered manageable within Aydem Renewables' operational strategies and can be minimized with control mechanisms. These risks are integrated into the company's daily workflows and continuously monitored, thus trying to minimize their possible negative effects.

Unacceptable risks refer to situations that are beyond the company's risk tolerance and require more serious management strategies. For such risks, Aydem Renewables employs methods such as risk transfer or avoidance. Risk transfer involves the transfer of risks to another party, usually through insurance policies or contractual clauses, while avoidance may involve the complete elimination of the source of the risk or the cessation of that business activity. Unacceptable risks require a detailed management plan as they are above the company's risk tolerance levels and are divided into three different management strategies: control, risk transfer and avoidance.

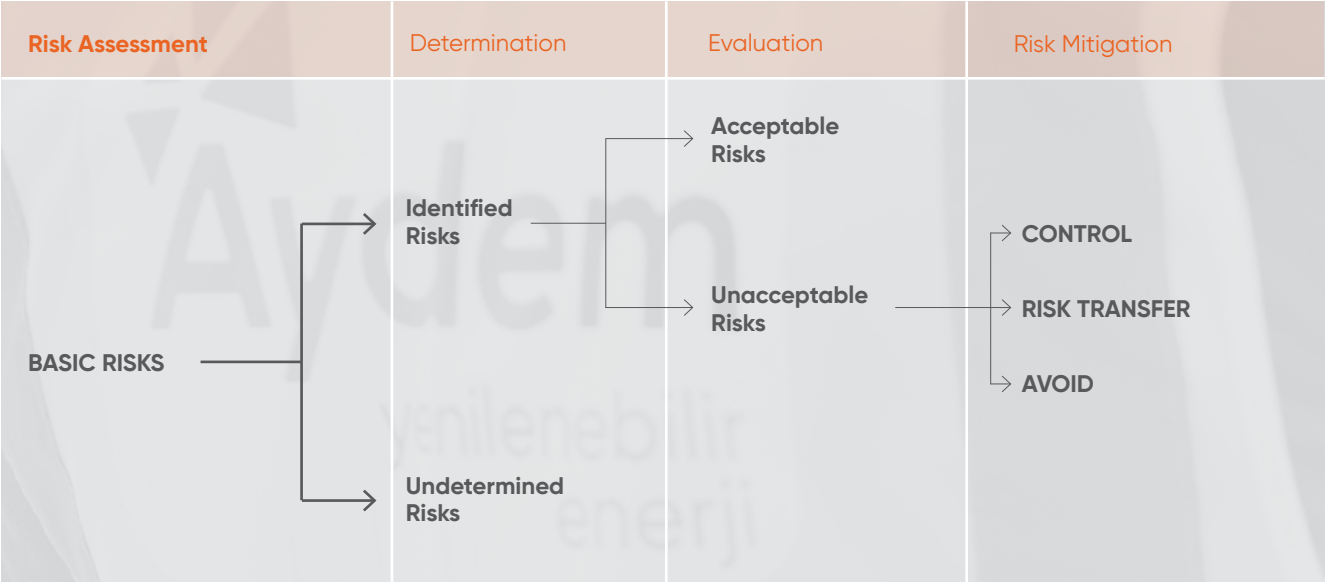
The control strategy includes the implementation of appropriate risk mitigation measures to minimize unacceptable risks. Aydem Renewables implements this strategy by developing internal control systems, procedures and policies

to reduce the effects of risk. These controls can be methods applied by directly intervening in the causes of the risk or mitigating its effects.

Risk transfer involves transferring risks to another party through insurance policies, contracts or agreements with third parties. This method allows Aydem Renewables to reduce financial risks and spread the cost of potential losses.

Avoidance strategy involves eliminating the risk completely or stopping certain business activities. Aydem Renewables aims to completely eliminate that risk by avoiding the source of the risk or stopping risky activities. This is often a preferred approach for activities that are costly or may adversely affect the company's reputation.

Aydem Renewables Risk Assessment Structure



Risk Management and Practices

For risks that cannot be identified in the process, Aydem Renewables keeps such risks under constant observation and aims to take proactive measures by anticipating potentially emerging risks. This proactive approach is critical to ensure that the company is resilient to unexpected s and to maintain business continuity.

The risk assessment process is a fundamental management tool that supports Aydem Renewables' sustainable growth and strong position in the market. With this progressive and layered risk assessment process, the Company manages all risks in a systematic manner, ensuring that business processes and strategic decisions are always made consciously and carefully. Aydem Renewables' risk management strategy serves the purpose of maintaining operational excellence and further consolidating its leadership in the sector.

Assessment of Short/Medium/Long Term Risks

Aydem Renewables implements its risk management strategy by categorizing short, medium and long-term risks on the basis of time frames. Short-term risks are risks that the company may face within 0-3 years and are generally directly related to operational activities. Such risks usually include risks that may affect daily workflows that require quick response and solution. Aydem Renewables manages these risks through a dynamic process that requires instant decisions and quick actions.

Medium-term risks cover the time period between 3-10 years and generally include factors that may affect strategic decisions. These risks may arise from factors such as market changes, technological developments, legal regulations and trends in the sector. Aydem Renewables conducts comprehensive planning and strategic analysis to manage these risks. Medium-term risk management is organized in line with the company's future growth plans and investment strategies.

Long-term risks cover a time horizon of 10 years or more and often involve broad issues that could affect the company's long-term sustainability and industrial position. These risks include macroeconomic factors such as climate change, sustainable resource utilization, long-term legal and environmental regulations. Aydem Renewables addresses such long-term risks in line with the company's sustainability targets and future vision and develops long-term strategies against these risks.

The management of risks specific to each time period is part of Aydem Renewables' comprehensive risk management program and the company assesses these risks individually and applies appropriate management techniques to each of them. This strategic approach ensures that Aydem Renewables is prepared for all potential risks and supports the company's long-term success and leadership in the sector. Aydem Renewables aims to proactively manage risks throughout these time periods and achieve all operational, strategic and corporate targets.



Targets and Performance Indicators

Aydem Renewables develops comprehensive and strategic action plans in order to achieve its sustainability targets, and in this process, it adopts effective methods that will enable the company to achieve both economic, social and environmental sustainability targets. These strategies are implemented in a wide range of areas, from reducing environmental impact to the use of renewable energy resources with maximum efficiency, to protecting the welfare of its employees and the general benefit of society.

The steps taken by Aydem Renewables in the field of environmental sustainability include elements such as emission reduction, waste management, energy efficiency and protection of natural resources. These elements not only reduce environmental impact, but also contribute to the company's economic sustainability by providing cost savings in the long term.

In terms of social sustainability, Aydem Renewables attaches great importance to the health and safety of its employees. It takes proactive measures to reduce occupational accidents and occupational diseases, and also implements human resources policies that support the principles of diversity and inclusion. These policies promote diversity and equal opportunities within the company, enabling all employees to make the best use of their talents and potential. In terms of governance, Aydem Renewables focuses on transparent, accountable and ethical business practices. These practices include

establishing strict internal control mechanisms and appropriate governance structures to prevent corruption and anti-competitive practices. This approach increases the trust of stakeholders and strengthens the transparency and effectiveness of the company's decision-making processes.

Aydem Renewables measures its sustainability performance on the basis of various criteria, sets targets in this direction and monitors performance indicators. The Company's targets and performance in this area are analyzed in detail according to environmental, social and governance criteria:

Environmental Criteria

- All power plants of Aydem Renewables have ISO 14001 and ISO 50001 certificates since February 2020, these certificates show that environmental management and energy management standards have been adopted by the company.
- The company has committed to achieve a net zero target by 2050 in line with the SBTi-approved targets to "reduce absolute scope one and two greenhouse gas emissions by 51% and absolute scope three greenhouse gas emissions from capital goods by 30% by 2032 compared to the base year of 2022". To achieve these targets, the company has defined energy efficiency and consumption plans.

Social Criteria

- Announced clear targets for reducing occupational accidents and implemented an ISO 45001 certified health and safety system. Reported positive trends in terms of accident frequency and severity rates.
- It has made extensive commitments and taken measures to promote non-discrimination and diversity, and to ensure the integration of social standards in supply chain management.

Governance Criteria

- There are appropriate commitments and internal control measures in place to prevent corruption and anti-competitive practices.
- The Company's internal control system has been assessed as strong and this system has been established to manage Corporate Social Responsibility risks.

Aydem Renewables develops the necessary strategies and action plans to achieve its sustainability targets and continuously improves its performance in these areas. This approach plays an important role in achieving Aydem Renewables' economic, social and environmental sustainability targets. These strategies and action plans ensure Aydem Renewables' continuous progress in its sustainability journey and contribute to the company's value creation for both current and future generations. This process strengthens the company's competitive position in the market and supports its long-term sustainable success.

Stakeholder Engagement

Aydem Renewables has identified communication and cooperation with stakeholders as a strategic priority and in this context, it has put in place multidirectional and effective communication channels. The company's dialog with its employees is maintained through an Idea Line that is constantly kept active, the Enport Intranet Platform, the monthly Bulletin and regular social events. These channels enable employees to participate and be heard, while strengthening internal information flow and transparency. At the same time, management meetings, employee trainings and project group meetings are used to exchange ideas around company strategies and targets, while the IKON application enables employees to quickly access up-to-date information about the company.

Communication with shareholders and investors is ensured through regular board meetings and committee meetings, while the investor relations website and continuous communication via channels such as e-mail and telephone provide up-to-date and detailed information on the company's financial performance and strategic direction. General shareholders' meetings are also held on an annual basis, open to the participation of shareholders, and allow for the sharing of important decisions on the overall situation and vision of the company.

Relations with the Holding and group companies are conducted in a similar fashion through board meetings. These meetings play a critical role in ensuring intra-group coordination and alignment of strategic targets. Communication with public institutions and local governments is supported by annual publications such as sustainability and annual reports, while regular online and face-to-face meetings underline transparency and accountability. These dialogues serve an important function in the company's processes of assessing its social and environmental impact and complying with regulations.

Relations with suppliers and subcontractors are also supported by mechanisms such as sustainability reports and e-procurement systems. These help to understand and implement sustainability standards in the supply chain, while continuous communication channels such as e-mail and telephone strengthen collaboration and coordination in operational processes.

Relations with banks and financial institutions are maintained through continuous online and face-to-face meetings and congresses, while instant reporting ensures transparent sharing of financial performance.

Collaboration with universities, research institutions and consultants is supported by congresses and ongoing meetings that promote the exchange of knowledge and the development of innovative solutions. These relationships play an important role in the company's research and development activities.

Relations with independent audit and rating agencies are managed through regular reports and congresses, while face-to-face meetings with trade unions, non-governmental organizations and industry associations play a role in expanding and increasing the impact of the company's social responsibility projects.

While communication with the community is maintained through projects and ad-hoc meetings, relations with the media ensure that the public is informed through annual reports, press releases and meetings. This plays a critical role in the management of the company's public relations and brand perception.

Relationships with international organizations and customers are conducted primarily through projects, reflecting the company's global collaborations and efforts to increase customer satisfaction.

This multi-layered and dynamic communication network ensures that Aydem Renewables remains sensitive to the needs and expectations of its stakeholders and contributes to the successful implementation of the company's sustainability strategy. Each communication channel plays a fundamental role in achieving Aydem Renewables' strategic and operational targets, strengthening both internal and external collaboration and engagement.

Channels through which Aydem Renewables communicates with stakeholder groups and frequency of communication

Stakeholders	Communication Channels	Communication Frequency
Employees	Idea Line	Continuous
	Enport Intranet Platform	Continuous
	Newsletter	Monthly
	Social activities	Continuous
	Management meetings	Continuous
	Employee trainings	Continuous
	Project group meetings	Continuous
	IKON app	Continuous
Shareholders and Investors	Board of Directors meetings	Continuous
	Committee meetings	Every 3 Months
	Investor relations website	Continuous
	General Assembly meetings	Annual
	Emails, phone calls and interviews	Continuous
Holding and Group Companies	Board of Directors meetings	Continuous
	General Assembly meetings	Annual
Public Organizations and Local Governments	Sustainability Report	Annual
	Annual Report	Annual
	Online and face-to-face interviews	Continuous
Suppliers and Subcontractors	Sustainability Report	Annual
	Emails, phone calls and interviews	Continuous
	E-tender	Continuous
Banks and Financial Institutions	Online and face-to-face interviews	Continuous
	Congresses	Continuous
	Reporting	Instant
Universities and Research Institutions and Consultants	Online and face-to-face interviews	Continuous
	Congresses	Continuous
Independent Audit and Rating Agencies	Online and face-to-face interviews	Continuous
	Congresses	Continuous
	Reporting	Instant
Trade Unions, Civil Society Organizations and Sector Associations	Sustainability Report	Annual
	Annual Report	Annual
	Online and face-to-face interviews	Continuous
Society	Meetings and face-to-face interviews	Instant
	Projects	Instant
Media	Sustainability Report	Annual
	Annual Report	Annual
	Press releases	Continuous
	Press conferences and face-to-face meetings	Instant
	Sectoral meetings and congresses	Continuous
International Organizations	Projects	Instant

Stakeholder Engagement

Memberships and Collaborations

As of the end of 2023, associations and organizations in which Aydem Renewables actively participated in order to support its sustainability targets and strengthen its leading position in the renewable energy sector:

- Electricity Producers Association (EÜD)
- Turkish Wind Energy Association (TÜREB)
- Business Council for Sustainable Development (BCSD Turkey)
- Green Hydrogen Producers Association (H2ODer)
- Turkish Investor Relations Society (TUYID)
- Corporate Governance Association of Turkey (TKYD)
- Turkish Geothermal Energy Association (JED)
- Energy Investors Association (GÜYAD)
- Turkish Electricity Industry Association (TESAB)
- United Nations Global Compact (UNGC)
- Women's Empowerment Principles (WEPs)
- Science Based Targets initiative (SBTi)
- Sustainable Production and Consumption Association (SUT-D)

These collaborations demonstrate Aydem Renewables' commitment to fulfill its commitments in sustainability and corporate governance and support the company's target of adding value to its stakeholders by increasing its reputation in the sector.



Double Materiality Analysis

Aydem Renewables' double materiality analysis is an assessment system that covers various sustainability issues such as business ethics and corporate governance, occupational health and safety, workplace practices, contribution to the local economy and society, business continuity and reliability, climate change and biodiversity. This analysis is conducted by taking into account the potential impact of material issues on Aydem Renewables' financial performance and environmental, social and governance impacts.

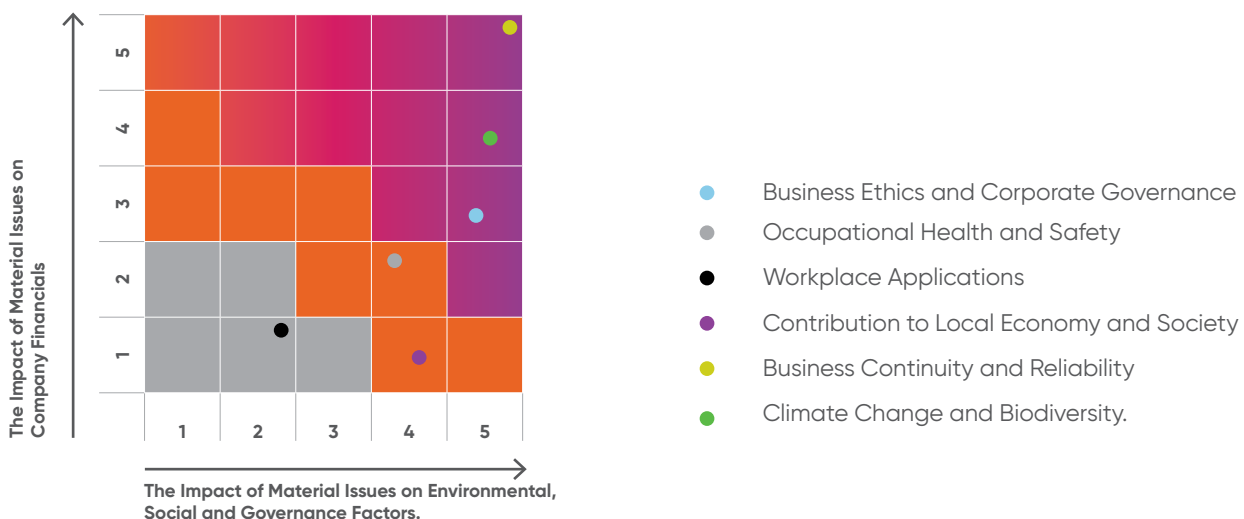
The systematic assessment process is carried out by taking into account the potential impact of the issues on the financial health of the company, as well as their environmental and social dimensions, and the results are visualized on a matrix. The matrix is used in Aydem Renewables' strategic planning and risk identification, and serves as an important tool in prioritizing sustainability-related activities.

In determining the material issues, Aydem Renewables has taken the International Financial Reporting Standards (IFRS), Turkish Sustainability Reporting Standards (TSRS), Sustainability Accounting Standards Board (SASB), the new European Sustainability Reporting Standards (ESRS) of the European Financial Reporting Advisory Group (EFRAG) and the new Global Reporting Initiative Standards (GRI) Standards that entered into force as of January 2023 as basis.

In Aydem Renewables' two-way materiality analysis, the concept of "impact materiality" refers to the potential impacts of Aydem Renewables' activities on the environment, society and governance, i.e. the broader social and environmental consequences of the company's activities, while "financial materiality" emphasizes the direct impact of material environmental, social and governance issues on Aydem Renewables' financial performance and valuation. These two perspectives ensure that Aydem Renewables considers both

comprehensive impact and financial consequences in its decision-making processes. The concepts of "Materiality in terms of Impact" and "Financial Materiality" are designed to meet all expectations of TSRS, IFRS, CSRD, SASB and GRI standards and regulations within the scope of materiality analysis.

When evaluating Aydem Renewables' material issues, the environmental and social impacts of these issues are analyzed on the horizontal axis (X axis), while their impact on the company's financial performance and valuation is analyzed on the vertical axis (Y axis). The combination of these two dimensions reveals both the company's impact on environmental and social issues and the financial impact of these issues on the company, and in this way, it helps Aydem Renewables to determine its strategic focus points and priorities. These strategies enable the company to more effectively plan which issues to prioritize while addressing both potential impacts and opportunities



Double Materiality Analysis

The Sustainability, Environment, Occupational Health and Safety Committee, Investment Committee, Early Detection of Risk Committee and the Board of Directors play critical roles in Aydem Renewables' Double Materiality Analysis.

These committees examine in detail the company's impact on environmental and social issues and their impact on the company's financial performance. The Board of Directors incorporates the information obtained into strategic decision-making processes and develops a holistic approach to the company's sustainability targets and financial soundness.

Double Materiality Analysis Process

1. Phase Analyzing the business ecosystem

A detailed analysis of Aydem Renewables' business ecosystem was conducted. This analysis covered the company's industrial activities, market dynamics and position in the ecosystem, aiming to understand the wider impacts of its activities.

2. Phase: Identify the environmental, social and governance impacts that Aydem Renewables causes and is exposed to

The environmental, social and governance impacts of the company have been comprehensively analyzed. This process assessed both the direct impacts of the company's operations and the broader environmental and social consequences of these impacts across the value chain.

3. Phase: Identification of priority topics based on the identified environmental, social and governance impacts, stakeholder analysis and secondary data sources.

Based on the identified environmental, social and governance impacts, material issues were identified by examining the company's ecosystem, analyzing the views of internal and external stakeholders and drawing on various sources. This phase was shaped by taking into account the company's strategic focus, the sustainability risks of the ecosystem in which it operates and stakeholder expectations.

Within the scope of secondary data sources, Appendix C of the ESRS: Disclosure and Implementation Requirements in the Current ESRS, which is applicable in connection with ESRS 2 General Disclosures,

the Solar Technology & Project Developers guidance in SASB within the scope of TSRS obligations and GRI Standards were utilized to identify material topics.

Feedback regularly obtained from all stakeholder groups and communication channels, which are mentioned in detail in the Stakeholder Engagement section of the Report, constitute the primary data sources for identifying material topics.

In the survey conducted with internal and external stakeholders, feedbacks of 211 stakeholders were received. As a result of the survey, the scale, scope and irreversibility character of the environmental, social and governance impacts of Aydem Renewables' business activities were measured.

Priority issues of Aydem Renewables and the scope of these issues

Priority Issues	Scope
Business Ethics and Corporate Governance	Business Ethics Corporate Governance Risk Management Transparency Anti-Corruption
Occupational Health and Safety	Disaster and Emergency Preparedness Occupational Health and Safety Security
Workplace Practices	Inclusive Workplace, Diversity and Equality Talent Management Employee Satisfaction and Engagement
Contribution to Local Economy and Society	Infrastructure Investments Contribution to Local Economy and Employment Relations with Local Communities
Business Continuity and Reliability	Sustainable Supply Chain Availability and Business Continuity Efficient Renewable Energy Supply Economic Performance Innovation Digital Transformation and Information Security
Climate Change and Biodiversity	Climate Change Greenhouse Gas Emissions Emissions Trading Renewable Energy Energy Efficiency Waste Management Circular Economy Biodiversity Soil Pollution Material Consumption Water Efficiency Protection of Water Resources

Double Materiality Analysis

- 1. Phase:** Determining the types of risks that Aydem Renewables may be exposed to

The types of risks that Aydem Renewables may be exposed to have been identified. At this stage, potential risks were categorized in a systematic manner. The risk types evaluated by Aydem Renewables and the process of determining these risk types can be examined in detail in the "ESRS Risk Categories" section of the Report.

- 2. Phase:** Listing the risky issues within the scope of the identified risk types. Risky issues under the identified risk types are listed. This process provides a comprehensive inventory of risks.

Based on this inventory, questionnaires were sent to Aydem Renewables' internal and external stakeholders. These questionnaires were conducted to reveal the scale, scope, irreversibility character and the magnitude of the financial impact of the impacts, risks and opportunities that stakeholders are experiencing.

In the financial materiality survey conducted with internal stakeholders, a total of 30 risky issues were addressed, and with the participation of Aydem Renewables' Risk Management, Legal, Accounting, Human Resources departments, the scale, scope, unchangeability character and the magnitude of the impact on the financials of the impacts, risks and opportunities experienced were revealed.

- 3. Phase:** Associating the identified Risky Issues with the Priority Issues of Aydem Renewables. Thus, capturing synergies between Risk Types and Priority Topics.

The identified risk issues and their relationship with Aydem Renewables' material issues were discussed. At this stage, synergies between risk types and material issues were explored. These synergies enabled Aydem Renewables to identify potential environmental, social and governance impacts.

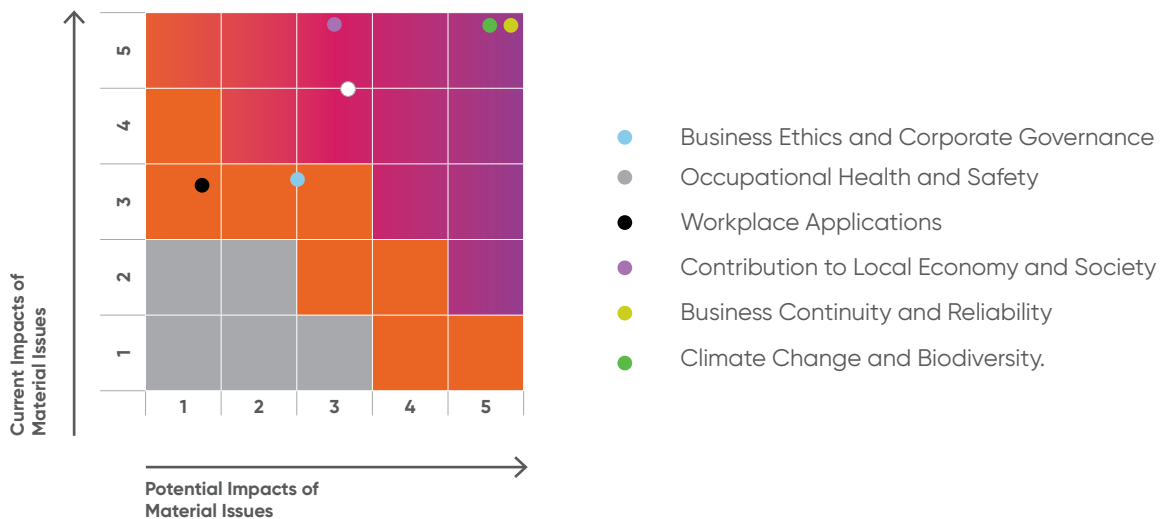
- 4. Phase:** Weighting the financial and ecosystem ESG impacts of Risky Issues and Risk Types from the perspectives of scale, scope, irreversibility and likelihood. The financial and ESG impacts of risk issues and risk types were assessed and weighted from various perspectives. This stage clearly established the importance and prioritization of risks.

The assessment was carried out in two main tracks: Financial Prioritization and Impact Prioritization. The Financial Prioritization analysis was evaluated based on the criteria of Magnitude of Financial Impact of Material Issues and Likelihood of Financial Impact of Material Issues. The results obtained from this analysis were then integrated into a single score card and used in the Y-axis of the Double Materiality Analysis.

The Impact Materiality analysis was assessed based on the criteria of Existing Impacts and Potential Impacts. The assessed impacts were analyzed in terms of (i) the magnitude of the impact, (ii) the scope of the impact, and (iii) the level of irreversibility of the impact. The results obtained from the analysis were then integrated into a single score sheet and used in the X axis of the Materiality Analysis.

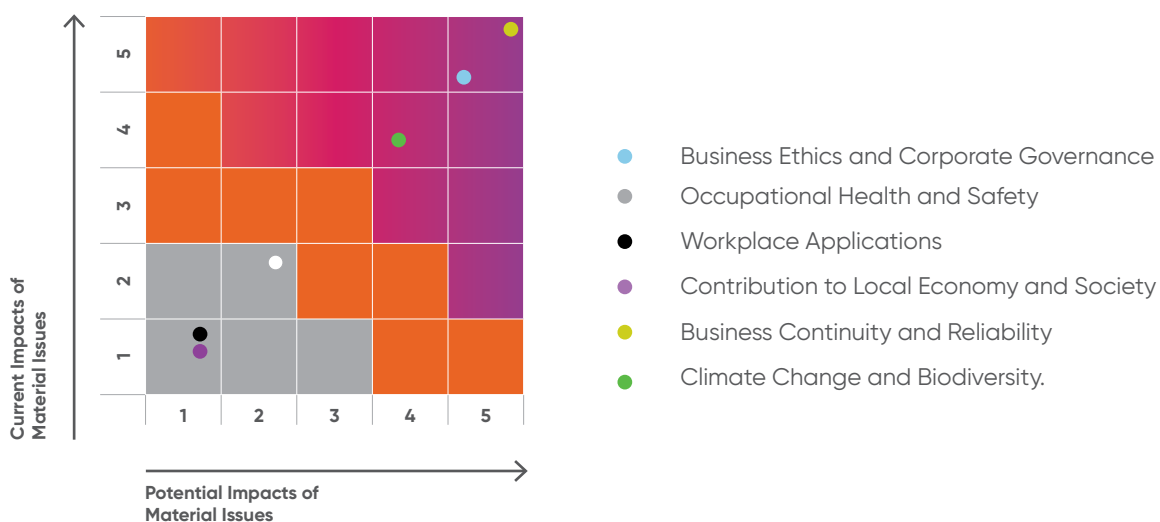
- 5. Phase:** Displaying the results of Aydem Renewables' Double Materiality Analysis on the X and Y axes based on the results of the Financial Prioritization and Impact Prioritization analyses. The results of the Financial Materiality and Impact Materiality analyses were displayed in a Double Materiality matrix on the X and Y axes, allowing Aydem Renewables to clearly see the projects and activities with the highest priority in terms of both financial and impact. This method effectively guided the company's strategic decisions, resource allocation and long-term planning. This matrix has served as a strategic tool to help Aydem Renewables fulfill its financial, social and environmental responsibilities in a balanced manner.

Impact Materiality Analysis



The company's impact on environmental and social issues and the effects of these issues on financial performance analysed in detail.

Financial Materiality Analysis



Value Creation Model

Aydem Renewables has adopted a comprehensive and multi-dimensional Value Creation Model in line with its sustainable growth and sectoral leadership targets. This model offers a broad perspective, focusing not only on the company's financial performance but also on its environmental, social and corporate responsibilities.

Inputs		BUSINESS MODEL	
Financial Capital	 <p>Capital and credit facilities from investors. Revenues from energy sales. Government incentives and green financing sources. Financial assets and investments related to energy production and trade.</p>	Business Ethics and Corporate Governance	
Manufactured Capital	 <p>Construction and engineering works of power generation facilities. Machinery and equipment used for operation and maintenance. Technological systems used in energy production. The company's office equipment and information technology infrastructure.</p>	Occupational Health and Safety	
Intellectual Capital	 <p>Patents and intellectual property rights related to renewable energy owned by the company. Information and technologies obtained as a result of research and development activities. Software and management systems that improve the company's business processes and efficiency. Sectoral experience and expertise of staff and managers.</p>	Workplace Applications	
Human Capital	 <p>Training and development activities of company employees. Workforce with technical expertise and operational skills. Managers with management and leadership skills. Company culture, ethical standards and employee satisfaction.</p>	Climate Change and Biodiversity	
Social and Relational Capital	 <p>Strong relationships with stakeholders and local communities. Reputation and brand credibility in the sector. Collaborations and strategic partnerships. Strong customer and supplier networks.</p>	Business Continuity and Reliability	
Natural Capital	 <p>Access to and sustainable use of renewable energy sources. Efforts to manage and reduce carbon footprint. Positive impacts on ecosystems and biodiversity. Waste management and pollution reduction policies.</p>	Local Economy and Contribution to Society	

The model addresses in detail how the company creates an impact in the energy sector and how this impact creates value on society, environment and economy. Based on four main components: inputs, business model, outputs and value creation, this model reflects Aydem Renewables' sustainability-oriented strategy and vision for the future.

Outputs	Value Creation
Profitability and return on investment. Increased revenues from renewable energy plants. Cost savings and operational efficiency. Increase in company value and maximization of shareholder value	Sustainable growth and long-term financial stability of the company. Increased investor confidence and a sustained increase in the company's market capitalization. Improving financial performance and consolidating the company's position as an industry leader.
Increase in energy production capacity. Expansion and improvement of physical assets and infrastructure. Improvements in energy efficiency and reliability. Reduced maintenance and operating costs.	Increased energy security through the expansion and modernization of energy infrastructure. Strengthening the technological leadership and innovation position in the sector. Raising standards in energy efficiency and sustainability.
Development of innovative technologies and processes. Improvements in management and business processes. Increased competitiveness of the company in the market. Revenue from intellectual property rights and licensing opportunities.	The company drives change and development in the industry through innovative solutions and technologies. Transforming intellectual capital into a company's competitive advantage. Potential to leverage know-how and experience into new business lines and markets. Continuous improvement of company culture and knowledge management.
Increase in employee satisfaction and loyalty. Improvements in labor productivity and level of expertise. Higher occupational health and safety standards. The contribution of management and leadership skills to company success.	Strengthening the company's position in the sector through high employee motivation and productivity. Increased capacity to attract and retain talent. Success in occupational health and safety creates a positive image in society. The positive contribution of employee development and training to the overall success of the company.
Strengthening reputation in the eyes of society and stakeholders. Increased customer loyalty and market share. Opening new opportunities through collaborations and partnerships. Social impacts of social responsibility projects.	The contribution of good corporate citizenship practices to social welfare and development. Increased stakeholder support and participation in company operations. Playing a decisive role in industry leadership and business ethics.
Reduction in carbon emissions through the use of renewable energy. Conservation and sustainable use of natural resources. Improving ecosystems and biodiversity. Reputational and market advantages gained through environmental permits and certificates.	Accelerating the transition to renewable energy and playing a leading role in environmental sustainability. The long-term environmental benefits of conserving natural resources and reducing the ecological footprint. Expanding efforts to improve biodiversity and ecosystem services.

Value Creation Model



Financial Capital

It includes financial resources such as capital from investors, credit facilities, revenues from energy sales, government incentives and green financing sources. Financial assets and investments related to energy production and trade are also considered in this category.



Manufactured Capital

This category includes machinery and equipment used for the construction, engineering, operation and maintenance of power generation facilities, technological systems and the company's office equipment and IT infrastructure



Intellectual Capital

The company's patents, intellectual property rights in the field of renewable energy, information and technologies obtained as a result of R&D activities, software that improves the company's business processes and efficiency, and the sectoral experience and expertise of its personnel.



Human Capital

Training and development activities of company employees, workforce with technical expertise and operational skills, managerial staff with management and leadership skills, corporate culture, ethical standards and employee satisfaction are evaluated in this category.



Social and Relational Capital

This includes relationships with stakeholders and local communities, industry reputation and brand credibility, collaborations, strategic partnerships and strong customer and supplier networks.



Natural Capital

Access to renewable energy sources, management of carbon and water footprint, positive impacts on ecosystems and biodiversity, waste management and pollution reduction policies fall under natural capital.

01

These inputs form the cornerstones of Aydem Renewables' value creation process and enable the company to achieve its targets of sustainable growth, innovation and sectoral leadership. Aydem Renewables plays a pioneering role in the sector by effectively utilizing various types of capital in the value creation process. In terms of financial capital, the company is taking important steps to ensure sustainable growth and long-term financial stability, increasing investor confidence and achieving a continuous increase in market value. This contributes to improved financial performance and reinforces the Company's position as an industry leader.

02

In the field of manufactured capital, Aydem Renewables attaches great importance to the expansion and modernization of its energy infrastructure. In this way, it increases energy security, strengthens its position as a technological leader and innovator in the sector, and raises standards in energy efficiency and sustainability. In terms of intellectual capital, the company drives change and development in the sector through innovative solutions and technologies, and utilizes its know-how and experience as a potential for expansion into new business lines and markets. It also focuses on the continuous development of corporate culture and knowledge management, transforming intellectual capital into a competitive advantage.

03

In terms of human capital, Aydem Renewables strengthens its position in the sector thanks to the high motivation and productivity of its employees, increases its capacity to attract and retain talent, and creates a positive image in the society with its achievements in the field of occupational health and safety. Employee development and training contribute positively to the overall success of the company.

04

In terms of social and relational capital, Aydem Renewables contributes to social welfare and development through good corporate citizenship practices, increases the support and participation of stakeholders in company activities, and plays a decisive role in sectoral leadership and business ethics. In the field of natural capital, accelerating the transition to renewable energy and playing a leading role in environmental sustainability expands efforts to protect natural resources, reduce ecological footprint and improve biodiversity and ecosystem services. This comprehensive and integrated approach forms the basis of Aydem Renewables' success in the value creation process.



Contribution to Sustainable Development Goals

Aydem Renewables is an energy company that aims to provide sustainable and environmentally friendly energy solutions. The company focuses especially on renewable energy sources and makes significant investments in this field. It is a leader in electricity generation from renewable energy sources such as solar energy, wind energy and hydroelectric energy.

Aydem Renewables' activities include clean energy generation and efficient distribution of this energy. By using renewable energy resources, the company aims to minimize environmental impact and reduce its carbon footprint. In addition, contributing to sustainable development goals and providing innovative solutions in the energy sector are among the priorities of Aydem Renewables.

The company's projects are developed in line with the principles of environmental sustainability and economic efficiency. Thanks to these projects, significant contributions are made to local communities and Turkey's energy sector in general. Aydem Renewables plays a pioneering role in the energy sector by closely following innovations and technological developments in the field of renewable energy.

Aydem Renewables' contribution to the SDGs is discussed in order of prioritization.

Aydem Renewables is an energy company that aims to provide sustainable and environmentally friendly energy solutions.

Accessible and Clean Energy



Aydem Renewables aims to reduce carbon emissions in energy production and minimize its impact on the environment by investing in renewable energy sources. This target ensures sustainability in energy production by increasing the use of clean energy sources such as solar, wind and hydroelectricity. Aydem Renewables' plans to increase the capacity of hydroelectric and wind power plants diversify energy production by using clean and renewable energy sources. These plans represent a significant step forward in environmental sustainability and energy efficiency by increasing access to clean energy. Increasing installed capacity reduces dependence on fossil fuels for power generation and strengthens the shift towards environmentally friendly energy sources.

Improvements in WPP and GPP facilities increase access to clean energy by ensuring efficient and effective energy production. These improvements aim to utilize renewable energy resources more effectively and reduce the environmental impact of energy generation. In addition, Sari Perakende Enerji Satış ve Ticaret Inc.'s pre-license applications and EIA processes support growth in clean energy by enabling the development of new renewable energy projects.

The Company's plans to increase the diversity of energy production and stabilize the continuity of energy supply encourage the use of clean and renewable energy sources. This approach aims to reduce carbon emissions and minimize the environmental impact of energy production. Successful completion of EIA processes enables the realization of projects sensitive to environmental impacts.

Industry, Innovation and Infrastructure



Aydem Renewables plays an important role in the energy sector in line with the Industry, Innovation and Infrastructure (SDG 9) Sustainable Development Goal. This goal aims to increase economic growth and social welfare by supporting sustainable industrial development, innovation and infrastructure. Aydem Renewables' activities in this area are critical to increase the company's competitiveness in the energy sector and to create a more balanced and sustainable energy generation portfolio.

By adopting innovative approaches in energy generation, the Company takes important steps towards modernizing and continuously improving its infrastructure. In this context, it prioritizes the effective use of renewable energy resources and supports the principles of

sustainability and efficiency in the energy sector. Aydem Renewables generates energy from renewable sources such as solar energy, wind energy and hydroelectric energy, integrating technological innovations in this process.

The Company's efforts to modernize its power generation infrastructure are carried out with the aim of increasing energy efficiency and minimizing environmental impacts. In this context, Aydem Renewables continuously improves the equipment and systems in its facilities and increases the performance and safety of the facilities by using innovative technologies such as Condition Monitoring Systems (CMS). These systems continuously monitor the condition of the equipment, detect possible malfunctions in advance and ensure the uninterrupted continuity of energy generation processes. Aydem Renewables makes significant investments in business

development activities that will support sustainable development in the energy sector. These business development activities aim to develop new and innovative energy solutions and to make energy generation and distribution processes more efficient and environmentally friendly. In this way, the Company adopts an approach that prioritizes innovation and technological development in the energy sector.

Aydem Renewables' activities in the energy sector play an important role in meeting the energy needs of Turkey and the global community by supporting sustainable industrial development and infrastructure. The company's efforts contribute not only to economic growth but also to environmental sustainability and social welfare. Aydem Renewables continues to play a pioneering role in the renewable energy sector towards achieving the Industry, Innovation and Infrastructure (SDG 9) targets.



Contribution to Sustainable Development Goals

Aydem Renewables' business development strategies center on sustainable and environmentally friendly energy production.

Climate Action



Aydem Renewables assumes a leading role in combating climate change within the scope of Climate Action (SDG 13) Sustainable Development Goal. In line with this goal, the company's business development strategies focus on mitigating the impacts of climate change by centering on sustainable and environmentally friendly energy production.

Business development activities enable Aydem Renewables to adopt innovative and sustainable approaches in the energy sector. Within this framework, the company focuses on reducing its carbon footprint and greenhouse gas emissions by investing in renewable energy sources. Increasing the use of clean energy sources such as solar energy, wind energy and hydroelectric power reduces dependence on fossil fuels and minimizes the environmental impact of energy production.

The Company's business development strategies aim to increase resilience to different climatic conditions and market fluctuations and ensure continuity of energy supply by diversifying energy production sources. This diversification is in line with the goals of sustainability in energy production and reducing environmental impact, and

demonstrates the Company's commitment to sustainable energy. In business development processes, Aydem Renewables focuses on the development of innovative and environmentally friendly energy solutions. These processes aim to make energy generation and distribution processes more efficient and environmentally friendly, thus directly contributing to the fight against climate change.

Aydem Renewables strives to minimize the negative impacts on the environment by evaluating the environmental impacts of its projects in detail through Environmental Impact Assessment (EIA) and other legal processes. These processes ensure that projects are in line with sustainability principles and demonstrate its commitment to reducing environmental impact.

Aydem Renewables' business development activities play an important role not only in the energy sector but also in the fight against global climate change in general. The company's efforts support economic growth while also promoting environmental sustainability. Aydem Renewables continues to play a pioneering role in the renewable energy sector towards achieving Climate Action targets.

Responsible Production and Consumption



Aydem Renewables promotes sustainable and responsible practices in the energy sector in line with the Sustainable Development Goal of Responsible Production and Consumption (SDG 12). This goal includes the effective use of environmental resources, optimizing waste management and adopting sustainable consumption models. Aydem Renewables' activities in this area aim to reduce its ecological footprint and promote environmental sustainability by adopting responsible production and consumption principles in the energy sector.

The Company strives to minimize the environmental impact of energy production by focusing on renewable energy sources. The use of clean energy sources such as solar energy, wind energy and hydroelectric power reduces the use of fossil fuels and reduces greenhouse gas emissions. This approach ensures sustainable energy production by minimizing environmental impacts.

Aydem Renewables continuously makes improvements to increase efficiency in energy generation processes. In this context, optimization of equipment and systems in power generation facilities is carried out in order to increase energy efficiency and reduce resource use to the optimum level.



Aydem Renewables develops waste management and recycling practices, aiming to reduce environmental impacts and use resources more efficiently.

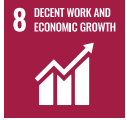
The company's business development processes focus on the development of sustainable and environmentally friendly energy solutions. These processes aim to make energy production and distribution processes more efficient and environmentally friendly, thus contributing to the principles of responsible production and consumption.

Through Environmental Impact Assessment (EIA) and other legal processes, Aydem Renewables strives to minimize negative impacts on the environment by assessing the environmental impacts of its projects in detail. These processes ensure that projects are in line with sustainability principles and demonstrate its commitment to reducing environmental impact.

Aydem Renewables' activities towards Responsible Production and Consumption (SDG 12) targets promote sustainable energy production and environmental sustainability. These efforts of the company prioritize environmental responsibility while supporting economic growth. Aydem Renewables continues to play a pioneering role in the renewable energy sector on the way to achieving responsible production and consumption targets.

Contribution to Sustainable Development Goals

Decent Work and Economic Growth



Within the scope of the Sustainable Development Goal of Decent Work and Economic Growth (SDG 8), Aydem Renewables takes important steps towards creating quality job opportunities in the energy sector and supporting sustainable economic growth. This goal includes ensuring decent working conditions for all and promoting economic growth in a sustainable manner. Aydem Renewables' activities in this area aim to both create employment and sustainable economic development in the energy sector. By investing in renewable energy sources, the Company creates new and sustainable jobs.

These investments increase the demand for qualified labor force and expand employment opportunities in the energy sector, especially in areas such as solar energy, wind energy and hydroelectric energy. Aydem Renewables' energy generation and distribution projects contribute to the local and national economy and support sustainable economic growth.

Aydem Renewables attaches great importance to the professional development of its employees. Through training and development programs, it increases the skills and capacities of its employees, thus contributing to the formation of a more qualified and efficient workforce in the energy sector. This approach aims to ensure decent working conditions and increase employee job satisfaction.



Aydem Renewables aims to advance economic growth in line with environmental sustainability by adopting sustainable and environmentally friendly practices in the energy sector. The company's efforts to increase efficiency in energy generation processes optimize resource use and promote economic efficiency in the energy sector.

Aydem Renewables supports local communities and contributes to social development through various social responsibility projects. These projects have a positive impact on the economic and social development of local communities as well as the energy sector.

Aydem Renewables' activities towards Decent Work and Economic Growth (SDG 8) targets aim to create quality job opportunities in the energy sector, promote economic growth in a sustainable manner and increase social welfare. The company's efforts contribute to a sustainable future, both economically and socially, and continue to play a leading role in the energy sector.

Aydem Renewables takes important steps towards creating quality job opportunities in the energy sector and supporting sustainable economic growth.



Aydem Sustainability Principles Compliance Framework

"Sustainability Principles Compliance Framework" includes the basic principles that publicly traded companies are expected to disclose while conducting their Environmental, Social and Corporate Governance (ESG) activities.

General Information: The Company publishes the details of its sustainability-related information in the Sustainability Report in June every year, and the information published in the Sustainability Report covers the previous year's data.

		COMPLIANCE STATUS					
		YES	NO	PARTLY	INTERESTLESS	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
A. General Principles							
	A1. Strategy, Policy and Objectives						
A1.1	The Board of Directors determines environmental, social and governance (ESG) priority issues, risks and opportunities	Yes					2023 Integrated Annual Report (Value Creation Structure Section)
	The Board of Directors establishes ESG policies (For example: Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) and declares to the public.	Yes				Relevant policies are published on the website.	https://www.aydemyenilenebilir.com.tr/bilgi/24/politikalar-m-z?hl=en
A1.2	The short and long term goals in line with ESG policies are declared to the public.	Yes					2023 Integrated Annual Report (Environmental Assets, Human Resources Assets, Social Assets Section)
A2. Implementation/Monitoring							
A2.1	The committees and/or units responsible for the implementation of ESG policies as well as the highest-level person in charge of ESG issues and their duties are determined and publicly disclosed.	Yes					2023 Integrated Annual Report (Value Creation Structure Section)
	The responsible committee / unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year.	Yes				The Sustainability, Environment, Occupational Health and Safety Committee reports the outcomes of its activities to the Board of Directors.	2023 Integrated Annual Report (Value Creation Structure Section)

		COMPLIANCE STATUS					
		YES	NO	PARTLY	INTERESTLESS	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
A2.2	Implementation and action plans in line with the ESG targets are formed and declared to the public.	Yes					2023 Integrated Annual Report (Environmental Assets, Human Resources Assets, Social Assets Section)
A2.3	The scope of ESG Key Performance Indicators (KPI) and relevant indicators are announced on a yearly basis.	Yes				ESG performance indicators are compared with previous years and published in the Integrated Annual Report.	2023 Integrated Annual Report (Performance Tables)
A2.4	Activities that improve sustainability performance in business processes, products, and services have been disclosed to the public.	Yes					2023 Integrated Annual Report (Knowledge and Innovation Assets, Environmental Assets, Financial Assets, Operational Assets Section)
A3. Reporting							
A3.1	Information regarding the performance of the Incorporation in terms of sustainability performance, targets and activities are included correctly and adequately in the annual report.	Yes					2023 Integrated Annual Report (Value Creation Structure Section)
A3.2	Information about its activities on which of the United Nations (UN) 2030 Sustainable Development Goals are related to has been disclosed to the public by the Incorporation.	Yes					2023 Integrated Annual Report (Value Creation Structure Section)

Aydem Sustainability Principles Compliance Framework

		COMPLIANCE STATUS					
		YES	NO	PARTLY	INTERESTLESS	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
A3.3	Information about the important lawsuits filed and/or concluded in ESG issues, which are important in terms of ESG policies and/or will significantly affect activities, have been disclosed to the public.	Yes				There are no cases within the scope of EMS.	2023 Integrated Annual Report (Other Matters Section)
A4. Verification							
A4.1	ESG Key Performance metrics of the Incorporation have been verified and publicly disclosed by an independent third party organization.			Partially		<p>1- Within the scope of carbon footprint, the 2023 carbon footprint calculations of the headquarters and all enterprises have been verified by an Accredited Certification Body according to ISO 14064- 1 Standard.</p> <p>2- The 2023 calculations of the center and all our enterprises for the water footprint have been verified by an Accredited Certification Body according to the ISO 14046 Standard.</p> <p>3- The carbon credits of VCS and GS registered projects are verified by an accredited organization according to Verified Carbon Standard and Gold Standard requirements.</p>	2023 Integrated Annual Report (Environmental Assets Section)

		COMPLIANCE STATUS					
		YES	NO	PARTLY	INTERESTLESS	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
B. Environmental Principles							
B1	The Company has disclosed its policies and practices in the field of environmental management, action plans, environmental management systems (known with ISO 14001 standard), and programs to the public.	Yes					https://www.aydemyenilenebilir.com.tr/info/30/our-integrated-management-system-policy 2023 Integrated Annual Report (Environmental Assets Section)
B2	The scope of the report, the reporting period, the reporting date, and the limitations regarding the reporting conditions were disclosed to the public regarding the environmental reports prepared to provide information on environmental management.	Yes					2023 Integrated Annual Report (Introduction)
B3	Stated A2.1.						
B4	Environmental targets included in the rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (such as board members, managers and employees) are disclosed to the public.		No.			Environmental targets included in these rewarding systems are not disclosed to the public.	
B5	How priority environmental issues are integrated into business targets and strategies has been disclosed to the public.	Yes					2023 Integrated Annual Report (Environmental Assets, Value Creation Structure Section)
B6	Stated A2.4.						

Aydem Sustainability Principles Compliance Framework

		COMPLIANCE STATUS					
		YES	NO	PARTLY	INTERESTLESS	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
B7	How environmental issues are managed and integrated into business targets and strategies throughout the company's value chain, including the operational process, suppliers and customers has been disclosed to the public.	Yes					2023 Integrated Annual Report (Social Assets Section)
B8	Whether the environment organizations and non-governmental organizations are involved in the policy-making processes or not, and the collaborations with these institutions and organizations have been disclosed to the public.			Partially		Policy formulation actively in the processes no role was taken. Institutions and organizations on Environment collaborations with the relevant link is taking.	https://www.aydemyenilenebilir.com.tr/our-news
B9	In the light of environmental indicators (greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Indirect energy), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts), comparable information on its environmental impacts are disclosed to the public.	Yes					2023 Integrated Annual Report (Environmental Assets Section)
B10	Standards, protocols, methodologies, and reference year details used to collect and calculate data are disclosed to the public.	Yes					2023 Integrated Annual Report (Environmental Assets Section)

		COMPLIANCE STATUS					
		YES	NO	PARTLY	INTERESTLESS	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
B11	The status of the environmental indicators for the reporting year (increase or decrease) in comparison with previous years has been described.	Yes					2023 Integrated Annual Report (Environmental Assets Section)
B12	Short and long-term targets to reduce environmental impact are set and these targets are announced together with information on their progress in relation to the goals set in the past years.	Yes					2023 Integrated Annual Report, (Environmental Assets Section)
B13	The strategy and actions to combat the climate crisis are announced.	Yes				As a signatory to the Science-Based Targets initiative (SBTi), a common strategy for the climate crisis is being implemented.	https://www.aydemyenilenebilir.com.tr/news/102/we-are-the-signatories-of-the-international-science-based-targets-initiative-sbti-
B14	In order to prevent or minimize the potential negative impact of products and/ or services on the environment, programs or procedures have been established and disclosed to the public	Yes					https://www.aydemyenilenebilir.com.tr/info/44/environmental-policy
	Actions for reducing greenhouse gas emissions of third parties (eg. suppliers, subcontractors, dealers, etc.) are taken and these actions have been disclosed to the public.		No.			No activities are carried out for third parties in relation to the subject matter.	
B15	The environmental benefits / profits and cost savings provided by projects and initiatives carried out to reduce environmental impact are announced.	Yes					2023 Integrated Annual Report (Environmental Assets Section)

Aydem Sustainability Principles Compliance Framework

		COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
		YES	NO	PARTLY	INTERESTLESS		
B16	The total energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling) data are announced as Scope-1 and Scope-2.	Yes					2023 Integrated Annual Report, (Environmental Assets Section, Performance Tables)
B17	Information on electricity, heat, steam and cooling generated and consumed in the reporting year is provided.	Yes				The company only generates renewable energy.	2023 Integrated Annual Report (About Aydem Renewables Section)
B18	Efforts to increase the use of renewable energy and transition to zero or lowcarbon electricity have been made and disclosed to the public	Yes					2023 Integrated Annual Report (Value Creation Structure, Financial Assets Section)
B19	The renewable generation of energy and the usage data are announced	Yes					2023 Integrated Annual Report (About Aydem Renewables, Operational Assets Section)
B20	Energy efficiency projects are realized and the amount of energy consumption and emission reduction gained by means of these studies are announced.	Yes					2023 Integrated Annual Report (Environmental Assets Section)
B21	Water consumption, the amount of water withdrawn from underground or above ground, if any, recycled and discharged, sources and procedures are disclosed to the public.	Yes					2023 Integrated Annual Report (Environmental Assets Section)
B22	It is publicly disclosed whether its operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	Yes					2023 Integrated Annual Report (Environmental Assets Section)

		COMPLIANCE STATUS					
		YES	NO	PARTLY	INTERESTLESS	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
B23	Information on carbon credits accumulated or purchased during the reporting period has been disclosed to the public.	Yes				Within the scope of carbon trading, carbon reduction certificates are offered to voluntary carbon markets.	2023 Integrated Annual Report (Environmental Assets Section)
B24	If carbon pricing is applied within the Company, the details are disclosed to the public.		No.			There are no carbon pricing activities disclosed to the public within the partnership.	
B25	The platforms where the Incorporation discloses its environmental information are publicly disclosed.	Yes					2023 Integrated Annual Report (Environmental Assets Section) https://www.aydemyenilenebilir.com.tr/news/78/with-our-success-at-cdp-we-are-among-the-leaders-of-our-industry

C. Social Principles

C1. Human Rights and Employee Rights							
C1.1	A Corporate Human Rights and Employee Rights Policy has been established in line with the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation, the responsible parties for the implementation of the policy have been identified and the policy and responsible parties have been disclosed to the public.	Yes					https://www.aydemyenilenebilir.com.tr/info/69/human-rights-policy

Aydem Sustainability Principles Compliance Framework

		COMPLIANCE STATUS					
		YES	NO	PARTLY	INTERESTLESS	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
C1.2	Considering supply and value chain impacts, fair labor, improvement of labor standards, women's employment and inclusion issues (such as non-discrimination based on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc.) are included in the employee rights policy.	Yes					<p>2023 Integrated Annual Report (Human Resources Assets Section)</p> <p>https://www.aydemyenilenebilir.com.tr/info/69/human-rights-policy</p> <p>Aydem Renewables human resources policy</p>
C1.3	Measures taken along the value chain to protect the rights of segments sensitive to certain economic, environmental, social factors (low-income segments, women, etc.) or minority rights/ equal opportunities are disclosed to the public.	Yes					<p>2023 Integrated Annual Report (Human Resources Assets Section)</p> <p>https://www.aydemyenilenebilir.com.tr/info/69/human-rights-policy</p>
C1.4	Progress in preventing and remedying discrimination, inequality, human rights violations, forced labor and child labor was made public.	Yes					<p>2023 Integrated Annual Report (Human Resources Assets Section)</p> <p>https://www.aydemyenilenebilir.com.tr/info/69/human-rights-policy</p>

		COMPLIANCE STATUS					
		YES	NO	PARTLY	INTERESTLESS	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
C1.5	Investments in employees (training, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	Yes					Aydem Renewables human resources policy
	Mechanisms for resolving employee complaints and disputes have been established and dispute resolution processes have been determined.	Yes					2023 Integrated Annual Report (Human Resources Assets Section) (Ethics Hotline Applications)
	Activities carried out during the reporting period to ensure employee satisfaction were disclosed to the public.	Yes					2023 Integrated Annual Report (Human Resources Assets Section)
C1.6	Occupational health and safety policies have been established and disclosed to the public.	Yes					https://www.aydemyenilenebilir.com.tr/info/45/occupational-health-and-safety-policy 2023 Integrated Annual Report (Value Creation Structure, Human Resources Assets Section)
	Measures taken to prevent occupational accidents and protect health, and accident statistics are publicly disclosed.	Yes					2023 Integrated Annual Report (Human Resources Asset Section, Performance Tables)
C1.7	Personal data protection and data security policies have been established and disclosed to the public.	Yes					https://www.aydemyenilenebilir.com.tr/info/26/protection-of-personal-data

Aydem Sustainability Principles Compliance Framework

		COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
		YES	NO	PARTLY	INTERESTLESS		
C1.8	Ethics policy has been established and disclosed to the public	Yes					https://www.aydemyenilenebilir.com.tr/info/12/code-of-conduct-and-business-principles
C1.9	Explains its activities within the scope of social investment, social responsibility, financial inclusion and access to finance.	Yes					2023 Integrated Annual Report (Social Assets Section)
C1.10	Informative meetings and training programs were organized for employees on ESG policies and practices.	Yes					2023 Integrated Annual Report (Human Resources Assets Section)
C2. Stakeholders, International Standards and Initiatives							
C2.1	A customer satisfaction policy on the management and resolution of customer complaints has been prepared and disclosed to the public.		No.			Customer satisfaction due to company activities Although it is not measured, company activities are always based on unconditional customer satisfaction.	
C2.2	Information on communication with stakeholders (which stakeholder, topic and frequency) is disclosed to the public.	Yes					2023 Integrated Annual Report (Value Creation Structure Section)
C2.3	International reporting standards adopted in reporting are explained.	Yes				GRI Standards, CDP Climate Change and Water Security reporting, ISO 14064-1, ISO 14046, ISO 9001, ISO 45001, ISO 5001, ISO 14001, ISO 27001	2023 Integrated Annual Report (Environmental Assets, Value Creation Structure Section)

		COMPLIANCE STATUS					
		YES	NO	PARTLY	INTERESTLESS	EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
C2.4	Principles adopted in relation to sustainability, international organizations, committees and principles of which the Company is a signatory or member are disclosed to the public.	Yes					2023 Integrated Annual Report (About Aydem Renewables, Value Creation Structure, Environmental Assets, Human Resources Assets Section) https://www.aydemyenilenebilir.com.tr/news/102/we-are-the-signatories-of-the-international-science-based-targets-initiative-sbti-
C2.5	Improvements and activities are conducted in order to be listed in the sustainability indices of Borsa Istanbul and/or international index providers.	Yes				As a participant of the United Nations Global Compact (UNGC) and a signatory of the Science-Based Targets initiative (SBTi), we pursue sustainability in all our investments and activities. With our successful performance in this area, we were included in the BIST Sustainability Index.	https://www.aydemyenilenebilir.com.tr/haber/126/bist-surduruleb-l-rl-k-endeks-ndey-z
D. Corporate Governance Principles							
D1	Stakeholders' opinions were consulted in determining the measures and strategies in the field of sustainability.	Yes					2023 Integrated Annual Report (Value Creation Structure Section)
D2	Social responsibility projects, awareness-raising events and trainings were carried out to raise awareness on sustainability and its importance.	Yes					2023 Integrated Annual Report (Social Assets Section)

Sustainable (Green) Financing Framework



Impact Report

Aydem Renewables' power plants are located in the Black Sea, Marmara, Mediterranean and Aegean regions. Aydem Renewables presents the following impact criteria as part of its annual reporting where appropriate.

Renewable Energy Production

Aydem Renewables has made significant improvements in renewable energy generation and business processes in line with the Sustainable Development Goals in 2023.

Information on the 2023 renewable energy facilities constructed and upgraded during the reporting period and future periods are given below.

Hybrid Projects:

- In January 2023, pre-feasibility approval was obtained from the State Hydraulic Works (DSİ) for the Göktaş HPP hybrid floating SPP project. In February, the 82.15 MWm hybrid SPP project in Uşak was accepted by the Ministry. In March, applications were made to EMRA for additional hybrid projects and in the same month, pre-feasibility approval was obtained from DSİ for the Kemer HPP hybrid floating SPP project. In March, the 16.95 MWm hybrid SPP project to be commissioned in Söke was included in the existing WPP generation license, making it a multi-source electricity generation plant.

- On February 23, 2023, a hybrid plant was established by adding an Auxiliary Source Solar Power Plant to the existing Uşak Wind Power Plant. By adding an 82.15 MWm SPP to the existing Uşak WPP, the goal of continuing production with solar energy when there is no wind was realized. In this way, an alternative production will be made with dual energy sources that ensure energy continuity in the plant and continuity in energy production will be ensured. With the Hybrid Power Plant, the capacity utilization rate of the plant has also increased. According to the analyses, it is projected that the GES will meet the annual energy needs of 54,700

- households or 218,800 people with the energy generated from its annual production, and will also reduce approximately 104,121 tons of CO₂ emissions annually.
- The installation of 82.2 MWm (Uşak WPP Hybrid SPP) was completed in 2022 and the Ministry Acceptance was realized on 23.02.2023. The first of the 114 MWm capacity increase projects planned for 2023 is at Uşak WPP with 66 MWm, which was completed with the Ministry's acceptance on 31.08.2023 and started electricity generation.

01

Continuity in energy production

The addition of a SPP to Uşak WPP ensured the continuity of energy generation at the plant.

02

104,121 tons of CO₂

104,121 tons of CO₂ emission reduction
The hybrid power plant will reduce CO₂ emissions by 106,468 tons.

03

54,700 households' annual energy needs capacity

The hybrid plant will meet the annual energy needs of 54,700 households or 218,800 people.

04

20% more energy production

The bifacial panel technology used in the hybrid power plant will be able to generate 20% more energy.

- The plant utilizes single axis construction and bifacial panel technology that follows the sun. This technology aims to generate 20% more energy compared to monofacial solar power plants with fixed construction systems. Thanks to the single axis construction system that moves according to the sun's rays at sunrise, energy is produced efficiently throughout the day. These improvements strengthen Aydem Renewables' leadership in the renewable energy sector and its sustainability commitments, while taking important steps towards reducing environmental impact and increasing energy efficiency. These developments reflect the company's contribution to a sustainable future and its innovative approach in this field.

- In April 2023, an 18.88 MWm hybrid SPP project in Yalova was included in the existing WPP generation license.
- In August 2023, the Environmental Impact Assessment (EIA) processes for pre-license projects were initiated. In September, the 12.09 MWm hybrid SPP project in Akıncı was included in the existing HPP generation license, and the commissioning of a multi-source electricity generation plant was planned. In addition, EIA processes and property and other permitting processes for investment projects were carried out.
- In December 2023, Aydem Renewables integrated the 1.44 MWm capacity hybrid Floating SPP project in Dalaman into its existing HPP generation license. This integration enabled more efficient and environmentally friendly energy generation through the combination of renewable energy sources, while at the same time helping Aydem Renewables to diversify and strengthen its energy generation portfolio.



Sustainable (Green) Financing Framework



Projected capacities

- Uşak Hybrid SPP-1, which was among the projects awaiting permits in 2022, was commissioned in 2023. Percentage of completion of permits for other projects awaiting permits: Yalova 60%, Söke WPP Hybrid SPP 50%, Feslek HPP Hybrid SPP 70%, Akıncı 60%, Koyulhisar 50%.
- Planning for the following years;
- Söke WPP Hybrid SPP: 16.9 MWp
- Yalova WPP Hybrid SPP: 18.9 MWp
- Akıncı HPP Hybrid SPP: 12.1 MWp
- Koyulhisar HPP Hybrid SPP: 7.7 MWp
- Uşak WPP Hybrid SPP-2: 41.6 MWp
- Feslek HPP Hybrid Canal SPP: 0.3 MWp
- Dalaman HPP Hybrid Floating SPP: 1.4 MWp
- Adiguzel HPP Hybrid Floating SPP: 24.1 MWp
- Göktaş HPP Hybrid Floating SPP: 5.6 MWp

With the completion of the hybrid projects envisaged in the list, the total installed capacity (including 82.15) will increase by 210.80 MWp.

Capacity Expansion Projects

- In August, the ministry acceptance of 2 additional turbines (2 x 6 MWm) to Uşak WPP was made and the 12 MWm capacity increase project was included in the existing generation license of Söke WPP, which was licensed on 24.10.2019. 36 MWm wind capacity increase investment is planned to be completed in 2024, 73 MWm hybrid solar investment and 3 MWm capacity expansion investment is planned to be completed in 2025. The total cost of 373.8 MWm of additional installed capacity investments, excluding 500 MWm of wind, solar and storage facilities, is expected to be approximately USD 294.2 million. The breakdown of the total investment cost is planned to be USD 151 million for hybrid investments and the remaining USD 143 million for capacity expansion projects.

- In Uşak WPP, a 66 MWm capacity increase was completed and the plant was commissioned. This capacity increase further expands Aydem Renewables' renewable energy portfolio and increases its diversity and capacity in energy generation. This capacity increase in Uşak reinforces Aydem Renewables' commitment to increase energy production and reduce environmental impact in line with sustainable development goals.
- The Investment Incentive Certificate application made by our Company to the Ministry of Industry and Technology of the Republic of Turkey within the scope of the general-revision 12 MWm power increase investment project for electricity generation, transmission and distribution in the WPP project with a total wind license installed capacity of 49.5 MWm in Aydın-Söke was approved on 22.08.2023. In this context, the Investment Incentive Certificate numbered 557600 was issued on behalf of our Company for the investment project to be realized with domestic capital.



- EIA, TEA and EMRA processes for Uşak WPP, Yalova WPP and Söke WPP have been completed. Acceptance for Uşak WPP is 66 MWm/52.8 MWe for 11 turbines in 2023. Söke WPP was accepted in the last quarter of 2023.
- The construction of the 12 MWm Söke WPP Capacity Increase Project started during the reporting period and was completed, commissioned and accepted by the Ministry in December 2023.
- Aydem Renewables' installed capacity increased by 160 MWm at the end of the year. This increase is considered as a significant leap in the company's power generation capacity and strengthens Aydem Renewables' position in the renewable energy sector. Hybrid power plant projects are strategically important to diversify and increase the reliability of energy production, and this project represents an important step in achieving these goals.

Electricity Generation Plants with Storage

- Pursuant to EMRA Board decisions dated May 11, 2023, our pre-license application for a total capacity of 500 MWm (400 MWm SPP and 100 MWm WPP) for generation facilities with storage has been accepted and pre-licenses for 200 MWm Atlantis 1 SPP, 200 MWm Atlantis 2 SPP and 100 MWm Kızılağaç WPP have been obtained and investment activities have started.
- Within the scope of the Kizilagacac DRES project, the installation of a wind measurement mast for wind measurement analysis has been completed and wind measurements have started. The data to be obtained here will guide the feasibility studies of the plant and will be used to increase the efficiency of the project. In addition, land positioning studies for the Atlantis 2 and Atlantis 1 SPP projects are ongoing. These studies are critical for realizing the projects in the most suitable locations and ensuring maximum efficiency.

Energy Efficiency

- The steps taken within the scope of Aydem Renewables' "Lighting Transformation Project" in 2023 included the use of new technologies to save energy. In 2022, the project design and feasibility studies of the project were completed, and in 2023, the procurement processes were advanced and LED luminaires were supplied. With the completion of the procurement process, the existing luminaires were replaced with LED luminaires. This transformation made a significant contribution to Aydem Renewables' energy efficiency and sustainability targets. The use of LED luminaires has helped to reduce energy consumption and thus reduce energy costs.
- In 2023, the benefits provided by the Grate Cleaning Machine continued within the scope of the efficiency project carried out at Aydem Renewables' Feslek Hydroelectric Power Plant (HPP). This project focuses on ensuring the continuity of production by effectively cleaning the garbage and other foreign materials coming to the grid of the power plant.
- Aydem Renewables successfully advanced the A+++ Energy Transformation and Lighting System Revision Projects in 2023. The A++ Energy Transformation Project was planned in 2021 and 2022, project design and feasibility studies were completed, and implementation started in 2022. In 2022, white goods replacements were completed at 12 HPP facilities such as Dalaman HPP-1-2-3-4-5, Göktaş-1 HPP, Göktaş-2 HPP,



Sustainable (Green) Financing Framework

Mentaş HPP, Toros HPP, Akıncı HPP, Çırakdamı HPP and Dereli HPP, and in 2023, replacements were targeted and realized at 8 facilities such as Bereket HPP-1-2, Feslek HPP, Gökyar HPP, Adıgüzel HPP, Kemer HPP, Düzce Aksu HPP and Koyulhisar HPP.

- Thanks to regular maintenance at the power plants, the plants are kept ready for production at all times and water is used in the most efficient way in energy production. Such maintenance increases the operational efficiency of power plants and supports the efficient use of water resources. In addition, production losses due to incidental reasons in power plants were determined to be very low in 2023. This shows the reliability of the power plants and their continuity in energy generation.
- During the reporting period, a total of 39.59 tons of hazardous and 12.07 tons of non-hazardous waste generated as a result of operations was recycled 100% under appropriate conditions. Thanks to the waste recycled and recovered, 9860 kWh of energy was saved and 337.85 Kg of greenhouse gas emissions were prevented. In addition, thanks to the recycling of 1.6 tons of paper and cardboard, approximately 30 trees were saved from being cut down.



Sustainability Efforts

- Climate and environmental management activities are carried out within the framework of internationally recognized systems and practices such as ISO 14001 Environmental Management System and ISO 50001 Energy Management System. System standards are certified through periodic external audits. Climate and environmental performance is included in the company's corporate performance evaluation and employee suggestion systems. These performance indicators are also evaluated in the annual individual targets of employees and have an impact on remuneration in order to incentivize managers.
- In 2023, a total of TL 5,807,000 in environmental expenditures was realized, of which TL 200,000 was investment and TL 5,607,000 was operational, and there were no fines for non-compliance with legal regulations on climate and environment. In addition to its activities, Aydem Renewables supports associations and initiatives such as Sustainable Development

- Association (SKD), Sustainable Production and Consumption Association (SÜT-D), United Nations Global Compact (UNGC), International Science Based Targets initiative (SBTi), Green Hydrogen Association (YHD), Turkish Wind Energy Association (TÜREB).
- Aydem Renewables made an important innovation in the carbon and water footprint calculation processes in 2023. These calculations, which were carried out at the end of the year in previous years, were started before the first nine months of 2023 were completed. This early start enabled the company to monitor and manage its environmental performance more effectively. Performing carbon and water footprint calculations earlier in the year allows the company to continuously monitor its performance in these areas and intervene quickly when necessary. This enables Aydem Renewables to take more conscious and responsible steps in the field of environmental sustainability.



- Aware of its active role in combating and adapting to climate change, Aydem Renewables makes significant contributions to the environment and society in this field and increases its efforts in this direction. In this context, Aydem Renewables strategically develops investments in Hydroelectric Power Plants (HPP), Wind Power Plants (WPP), Hybrid Solar Energy (SPP) and Geothermal Power Plants (GPP). These investments are important steps towards expanding the company's sustainable energy portfolio and reducing environmental impact. Hybrid SPP Investments aim to provide continuous and reliable energy by reducing the disadvantage caused by the discontinuity of the main energy source of the power plant with the efficient generation of electricity from sunlight by solar panels. These systems provide a higher efficiency in energy production and sustainability in energy.
- SBTi has classified Aydem Renewables' scope 1 and 2 targets as compatible with the 1.5°C pathway. This classification confirms that the company's strategies

to reduce its carbon footprint are in line with internationally recognized scientific targets. Aydem Renewables is committed to reduce absolute scope 1 and 2 greenhouse gas emissions by 51% by 2032 compared to the base year of 2022. This target demonstrates the concrete steps the company has taken to combat climate change and the responsibility it has assumed in this area.

- At Uşak Wind Power Plant (WPP), a wastewater analysis was conducted in accordance with the Water Pollution Control Regulation (WPCR). This analysis is part of the plant's gray water footprint calculations and provides important data on the effective management of water pollution and wastewater.
- Thanks to regular maintenance at the power plants, the plants are kept ready for production at all

times and water is used in the most efficient way in energy production. Such maintenance increases the operational efficiency of power plants and supports the efficient use of water resources. In addition, production losses due to incidental reasons in power plants were determined to be very low in 2023. This shows the reliability of the power plants and their continuity in energy generation.

- Zero waste certificates were obtained for all power plants in production, and waste management was continued within this framework.
- **The "Vegetable Waste Oil Collection Project"** was initiated to raise awareness and prevent vegetable waste oil from being poured into sinks after cooking at home.
- The project **"Collecting expired medicines in households"** aims to reduce the harmful effects of medicines on the environment.
- On June 5, World Environment Day, a **"Plogging Project"** was organized. In this event, employees of the Company's 25 power plants and headquarters in 10 provinces took 723,919 steps and collected 2.5 tons of recyclable waste.

Sustainable (Green) Financing Framework

- In 2023, soil protection projects were prepared for agricultural lands and permitting processes were carried out for forest lands. Hybrid project investments aim to generate more energy by utilizing the used lands with the highest efficiency.
- In 2023, no environmental accidents occurred.



- Within the scope of Uşak Wind Power Plant (WPP) capacity increase projects, soil protection processes were meticulously carried out for the construction of six turbines. In addition, soil protection processes were carried out for the Akıncı Hybrid Solar Power Plant (SPP) project.
- Necessary resources have been allocated for the activities on biodiversity detailed below. The following projects were implemented in 2022 and their activities continued in 2023:

» "Beekeeping Activities Monitoring and Support Project"

Within the scope of the "Beekeeping Activities Monitoring and Support Project" realized by Aydem Renewables as a first in Turkey, an important study was initiated in Söke to examine the interactions between Wind Power Plants (WPP) and beehives. In 2023, hive placements were completed and the progress of the projects is being monitored.



» **"Bat Houses Project"** Aydem Renewables focused on biological methods in the fight against agricultural pests and realized the "Bat House" project in Aydın and Muğla for bats, which have an important role in the ecosystem.

» **"Photo Trap Project"** Aydem Renewables initiated the "Photo Trap Project" in the forested area around Göktaş 1 Hydroelectric Power Plant in Adana. This project is designed to observe wildlife and understand the biodiversity in the region. The photo traps placed around

Göktaş 1 Hydroelectric Power Plant operate 24 hours a day and night. These devices keep records of wild animals and are used to track their movements in their natural habitat.

» Areas of operation and operations are designed in a way that does not harm biodiversity and necessary measures have been taken to protect existing biodiversity within the framework of Environmental Policies.

» Biodiversity trainings on "Biodiversity and Biotrafficking in Turkey" and "General Information on Birds from a Bird Detective's Perspective" were provided to all plant employees by consultants or academics

» Biodiversity monitoring and conservation programs, mammalogy and ornithology monitoring, afforestation and planting activities are carried out and the results are regularly monitored.

Allocation Report

Distribution Reported by Eligibility Criteria

	Allocated Amount (million USD)	Allocated Amount (million Euro)	Allocated Amount (million TL)	US dollar equivalent (million USD)	Project Number of
Hybrid Energy Investments (Solar Energy)	58.5 ✓	0.1 ✓	68.8 ✓	63.1 ✓	6 ✓
Capacity Expansion (Wind Energy)	41.5 ✓	0.9 ✓	116.8 ✓	48.8 ✓	3 ✓
Total Investment	100.0 ✓	1.0 ✓	185.5 ✓	111.8 ✓	9 ✓

✓ It has been subjected to limited assurance by the Independent Audit Firm.

2023 Overview of the Turkish Economy and Renewable Energy Sector

Macroeconomic Outlook

Global economy

2023 was a year in which the slowdown in global economic activity came to the fore due to the ongoing interest rate hikes by central banks to combat inflation and the tightening in financial conditions, and the restrictive effects of tightening monetary policies, especially on manufacturing sector production, were more pronounced in advanced economies.

Despite the slowdown in global economic activity and inflation, labor markets remained resilient. The possibility of a soft landing in the global economy has increased.

The ongoing Russia-Ukraine war and comprehensive sanctions against Russia by Western countries, as well as the Israeli-Palestinian conflict that started in October 2023, were the main topics on the agenda, while the geopolitical risks in the Red Sea towards the end of the year opened a new axis.

Following the bank failures in the US and the bank bailout operation in Switzerland in the first quarter of the year, the downside risks to the global growth outlook were mitigated by the rapid and effective steps taken by central banks and regulatory authorities to contain the risks that may arise in the banking sector.

The IMF's Global Economic Outlook, published in January 2024, noted that inflation fell faster than expected in many regions at a time when supply-

Despite the slowing global economy, the Turkish economy displayed a strong growth performance in 2023.

side problems were being resolved globally and restrictive monetary policies were in place. Against this backdrop, the IMF forecasts global economic growth at 3.1% in 2023, driven by greater-than-expected resilience in the US and some large emerging economies, as well as support in China.

Turkish economy

Despite the slowing global economy, the Turkish economy displayed a strong growth performance in 2023.

In the first half of 2023, despite the slowdown in the global economy, the weakening in many of our main export markets and the negative effects of the major earthquakes that hit Turkey in February, the Turkish economy grew by 3.9% year-on-year, supported by private and public consumption as well as investment. The rapid and effective measures implemented helped maintain the momentum of economic activity while limiting the negative impact of the earthquakes on growth. In the third quarter, with the acceleration in economic activity, growth of 4.7% was recorded in the first three quarters. The Turkish economy is expected to grow by around 4% in 2023, close to the Medium Term Program (MTP) target.

In 2024, although the lagged effects of the monetary tightening process will be more evident, credit support to boost exports and investments and the increase in the minimum wage are expected to support growth through the domestic demand channel.

In 2023, high levels of inflation were observed due to wage increases, exchange rate developments, rising tax rates, food prices, rigidity in services inflation and the strong domestic demand outlook. CPI closed 2023 at 64.77%, in line with the MTP target of 65%.

In the second quarter of the year, with the new economic administration, effective and decisive steps were taken to combat inflation and efforts were initiated to strengthen financial stability through fiscal policy and structural reforms in addition to monetary policy. As a result of the effective steps taken by the economic administration, international credit rating agencies revised Turkey's sovereign credit rating outlook upwards, while the country's CDS risk premium declined significantly.

RENEWABLE ENERGY SECTOR IN TURKEY

According to current statistics, Turkey has the 12th renewable energy capacity in the world and the 5th in Europe.

In recent years, Turkey has focused on renewable energy and has differentiated itself from other countries. By the end of 2023, Turkey's installed capacity will reach 106.6 GW, an increase of 2.7% compared to 2022. In 2023, the share of renewable resources in Turkey's total installed capacity is 59.2 GW with 55.52%. Compared to 2022, total installed capacity increased by 2.9 GW, of which 2.8 GW is composed of renewable resources.

In 2022, electricity prices in Turkey and Europe increased due to the impact of the war in 2022, and reached the expected levels in 2023 as a result of the war losing its impact and the decline in commodity prices as a result of the measures taken.

In 2023, new investments and regulations continued to support the expansion of the energy sector with new technologies and players. On the other hand, domestic investors have recently started to realize battery factory projects in Turkey and solar panel cell production plant investments have started to be completed.

While hybrid power plants are being commissioned, storage power plant investments have also started to enter the energy market agenda. All these efforts are expected to make a significant contribution to Turkey's energy independence in the short, medium and long term by enabling Turkey to benefit more from its renewable energy potential.

Turkey set out its commitment to green transformation in its National Energy Plan announced in May 2022.

The National Energy Plan sets out the targets to be met by 2035 to ensure the realizability of the 2053 Net Zero Emission vision. According to the scenario prepared and publicized by the Ministry of Energy and Natural Resources, the installed capacity of electricity increases to 189.7 GW in total, 52.9 GW in solar energy, 29.6 GW in wind energy and 7.2 GW in nuclear energy in the 2020–2035 period. According to the same model, the share of intermittent renewables in electricity generation rises to 34.2%, while the share of renewables rises to 54.7%. In electricity installed capacity, the share of intermittent renewables is projected to reach 43.5% and the share of renewables 64.7%. According to this scenario, solar energy will have the largest share in renewable installed capacity.

"Notable targets in the National Energy Plan include reducing dependence on thermal energy and sustainably increasing the share of renewable energy in electricity generation after 2030.

There are currently 20 companies in Turkey that generate renewable energy. While these companies mainly operate hydroelectric power plants, there are few large market players investing only in wind, solar and geothermal power plants.

Improved storage techniques, diversification of import sources and flexibility in the natural gas network strengthen Turkey's position in negotiations with suppliers. Europe's expansionist approach to hydrogen production investments and Germany's motivation to finance hydrogen projects could also accelerate Turkey's differentiation as a strong green hydrogen supplier for major EU countries.

The Turkish energy market value chain has recently been the subject of numerous mergers and acquisitions. The growth of the electric vehicle market will also play a role in the future of the energy sector. The Turkish EV charging market has growth potential and many energy, technology and automotive companies have started to focus on battery production facilities.



Investments and Areas of Activity

Aydem Renewables operates a total of 25 renewable energy power plants, including 20 hydroelectric power plants (HPP), 3 wind power plants (WPP), 1 hybrid solar power plant (SPP) and 1 geothermal power plant (GPP). The Company's power plants are located in the Black Sea, Marmara, Mediterranean and Aegean regions. As of December 31, 2023, the Company's installed capacity is 1,180 MWm, of which approximately 72% is composed of HPPs, 20% is composed of WPPs, 7% is hybrid SPP and the remaining portion is GPP (<1%). Aydem Renewables reached an availability rate of 98.68% in its power plants in 2023 with the quality and efficient equipment it uses, strong information and infrastructure systems that it continuously develops with a focus on digitalization, and operation and maintenance teams formed with highly qualified human capital.

The portfolio includes 20 HPPs spread across 4 different hydrological regions, each with different flow characteristics. As of December 31, 2023, the installed capacity of the Company's HPPs is 852.13 MWm. Of the installed capacity of HPPs, 20% (170 MWm) is located in the Aegean Region, 44% (375 MWm) in the Mediterranean Region, 31% (260 MWm) in the Black Sea Region and approximately 5% (46 MWm) in the Marmara Region. Considering that different regions experience different seasonal variations and hydrological conditions, this regional diversity provides Aydem Renewables with an advantage in terms of minimizing the total production from HPPs throughout the year.



Aydem Renewables contributes to the clean energy transformation of our country with 3 WPPs in Aydın, Uşak and Yalova.

In 2023, Aydem Renewables increased its production diversity with wind energy capacity increase investments and hybrid solar energy investments. These investments and the projects included in the investment plan are aimed at expanding the company's energy generation capacity and strengthening its presence in renewable energy by diversifying within the scope of risk management. For Wind Power Plants (WPP), the Company included capacity increase projects in its investment program.



116

million US dollars

Total expenditure on investments commissioned by the end of 2023



Improvement

Efforts to increase the effectiveness and efficiency of BPP and GPP facilities



In 2023, 82 MWm SPP and 78 MWm WPP investments with a total installed capacity of 160 MWm were accepted by the Ministry and commissioned, contributing to total energy generation. This growth corresponds to a 15.7% increase in the company's installed capacity.

The total cost of investments completed and commissioned in 2023 is approximately USD 116 million.



In 2023, Aydem Renewables realized a series of improvements in the operation and maintenance activities of existing WPP and GPP facilities. These improvements were made to ensure that the facilities operate more effectively and efficiently and to minimize potential failures. Considering the long lead times of the equipment, critical materials have been backed up. This approach is an important step to prevent downtime in case of possible breakdowns and to ensure production continuity. Maintenance is carried out regularly according to the periodic maintenance schedule. This periodic maintenance ensures that the facilities are regularly checked and



intervened quickly when necessary, increasing operational efficiency. Turbine equipment is continuously monitored through the Condition Monitoring System (CMS). Thanks to this system, it is aimed to prevent major failures by closely monitoring the condition of the equipment. Electrical equipment is controlled with thermal cameras. The controls performed with thermal cameras, including the condition of connections and isolations, aim to prevent major damage to the equipment.

Investments and Areas of Activity

In 2023, Aydem Renewables' subsidiary Sarı Perakende Enerji Satış ve Ticaret Inc. obtained a preliminary license for the 100 MW capacity WPP and 100 MWh battery and 400 MW capacity SPP and 400 MWh battery integrated storage plant projects. In June 2023, an application was submitted to the Technical Interaction Analysis process for the Kızılağaç WPP project. This analysis assesses the impacts of the project on the energy grid and ensures its technical compatibility. In August 2023, Environmental Impact Assessment (EIA) processes were initiated for these projects. Within the scope of the pre-license projects, detailed reviews and assessments were made on ownership and other permitting processes. A wind measurement mast has been erected for the WEPP with Storage project, and wind data will be measured for a minimum of one year in the area where the plant is planned to be installed with this 100-meter-high mast and analyses related to the project will be carried out.



Significant progress has been achieved in the Environmental Impact Assessment (EIA) and other legal processes for Aydem Renewables's hybrid solar power plants and wind power plants planned to be commissioned.

Aydem Renewables' investment projections for a total of 714 MWh renewable installed capacity and 500 MW/500 MWh integrated storage renewable energy generation plant planned until the end of 2026 are shaped in line with the targets of increasing energy production diversity and establishing continuity in energy supply. The impact of these projects on the overall investment strategy is based on diversifying the company's generation portfolio to be minimally affected by climatic conditions. This strategy is critical to increase Aydem Renewables' competitiveness in the energy sector and to create a more balanced and sustainable energy generation portfolio. Diversification of energy generation sources makes the company more resilient to different climatic conditions and market fluctuations and aims to guarantee continuous energy supply. This approach is also in line with the targets of increasing the efficiency of energy generated from renewable energy sources and reducing environmental impact, demonstrating Aydem Renewables' commitment to sustainable energy. Planned until 2026, these projects play an important role in terms of both economic and environmental sustainability as part of the company's long-term energy strategies.

Significant progress was made in the Environmental Impact Assessment (EIA) and other legal processes for Aydem Renewables' hybrid solar and wind power plants.

- A positive EIA decision was taken on January 17, 2023 for the 16.95 MW hybrid SPP project in Söke.
- A positive EIA decision was taken on May 10, 2023 for the 7.69 MW hybrid SPP project planned at Koyulhisar HPP.
- The EIA positive decision was taken on June 1, 2023 for the planned 88 MW capacity increase project at Uşak WPP.
- The EIA positive decision was taken on July 21, 2023 for the 12.09 MW capacity hybrid SPP project planned at Akıncı HPP.
- For the hybrid Floating SPP project with a capacity of 1.44 MW planned in Dalaman HPP, EIA is not required decision was taken on October 31, 2023.
- EIA processes are ongoing for Adigüzel HPP hybrid floating SPP project and Göktaş HPP hybrid floating SPP project.

- The EIA processes initiated for the 100 MW RES with storage and 400 MW SPP with storage projects are ongoing.
- EMRA license compilation procedures have been completed for projects for which the EIA process has been completed.
- Expropriation decisions were taken within the scope of land acquisition processes of Uşak WPP capacity increase projects, Akıncı hybrid SPP, Koyulhisar hybrid SPP, Yalova hybrid SPP projects.
- Water surface leasing transactions with DSİ for the Dalaman and Feslek hybrid SPP projects have been completed.

Hybrid solar power plants and wind capacity increase investment projects are planned to be funded and commissioned without additional borrowing. The Company's cash generation capacity is sufficient for this purpose.



Investments and Areas of Activity

Planned Hybrid SPP Investments

Name of investment: Yalova WPP Hybrid SPP (18.9 MWp)

Investment Type: Terrestrial SPP

Name of investment: Söke WPP Hybrid SPP (17 MWp)

Investment Type: Terrestrial SPP

Name of investment: Uşak-2 WPP Hybrid SPP (41.6 MWp)

Investment Type: Terrestrial SPP

Name of investment: Akıncı HPP Hybrid SPP (12.1 MWp)

Investment Type: Terrestrial SPP

Name of investment: Koyulhisar HPP Hybrid SPP (7.7 MWp)

Investment Type: Terrestrial SPP

Name of investment: Feslek HPP Hybrid Canal SPP (0.3 MWp)

Investment Type: SPP over Water Transmission Canal

Name of investment: Dalaman HPP Hybrid Floating SPP (1.4 MWp)

Investment Type: Floating SPP

Name of investment: Adıgüzel HPP Hybrid Floating SPP (24.1 MWp)

Investment Type: Floating SPP

Name of investment: Göktaş HPP Hybrid Floating SPP (5.6 MWp)

Investment Type: Floating SPP

Planned WPP Investments**Name of investment: Uşak WPP Capacity Expansion**

Planned Power Increase: 36 MWm

Name of investment: Yalova WPP Capacity Expansion

Planned Power Increase: 12 MWm

Name of investment: Yalova WPP Capacity Factor Expansion

Planned Power Increase: 3 MWm

Name of investment: Uşak WPP Capacity Expansion

Planned Power Increase: 34 MWm

Planned Storage Battery Facility Investments**Name of the investment: Kızılağaç WPP and Storage Production Plant**

Storage Additional Power Plant: WPP

Planned Power Increase: 100 MWm

Name of investment: Atlantis 1 SPP (formerly Keberli SPP) and Storage Production Plant

Storage Additional Power Plant: SPP

Planned Power Increase: 200 MWm

Name of investment: Atlantis 2 SPP (formerly Güzelkuyu SPP) and Storage Production Plant

Storage Additional Power Plant: SPP



















Planned Power Increase: 200 MWm

Total Installed Capacity

Project Name	Installed Capacity (MWm)
Bereket 1-2 HPP	3.15
Dalaman 1-2-3-4-5 HPP	37.50
Feslek HPP	8.84
Mentaş HPP	49.60
Gökyar HPP	10.95
Koyulhisar HPP	63.00
Düzce Aksu HPP	46.20
Adıgüzel HPP	62.00
Kemer HPP	48.00
Akıncı HPP	99.00
Toros HPP	49.99
Göktaş 1-2 HPP	275.60
Çırakdamı HPP	49.10
Dereli HPP	49.20
Uşak WPP ¹	127.50
Yalova WPP	54.00
Söke WPP	57.00
Kızıldere GPP	6.85
Uşak WPP Hybrid SPP	82.15
Total	1.179,63

● HPP² ● WPP ● GES ● GPP

GRI 201-1, 201-2, 201-3

Production Capacity ³ – Long Years Average (GWh)	Location	License Expiration Date	FIT (YEKDEM) End Date
 14.1	Denizli / Honaz	18.11.2036	
 140.2	Muğla / Dalaman	18.11.2039	
 21.2	Aydın / Kurtuluş	18.11.2044	
 121.0	Adana / İmamoğlu	18.11.2053	
 41.4	Muğla / Dalaman	14.12.2044	
 246.8	Sivas / Koyulhisar	10.02.2045	
 133.6	Düzce / Gölyaka	21.09.2055	31.12.2024
 126.8	Denizli / Güney	05.05.2066	
 102.4	Aydın / Bozdoğan	05.05.2066	
 423.1	Tokat / Reşadiye	12.04.2056	31.12.2028
 210.5	Adana / Karaisalı	18.01.2056	
 848.8	Adana / Kozan, Aladağ	14.12.2055	31.12.2025
 152.5	Giresun / Dereli	14.09.2053	
 149.7	Giresun / Dereli	06.12.2053	31.12.2024
 215.0	Uşak / Banaz	08.07.2057	31.12.2024
 130.0	Yalova / Armutlu	08.07.2057	31.12.2026
 202.8	Aydın / Söke	04.01.2061	31.12.2026
	Denizli / Sarayköy	17.07.2052	
 164.1	Uşak / Banaz	08.07.2057	31.12.2024
3.444,0			

Source: Company Data

¹61.5 MW is subject to FIT (YEKDEM) (excluding capacity increase)²River Type HPPs; Gökyar HPP, Dalaman 1–5 HPP, Mentaş HPP, Aksu HPP, Akıncı HPP, Dereli HPP, Çırakdamı HPP, Feslek HPP, Bereket 1–2 HPP, Koyulhisar HPP, Toros HPP and Göktaş 2 HPP. HPPs with reservoirs are Kemer HPP, Adıgüzel HPP and Göktaş 1 HPP.³Long-term average-generation capacity, (i) historical long-term hydrological data for the years 1970–2016 on basin basis for HPPs (one-off (ii) using a combination of historical performance (including one-off deductions) and historical long-term wind data, the average⁴45.0 MW is subject to FIT (YEKDEM) (excluding capacity increase)

Hydroelectric Power Plants

ADANA



Göktaş 1-2 HPP

Göktaş 1-2 Hydroelectric Power Plants are located on the Zamanti tributary of Seyhan River in Kozan and Aladağ districts of Adana province. Their installed capacity is 275.6 MWm and their annual energy production average (run-rate) is 848.8 GWh. Göktaş 2 was commissioned in 2015 and Göktaş 1 in 2016. Project design flow rate is calculated as 108 m³ /s.

There are a total of 4 vertical axis Francis type units in both plants, 2 units of 61.10 MWm each in Göktaş 1 HPP and 2 units of 76.70 MWm each in Göktaş 2 HPP.



Mentaş HPP

Mentaş Hydroelectric Power Plant is located on the Seyhan River in İmamoğlu district of Adana. Its installed capacity is 49.6 MWm and its annual energy production average (run-rate) is 121 GWh. The power plant was commissioned in 2006. Project design flow rate is calculated as 300 m³ /s.

Mentaş HPP has a total of 4 vertical axis Kaplan type units, 3 units with 13.30 MWm and 1 unit with 9.60 MWm generation capacity.



Toros HPP

Toros Hydroelectric Power Plant is located on the Çakıt River within the borders of Adana province. Its installed capacity is 49.99 MWm and its annual energy production average (run-rate) is 210.5 GWh. The power plant was commissioned in 2013. Project design flow rate is calculated as 15.38 m³ /s.

Toros HPP has a total of 2 vertical axis Pelton type units, each with a capacity of 24.99 MWm.

Göktaş 1-2 HPP

Installed Power: 275.60 MWm

License Date: 26.11.2020

Remaining License Term: 32 years

Number of Employees: 38

Mentaş HPP

Installed Power: 49.60 MWm

License Date: 18.11.2004

Remaining License Term: 30 years

Number of Employees: 24

Toros HPP

Installed Power: 49.99 MWm

License Date: 18.01.2007

Remaining License Duration: 33 years

Number of Employees: 29

AYDIN

**Kemer HPP**

It is located on Akçay Stream in Bozdoğan district of Aydın province. Kemer Hydroelectric Power Plant, which was state-owned and operated by Elektrik Üretim Inc. (EÜAŞ), was privatized and transferred to Aydem Renewables in early 2017. It has a total installed capacity of 48 MWm and an annual energy production average (run-rate) of 102.4 GWh. The project design flow rate is calculated as 61.74 m³ /s.

Kemer HPP has a total of 3 vertical axis Francis type units, each with a capacity of 16 MWm.

**Feslek HPP**

It is located on the Büyük Menderes River within the borders of Aydın province, Nazilli district. It has a total power of 8.84 MWm and its annual energy production average (run-rate) is 21.2 GWh. The power plant was commissioned in 2004. Project design flow rate is calculated as 40 m³ /s.

Feslek HPP has a total of 2 horizontal axis Kaplan type units, each with a capacity of 4.42 MWm.

Kemer HPP

Installed Power: 48 MWm

License Date: 30.01.2020

Remaining License Duration: 43 years

Number of Employees: 17

Feslek HPP

Installed Power: 8.84 MWm

License Date: 14.11.2004

Remaining License Duration: 21 years

Number of Employees: 16

Hydroelectric Power Plants

DENİZLİ



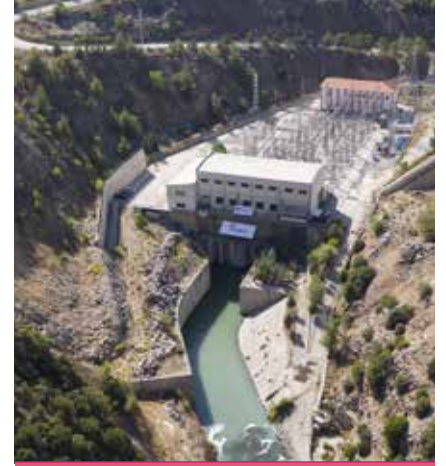
Bereket 1-2 HPP

Bereket 1 and 2 Hydroelectric Power Plants, the first private sector power plants established outside the state in Turkey, are located on the Bereket Irrigation Canal, which is fed by Çürüksu, a tributary of the Büyük Menderes River and located 5 km from the center of Denizli. The total installed capacity of the plants is 3.15 MWm and the average annual energy production (run-rate) is 14.1 GWh.



The power plants were commissioned in 1997. Project design flow rate is calculated as 5.75 m³ /s.

There are a total of 4 horizontal axis Francis type units in both plants, 2 units of 770 kWe each in Bereket I HPP and 2 units of 805 kWe each in Bereket II HPP.



Adıgüzel HPP

Adıgüzel Hydroelectric Power Plant is located on the Büyük Menderes River in Güney district of Denizli province. Its installed capacity is 62 MWm and its annual energy production average (run-rate) is 126.8 GWh. The power plant was commissioned in 1993 and was incorporated into Aydem Renewables in 2017. Project design flow rate is calculated as 66 m³ /s.

Adıgüzel HPP has a total of 2 vertical axis Francis type units, each with a capacity of 31 MWm.

Bereket 1-2 HPP

Installed Power: 3.15 MWm

License Date: 18.11.2004

Remaining License Duration: 13 years

Number of Employees: 25

Adıgüzel HPP

Installed Power: 62 MWm

License Date: 30.01.2020

Remaining License Duration: 43 years

Number of Employees: 12

DÜZCE**Düzce Aksu HPP**

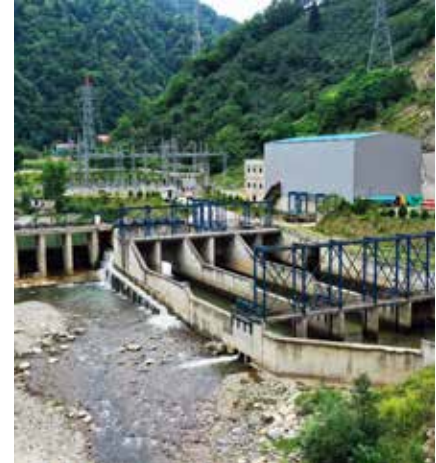
It is located on Aksu Stream within the borders of Düzce province. It has a total installed capacity of 46.20 MWm and its annual average energy production (run-rate) is 133.6 GWh. The power plant was commissioned in 2014. Project design flow rate is calculated as 8 m³ /s.

Düzce Aksu HPP has a total of 2 vertical axis Pelton type units, each with a capacity of 23.10 MWm.

GİRESUN**Çırakdamı HPP**

Çırakdamı Hydroelectric Power Plant is located on the Aksu River in Dereli district of Giresun province. Its installed capacity is 49.10 MWm and its annual energy production average (run-rate) is 152.5 GWh. The power plant was commissioned in 2012. The project design flow rate is calculated as 27.50 m³ /s.

Çırakdamı HPP has a total of 2 vertical axis Francis type units, each with a capacity of 24.55 MWm.

**Dereli HPP**

Dereli Hydroelectric Power Plant is located on the Aksu River in Dereli district of Giresun province. Its installed capacity is 49.2 MWm and its annual energy production average (run-rate) is 149.7 GWh. The power plant was commissioned in 2014. Project design flow rate is calculated as 21 m³ /s.

Dereli HPP has a total of 2 vertical axis Francis type units, each with a capacity of 24.60 MWm.

Düzce Aksu HPP

Installed Power: 46.20 MWm

License Date: 24.10.2019

Remaining License Term: 31 years

Number of Employees: 16

Çırakdamı HPP

Installed Power: 49.10 MWm

License Date: 27.07.2023

Remaining License Term: 30 years

Number of Employees: 13

Dereli HPP

Installed Power 49.20 MWm

License Date: 27.07.2023

Remaining License Term: 30 years

Number of Employees: 19

Hydroelectric Power Plants

MUĞLA



Dalaman 1-2-3-4-5 HPP

Dalaman 1-5 Hydroelectric Power Plants are located on the Dalaman Stream within the borders of Muğla province. It consists of 5 power plants, each with equal power. The total installed capacity of the plants is 37.5 MWm and the average annual energy production (run-rate) is 140.2 GWh. The power plants were commissioned between 1999-2005. Project design flow rate is calculated as $64.5 \text{ m}^3 / \text{s}$.

Dalaman 1-5 HPP has a total of 15 horizontal axis Kaplan type units, 3 2.5 MWm units in each power plant.

Dalaman 1-2-3-4-5 HPP

Installed Power: 37.50 MWm

License Date: 18.11.2004

Remaining License Duration: 16 years

Number of Employees: 63

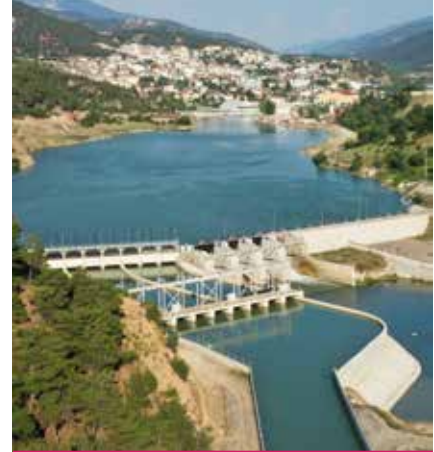
MUĞLA**Gökyar HPP**

Dalaman 1-5 Hydroelectric Power Plants are located on the Dalaman Stream within the borders of Muğla province. It consists of 5 power plants, each with equal power. The total installed capacity of the plants is 37.5 MWm and the average annual energy production (run-rate) is 140.2 GWh. The power plants were commissioned between 1999-2005. Project design flow rate is calculated as 64.5 m³ /s. Gökyar HPP has a total of 3 vertical axis Kaplan type units, each with a capacity of 3.65 MWm.

SİVAS**Koyulhisar HPP**

Koyulhisar Hydroelectric Power Plant is located on the Kelkit River in Koyulhisar district of Sivas province. It has an installed capacity of 63 MWm and an annual energy production average (run-rate) of 246.8 GWh. The plant has been in operation since 2009. Project design flow rate is calculated as 84 m³ /s.

Koyulhisar HPP has a total of 3 vertical axis Francis type units, each with a capacity of 21 MWm.

TOKAT**Akıncı HPP**

Akıncı Hydroelectric Power Plant is located on the Kelkit River, which flows through the borders of Reşadiye and Niksar districts of Tokat. Its installed capacity is 99 MWm and its annual energy production average (run-rate) is 423.1 GWh. The power plant was commissioned in 2018. Project design flow rate is calculated as 105 m³ /s.

Akıncı HPP has a total of 3 vertical axis Francis type units, each with a capacity of 33 MWm.

Gökyar HPP

Installed Power: 10.95 MWm

License Date: 18.12.2004

Remaining License Duration: 21 years

Number of Employees: 21

Koyulhisar HPP

Installed Power: 63 MWm

License Date: 10.02.2005

Remaining License Duration: 22 years

Number of Employees: 34

Akıncı HPP

Installed Power: 99 MWm

License Date: 24.10.2019

Remaining License Term: 32 years

Number of Employees: 18

Wind Power Plants

AYDIN



Söke WPP

The Söke WPP investment, located in Söke district of Aydın province, started in 2014. Söke WPP consists of 15 Vestas brand V-112-3.3 turbines, each with a power of 3 MWm, and Goldwind brand GW 165-6 turbines, each with a power of 6 MWm. 15 Vestas V-112-3.3 turbines were commissioned in 2015. Within the scope of power increase investments, Ministry acceptance procedures for 2 Goldwind turbines were completed on 15.12.2023.

The administrative, switchgear and electrical management of the power plant is carried out within the Company, and on the turbine side, full-scope maintenance and repair contracts have been made with the relevant turbine companies. Söke Wind Power Plant, which has an average availability of over 99.5%, has an availability value of 99.4% for 2023. With the commissioning of 2 more turbines (2 x 6 MWm) within the scope of capacity increase in 2023, the annual average energy production (run-rate) of Söke Wind Power Plant, which consists of 15 turbines in total, is 202.8 GWh.

Söke WPP is one of the leading projects in Turkey in terms of wind potential. Generation varies according to years and seasons, with an annual energy production average (run-rate) of 202.8 GWh and a capacity factor of 41%. The administrative, switchgear and electricity management of the power plant is carried out within the Company, and on the turbine side, a full maintenance & repair contract has been made with the relevant turbine company, and the work carried out is also supervised by Aydem Renewables teams.

Söke WPP
Installed Power: 57 MWm
License Date: 24.10.2019
Remaining License Duration: 37 years
Number of Employees: 14

YALOVA



Yalova WPP

Yalova WPP investment, located in the Armutlu district of Yalova province, started in 2014. Yalova WPP consists of 36 wind turbines. 24 Sinoel SL 1500/89 turbines with a capacity of 36 MWm were commissioned in 2016 and 12 Sinoel SL 1500/82 turbines with a capacity of 18 MWm were commissioned in 2017.

With a total installed capacity of 54 MWm, Yalova WPP's production varies according to years and seasons, with an annual energy production average (run-rate) of 130.0 GWh and a capacity factor of 29%. The administrative, switchgear

and electrical management of the power plant is carried out within the Company, and on the turbine side, maintenance & repair is carried out in the Hybrid model by a team including Aydem Renewables employees together with the relevant turbine company. Yalova WPP's availability rate for 2023 is 99.6%.

Yalova WPP

Installed Power: 54 MWm

License Date: 24.10.2019

Remaining License Duration: 33 years

Number of Employees: 22

Wind Power Plants

UŞAK



Uşak WPP

Uşak WPP investment, located in the Banaz district of Uşak province, started in 2012. Uşak WPP consists of 52 turbines in total. Of these turbines, 36 Sinoel SL1500/89 turbines were commissioned in 2014 with a capacity of 54 MWm, 4 Sinoel SL1500/90 turbines were commissioned in 2020 with a capacity of 6 MWm and 1 Sinoel SL1500/90 turbine was commissioned in 2021 with a capacity of 1.5 MWm. In 2023, 11 Goldwind GW 165 turbines (11x6 MWm) were commissioned within the scope of power increase investments, and the power plant reached a total capacity of 127.5 MWm.

Uşak WPP generation varies according to years and seasons, with an annual energy generation average (run-rate) of 215.0 GWh and a capacity factor of 26%. The administrative, switchgear and electricity management of the power plant is carried out within the Company, and on the turbine side, maintenance and repair is carried out in the Hybrid model by a team including Aydem Renewables employees together with the relevant turbine company. The availability value of Uşak WPP for the operating period of 2023 is 99.7%.

Uşak WPP

Installed Capacity in Operation: 127.5 MWm
License Date: 24.10.2019
Remaining License Duration: 33 years
Number of Employees: 29

Hybrid Solar Power Plant

UŞAK



Uşak WPP Hybrid SPP

The installation of 82.15 MWm solar panels as an auxiliary source at Uşak WPP has been completed and the plant has become a hybrid power plant. As of the date of commissioning, it is the hybrid solar power plant with the highest installed capacity in Turkey. (The 82.15 MWm hybrid solar power plant, the installation of which was completed at Uşak WPP, was accepted by the Ministry and commissioned on 23.02.2023).

Uşak WPP Hybrid SPP

Installed Capacity in Operation: 82.15 MWm

License Date: 24.10.2019

Remaining License Duration: 33 years

Number of Employees: Uşak WPP employees serve for the same project.

Geothermal Power Plant

GEOHERMAL POWER PLANT DENİZLİ



Kızıldere GPP

Kızıldere Geothermal Power Plant, located in Sarayköy district of Denizli province, was commissioned on January 4, 2008. Its installed capacity is 6.85 MWm and annual energy production average is 38 million kWh. Commissioned in 2008, the power plant has 2 Pentan type turbines.

The power plant, whose geothermal resource is provided by another company, has produced in certain periods and cannot produce today due to lack of resources. During this period, Kızıldere GPP supplies hot water to Sarayköy Heat Center, which is also within the Company. Sarayköy Heat Center provides heating for 5,000 households (approximately 65% of Sarayköy).

Kızıldere GPP

Installed Power: 6.85 MWm

License Date: 07.11.2019

Remaining License Duration: 28 years

Number of Employees: 13

Operational Efficiency



In 2023, Aydem Renewables achieved significant improvements in the operational efficiency of its power plants compared to previous years. The maintenance strategies implemented by the company for Hydroelectric Power Plants (HPP) and Wind Power Plants (WPP) played a key role in this success.

As in previous years, planned, periodic and predictive maintenance was implemented in HPP operations. This approach ensured that the plants were always ready for production and production losses were reduced. Thanks to predictive maintenance practices, potential problems were identified and eliminated at an early stage, enabling the plants to operate continuously and efficiently.

Thanks to planned, periodic and predictive maintenance at WPP, the plants have always been kept ready for production and a significant reduction in production losses has been observed. This is an important development that demonstrates the efficiency of planned and predictive maintenance efforts. Predictive maintenance ensures that wind turbines fail less and thus energy production is more stable. Aydem Renewables carries out planned, periodic and predictive maintenance works with great care in the operational processes of wind power plants. In this way, the power plants are always kept ready for production and as a result of this approach, production losses have been significantly reduced. Implementation of detailed maintenance programs has been effective in increasing the efficiency of power plants and preventing unexpected shutdowns by identifying potential malfunctions in advance.

When the generation data for 2022 and 2023 are analyzed, Uşak WPP generated 155,949 MWh in 2022, while this figure increased to 267,938 MWh in 2023 with the commissioning of the auxiliary source Hybrid SPP and capacity increase investments. Yalova WPP, on the other hand, generated 142,735 MWh in 2022, while maintaining a similar production level of 140,406 MWh in 2023. Söke WPP's generation was 176,040 MWh in 2022 and 151,690 MWh in 2023.

In the lighting system projects, annual energy consumption before and after the transformation was compared, and as a result of this comparison, it was determined that 580 MWh of annual energy consumption savings were achieved in all enterprises. The A++ Energy (White Goods) Transformation Project was implemented, which is expected to save approximately 772 MWh of energy annually.

Aydem Renewables 2022-2023 Wind Power Plants Production Performance

Name of Operation	2023 Generation (MWh)	2022 Generation (MWh)
Uşak WPP	180.066	155.949
Yalova WPP	140.406	142.735
Söke WPP	151.690	176.040

Operational Efficiency

In 2023, as an important project to increase Aydem Renewables' operational efficiency, the installation of the Condition Monitoring System (CMS) was completed at the wind power plants located in Söke, Uşak and Yalova. This system allows remote monitoring and analysis of the status of the equipment in the turbines, thus enabling the necessary interventions to be made before any major failure occurs.

The installation of the CMS system increases operational efficiency by enabling turbines to operate more effectively and efficiently. Thanks to this system, problems that may occur in the turbines can be detected at an early stage, which contributes to the prevention of unexpected shutdowns and more stable energy production. In addition, turbine maintenance and repair operations can be carried out in a more planned and efficient manner.

Throughout 2023, Aydem Renewables' maintenance and repair processes were optimised with unique and effective methods for HPP and WPP operations. These optimisations have played a major role in increasing operational efficiency.

In HPP operations, no changes were made to the company's maintenance strategy, and the effective use of the SAP PM module was maintained. Thanks to this system, planned and predictive maintenance is performed annually, ensuring that the power plants are always ready for production. This approach contributed to the prevention of unexpected breakdowns and the maintenance of continuous energy

In 2023, Aydem Renewables' maintenance and repair processes were optimized with unique and effective methods for HPP and WPP operations.

production, while the continuation of maintenance and testing activities with existing personnel resources optimized operational costs.

In WPP operations, turbine and equipment maintenance is carried out by the manufacturer's personnel and Aydem personnel within the framework of agreements with turbine manufacturers. This cooperation has ensured that the maintenance of turbines and equipment is carried out by utilizing the expertise of the manufacturers. The penalty-reward system based on availability rates has encouraged manufacturers to be proactive in maintenance and repair. For equipment other than turbines, maintenance and repair operations were carried out in-house for minor operations

and under the coordination of the Maintenance Department for major operations. Maintenance and repair processes for substation and other electrical equipment were carried out by authorized personnel of the Maintenance Directorate. The effective management of these processes made the maintenance and repair processes of power plants more effective and efficient, thereby increasing operational efficiency.

These enhanced maintenance and repair processes increase the continuity and reliability of Aydem Renewables' power generation and reduce production losses by preventing potential failures.



Aydem Renewables' supply logistics operations are carried out by the Purchasing Directorate. In these operations, the dimensions, weights and destination destinations of the materials to be transported by the enterprises are notified to the Purchasing Directorate, ensuring effective management of the logistics process.

The Purchasing Department manages logistics operations by procuring transportation services. This process increases operational efficiency by ensuring timely and efficient transportation of materials. Thanks to the detailed information received from the enterprises, it is possible to carry out logistics operations in a more planned and coordinated manner.

This approach contributes to optimizing material handling processes, thus reducing logistics costs and increasing operational efficiency. This coordinated work of the Purchasing Directorate increases efficiency and effectiveness in supply chain management and contributes positively to the company's overall operational performance. These steps demonstrate Aydem Renewables' commitment to continuously improve its procurement and logistics operations.



Availability and Business Continuity

In terms of business continuity and reliability, keeping the availability rate high is one of the most important priorities of Aydem Renewables.



In order to achieve its targets in a healthy way and continuously increase its operational efficiency, Aydem Renewables performs regular maintenance and repair follow-up with its expert team and uses high technology. This approach enables the company to achieve high availability rates. In terms of business continuity and reliability, keeping the availability rate high is one of the top priorities of Aydem Renewables. At the same time, Aydem Renewables attaches importance to developing projects and new strategies that will increase energy diversity and efficiency.

The Company regularly subjects its energy efficiency efforts to internal and external audits every year and realizes its practices within the scope of ISO 50001 standards. All risks and opportunities within the scope of energy efficiency are periodically reported to senior management.

Power plants and equipment are maintained by a competent and qualified workforce. Thanks to regular maintenance and necessary repairs, the lifespan and efficiency performance of the power plants and the equipment used are increased, thus keeping the availability rate constantly high.

In Uşak and Yalova WPP plants, hot spares are kept for critical equipment (blade, gearbox, generator, breaker). Aydem Renewables increases site efficiency and utilizes the land more efficiently by adding new generation wind turbines that can generate higher powers with a single turbine, in addition to the low production capacity and relatively low efficiency wind turbines used in the past. These new generation turbines provide higher efficiency thanks to their modified blade designs and expanded swept areas.

Aydem Renewables follows certain strategies regarding availability and business continuity and takes various steps in this direction. The company's approach in this regard is as follows:

1. Personnel Training: Trainings are provided for employees to ensure operational reliability. These trainings increase the competencies of the personnel and improve their capacity to respond effectively in extraordinary situations.

2. Spare Equipment Stocking: In order to be prepared for an unusual failure, electrical and mechanical equipment with long lead times are identified in advance and stocked as spare. This ensures quick and effective response to unexpected failures.

3. Predictive Maintenance and Periodic Tests: Predictive maintenance is carried out to prevent unexpected failures and a periodic test and maintenance schedule is prepared at the beginning of the year. Thanks to the testing and maintenance operations carried out within the determined schedule, equipment with faults are replaced with new ones, preventing possible production losses.

4. Turbine Maintenance and Repair Contracts and Penalties: Availability guarantees are attached to turbine maintenance and repair contracts and penalties are imposed on turbine companies in case of realization below these figures. This approach incentivizes turbine companies to fulfill their responsibilities.

5. New Technologies and Innovation: Aydem Renewables aims to identify and implement new technologies and innovative solutions that are being developed to ensure the continuity of production.

Aydem Renewables has developed measures against long power and mechanical equipment outages and spare equipment stock strategies in 2023. These improvements have been implemented for both Hydroelectric Power Plants and Wind Power Plants.

In HPPs, the company first identified critical equipment in the power plants. This determination was made by taking into account the possible negative effects on production and machinery-equipment in case of failure of the equipment and the length of procurement periods. The identified critical equipment was procured and taken into stock, thus ensuring production continuity and minimizing production losses.

In WPPs, main equipment spares are kept as hot spares, which enables rapid intervention in case of possible failures. Within the scope of the maintenance and repair contracts with turbine manufacturers, the spare stock management of the equipment in the turbine is carried out by the companies and a bonus or penalty system is applied according to the availability rates specified in the contracts.

Aydem Renewables takes important steps to optimize energy generation processes by closely monitoring planned and unplanned downtime in wind power plant operations. In this context, the planned downtime at WPP operations was recorded as 12,592.41 hours in total. Planned downtime is the period when power plants are scheduled for routine operations such as maintenance and repair, and the effective management of these processes ensures that power plants operate more efficiently in the long term. Unplanned downtime totaled 6,826.6 hours. Unplanned downtime refers to the periods when power plants cannot operate due to unexpected breakdowns or other external factors. Thanks to Aydem Renewables' efforts in this area, there was a 43% decrease in unplanned downtime in 2023 compared to 2022. The total number of unplanned stoppages was recorded as 604. The superior performance achieved in planned and unplanned downtime demonstrates the effectiveness of Aydem Renewables' planned, periodic and predictive maintenance practices.

Aydem Renewables monitors the availability rates of its power plants in detail in order to maintain high standards in terms of continuity and efficiency in energy generation. When the availability values for 2022 and 2023 are analyzed, Uşak Wind Power Plant (WPP) showed 99.7% availability in both years. This ratio shows that the power plant is constantly ready for production and its continuity in energy production. The availability

Availability and Business Continuity

values for Söke WPP in 2022 and 2023 were consistently recorded as 99.4%. This stable rate reflects the reliability and continuity of Söke WPP in power generation. Yalova WPP exhibited an availability rate of 99.2% in 2022, which increased to 99.6% in 2023. This increase indicates a significant improvement in Yalova WPP's operational performance and efficiency in energy generation.

RES Availability Rates in 2022 and 2023

Name of Operation	2022	2023
Uşak WPP	99.78%	99.66%
Söke WPP	99.43%	99.40%
Yalova WPP	99.23%	99.61%

Aydem Renewables meticulously carries out planned, periodic and predictive maintenance activities to increase the efficiency of operational processes in its power plants. In 2023, these maintenance activities achieved a significant reduction in unplanned downtime, which contributed to minimizing production losses. Plant management and operational processes were carried out in a highly efficient manner. Detailed information on planned and unplanned downtime at Aydem

Renewables' power plants is kept and monitored in detail in the company's records. The table on the next page shows the planned and unplanned downtimes for 2023 on the basis of Hydroelectric Power Plants and demonstrates the company's transparency in process management and its commitment to continuous improvement. This table is regularly updated as part of Aydem Renewables' processes of monitoring and evaluating the performance of its power plants and is used in the strategic decision-making process to achieve operational excellence targets.

Aydem Renewables meticulously carries out planned, periodic and predictive maintenance works to increase the efficiency of operational processes in its power plants.



Aydem Renewables 2022-2023 HES Planned and Unplanned Downtimes

Planned Downtime (Hours)			Unplanned Downtime (Hours)		
Power Plant	2022	2023	Power Plant	2022	2023
Bereket-1	1,475:18	537:32	Bereket-1	06:33	03:13
Bereket-2	1,543:24	894:55	Bereket-2	06:01	11:01
Kemer	3,001:50	3,359:35	Kemer	11:02	00:00
Akinci	403:00	577:00	Akinci	13:40	21:05
Düzce Aksu	3,250:45	2,827:00	Düzce Aksu	48:37	00:00
Adıgüzel	1,218:00	1,002:00	Adıgüzel	00:00	00:00
Koyulhisar	407:00	152:30	Koyulhisar	41:26	02:14
Göktaş-2	00:00	346:10	Göktaş-2	293:54	180:30
Göktaş-1	61:00	130:00	Göktaş-1	18:00	00:03
Feslek	8,841:30	5,069:55	Feslek	138:23	123:02
Mentaş	5,208:38	373:05	Mentaş	278:45	82:53
Toros	5,634:23	555:05	Toros	687:54	01:08
Dalaman-1	3,072:02	1,149:08	Dalaman-1	17:39	80:13
Dalaman-2	4,408:20	2,935:05	Dalaman-2	05:59	43:02
Dalaman-3	692:20	2,547:45	Dalaman-3	71:28	70:37
Dalaman-4	737:41	543:10	Dalaman-4	269:53	56:57
Dalaman-5	1,692:50	3,828:07	Dalaman-5	29:17	97:41
Gökyar	2,947:03	2,384:57	Gökyar	135:25	66:18
Dereli	757:23	4,812:10	Dereli	177:13	50:03
Çırakdamı	26:00	3,988:04	Çırakdamı	97:19	09:54
Total	45,378:27	38,013:13	Total	2.348:28	899:54

Within the scope of the operational activities carried out on Aydem Renewables' hydroelectric power plants (HPP), a detailed analysis of planned and unplanned downtime was carried out. According to the results of this analysis, the total planned downtime was recorded as 38,013 hours in 2023. During the same period, the total unplanned downtime was determined as 899 hours. These durations represent the sudden stops (trips) of the power plants and the total number of these stops was 652.

Aydem Renewables' availability rates for 2023 were realized at 99.86% for hydroelectric power plants and 99.55% for wind power plants. The high availability rates in the company's HPP and WPP portfolios demonstrate

Aydem Renewables' efficiency in plant management and the success of its maintenance strategies. Aydem Renewables aims to maintain these ratios by making the necessary planning and maintenance to ensure that the power plants operate at maximum capacity and efficiency.

Aydem Renewables meticulously monitors different performance indicators to measure the efficiency of energy generation processes. The EFOR ratio, one of these indicators, expresses the ratio of mandatory downtime of power generation plants to total generation time. In 2023, Aydem Renewables' EFOR ratio was realized as 0.14% in hydroelectric power plants and 0.44% in wind power plants. Aydem Renewables' low

EFOR ratios indicate that the power plants have a high level of availability and energy generation continues uninterrupted. This reflects the importance the company attaches to efficiency in plant maintenance and operation processes and continuity in energy generation. By using these efficiency indicators, Aydem Renewables aims to continuously improve its operational strategies and maximize its energy generation capacity.

Availability and Business Continuity

In 2023, Aydem Renewables has taken a series of new measures to ensure the business continuity of its power plants. These measures are designed to ensure continuous and efficient operation of the power plants and to prevent possible failures.

First of all, taking into account the long lead time of the equipment, critical materials are backed up. This approach is an important step to prevent downtime in case of possible breakdowns, thus guaranteeing production continuity. Maintenance is carried out regularly according to the periodic maintenance schedule. This periodic maintenance ensures

that the equipment is checked regularly and intervened quickly when necessary, which is a critical measure for business continuity.

Another measure is the continuous monitoring of turbine equipment through the Control and Monitoring System (CMS). Thanks to this system, the status of the equipment is closely monitored and major failures are prevented. The control of electrical equipment with thermal cameras is also among the important measures taken for business continuity.

Inspections with thermal cameras prevent major damage to the equipment by detecting possible loose connections and insulation weakening.

These new measures represent important steps taken by Aydem Renewables to ensure business continuity and increase operational efficiency in power plants. With these strategies, the Company both ensures production continuity and minimizes the impact of potential failures.



R&D and Innovation

Aydem Renewables puts sustainable green energy at the center of its business development and scientific research. The search for new technologies and investment opportunities are the main focus areas of the company. As Turkey's energy demand increases, Aydem Renewables continues its efforts to consolidate its leading position in the sector and to expand and diversify its investments in line with scientific developments. Within this framework, investment activities are supported by scientific research and technological innovations.

Aydem Renewables attaches importance to innovation efforts by adopting innovative technologies to achieve sustainable energy targets. In this context, the company's organizational structure includes the Business Development Unit, which operates under the Investment and Business Development Directorate. This unit closely monitors technological developments in the field of renewable energy and ensures that this knowledge and experience is shared within the company. Within the scope of innovation activities carried out by the Business Development Unit, the Company participates in national and international fairs, conferences and events to learn about new technologies. In addition, feasibility studies are conducted for the integration of innovative technologies into the company and cooperation is established with relevant institutions. Aydem Renewables believes that innovation efforts will contribute to sustainable energy transformation and continues to invest in these efforts.

Aydem Renewables attaches importance to innovation efforts by adopting innovative technologies to achieve sustainable energy targets.



R&D and Innovation



Aydem Renewables' innovation and business development activities are financed with an incentive-oriented approach. The cost effectiveness of these studies is evaluated within the framework of the incentives provided and the effectiveness of the use of these incentives in innovative projects.

Aydem Renewables completed the Söke WPP Control and Monitoring System (CMS) project in 2022 and put it into operation in 2023. This system is designed to increase operational efficiency and improve monitoring capabilities. The system aims to minimize production losses through early detection of faults and predictive maintenance.

In 2023, an important project focused on energy efficiency was successfully realized. Under this project, existing luminaires were replaced with energy-saving LED luminaires. This conversion was implemented especially in renewable energy and geothermal power plants. These savings made a significant contribution to the company's efforts to increase energy efficiency and achieve sustainable energy targets.

Aydem Renewables successfully advanced the A+++ Energy Transformation and Lighting System Revision (LED Transformation) Projects in 2023. These projects have reached important development stages in the field of energy efficiency and saving. The delivery process of the Grate Cleaning Machine planned for Koyulhisar HPP is ongoing, and the Grate Cleaning Machine at Çırakdamı HPP was commissioned and energy loss due to clogging problem was prevented. These projects contributed to Aydem Renewables' overall sustainability strategies and helped the company achieve its environmental impact and cost saving targets.

Aydem Renewables is taking important strategic steps in 2023 by adopting innovative technologies and operational improvements to achieve sustainable energy targets.

In this context, the Company closely monitors technological developments in the field of renewable energy. Accordingly, bifacial type solar panels were preferred at the Uşak WPP Hybrid SPP plant with a high-tech monitoring system that enables more efficiency from solar energy. Aydem Renewables continues its



efforts to be a pioneer in storage technologies. In this context, the company obtained a pre-license for a battery storage plant integrated with wind and solar energy. This preliminary license paved the way for planning strategic investments to contribute to sustainable green energy transformation.

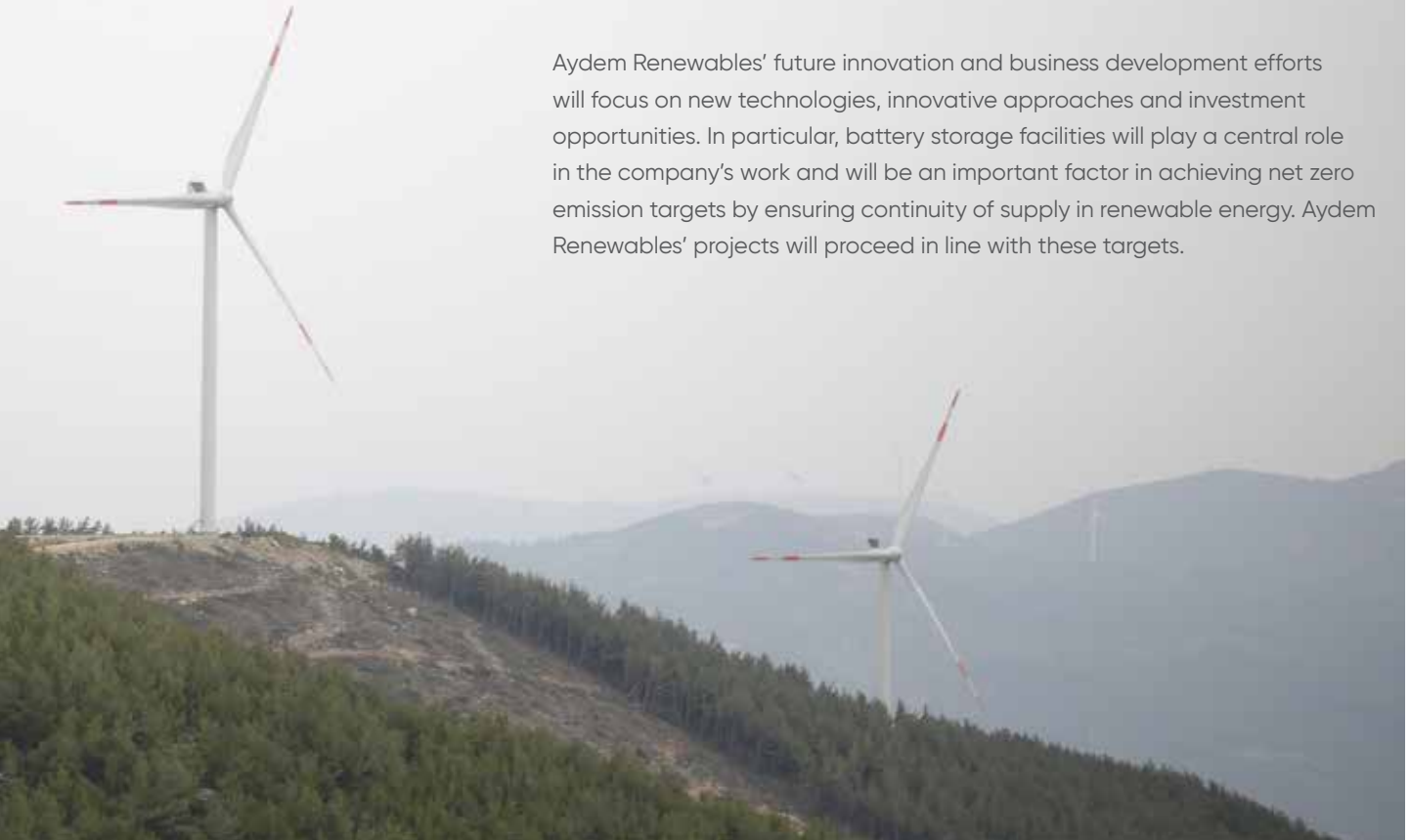
Aydem Renewables measures the performance and impact of its innovation and business development activities through a comprehensive comparison of various forecasting studies conducted before the

investment of the projects and the realization results obtained after the investment. In this process, innovation efforts are guided on the basis of analyses conducted by the company's expert teams and the effectiveness of these efforts is continuously evaluated. This approach enables Aydem to continuously monitor and improve its success in innovation activities. Aydem Renewables actively follows technological developments and global trends in the energy sector through its Investment and Business Development Directorate.

The Company closely monitors innovations in these fields by participating in events such as fairs, conferences, symposiums and webinars organized in Turkey and abroad. Participation in these events, exchange of ideas with experts and institutions, trend analysis, targeting studies and diversification of the renewable energy portfolio make significant contributions to the Company's business development processes.

Aydem Renewables completed the Söke WPP Control and Monitoring System (CMS) project in 2022 and put it into operation in 2023.

Aydem Renewables' future innovation and business development efforts will focus on new technologies, innovative approaches and investment opportunities. In particular, battery storage facilities will play a central role in the company's work and will be an important factor in achieving net zero emission targets by ensuring continuity of supply in renewable energy. Aydem Renewables' projects will proceed in line with these targets.



Cyber Security and Information Privacy

Aydem Renewables has taken important steps in the field of information security and cyber security in 2023. The security of the information technology environment has gained strategic importance in the face of changing and evolving cyber threats. While the Company effectively uses existing information security and cyber security practices in order to benefit from information technologies in a sustainable manner, it has also implemented important projects to reduce the cyber attack surface, increase resilience against cyber threats and ensure compliance with new legislation in order to protect more effectively against cyber threats. The Company continues to invest in new technologies accepted by global standards in its cyber security infrastructure.

Aydem Renewables carries out its Information Security and Cyber Security activities by the Information Security Group Directorate within Aydem Holding Information Technologies Group Presidency IT Shared Services. The Information Security Group Directorate operates the necessary processes to ensure the protection, confidentiality, integrity and accessibility of the company's information assets (information, data, hardware, software, etc.). These processes include risk analysis, policy formulation, training and awareness, implementation of controls, monitoring and auditing, and continuous improvement activities.

Aydem Renewables took important steps in the field of information security and cyber security in 2023.



Aydem Renewables has planned regular trainings for its employees to increase cyber security awareness.

In 2023, Aydem Renewables made significant improvements in Information Security Management System (ISMS) processes and policies in accordance with ISO 27001 Standard. Within this framework, the focus has been on protecting the company's critical information in a manageable and manageable manner in accordance with the needs, and it is aimed to continuously protect and improve the confidentiality, integrity and accessibility elements of information security. In addition, the necessary processes are carried out to meet the expectations of legal regulations and regulations regarding information security, to follow up regularly and to improve them. Aydem Renewables carries out information technology management by paying attention to the regulations of the Presidential Digital Transformation Office (CBDDO), Energy Market Regulatory Authority (EMRA) and Capital Markets Board (CMB), as well as the Personal Data Protection Law (KVKK) and ISO 27001 Information Security Management System (ISMS) compliance. In this process, it continues to develop its business strategies in accordance with CMB and EMRA regulations. Business continuity and information security issues are regularly reviewed through both internal and independent external audits.

Aydem Renewables has planned regular trainings for its employees to increase cyber security awareness. These trainings are updated every year in line with developing and changing cyber threats. Efforts are made to raise awareness of information security awareness through mandatory Information Security Awareness Training and periodic social engineering tests and announcements throughout the year.

Through the KVKK (Personal Data Protection Law) board established within the Company, efforts are made to monitor, comply with and raise awareness of KVKK regulations. Backing up critical systems at the Disaster Recovery Center contributes to maintaining the Company's Up-Time ratio of 99% and ensures the continuity of IT services. In addition, activities such as guaranteeing the company against cyber-attacks with cyber risks insurance, monitoring current technologies and implementing new projects, compliance of information security and digitalization processes with legal regulations and contracts, providing regular training to employees, and

conducting phishing attack tests to raise awareness against cyber-attacks are also carried out. Aydem Renewables continues to evaluate, develop and integrate these processes into business processes with a focus on information security and cyber security.

Aydem Renewables has focused its future strategies and investments in cyber security and information privacy on the development of existing applications and the integration of globally accepted new tools into the company. In this context, investments in the continuous updating and development of technologies in the field of cyber security and information privacy will continue.

Digital Transformation

Aydem Renewables' digital transformation strategy and targets for 2023 are aimed at accelerating company management and decision-making processes.

Aydem Renewables sees digital transformation as a part of continuous development and innovation and constantly follows the latest developments in this field and implements digital transformations in its processes. Aydem Renewables aims to optimize its business processes and services by carefully monitoring digital trends and innovations, thus increasing operational efficiency and improving customer experience.

The digital transformation strategy and targets set by Aydem Renewables for 2023 are aimed at accelerating company management and decision-making processes. Reporting, especially in the field of financial affairs, constitutes the main focus of this strategy and the use of digital technologies is prioritized for the digital transformation steps to be taken in this field. Thanks to these technologies, while increasing speed and efficiency in the company's business processes, a more effective management and reporting mechanism is also created. In this way, Aydem Renewables increases overall business efficiency and takes important steps in the digital transformation process.

Among the new software and applications that Aydem Renewables commissioned in 2023 to increase the efficiency and automation of business processes are important applications such as Cash Flow Management System, Consolidated Financial Reporting System and IFRS Reporting System on SAP. The Cash Flow Management System enables the company to manage its financial flows more effectively, while the Consolidated Financial Reporting System enables more integrated and accurate financial reporting. The IFRS Reporting System plays a critical role in the preparation of reports in accordance with international financial reporting standards. While these applications aim to increase efficiency and transparency in the company's financial and operational processes, they also contribute to improving overall business performance by enabling faster and more effective management of processes. These projects are integrated into existing systems, further strengthening the company's digital infrastructure and workflows.

In 2023, Aydem Renewables used a budget of approximately TL 3,200,000 for digital transformation projects and improvements and developments in the existing digital transformation infrastructure. This investment budget aims to increase Aydem Renewables' competitiveness by increasing its digital capabilities, maximizing its operational efficiency and quickly adapting to technological innovations.

During 2023, Aydem Renewables' digital innovations in energy management and monitoring systems focused on instant monitoring and reporting of production in power generation facilities. The existing infrastructure has transitioned to a more dynamic and faster reporting structure, enabling faster and more effective reporting on issues such as maintenance, availability, meteorological changes and incidental maintenance of power plants.

The revision of Aydem Renewables' in-house information sharing and collaboration platforms, the renewed Aydem intranet platform and the revision of Aydem Academy applications were realised in 2023. The new Aydem intranet platform aims to increase interaction among employees and with the organization, thus expanding internal communication and collaboration capacity. In addition, the Aydem Academy platform is designed to enrich the training content and ensure that the trainings reach a wider audience within the company. The impact of these improvements on employee productivity has been positive in the form of easier access to information and increased training opportunities.



Infrastructure and Technology

Aydem Renewables makes significant investments in technological infrastructure to increase energy efficiency and create sustainable working conditions.



In 2023, the primary focus of Aydem Renewables' infrastructure and technology investments is to ensure the continuity of Information Technology systems and services used in all business processes of the company. Accordingly, capacity increase and data centre hardware renewal projects have been planned to ensure the performance and uninterrupted operation of business processes. Aydem Renewables aims for operational excellence by increasing the efficiency and reliability of business processes with these investments and continuously updates its technological infrastructure.

It is aimed in 2023 to achieve significant improvements in operational efficiency thanks to technological advances in Aydem Renewables' energy generation and distribution systems. In this scope, by using instant production monitoring and advanced condition monitoring systems, problems that may occur in energy generation systems were detected early and

supported with software to help prevent malfunctions. With more effective reports, projects that will contribute to the continuity of the systems and sustainable production have been developed, and it is aimed to provide operational benefits by following global solutions for existing systems. These developments are part of Aydem Renewables' strategic steps to increase its efficiency and competitiveness in the energy sector.

During 2023, the projects carried out for the integration and development of control and monitoring systems in Aydem Renewables' renewable energy power plants were aimed at adapting the instant production monitoring systems maintained in the existing structure to current requirements. In this context, infrastructure systems and security issues were identified as priority targets, and work was carried out to enable more effective analysis of both instant production monitoring and reporting and realization values with accurate and uninterrupted data flow systems. The Information Technologies

Department provided critical support to operational processes in this process.

Aydem Renewables continues to make significant investments in technological infrastructure to increase energy efficiency and create sustainable working conditions. In this context, it is aimed to prepare and implement the technology strategies necessary to adapt to business strategies, develop processes in accordance with standards and achieve the expected performance. Technological innovations in energy generation systems will be continuously monitored, state-of-the-art hardware and software running on this hardware will be analyzed, and investments will continue for hardware and infrastructure systems that benefit the company.

Aydem Renewables will focus on infrastructure processes that ensure the uninterrupted operation of existing Information Technologies (IT) systems and corporate business applications within the framework of new projects planned to be realized within the framework of infrastructure activities in the coming years. These projects will include planning for data center hardware renewal, capacity increases and the integration of new software into systems. These steps will be taken to increase the efficiency and effectiveness of business processes, while strengthening the Company's technological infrastructure.

Data Management

Aydem Renewables' data management strategies and policies are seen as a critical tool to achieve the company's strategic goals. Within the scope of these strategies, the company collects all necessary data and stores them securely. The collected data is analyzed to improve business processes, develop new products and services, and manage risks. Aydem Renewables protects its data against unauthorized access, use, modification, disclosure and destruction. This protection is critical to ensure data security and protect the confidentiality of customer information.

Aydem Renewables uses various technologies and systems to support information management and business processes. Among these, the SAP ERP system stands out and enables the management of all business processes such as finance, production, supply chain, human resources and incidental maintenance on a single platform. This system is used throughout the company to increase efficiency and manage business processes more effectively. Aydem Renewables constantly updates this and similar technological infrastructures for the effective management of business processes and adopts an approach open to innovations.

Data analysis and information management play an important role in Aydem Renewables' operational and strategic decisions. The Company analyzes its data and uses it to improve business processes, develop new products and services and manage risks.

Operational decisions: Data analysis helps Aydem Renewables make operational decisions more accurately and effectively. For example, data analysis helps the company optimize production processes and reduce costs.

On strategic decisions: Data analysis helps Aydem Renewables make strategic decisions in a more accurate and predictive manner. For example, data analysis helps the company

develop new products and systems, improve its production structure and increase its competitiveness.

By effectively utilizing data analysis and information management, Aydem Renewables is in a better position to achieve its operational and strategic targets. By continuously improving its efforts in this area, the Company continues to increase its competitiveness and ensure sustainable growth.



Data Management

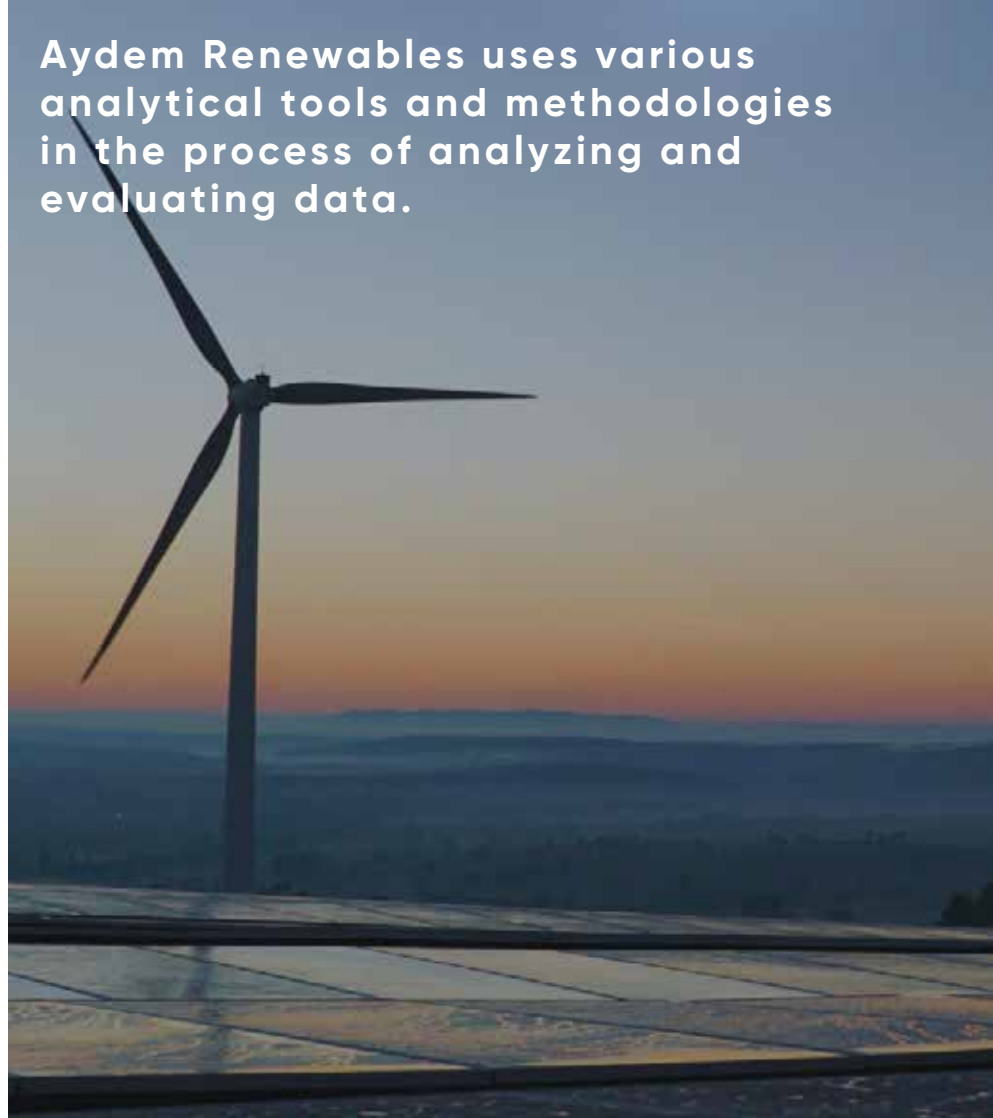


Improving Data Quality and Integrity

Aydem Renewables takes a series of strategic steps to ensure data quality and integrity. These steps include standardizing data collection and storage processes, thus ensuring accurate and consistent collection and storage of data. In addition, the company regularly carries out data verification processes to identify and correct erroneous or incomplete data. Aydem, which also takes active measures on data security, ensures that data is protected against unauthorized access, use, modification, disclosure and destruction. These comprehensive steps help the company to continuously improve and secure data quality and integrity.

Aydem Renewables uses various analytical tools and methodologies in the process of analyzing and evaluating data. In this process, methods varying according to the type of data, the purpose of the analysis and the technologies to be used are utilized. Among the analytical tools and methodologies used are creative statistical methods, and these methods are used to obtain new information from the data.

Aydem Renewables uses various analytical tools and methodologies in the process of analyzing and evaluating data.



Data visualization is supported by visual representation methods that facilitate the understanding and interpretation of data. For this purpose, data visualization tools such as graphs, tables and maps are effectively used. In addition, data analysis software offers a wide range of analytical tools, from basic statistical methods to machine learning methods.

Aydem Renewables continuously improves its data analysis and evaluation processes by using these tools and methodologies, thus striving to obtain maximum value from its data. In this way, the company develops more effective and information-based approaches in operational and strategic decision-making processes and increases its competitive advantage.



Digitalization in Data Management

Aydem Renewables' recent developments and improvements in data management are progressing in parallel with digital transformation and technological innovations. In this context, while the amount and diversity of the company's data increases, data analytics and digital technologies offer more efficient and effective data analysis opportunities. In addition, data security and compliance are of strategic importance for Aydem Renewables. The rapid spread of digitalization has

increased the amount and variety of company data, which makes data management more complex and challenging. On the other hand, data analytics and digital technologies are being used to improve business processes and production activities, helping to reduce costs. Data security and data compliance are also a major focus of effort. The Company takes the necessary measures to protect data from unauthorized access and to process it in accordance with the legislation.

The steps taken by Aydem Renewables in data management ensure that business processes and strategic decisions are more informed and data-based. The company optimizes its business processes with the innovations brought by data analytics and digital technologies, thus transforming data management into a strategic advantage and increasing its competitive power. These developments support Aydem Renewables' business continuity and sustainable growth.

Environmental Management System



Aydem Yenilenebilir Enerji keeps the regular monitoring, evaluation, implementation, control and development of the Environmental Management System mechanism among its strategic priorities. Responsibility in this area is shared among all management levels, especially the Board of Directors. Committees such as the Sustainability, Environment, Occupational Health and Safety Committee and the Early Detection of Risk Committee make strategic decisions on climate and environmental issues, while the HSE and Sustainability Department undertakes the management and coordination of these efforts.

Climate and environmental management activities are carried out within the framework of internationally recognized systems and practices such as ISO 14001 Environmental Management System and ISO 50001 Energy Management System. System standards are certified through periodic external audits. Climate and environmental performance is included in the company's corporate performance evaluation and employee suggestion systems. These performance indicators are also evaluated in the annual individual targets of



employees and have an impact on remuneration in order to incentivize managers.

Climate and environmental impacts throughout the operation are continuously monitored in detail and beyond legal requirements, and the results are reported to stakeholders and through sustainability reports. Modern risk-opportunity assessment tools such as stress tests and scenario analyses are used, and the risks and opportunities identified are also evaluated in terms of financial impacts. The Company's climate risk and opportunity portfolio is published as part of the Carbon Disclosure Project, which is openly accessible to all stakeholders. Business plans are based on the 1.5°C Global Warming Scenarios. Water and carbon footprint inventories are calculated, verified and monitored in accordance

with ISO 14064 Corporate Carbon Footprint Standard and ISO 14046 Water Footprint Standard.

In 2023, a total of TL 5,807,000 in environmental expenditures was realized, of which TL 200,000 was investment and TL 5,607,000 was operational, and there were no fines for non-compliance with legal regulations on climate and environment. In addition to its activities, Aydem Renewables supports associations and initiatives such as Sustainable Development Association (SKD), Sustainable Production and Consumption Association (SÜT-D), United Nations Global Compact (UNGC), International Science Based Targets initiative (SBTi), Green Hydrogen Association (YHD), Turkish Wind Energy Association (TÜREB). Improvements made by Aydem Renewables in the processes of compliance with ISO 14001 and

ISO 50001 standards in 2023 were intensively carried out in various areas. In this context, firstly, external audits regarding ISO 14001 and ISO 50001 standards were meticulously carried out. As a result of these audits, document renewals were made to ensure the continuity of compliance with the standards. In line with the ISO 14001 standard, important steps were taken to monitor biodiversity issues and manage processes effectively. In this context, new forms were added to existing procedures and necessary revisions were made. These forms and revisions have made significant contributions to the protection of biodiversity and the development of sustainable management practices.

Another important development that further strengthened Aydem Renewables' sustainability approach was the publication of Water Management and Climate Policies. These policies play a decisive role in protecting water resources and combating climate change both in our internal operations and in our overall sustainability strategy. With the publication of these policies, Aydem Renewables' commitments to reduce environmental impact and combat climate change have been further strengthened. These commitments contribute to increasing environmental awareness and responsibility both within the company and in the general public. The improvements made by Aydem Renewables in the processes of compliance with ISO 14001 and ISO 50001 standards in 2023 have enabled the company to make significant progress in achieving its sustainability targets. These improvements are considered as important steps that strengthen both compliance with environmental standards and environmental sustainability practices.

Aydem Renewables made a significant innovation in carbon and water footprint calculation processes in 2023.

Aydem Renewables has made significant improvements in calculations in compliance with ISO 14064 and ISO 14046 standards regarding water and carbon footprint inventories in 2023. As a result of the investments made by Aydem Renewables in compliance with ISO 14064 Scope-3 and ISO 14046 standards, calculations were made more comprehensively. These calculations are of great importance for the effective management and monitoring of both carbon footprint and water footprint. The inclusion of business partners and contractors in the process has ensured that compliance with these standards is implemented not only within the company but also throughout the supply chain. This approach has both improved Aydem Renewables' environmental performance and contributed to the widespread adoption of sustainability practices in general.

Aydem Renewables made an important innovation in the carbon and water footprint calculation processes in 2023. These calculations, which were carried out at the end of the year in previous years, were started before the first nine months of 2023 were completed.

This early start has enabled the company to monitor and manage its environmental performance more effectively. Performing carbon and water footprint calculations earlier in the year allows the company to continuously monitor its performance in these areas and intervene quickly when necessary. This enables Aydem Renewables to take more conscious and responsible steps in the field of environmental sustainability.

Aydem Renewables has made significant improvements in existing methods in order to monitor and report the climate and environmental impacts of its operations in 2023. These improvements were realized in carbon and water footprint calculation and reporting processes. In addition, the response mechanisms for the CDP (Carbon Disclosure Project) Climate Change and Water Security Surveys have also been improved during this process.

The processes carried out within the scope of CDP Climate Change and Water Security Programs show the steps taken by the company on climate change and water security issues and its commitments in these areas. The processes carried out within the scope of CDP programs reflect Aydem Renewables' compliance with international standards and its determination to fulfill its environmental responsibilities.

Combating Climate Change and Adaptation



Aware of its active role in combating climate change and adaptation, Aydem Renewables makes significant contributions to the environment and society in this field and increases its efforts in this direction. In this context, the Company strategically develops investments in Hydroelectric Power Plants (HPP), Wind Power Plants (WPP), Hybrid Solar Power Plants (SPP) and Geothermal Power Plants (GPP). These investments are important steps towards expanding the company's sustainable energy portfolio and reducing environmental impact.

HPP investments generate electricity using the power of water, a renewable energy source. These power plants contribute to the reduction of carbon emissions by offering an alternative to fossil fuel-based energy generation. Aydem Renewables' HPP investments emphasize the principles of sustainability and environmental sensitivity in energy generation. On the other hand, WPP investments provide a clean and renewable energy source by converting the kinetic energy of the wind into electricity. Wind energy reduces greenhouse gas levels in

the atmosphere and plays an active role in combating climate change. Aydem Renewables' investments in this field aim to use wind energy more widely and efficiently. Hybrid SPP Investments provide continuous and reliable energy at all hours of the day by integrating the efficient generation of electricity from sunlight by solar panels and the ability of geothermal power plants to convert underground hot water and steam into energy.

These systems balance the weather-dependent variability of solar energy with the constant and predictable nature of geothermal energy, thus ensuring a higher efficiency and continuity in energy production. This hybrid approach is an important step towards meeting the energy needs of the future by encouraging innovation and environmentally friendly solutions in the energy sector. By harnessing the energy of underground hot water and steam, GPP investments offer a clean and continuous source of energy and represent an important alternative in the fight to reduce the use of fossil fuels.

Hybrid SPP Investments aim to provide continuous and reliable energy by reducing the disadvantage caused by the discontinuity of the main energy source of the power plant with the efficient generation of electricity from sunlight by solar panels. These systems provide a higher efficiency in energy production and sustainability in energy.

The hybrid approach is an important step towards meeting the energy needs of the future by promoting innovation and environmentally friendly solutions in the energy sector.

Aydem Renewables has implemented important new practices within the scope of climate change and environmental management strategies in 2023. One of these practices is the SBTi (Science Based Targets initiative). Aydem Renewables has certified that the science-based greenhouse gas emission reduction targets submitted within the scope of this initiative comply with the Criteria and Recommendations of SBTi. This approval demonstrates Aydem Renewables' determination to combat climate change and its commitment to environmental sustainability. The targets approved by SBTi reflect the concrete steps taken by the company to reduce greenhouse gas emissions. These targets are based on internationally recognized scientific methodologies and aim to play an active role in combating climate change. Aydem Renewables' determination and approval of these targets is an indication that it is taking a leading role in the fight against climate change for both internal and external stakeholders.

SBTi categorized Aydem Renewables' scope 1 and 2 targets as compatible with the 1.5°C pathway.



SBTi has classified Aydem Renewables' scope 1 and 2 targets as compatible with the 1.5°C pathway. This classification confirms that the company's strategies to reduce its carbon footprint are in line with internationally recognized scientific targets. Aydem Renewables is committed to reduce absolute scope 1 and 2 greenhouse gas emissions by 51% by 2032 compared to the base year of 2022. This target demonstrates the concrete steps the company has taken to combat climate change and the responsibility it has assumed in this field. Within the scope of SBTi targets, Aydem Renewables has also committed to reduce absolute scope 3 greenhouse gas emissions from capital goods by 30% within the same

timeframe. This target shows that the company is also taking a proactive approach to reducing greenhouse gas emissions throughout the supply chain. Setting and committing to these targets reveals that Aydem Renewables has taken serious steps to adapt to the 1.5°C Global Warming Scenarios in sustainability reporting. These steps ensure that the company continues to play a leading role in the fight against global climate change. Aydem Renewables follows an effective management process to ensure compliance with legal regulations in the field of environment and climate change. The basis of this process is the assessment of compliance with legal requirements and the up-to-date monitoring of

these assessments. The Company takes a proactive approach to the challenges encountered in this area. Legal regulations are frequently updated, especially in dynamic and constantly evolving areas such as environment and climate change. Aydem Renewables constantly monitors these changes and shapes its compliance processes accordingly. This process ensures that the company both fully complies with current legal requirements and is prepared for potential future regulations.

Combating Climate Change and Adaptation

Aydem Renewables' total greenhouse gas emissions (Scope 1-2-3) for 2023 decreased by 6% compared to 2022. The Company's Scope 1-2 greenhouse gas emissions also decreased by 6% compared to 2022.

Greenhouse Gas Emissions

Aydem Renewables has identified direct and indirect energy consumption as the main source of impact from its activities and is working intensively to realize improvements in this area. Energy consumption constitutes an important part of the company's greenhouse gas emission inventory. For this reason, Aydem Renewables evaluates the points that cause energy consumption in detail, calculates and reports the amount of consumption and the resulting greenhouse gases. The reported data is verified by an accredited independent organization.

Aydem Renewables acts in accordance with the requirements of ISO 14064 Corporate Carbon Footprint Standard, ISO 14046 Water Footprint Standard and ISO 50001 Energy Management System in order to reduce the carbon footprint resulting from its operations and increase energy efficiency. The findings obtained play a key role in the implementation of practices to

reduce energy and emission intensity. The methodology used in the calculation of greenhouse gas emissions is determined in accordance with the available operational data. In this context, Aydem Renewables applies the Tier 1 approach specified in IPCC (2006), DEFRA and ECOINVENT. In case data is available in the natural gas source flow, Tier 3 approach is applied for carbon dioxide. These approaches involve multiplying the activity data for the relevant GHG emission source by the corresponding emission factor. For greenhouse gases other than CO₂, the emission provision is calculated in CO₂ equivalent units. In line with its commitments to environmental sustainability and reduction of greenhouse gas emissions, Aydem Renewables has expanded the scope of Scope 3 fixture calculation in 2023. This expansion allows the company to more comprehensively analyze its impact on the supply chain and other indirect emission sources. With the Vehicle Tracking System, an emission reduction of 3.6 tCO₂e was achieved

in 2023.

Global Warming Potentials and Calculation/Transformation factors used in the calculations are presented in Aydem Renewables' Greenhouse Gas Report. These reporting and calculation processes demonstrate Aydem Renewables' determination to reduce its environmental impact and increase energy efficiency and reinforce the steps taken by the company in the field of sustainability. These efforts both improve the company's environmental performance and contribute to the improvement of sustainability practices in general.

Aydem Renewables' total greenhouse gas emissions (Scope 1-2-3) for 2023 decreased by 6% compared to 2022. The Company's Scope 1-2 greenhouse gas emissions also decreased by 6% compared to 2022.

Greenhouse Gas Emissions (Tonnes CO ₂ e)	Scope 1	Scope 2	Scope 3
2020	776	4,729	498
2021	1,365	3,535	961
2022	1,588	3,120	70,483*
2023*	1,802	2,617	66,028

*The significant increase experienced during the period is due to the investment process.



Achievements in Climate Change and Environmental Sustainability

Aydem Renewables has achieved significant achievements in climate and environment in 2023. One of the most prominent of these achievements is that Aydem Renewables is on the A List in CDP again this year. Aydem Renewables, which has achieved the "A Leadership Level" rating, the highest score in the Climate Change and Water Security programs of the Carbon Disclosure Project (CDP), for the second time, maintains its title as the first and only energy company in Turkey to be included in the A List Report, which includes global leaders. Aydem Renewables is the only company to achieve this success two years in a row by achieving an A Leadership Score in both climate change and water security, and is the only energy company to achieve an A score in both categories in 2023.

Another of these achievements was presented at the Carbon Summit on May 2. At this summit, Aydem Renewables' Wind Power Plant (WPP) project in Uşak – Hybrid Solar Power Plant (SPP) and Capacity Increase – attracted attention. This project aims to reduce emissions by 300 thousand tons of carbon dioxide equivalent (tCO₂e) annually. At this summit, Aydem Renewables was awarded the "Low Carbon Hero" award for the fourth time by the Sustainable Production and Consumption Association. This award recognizes and honors the company's efforts in combating climate change and building a low-carbon future. These achievements of Aydem Renewables are the result of the company's investments in sustainable energy and environmentally sensitive practices. Aydem Renewables won the "Bronze Stevie®" award with the "Purple Turbine Wings Project" at The Stevie

International Business Awards®, one of the prestigious awards of the business world in 2023. The company was deemed worthy of this award in the category of Achievement in Corporate Social Responsibility at the 20th Stevie International Business Awards® organized this year. The project was initiated in 2013 to reduce the risk of birds hitting wind turbines and involves painting the blades of the company's 88 turbines in Uşak and Yalova purple. With this project, Aydem Renewables is the only company in the world to have wind turbines with purple blades and plays a pioneering role in protecting biodiversity.

Aydem Renewables has set greenhouse gas emission reduction targets in accordance with the criteria and recommendations set by SBTi (Science Based Targets initiative) and these targets have been approved by SBTi. This development reinforces Aydem Renewables' commitment to environmental sustainability and reflects the concrete steps taken towards reducing greenhouse gas emissions based on scientific basis.

Renewable Energy Supply



Aydem Renewables adapts to the global trend aiming to reduce carbon emissions and increase renewable energy supply in order to meet the increasing population and consumption needs in line with Sustainable Development Goals. In this context, in addition to renewable energy generation, the company is committed to improving all business processes and introducing low carbon solutions. These efforts of Aydem Renewables are supported by the right energy economy planning and infrastructure, and thanks to its efficient and reliable production organization, it contributes to securing the energy continuity of our country with renewable energy resources.

The Company plans new hybrid investments to increase the diversity of renewable energy generation. In this context, the Company collaborates with various organizations and stakeholders to implement strategic acquisitions, mergers and hybrid investment projects, while continuous efforts are made to bring renewable energy to more people.

Aydem Renewables has made significant improvements in renewable energy generation and business processes in line with the Sustainable Development Goals for 2023.

Especially hybrid power plant projects demonstrate Aydem Renewables' innovative approach. Hybrid solar energy is invested in wind power plants and hybrid solar or hybrid wind power plants are invested in hydroelectric power plants. These systems aim to minimize the impact of seasonal, climatic and extreme weather conditions, and increase both capacity utilization rate and efficiency by diversifying energy sources.

In this general framework, Aydem Renewables assumes a pioneering role in sustainability and innovation in the field of renewable energy and takes important steps to reduce carbon emissions and increase energy efficiency. These steps reflect the company's commitment to a sustainable future and the concrete steps taken on this path.

Improvements in Energy Generation and Business Processes

Aydem Renewables has made significant improvements in renewable energy generation and business processes in line with the Sustainable Development Goals for 2023. These improvements include establishing periodic maintenance schedules for power plants and conducting testing, control, analysis and inspection procedures in accordance with these schedules. Within the scope of predictive maintenance, various operations such as equipment temperature control with thermal camera, generator control, gearbox control, blade damage control, concrete pavilion control and turbine equipment control were carried out, thus aiming to prevent major failures.

Hybrid Investment Projects

Aydem Renewables has completed various projects and initiated new ones to increase energy generation diversity through new hybrid investments. There are also various hybrid projects for other businesses within the Company and these projects are being carried out in accordance with the investment program. These efforts demonstrate Aydem Renewables' determination to increase its diversity and capacity in the renewable energy sector.

Aydem Renewables took a series of important steps in 2023 for new investment plans and pre-license applications to the Energy Market Regulatory Authority (EMRA). The Company closely monitored investment opportunities in renewable energy and took strategic actions according to announced capacity allocations and regulatory developments.

In January 2023, pre-feasibility approval was obtained from the State Hydraulic Works (DSİ) for the Göktaş HPP hybrid Floating SPP project. In February, the 82.15 MWm hybrid SPP project in Uşak was accepted by the Ministry. In March, applications were made to EMRA for additional hybrid projects and in the same month, pre-feasibility approval was obtained from DSİ for the Kemer HPP hybrid Floating SPP project. In March, the 16.95 MWm hybrid SPP project to be commissioned in Söke was included in the existing WPP generation license, making it a multi-source electricity generation plant.

On February 23, 2023, a hybrid plant was established by adding an Auxiliary Source Solar Power Plant to the existing Uşak Wind Power Plant. By adding an 82.15 MWm SPP to the existing Uşak WPP, the target of continuing production with solar energy when there is no wind was

realized. In this way, an alternative production will be made with dual energy sources that ensure energy continuity in the plant and continuity in energy production will be ensured. With the Hybrid Power Plant, the capacity utilization rate of the plant has also increased. According to the analyses, it is projected that the GES will meet the annual energy needs of 54,700 households or 218,800 people with the energy generated from its annual production, and will also reduce approximately 106,468 tons of CO₂ emissions annually.

The plant utilizes single axis construction and bifacial panel technology that follows the sun. This technology aims to produce 20% more energy than monofacial solar power plants with fixed construction systems. Thanks to the single axis construction system that moves according to the sun's rays at sunrise, energy is generated efficiently throughout the day. These improvements strengthen Aydem Renewables' leadership in the renewable energy sector and its sustainability commitments, while taking important steps towards reducing environmental impact and increasing energy efficiency. These developments reflect the company's contribution to a sustainable future and its innovative approach in this field.

In April 2023, an 18.88 MWm hybrid SPP project in Yalova was included in the existing WPP generation license.



Renewable Energy Supply

In August, the ministry acceptance of 2 additional turbines (2 x 6 MWm) to Uşak WPP was made and the 12 MWm capacity increase project was included in the existing generation license of Söke WPP, which was licensed on 24.10.2019. In the same month, the Environmental Impact Assessment (EIA) processes of the pre-license projects were initiated. In September, the 12.09 MWm hybrid SPP project in Akıncı was included in the existing HPP generation license, and the commissioning of a multi-source electricity generation plant was planned. In addition, EIA processes and property and other permitting processes for investment projects were carried out.

In December 2023, Aydem Renewables integrated the 1.4395 MWm capacity hybrid Floating SPP project in Dalaman into its existing HPP generation license. This integration allowed for more efficient and environmentally friendly energy generation through the combination of renewable energy sources, while at the same time helping Aydem Renewables to diversify and strengthen its energy generation portfolio.

Aydem Renewables' installed capacity increased by 160 MWm at the end of the year. This increase is considered as a significant leap in the company's power generation capacity and strengthens Aydem Renewables' position in the renewable energy sector. Hybrid power plant projects are strategically important to diversify and increase the reliability of energy production, and this project represents an important step in achieving these targets.

Aydem Renewables' installed capacity increased by 160 MWm at year-end.

2023 Energy Generation Portfolio (MWh)

HES	RES	GPP	GES
1,823,866	472,162	0	87,872



Capacity Increase Projects in Wind Power Plants

Aydem Renewables made significant progress in capacity increase projects of wind power plants in 2023. These advances are particularly noteworthy with the capacity increases realized at the Wind Power Plants (WPP) in Söke and Uşak.

In December 2023, a capacity increase project of 12 MWm in total with 2 additional turbines (2 x 6 MWm) to Söke WPP was completed and commissioned and Ministry Acceptance was made. This project increases the energy generation capacity of the existing wind power plant and thus makes a significant contribution to Aydem Renewables' total generation capacity in the field of renewable energy. This capacity increase is considered as an important step in achieving the

company's targets of increasing energy production and utilizing sustainable energy resources more effectively.

In Uşak WPP, a 66 MWm capacity increase was completed and the plant was commissioned. This capacity increase further expands Aydem Renewables' renewable energy portfolio and increases its diversity and capacity in energy generation. This capacity increase in Uşak reinforces Aydem Renewables' commitment to increase energy production and reduce environmental impact in line with sustainable development goals.

Aydem Renewables has made significant progress in the use of environmentally friendly and efficient turbine technologies in new investment projects in 2023. The

turbines used in capacity increase projects have Direct Drive technology, which does not have a gearbox. This feature makes the turbines more efficient and environmentally friendly.

The absence of a gearbox in Direct Drive turbines offers significant environmental advantages in the long term. In particular, the absence of the oil required for the gearbox in these turbines prevents the formation of oil waste. This is a positive step towards reducing Aydem Renewables' environmental impact and achieving its sustainability goals. In addition, the use of these turbines also contributes to the reduction of maintenance costs and operational challenges.



Aydem Renewables made significant progress in capacity increase projects of wind power plants in 2023.

Renewable Energy Supply

Aydem Renewables obtained a pre-license for a 500 MWm storage plant in 2023.

Electricity Generation Plants with Storage

Aydem Renewables has reached important stages in the establishment of "Electricity Generation Plant with Storage" in 2023. This technology has just entered the company's legislation and technical studies have been initiated and a pre-license has been obtained for a total of 500 MWm storage plant. This capacity has been allocated to 100 MWm Kızılağaç Wind Energy Plant with Storage (DRES) in Kırklareli province, 200 MWm Atlantis 1 Solar Energy Plant with Storage (DGES) in Şanlıurfa province and 200 MWm Atlantis 2 Solar Energy Plant with Storage (DGES) in Şanlıurfa province, and investment work has begun for these facilities.

Within the scope of the Kizilagacaç DRES project, the installation of the Wind Measurement Pole for wind measurement analysis has been completed and wind measurements have started. The data to be obtained from here will guide the feasibility studies of the plant and will be used to increase the efficiency of the project. In addition, land positioning studies for the Atlantis 2 and Atlantis 1 SPP projects are ongoing. These studies are critical for realizing the projects in the most suitable locations and ensuring maximum efficiency.

In April 2023, an 18.88 MWm hybrid SPP project in Yalova was included in the existing WPP generation license. In May, a pre-license was obtained for the 100 MWm Kızılağaç WPP, 200 MWm Atlantis 1 SPP and 200 MWm Atlantis 2 SPP projects on behalf of Sarı Perakende. In June, the ministerial acceptance of the additional 9 turbines for Uşak WPP and the application for the Technical Interaction Analysis process for Kızılağaç WPP project were made. In July, an 88 MWm capacity increase project was added to the existing generation license of Uşak WPP.

With the introduction of the storage plant concept in Turkey, Aydem Renewables has prepared various projects in this field. The Company obtained a preliminary license for a 100 MWm Wind Energy System with Storage (DRES) and a 400 MWm Solar Energy System with Storage (DGES). These projects aim to increase the continuity and reliability of energy generation by enabling the storage and more efficient utilization of renewable energy resources. The integration of storage systems increases the company's capacity to offer sustainable and innovative solutions in the energy sector, thus playing an important role in both reducing environmental impact and improving energy efficiency.



Emissions Trading

Aydem Renewables enables its customers to use clean energy with 100% renewable energy.

Aydem Renewables is aware of the fact that climate change and environmental problems have an important place among the increasing global risks and is determined to fulfill its responsibility in combating these problems. Accordingly, since 2011, continuous efforts have been made to increase investment in renewable resources and to provide electricity to customers with the target of reducing or neutralizing their emissions.

Aydem Renewables enables its customers to use clean energy with the 100% renewable energy it generates, thus making a significant contribution to environmental sustainability. In addition, the company plays an active role in reducing the carbon footprint of its customers by offering emission reduction certificates and renewable energy certificates to voluntary carbon markets within the scope of carbon trading. These certificates help customers achieve their sustainability targets and encourage the use of environmentally friendly energy.

Aydem Renewables made significant gains in 2023 in terms of revenues from the sales of carbon credits and renewable energy certificates. All of these revenues were generated from International Renewable Energy Certificate (IREC) sales. As of December 31, 2023, the total revenue from these sales was recorded as TL 5,441,886. This revenue shows Aydem Renewables' effectiveness in the renewable energy market and the value it creates in these



markets. It also demonstrates the financial return on the company's investment in renewable energy and environmentally friendly practices. These revenues are used for Aydem Renewables' activities to support sustainable energy sources.

In 2023, there were significant developments in the number and total capacity of Aydem Renewables' Gold Standard (GS) and Voluntary Carbon Standard (VCS) certified power plants. The company has 2 power plants registered with GS and 7 power plants registered with VCS. These power plants demonstrate Aydem Renewables' diversity and capacity in the field of renewable energy.

The amount of approved carbon credits for VCS certified power plants was recorded as 644,072 tons of carbon dioxide equivalent (tCO_2e) and 263,935 tCO_2e for GS certified power plants. These amounts show the concrete steps taken by Aydem Renewables to reduce carbon emissions and its effectiveness in this field. In addition, it was determined that the potential amount of carbon

credits is approximately 900,000 tCO_2e VCS and 520,000 tCO_2e GS. These potential amounts demonstrate the company's future carbon reduction capacity and its potential to achieve its environmental sustainability targets.

These developments demonstrate Aydem Renewables' active role in the renewable energy and carbon credit markets and the value it creates in these markets. Aydem Renewables' certified power plants demonstrate its leadership in sustainable energy generation and the financial and environmental return of its investment in environmentally friendly practices.

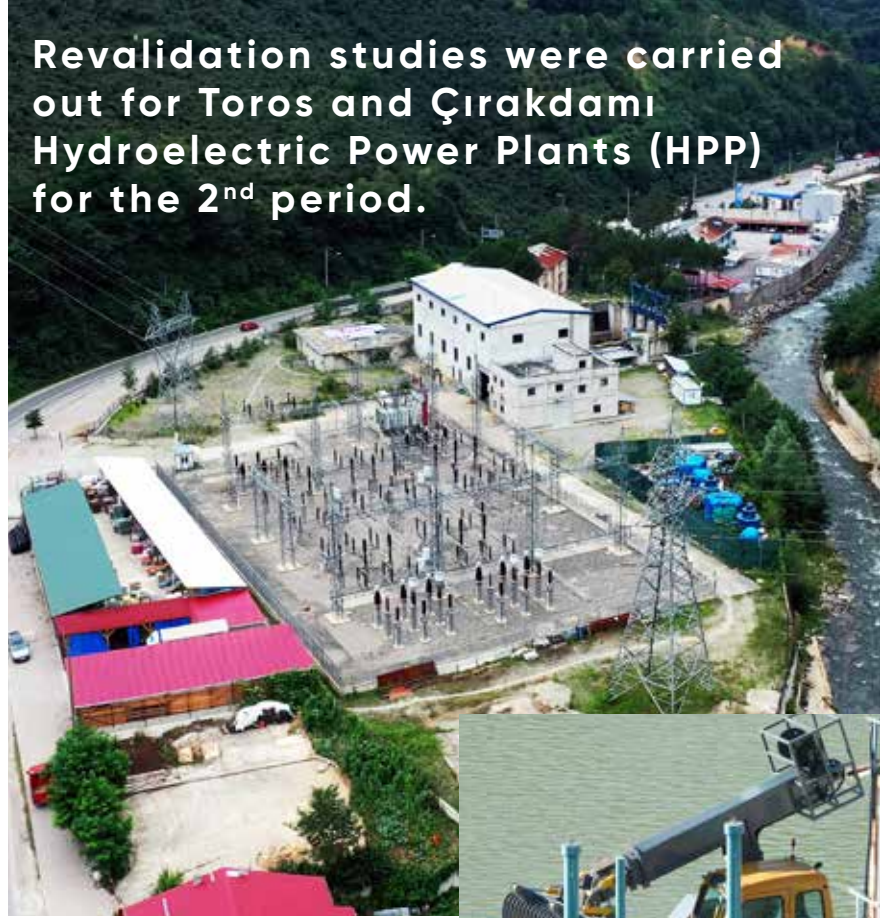
Aydem Renewables has reached a significant amount of certificates within the scope of International Renewable Energy Certificate (IREC) transactions in 2023. In addition, it has been determined that the potential IREC amount is approximately 600 thousand/year. In this context, a total of 913,404 MWh of I-REC certificates were issued by the company.

Emissions Trading

The market value of these certificates was determined to be approximately TL 5.4 million as of December 31, 2023. This value reflects the demand and value of I-REC certificates in the market and shows the financial results of Aydem Renewables' investment in sustainable and renewable energy sources. These financial results can be considered as an indicator of the company's success in the renewable energy sector.

Aydem Renewables recorded various new developments in emission reduction and certification processes in 2023, and these developments made significant contributions to the company's sustainability targets. 2022 carbon monitoring was successfully realized.

Period 2 revalidation studies were conducted for Toros and Çırakdamı Hydroelectric Power Plants (HPP). These studies assess the environmental performance of the plants and support sustainable energy generation. In addition, significant changes were made to the project design for the Uşak Wind Power Plant (WPP) capacity increase and hybrid Solar Power Plant (SPP) projects. Another development in certification processes is the extension of the EKOenergy label period for Gökyar HPP IREC certificates. Thus, the demands of our customers requesting eco-labeled IREC certificates will be met from Gökyar HPP.



All these processes are complemented by site visits by independent auditors and consultants. These visits play an important role in verifying the projects' compliance with standards and environmental performance. Monitoring and revalidation studies of the projects were carried out again, ensuring the continuity and sustainability of the processes. These efforts have made significant contributions to the sustainable development targets, in particular Article 13 "Climate Action", and are enhancing the company's sustainability targets.



These developments demonstrate the concrete steps taken by Aydem Renewables in the field of environmental sustainability and its commitment to combat climate change. The company's efforts are aimed at both reducing carbon emissions and supporting sustainable practices in the renewable energy sector. Aydem Renewables' achievements with these and similar projects emphasize its innovative approach in the sector and its contribution to a sustainable future.

Energy Efficiency



Aydem Renewables, as a pioneer of sustainability and environmentally friendly practices in the energy sector, has adopted energy efficiency as a fundamental priority. The Company develops strategies aimed at the efficient use of renewable energy resources and reducing the environmental impact of energy generation processes. Within this framework, energy efficiency is at the center of Aydem Renewables' operational excellence and sustainable growth targets and strengthens the company's competitive position in the sector.

Effective management and continuous improvement of all production activities under the guidance of ISO 50001 Energy Management Standard is one of the cornerstones of Aydem Renewables' energy management strategies. The compliance of turbines and other equipment with international and national technical standards is of great importance in terms of operational safety and performance as well as energy efficiency.

Energy efficiency efforts play a critical role in achieving Aydem Renewables' targets of reducing its environmental footprint, lowering energy costs and using energy resources more effectively. In addition, the company conducts regular trainings and informative activities to raise awareness of energy efficiency among its employees and raise awareness in this field.

This approach enables Aydem Renewables to maintain its leading position in the energy sector by adopting sustainable and innovative solutions and contributes to the company's overall sustainability targets. These energy efficiency-oriented strategies support Aydem Renewables' commitments to both reduce environmental impact and increase economic efficiency.

The steps taken within the scope of Aydem Renewables' "Lighting Transformation Project" in 2023 included the use of new technologies to save energy. In this project, LED light sources, which have long life, high durability and low energy consumption compared to traditional lighting sources, were preferred. LED technology, with its richness of color, small structures and flexibility of form, offers users many more alternatives in terms of design, size and shape compared to traditional lamp technologies.

In 2022, the project design and feasibility studies of the project were completed, and in 2023, procurement processes were advanced and LED luminaires were procured. With the completion of the procurement process, the existing luminaires were replaced with LED luminaires. This transformation made a significant contribution to Aydem Renewables' energy efficiency and sustainability targets. The use of LED luminaires has helped to reduce energy consumption and thus reduce energy costs.



Energy Efficiency

These steps demonstrate Aydem Renewables' commitment to adopt innovative and efficient solutions to save energy and reduce its environmental footprint. The "Lighting Transformation Project" both increases the company's energy efficiency and contributes to the development of sustainable energy practices in general.

In 2023, the benefits provided by the Grate Cleaning Machine continued within the scope of the efficiency project carried out at Aydem Renewables' Feslek Hydroelectric Power Plant (HPP). This project focuses on ensuring the continuity of production by effectively cleaning the garbage and other foreign materials coming to the grid of the power plant.

Thanks to the use of the Grate Cleaning Machine, energy loss has been prevented at Feslek HPP and thus energy gain has been achieved. This machine automatically cleans the waste and foreign materials in front of the screen, thus contributing to the uninterrupted and more efficient continuation of the production process. This cleaning process increases the efficiency of the power generation process and reduces potential energy losses.

This improvement is an important step towards achieving Aydem Renewables' energy efficiency and operational efficiency targets. The Grate Cleaning Machine enables more efficient management of energy generation processes at Feslek HPP and supports Aydem Renewables' commitment to adopt sustainable and innovative solutions in the energy sector. This technological improvement plays an important role in both increasing energy efficiency and improving the overall environmental performance of the power plant.

In 2023, a significant amount of energy savings was achieved within the scope of energy efficiency projects realized by Aydem Renewables. The contribution of these projects to the overall energy management strategy was measured by taking into account the difference between the installed power of the replaced equipment and the installed power of the old equipment they replaced and the average usage times.

Aydem Renewables successfully advanced the A+++ Energy Transformation and Lighting System Revision Projects in 2023. The A++ Energy Transformation Project was planned in 2021 and 2022, project design and feasibility studies were completed, and implementation started in 2022. In 2022, white goods replacements were completed at 12 HPP plants such as Dalaman HPP-1-2-3-4-5, Göktaş-1 HPP, Göktaş-2 HPP, Mentaş HPP, Toros HPP, Akıncı HPP, Çırakdamı HPP and Dereli HPP. In 2023, replacements were targeted and realized at 8 plants such as Bereket HPP-1-2, Feslek HPP, Gökyar HPP,

Adıgüzel HPP, Kemer HPP, Düzce Aksu HPP and Koyulhisar HPP. The Lighting Revision (LED Conversion) Project was implemented at all HPP, WPP and GPP plants in 2023, following the completion of project design and feasibility studies in 2022. With these projects, in-plant consumption was reduced and energy gains were achieved, resulting in CO₂ e emission reductions. The Lighting Revision (LED Conversion) Project aims to save approximately 580 MWh of energy annually and prevent 239,192 tCO₂ e of greenhouse gas emissions. Thanks to the advantages of LED technology in terms of energy efficiency, this project has significantly reduced Aydem Renewables' energy consumption. The A++ Energy (White Goods) Transformation Project aims to save approximately 772 MWh of energy annually and prevent 318,373 tCO₂ e greenhouse gas emissions. This project aims to reduce energy consumption through the use of energy efficient white goods.

The annual energy gain of approximately 500 MWh and the prevention of 206.2 tCO₂ e of greenhouse gas emissions achieved by the commissioning of the Çırakdamı HPP Grate Cleaning Machine is a remarkable achievement. This calculation takes into account the energy losses experienced in previous years. The use of the Grate Cleaning Machine increases the efficiency of the power generation process and reduces potential energy losses.

These projects reflect Aydem Renewables' commitment to energy efficiency and sustainable energy generation, while also making significant contributions to the company's overall energy management strategy.

These energy-saving projects support Aydem Renewables' commitments to both reduce energy costs and reduce its environmental footprint.

Aydem Renewables 2019-2023 Energy Consumption

Energy Consumption by Production Source (kWh/MWh)

Year	RES	HES
2019	1.76	0.85
2020	1.52	0.80
2021	1.14	0.88
2022	1.14	0.89
2023	1.31	0.88

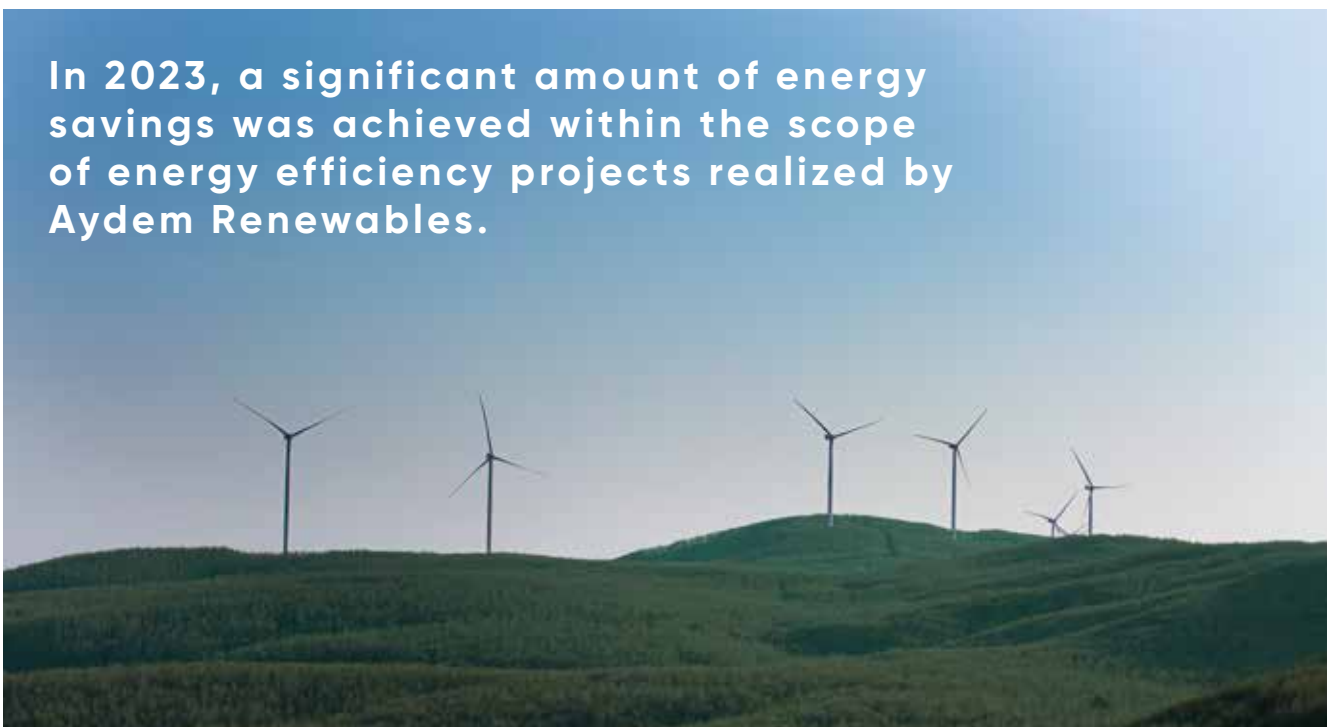
Total Renewable Energy Consumption

Year	(kWh)
2019	36,058,018
2020	36,751,538
2021	31,523,172
2022	37,133,839
2023	33,208,967

Total Energy Consumption by Fuel Type

Year	Diesel (kWh)	Gasoline (kWh)	Natural Gas (kWh)
2019	2,640,456	120,925	159,250
2020	2,072,865	120,413	210,278
2021	2,778,160	99,125	41,957
2022	2,627,620	161,880	40,830
2023	2,768,874	605,482	34,908

In 2023, a significant amount of energy savings was achieved within the scope of energy efficiency projects realized by Aydem Renewables.



Water Use and Management

Aydem Renewables attaches great importance to the management and utilization of water resources as a critical component of sustainable energy production. In 2023, Aydem Renewables' hydroelectric power plants continued to efficiently use water taken from natural resources in energy generation processes. In this process, after generating electrical energy by converting potential energy into kinetic energy, the water was released back to nature without any loss. In open cycle generation, cooling water and turbine water are recycled back to nature without pollution, and water cleanliness indicators are regularly monitored in accordance with environmental legislation.



The amount of process water use is monitored in detail through plant-based measurements. In 2023, 9.67 billion m³ of water was turbinated for energy generation and the same amount of water was released back into nature without being polluted.

In addition, water consumption was also realized for activities other than energy generation processes. Our total water consumption in 2023 decreased by 15% compared to 2022. In 2023, Aydem Renewables consumed 18,733.52 m³ of water in total for its activities, and the amount of water consumption per production was calculated as 0.0079 m³ /MWh. As a result of this consumption, 5,071.49 m³ wastewater discharge was realized. These data demonstrate Aydem Renewables' commitment to the efficient and responsible use of water resources and the progress made in achieving its environmental sustainability targets.

These practices of the company both increase energy production efficiency and contribute to the protection of water resources and the reduction of environmental impact.

In 2023, new developments were recorded within the scope of the permits obtained from regulatory authorities regarding Aydem Renewables' water use and management. In particular, the hydrology reports and ecosystem assessment reports prepared for Çırakdamı and Dereli Hydroelectric Power Plants (HPPs) were approved by the regulatory authorities. These reports provide a detailed assessment of the hydrological conditions and ecosystem impacts of these power plants and demonstrate the environmental impacts of water use and management strategies. In addition, the hydrology report for Düzce Aksu Hydroelectric Power Plant has been approved and the ecosystem assessment report process has been initiated. This process will enable a more comprehensive examination of the environmental

impacts of the power plant and contribute to the development of water management policies.

In 2023, Aydem Renewables' efforts to comply with wastewater management and efficient use standards were supported by periodic controls and audits. In this context, the company shared monthly wastewater data with the Ministry of Environment, Urbanization and Climate Change through the Integrated Environmental Information System (EÇBS). This regular reporting demonstrates the transparency of the company's wastewater management practices and its compliance with regulatory bodies.

As a case study, a wastewater analysis was conducted at Uşak Wind Power Plant (WPP) within the scope of the Water Pollution Control Regulation (WPCR). This analysis is part of the plant's gray water footprint calculations and provides important data on the effective management of water pollution and wastewater.

These periodic checks and audits reflect Aydem Renewables' commitment and responsibility for wastewater management and compliance with environmental standards. Through such regular assessments and reporting, the Company continuously strives to increase efficiency in wastewater management, reduce environmental impacts and ensure sustainable water resources management.

Awareness-raising trainings were organized for company employees on reducing water use. These trainings aim to manage water use effectively and efficiently, reinforcing the company's commitment to protect water resources and reduce water use. Through these trainings, employees' awareness of water use is raised and information is provided on ways to save water.

In 2023, new steps were taken in the company's annual process water analysis and grid cleaning practices. In addition to PH, Electrical Conductivity, Temperature, Dissolved Oxygen and Oil-Grease parameters, Free Chlorine, Suspended Solids, Ammonium Nitrogen, Phosphate, Nitrate, Total Nitrogen and Total Phosphorus parameters were also monitored in 2023. This expanded set of parameters allows for a more comprehensive assessment of water quality and the effective development of water management strategies.

The general information obtained from the operation units in 2023 regarding grid cleaning practices played an important role in ensuring the effectiveness and continuity

of grid cleaning. Grid cleaning is considered a critical step in protecting water resources and increasing water efficiency, and ensures that water is taken from natural sources and returned to nature unpolluted after its participation in the energy generation process.

In 2023, water use and energy production efficiency in Aydem Renewables' hydroelectric power plants were supported by various improvements. These improvements were realized especially through regular maintenance of power plants and effective management of production processes.

Thanks to regular maintenance at the power plants, the plants are kept ready for production at all times and water is used in the most efficient way in energy production. Such maintenance increases the operational efficiency of power plants and supports the efficient use of water resources. In addition, production losses due to incidental reasons in power plants were determined to be very low in 2023. This shows the reliability of the power plants and their continuity in energy generation.

Aydem Renewables Water and Waste Water Indicators

Amount of Water Used

Year	(billion m ³)
2019	12.79
2020	12.42
2021	7.85
2022	10.86
2023	9.67

Water Consumption Amount

Year	Well Water (m ³)	Mains Water (m ³)
2019	8,515	8,568
2020	10,783	6,903
2021	8,090	4,293
2022	9,759	12,212
2023	10,881	7,628

Water Consumption per Production

Year	(m ³ /MWh)
2019	0.0045
2020	0.0053
2021	0.0056
2022	0.0090
2023	0.0079

Waste Water Discharge

Year	(m ³)
2020	1.334
2021	3.627
2022	9.986
2023	5.071

Circular Economy and Waste Management

As a pioneer of sustainable practices in the renewable energy sector, Aydem Renewables attaches great importance to circular economy and waste management. The company develops strategies that aim to protect natural resources and reduce environmental impact and integrates these strategies into energy generation processes. Aydem Renewables' circular economy approach focuses on waste reduction, reuse and recycling of resources, thus ensuring that waste is transformed into valuable resources.

In 2023, Aydem Renewables took important steps in waste management in renewable energy generation processes. Waste generation occurs during maintenance processes and investment periods rather than operational processes, and the company aims to prevent pollution at the source and to separate and recycle the waste generated in waste management.

All hazardous or non-hazardous wastes were separated at source in accordance with the regulations and regularly accumulated in temporary waste storage areas, and wastes that could not be recovered were sent to licensed recovery/recycling or disposal facilities at least twice a year. These processes are regularly updated in accordance with the ISO 14001 Environmental Management System and relevant national legislation in line with the Environmental Policies and Zero Waste principle. Zero waste certificates were obtained for all power plants in production, and waste management was maintained within this framework.



A total of 39.59 tons of hazardous and 12.07 tons of non-hazardous wastes were recycled 100% under appropriate conditions.

In addition, trainings on environment, climate change and waste management were organized for all employees and suppliers, raising awareness and responsibility on these issues. In 2023, 188 trainings were provided to suppliers and 1610 trainings were provided to employees, totaling 1,798 person*hours, on environmental awareness, circular economy and waste management, climate change, biodiversity, emission trading and renewable energy certificates.

During the reporting period, a total of 39.59 tons of hazardous and 12.07 tons of non-hazardous waste generated as a result of operations was recycled 100% under appropriate conditions. Thanks to the waste recycled and

recovered, 9860 kWh of energy was saved and 337.85 Kg of greenhouse gas emissions were prevented. In addition, thanks to the recycling of 1.6 tons of paper and cardboard, approximately 30 trees were saved from being cut down. These developments demonstrate the steps taken by Aydem Renewables in the field of environmental sustainability and its sensitivity to the environment.

In 2023, Aydem Renewables realized various projects in the fields of waste management, circular economy and social responsibility. These projects reinforce the company's commitment to environmental protection and sustainable use of natural resources.

In 2023, Aydem Renewables took important steps in waste management in renewable energy generation processes.



"Food for Stray Animals Project" was carried out in cooperation with Denizli Merkezefendi Municipality. In 2023, a total of approximately 2250 kg of food waste from the dining hall was converted into food for stray animals. These foods, luminaires that cannot fulfill their function within the scope of the LED transformation project will be transformed into food bowls and placed in parks.

The "Vegetable Waste Oil Collection Project" was initiated to prevent vegetable waste oil from being poured into sinks after cooking at home and to raise awareness. The collected vegetable waste oils were delivered to a licensed company and recycled. This project contributed to preventing pollution of water resources and protecting groundwater.

The "Collection of expired medicines in households" project aims to reduce the harmful effects of medicines on the environment. Within the scope of this project, expired medicines in households were collected by the company and delivered to Merkezefendi Municipality for safe disposal.

"The Plogging Project" was held on 5 June World Environment Day. In this event, the company's 25 power plants and headquarters employees in 10 provinces took 723,919 steps and collected 2.5 tons of recyclable waste. The collected waste was handed over to the Merkezefendi Municipality, and sustainable gift packages were sent to employees who excelled in the event. In addition,

a sapling was donated to the Aegean Forest Foundation on behalf of each employee participating in the event, neutralizing the 1 ton CO₂ footprint of the event.

These projects demonstrate Aydem Renewables' efforts in environmental sustainability, social contribution and raising environmental awareness. With such initiatives, the Company aims to reduce its environmental impact, contribute to the protection of natural resources and create a positive impact on society.

Biodiversity



In 2023, Aydem Renewables has taken remarkable steps in biodiversity. The Company establishes its major generation resources such as Hydroelectric Power Plants (HPP) and Wind Power Plants (WPP) in natural environments with high biodiversity. In this context, the lands where operations are carried out are utilized with the highest efficiency and the impacts on the surrounding water resources, air and land habitats are meticulously monitored.

Operational areas and operations are designed in a way that does not harm biodiversity and necessary measures have been taken to protect existing biodiversity within the framework of Environmental Policies. These policies also include compliance with relevant legal regulations. In HPP and WPP operations, care is taken not to harm nature and the environment by using only the necessary land, and attention is paid to the use of minimum area in forested areas by preferring high technologies in projects.

Within the scope of the Company's operations, environmental risks are continuously monitored and analyzed and plans are made to minimize the impact. Biodiversity monitoring and protection programs, mammalogy and ornithology monitoring, afforestation and planting activities are carried out and the results are regularly monitored.

In 2023, soil protection projects were prepared for agricultural lands and permitting processes were carried out for forest lands. Hybrid project investments aim to generate more energy by utilizing the used lands with the highest efficiency.

Aydem Renewables' sensitivity to the environment resulted in the absence of any environmental accidents in 2023. These achievements demonstrate the company's commitment to environmental sustainability and biodiversity and reinforce its leading position in the sector.



In 2023, significant progress was made in Aydem Renewables' biodiversity conservation and monitoring programs. These developments reflect the company's efforts to protect biodiversity and promote sustainability.

Monitoring and Supporting Beekeeping Activities Project

Within the scope of the "Monitoring and Supporting Beekeeping Activities Project", a first of its kind in Turkey, Aydem Renewables initiated an important study in Söke to examine the interactions between Wind Power Plants (WPP) and beehives. In this project, it is aimed to compare the performance of bee colonies positioned under the turbines located on the site of the Söke Wind Power Plant with hives at lower altitudes. The data obtained from these colonies, which will be kept under observation during the beekeeping season, will help us to understand the interaction between the turbines of wind power plants and the performance of bee colonies. This study will also form the basis for a larger scientific research to be conducted in the next season. As another pillar of the project, Aydem Renewables and DAGEM collaborate

to provide beekeeping trainings for local people in the Söke region, aiming to increase the efficiency of beekeeping activities. In these training programs organized at Söke Wind Power Plant, beekeepers were informed about issues such as health, nutrition, maintenance and diseases of beekeeping colonies. In addition, support is provided for the marketing and sale of bee products, contributing to the economic development of local beekeepers. This comprehensive project is expected to make significant contributions to both the regional economy and sustainable beekeeping activities.

Bat Houses Project

Focusing on biological methods in the fight against agricultural pests, Aydem Renewables realized the "Bat House" project in Aydın and Muğla for bats, which have an important role in the ecosystem. This project aims to support bats, which are active at night and offer a natural biological control method by hunting agricultural pests. Each bat can consume around 3,000 insects a night, making it possible to control the insect population in agricultural areas and contribute to the healthy growth of plants.

With these contributions to the ecosystem, bats have gained an important place among natural biological control methods. The bat houses created by Aydem Renewables provide suitable roosting areas for bats, encouraging these creatures to become permanent in the region and increase population density. In the first phase, bat houses were located around Kemer Hydroelectric Power Plant (HPP) in Aydın and Dalaman HPP in Muğla. The long-term impacts of this sustainable project will be assessed through bat monitoring conducted by teams of experts in the field. These studies will help us better understand the role of bats in the ecosystem and increase the use of natural methods to combat pests in agricultural areas. With this project, Aydem Renewables makes a significant contribution to both the protection of agricultural lands and the sustainability of biodiversity.

In 2023, Aydem Renewables realized the "Bat House" project in Aydın and Muğla for bats, which have an important role in the ecosystem.



Biodiversity

Photocapture Project

Aydem Renewables initiated the "Photocapture Project" in the forested area around Göktaş 1 Hydroelectric Power Plant in Adana. This project is designed to observe wildlife and understand the biodiversity in the region. The photo traps placed around Göktaş 1 Hydroelectric Power Plant operate 24 hours a day and night. These devices keep records of wild animals and are used to track their movements in their natural habitat.

The data collected by the photo traps will be analyzed in detail by Aydem Renewables' environmental team. As a result of these analyses, it is aimed to obtain valuable information about the species, population sizes and behavioral patterns of wild animals living in the region. This information will constitute an important resource for the protection and sustainable management of wildlife in the region. This project carried out by Aydem Renewables is considered as an important step towards environmental sustainability and wildlife conservation. Thus, the company aims to establish a balance between energy generation and environmental protection and thus contributes to the protection of natural life.

The Photocapture Project is carried out in coordination with the Directorate of Nature Conservation and National Parks (DKMP). For all of the environmental works carried out, legal regulations are followed with the form of assessment of compliance with legal requirements.



Purple Turbine Blades Project

Within the scope of the Purple Turbine Blades Project launched in 2013, Aydem Renewables painted the turbine blades of its wind power plants in Uşak and Yalova purple. This project was also applied to 11 new turbines at Uşak WPP with capacity increase investments for 2023. This unique project of Aydem Renewables positions the company as having the only purple bladed wind turbines in the world. With a total of 88 turbines in Uşak and Yalova, Aydem Renewables maintains a responsible production approach in harmony with nature in energy generation. With the Purple Turbine Blades Project, the Company received the Bronze Stevie® Award in the Achievement in Corporate Social Responsibility Category at the 20th Stevie International Business Awards® Awards ceremony.

WPP Operations Monitoring Projects

Spring and fall ornithological and mammological monitoring studies were completed and reported at Söke WPP, Uşak WPP and Yalova WPP.

As a result of the studies conducted at the WPP sites, it was observed that the sites are low-risk sites and that the sites are not important breeding, migration, staging or feeding areas. On the other hand, although there is a significant ecological importance of the sites for birds, this is not the case in the field.

It has been determined that WPP Sites are not close to an important migration route in Spring and Autumn periods, the number of species and individuals is low, the probability of collision is low according to the results revealed by the collision model, and the WPP sites are in compliance with the EU Commission Bird and Habitat Directives in 5 titles.



Aydem Renewables launched the “Photocapture Project” in the forested area around Göktaş 1 Hydroelectric Power Plant in Adana, designed to observe wildlife and understand the biodiversity in the region.

In addition, new turbine installations at WPP sites are ongoing, and the impact of these turbines individually and in combination with existing turbines will be clarified through monitoring studies to be carried out in 2024. Therefore, monitoring studies will continue.

The topic of “Biodiversity of the Region” was added to the environmental trainings organized during the year, with the aim of raising the awareness of employees and related parties on biodiversity. These

trainings strengthen the awareness of biodiversity protection both within the company and in society in general, and support the understanding of sustainable environmental management.

In 2023, Aydem Renewables took important steps in soil protection and permitting processes for forest lands. These efforts are aimed at the protection and sustainable use of natural resources as part of the company’s environmental sustainability approach.

In particular, within the scope of the Uşak Wind Power Plant (WPP) capacity expansion projects, soil protection processes for the

construction of six turbines have been meticulously carried out. These processes aim to reduce the environmental impacts of the project and protect natural habitats. Soil conservation efforts focus on minimizing the environmental impacts of both the construction process and operational activities.

In addition, soil protection processes were carried out for the Akıncı Hybrid Solar Power Plant (SPP) project. This project was planned to expand the company’s energy portfolio with the aim of increasing and diversifying renewable energy generation. The soil conservation processes carried out in the project support the environmental compliance and sustainability of the project.



Human Resources



In 2023, Aydem Renewables, as the largest renewable energy generator in Turkey, continued to work together with 567 colleagues to take the country to the better. The main target of the company is to create an atmosphere where employees are happy, embrace the company and everyone wants to be involved. Aydem Renewables treats everyone equally and fairly, regardless of factors such as gender, sexual orientation, identity, physical and mental ability, age, ethnicity and religion, and focuses on providing a work environment where all employees' ideas are important and appreciated for adding value.

In a working environment where inclusive and continuous development is supported, special attention is paid to protecting the work-life balance of employees and it is believed that success will be achieved under these conditions. Human Resources Policies are defined with the aim of creating competence and skill groups that will support the performance required to maintain the Company's leading

position and capacity in the energy sector and to meet the expectations of stakeholders.

In parallel with the Company's vision, the human resources management approach is shaped within the framework of the Company's values and culture, aware of the public service responsibility imposed by the energy sector and prepared for the needs arising therefrom. This approach aims to create innovative employees and teams that are committed to ethical values, sensitive to the environment, create value, aim for the best and most efficient. This approach of Aydem Renewables both supports the welfare and development of its employees and reinforces its leadership in the sustainable energy sector. Aydem Renewables treats everyone equally and fairly regardless of factors such as gender, sexual orientation, identity, physical and mental ability, age, ethnic origin and religion. Aydem Renewables offers all employees equal opportunities

to benefit from remuneration, performance evaluation and career opportunities. Within the scope of the Internal Recruitment Procedure, group companies or internal transfers are also supported with the principle of "the right person for the right job". Fair training and support processes have been established and equal rights are ensured in employment and similar matters. The priority is to create equal opportunity in the work environment without discrimination. Aydem Renewables' Human Rights Policy does not tolerate discrimination among employees under any circumstances and is committed to valuing the differences of all employees and providing equal rights and equal opportunities. In this context, the company does not allow any discrimination in business life and acts with a fair and merit-based approach. Disabled employment is also included in all processes, taking into account the legal ratios. Aydem Renewables continues to work in an inclusive, open to continuous development

and learning work environment where the ideas of each employee are important and valuable despite all differences.

In 2023, Aydem Renewables took a number of important steps to reinforce the principle of fairness and merit-based work. The company emphasizes the critical importance of qualified and happy employees in achieving its targets and implements various policies and procedures in this direction.

In this context, the Selection and Placement and Performance Management System Procedures focus on ensuring equality among employees in internal processes. Promotion, Transfer and Rotation Procedures have been improved to update promotion criteria and to ensure that evaluation processes

are carried out using a transparent and measurable methodology. This approach ensures that a fair and objective approach is adopted in the career development of employees.

In 2023, Aydem Renewables made various developments in its communication policies based on openness and trust. These developments have been realized in order to ensure that the company's internal communication is dynamic and interactive and to encourage environments where employees can comfortably share their ideas. The Company maintains practices such as "I Listen to You", "Open Door" and "Managers in the Field" to enable employees to freely express their opinions and interact with management. These practices ensure that employees' voices are heard and a participatory working environment is maintained.

The Human Resources team regularly communicated with field employees and conducted surveys to measure employee satisfaction. These surveys identify employees' opinions, suggestions and concerns and help the company improve the working environment by taking this feedback into account.

In 2023, Aydem Renewables took new and important steps in the implementation and development of human resources policies. These steps focused on strengthening the company's business continuity and information loss risk management and aimed to further strengthen the company's employer brand.

Aydem Renewables is the largest private sector company in Turkey in terms of installed capacity, generating energy from 100% renewable energy sources.



Human Resources

Number of Employees

Workplaces	December 2023
Adıgüzel HPP	12
Akıncı HPP	18
Aksu HPP	16
Ankara Office	2
Bereket 1 HPP	14
Bereket 2 HPP	11
Çırakdamı HPP	13
Dalaman 1 HPP	7
Dalaman 2 HPP	10
Dalaman 3 HPP	7
Dalaman 4 HPP	7
Dalaman 5 HPP	32
Denizli Office	121
Dereli HPP	19
Feslek HPP	16
Germencik GPP	1
Göktaş I HPP	20
Göktaş II HPP	18
Gökyar HPP	21
Heat Center	12
Kemer HPP	17
Kızıldere GPP	13
Koyulhisar HPP	34
Mentaş HPP	24
Sarayköy Office	8
Söke WPP	14
Toros HPP	29
Uşak WPP	29
Yalova WPP	22
General Total	567

In this context, Aydem Renewables designed the Integrated Talent Management process and implemented it in 2023. This process enables the company to address talent management with a comprehensive and integrated approach, thus contributing to the full realization of employees' potential.

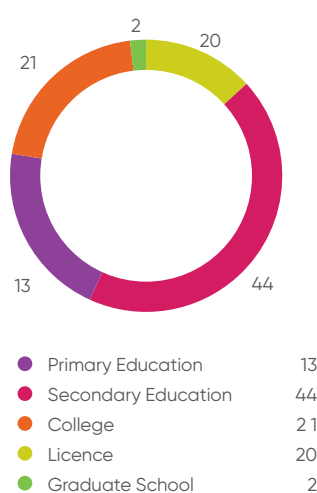
In addition, the company's employer brand was restructured under the motto "Future, Success, Life" with an environment of trust and teamwork. This employer brand, combined with the corporate values of "Responsive, Dynamic and Touching Life", was renewed to increase the attractiveness and reputation of the company for both internal and external stakeholders. The brand was restructured in 2023 within the framework of a more visionary, sustainable, energetic, agile and development-oriented strategy.

These steps demonstrate Aydem Renewables' aim of putting its employees and potential talents at the center and increasing their development and commitment to the company. The company's innovative human resources policies and strong employer brand support its competitive position in the sector and increase employee satisfaction and motivation.

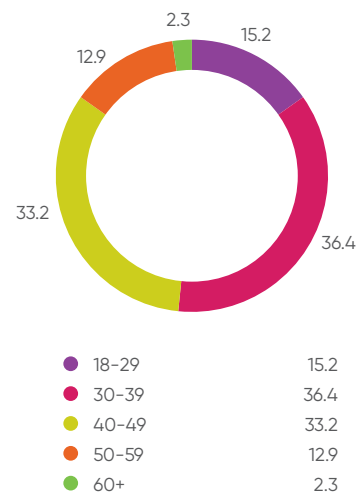
Employees by gender distribution (%)



Distribution of employees by educational status (%)

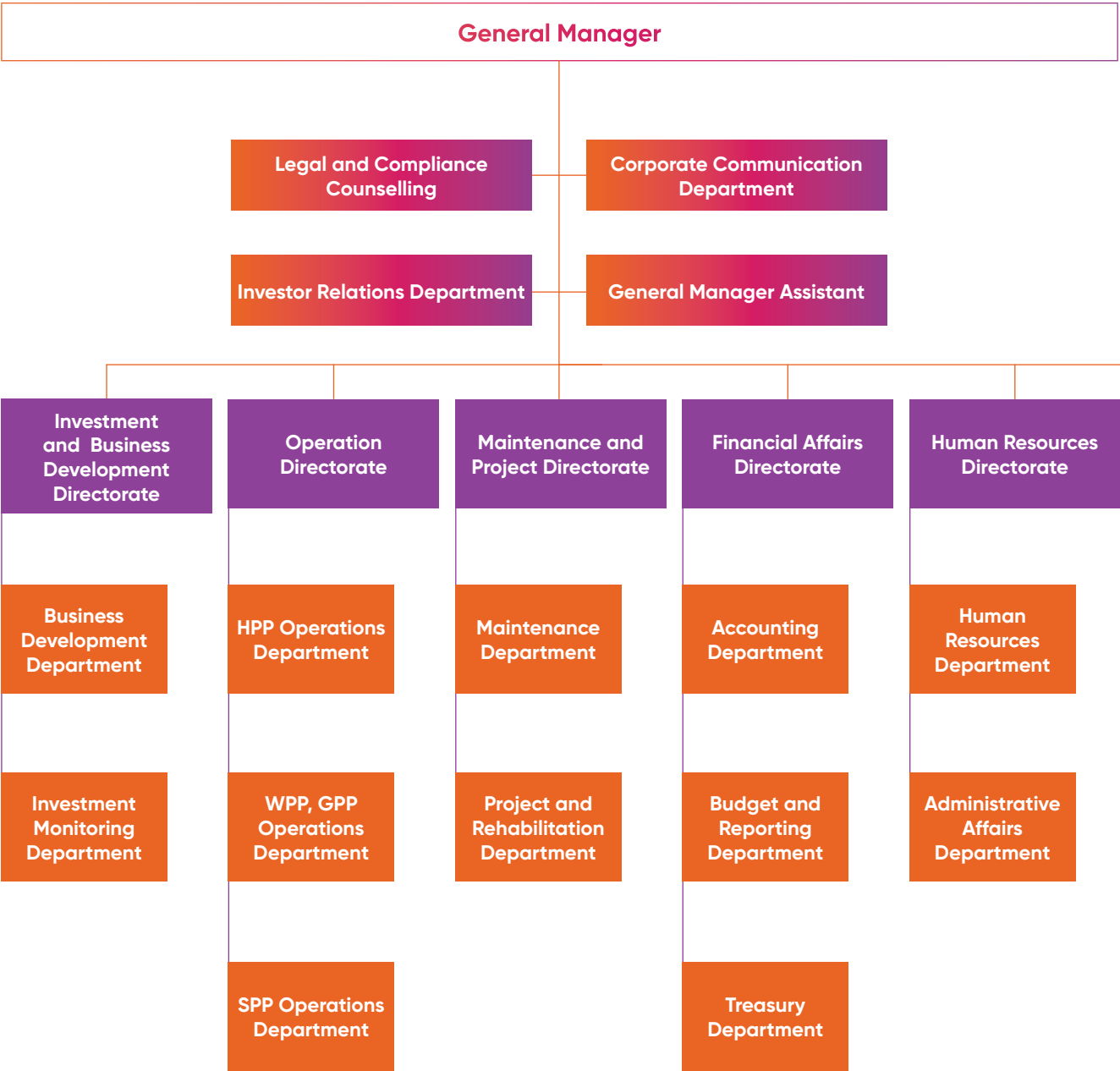


Distribution of employees by age groups (%)





Organizational Structure





Ethics, Transparency and Anti-Corruption

All activities and business relations of Aydem Renewables are shaped and guided by the company's core values and principles. Within this framework, a series of procedures and policies have been established under the name of "Code of Ethics and Business Principles". These procedures define the rules that the company and all third parties and employees acting on behalf of the company must comply with, employee rights and the company's ethical values and core principles. These values and principles were officially defined and announced in 2020.

Documents such as "Ethical Rules and Working Principles Procedure", "Ethical Review and Investigation Practices Procedure" and "Ethics Committee and Disciplinary Committee Structure and Working Order Procedure" have been published and put into practice within the Company. In addition, "Anti-Bribery and Anti-Corruption Policy" has been published and put into practice in the context of anti-corruption. These procedures and policies are expected to be adopted and complied with by all employees and business partners.

Aydem Renewables' Ethics Line is managed by the Internal Audit and Control Group Directorate and Holding Human Resources Group Directorate within the Holding. Employees and third parties can report wrongdoings, violations of the law or possible ethical violations in company activities to the Ethics Hotline. The Ethics Hotline can be reached via e-mail, voicemail, physical mail or a dedicated telephone line at any time of the day. The Internal Audit and Control Group Directorate evaluates the complaints and notifications shared through the Ethics Line and takes appropriate actions if deemed necessary. These processes are important elements that support and strengthen Aydem Renewables' transparent, responsible and ethical business structure. In 2023, no complaints or notifications were received through Aydem Renewables' Ethics Line.

In 2023, Aydem Renewables took important steps to increase internal awareness on business ethics and anti-corruption. In this context, "Code of Ethics and Working Principles Training" was provided for all employees. This training is among the mandatory trainings given regularly every year and reinforces the company's commitment to business ethics and anti-corruption and increases the knowledge and awareness of employees on these issues.

Thanks to these trainings, Aydem Renewables employees become more aware and knowledgeable about the company's ethical rules, working principles and anti-corruption policies. In addition, these trainings provide guidance on how to approach ethical dilemmas and corruption situations that employees may encounter in their daily work processes.

This process shows that Aydem Renewables adopts a continuous improvement and development approach in the fight against business ethics and corruption, not only through rules and regulations, but also through training and awareness. Trainings strengthen the company's culture of ethical and honest business conduct and help employees internalize these values. In this way, Aydem Renewables ensures that a high standard of business ethics and anti-corruption culture is maintained within the company.

Diversity, Equality and Inclusive Workplace

Aydem's policies and procedures consider it a fundamental priority to provide an equal and fair working environment regardless of employees' ethnic origin, religion, language, race, age, gender, sexual orientation, nationality, disability or cultural differences. This inclusive approach is deeply integrated into all processes of the company and actively promotes and develops equality among employees and fair training and support processes.

Aydem Renewables has adopted the principles of diversity, equality and inclusion as the cornerstones of the company and placed these values at the center of its business processes and corporate culture. These principles are not limited to policies, but have become an integral part of daily workflows that are lived in every unit of the company.

Aydem Renewables has taken a series of measures on equal opportunities and inclusion and made these values an integral part of the corporate culture. The company raises awareness on equality, diversity and inclusion in all group companies through webinars, focus groups, online learning tools and different programs. Within the scope of Work Life Balance, employee needs analyses were conducted to adapt to changing conditions due to the pandemic, and communication activities were carried out with the "Equality at Home and Work" program.

In order to reduce gender inequality in the number of employees, the Company selects an equal number of male and female candidates for talent pools in consideration of gender equality, raises the awareness of evaluators and conducts special

Aydem Renewables has adopted the principles of diversity, equality and inclusion as the cornerstones of the company and placed these values at the center of its business processes and corporate culture.

studies for candidates. Workspaces are evaluated with an inclusiveness perspective and solutions are implemented to respond to the specific needs of different genders. It has been ensured that child labor is not employed at any stage of operations and that this issue is guaranteed in contracts with suppliers.

Aydem Renewables has established fair training and support processes to ensure equality among employees and encouraged employees to participate in these trainings. It has been ensured that career opportunities and relevant position openings within our organization are shared primarily with employees who create value within our organization through internal announcement channels. Recruitment processes were carried out transparently with a genderless CV approach and an impartial perspective that does not discriminate. It is ensured that all employees benefit from remuneration, performance evaluation and career opportunities at the same level and with equal rights. All developments regarding equal opportunity plans will be communicated to stakeholders through internal and external communication channels.



Facilitating the adaptation of new employees to the organization and work is carried out with the support of volunteer employees from the Buddy Application Procedure. This practice is designed to ensure that new employees adapt to the company culture more quickly and effectively. With these efforts, Aydem Renewables aims to make the working environment more inclusive, egalitarian and efficient.

At Aydem Renewables, gender equality has been adopted as a fundamental element of company policies and procedures. Accordingly, the company has signed the United Nations Women's Empowerment Principles (WEPs) and integrated these principles into all of its activities. In particular, the publication of the "Procedure for Combating Domestic Violence" on November 25, the Day for the Elimination of Violence against Women, stands out as a serious step in this regard.

Diversity, Equality and Inclusive Workplace

Aydem Renewables attaches great importance to gender equality and continues its efforts in this field under the "Aydem Equal Life" initiative.

Aydem supports gender equality by making positive discrimination against women in recruitment processes. In this context, targets such as hiring female interns and increasing the total training hours of women have been set. In addition, on March 8, International Working Women's Day, handbags made by working women were distributed to show respect for women's labor. Adhering to its commitments under the United Nations Global Compact, Aydem Renewables successfully realized its target of increasing the number of female interns in 2023. In line with this target, 20 female interns were employed within the company in 2023. Following the successful Eurobond issuance in 2021, Aydem Renewables continues its internship project, which was implemented for the first time following the successful Eurobond issuance in 2021, to employ 20 interns every year since 2022, thus demonstrating the company's commitment to discovering young talents and developing them in the sector.

Evaluating physical workspaces from a gender equality perspective and implementing solutions that meet the specific needs of different genders are also important steps. Maternity leave and its aftermath are managed effectively in line with the rights of employees, and flexible working opportunities are offered to employees who have recently given birth. In addition, the lighting of the company building in orange on the occasion of November 25, the Day for the Elimination of Violence against Women, and the #shesaidno awareness campaign are also part of

the commitments in this regard.

All these efforts ensure that Aydem Renewables secures the principles of equal opportunities for women and men in all human resources policies and procedures. These policies and practices are supported by the Human Rights Policy and reflect the importance the company attaches to gender equality.

Aydem Equal Life Initiative

Aydem Renewables attaches great importance to gender equality and continues its efforts in this area under the "Aydem Equal Life" initiative. The Company supports women and men, girls and boys to benefit equally from rights, resources and opportunities and to share responsibilities in life equally. In this context, it is aimed to strengthen the presence of women in social and economic life and to encourage their greater participation in the workforce.



Launched in 2020, Aydem Equal Life initiative is carried out by a volunteer team consisting of Aydem employees working in our group companies in different cities. With the full support of the Board of Directors, this team works to transform the company culture, organizational structure, trainings, recruitment processes, physical conditions and the messages the company gives to the outside world with a gender equality perspective.

Aydem addresses the concept of gender equality from different perspectives through monthly online meetings and comes together with academics, activists and business people.

Content that raises awareness among employees is shared through periodic communication activities, and an approach sensitive to diversity and inclusion is adopted in all marketing and communication activities.

The trainings, organized with the contributions of 30 volunteer trainers trained within Aydem Academy, aim to increase the gender equality awareness of all Aydem employees. Webinars and awareness trainings organized within the scope of the "Equal Life" program were carried out to support women's participation in the workforce and the improvement of gender balance

in the company's decision-making mechanisms. In addition, women are encouraged to serve on the Company's Board of Directors and in senior management positions. These trainings are conducted in a digital classroom format and reach more than a thousand people within a year. Gender equality, diversity and inclusion in the interview process are conveyed through special training and workshop content prepared for Talent Management and Human Resources Managers. In addition, all leaders and managers participate in workshops on unconscious bias, diversity, inclusion and equality.



Talent and Performance Management

Aydem Renewables' talent and performance management strategies and policies are based on a comprehensive and transparent approach to increase employee satisfaction and the overall success of the company. In this context, the company's Performance Management System includes the objective and effective measurement and evaluation of employees' contributions to company targets and the processes of achieving these targets. While evaluating the performance of employees, the Performance Management System focuses on ensuring alignment between the company's overall targets and individual targets.

As part of this process, employees receive regular interim evaluations and continuous feedback. This helps employees recognize their own development areas and continuously improve their performance. In addition, targets for employees' professional development are also set and supported through this process.

Performance management strategy also includes rewarding success. Aydem Renewables has a fair and motivating rewarding system to recognize and reward high performing employees. This system plays an important role in achieving company targets while increasing employee motivation and loyalty.

Aydem Renewables' talent and performance management processes have a structure that focuses on employees' competencies and business results. This process consists of a performance evaluation system applied to all employees once a year. This system is structured under two main headings: "Targets" and "Competence".

In the Targets section, the company's general targets, priorities and corporate competencies are communicated to all employees through the performance management system. In line with these targets, each employee, together with his/her unit manager,

sets individual targets that will lead the company to success and have an impact on his/her area of responsibility. It is important that these targets are measurable. In addition, targets to support the professional development of employees are also included in the performance system.

In the competencies section, employees are evaluated with the help of behavioral indicators. This evaluation is an important factor that determines the final performance result. The aim is to observe the attitudes and behaviors of employees in the process of achieving the set targets and to clearly communicate expectations.

In 2023, Aydem Renewables successfully implemented new initiatives to unlock the potential of its employees and support their continuous learning and development within the framework of its human resources strategy.

Aydem Renewables' talent and performance management processes have a structure that focuses on employees' competencies and business results.

These initiatives are designed to contribute to employees' career development and help them keep pace with the rapid changes in the business world.

Accordingly, the company updated its existing digital platforms to meet the continuous learning and development needs of employees in a systematic and digitalized manner. A new training platform was launched and equipped with rich training content accessible from anywhere and anytime. Thanks to this platform, employees have the opportunity to manage their learning and development processes at their own pace and in line with their needs.

The Company manages its development needs identified in line with its strategy, values and core competencies through a single training platform. This approach ensures equality in training, fast accessibility and rapid observation

of results. The accessibility and time independence offered by digital platforms make it possible for all employees to access digital trainings from anywhere and at any time. This flexibility contributes to the creation of a culture that increases the mobility of the workforce and encourages continuous learning.

In addition, face-to-face classroom trainings aim to increase the competencies of employees. These trainings are supported by digital platforms, allowing employees to improve both their technical and personal skills. These initiatives of Aydem Renewables reflect the company's commitment to support the continuous development of its employees and provide them with opportunities for career advancement.

Aydem Renewables measures and evaluates the effectiveness and impact of its talent and performance management processes with a comprehensive and multifaceted approach. In this process, interim evaluation, which is a part of the performance management system, has a very important role. Effective feedback processes during the determination, monitoring and evaluation of performance targets directly affect the success of the system and therefore great importance is attached to this process.



Talent and Performance Management

In 2023, the Circular Mentoring Program was launched to reinforce a culture of sustainable development and learning.

Performance evaluation results make significant contributions to decision-making and planning processes in various areas of the company. Evaluation results are used under the following headings:

- **Employee Development Plans:** Performance appraisal results are used as a fundamental resource in the formulation of personal and professional development plans for employees. These plans are designed to support employees' competencies and career targets.
- **Training Needs Analysis Studies:** Performance evaluation results form the basis for identifying the company's training needs and developing appropriate training programs.
- **Remuneration Studies:** The performance management system provides the data used to ensure that remuneration and reward systems are fair and competitive.
- **Promotion and Rotation Decisions:** Performance evaluations play an important role in promotion and rotation decisions within the company. These evaluations are used to recognize employees' high performance and provide fair career opportunities.

This multi-dimensional approach enables Aydem Renewables to effectively manage, develop and measure the performance and talents of its employees, contributing to the overall success and continuous development of the company. Performance management processes are designed to increase employee motivation and commitment, support the achievement of the company's strategic targets and maximize the potential of the workforce.

At Aydem Renewables, the "Buddy Application", which is implemented for our new employees, provides information about the corporate culture, organizational structure and business processes and has been implemented to provide support. This application is designed to facilitate the rapid and effective adaptation of our new employees to the organization and to be their companion.

In addition, our Cyclical Mentoring Program has also been launched to reinforce a culture of sustainable development and learning. This program focuses on the new world order, the richness of different generations working together, the digital age and the needs and expectations of new generations. The exchange of

skills, knowledge and experience of our mentors and mentees contributes to the energetic and bright world of the future.

These development programs aim to:

- To emphasize guidance and mentoring as development tools within the scope of Human Resources Planning.
- Enabling employees to reach their career targets under the guidance of a manager.
- To convey the strategies of the organization and the perspective of the senior management to the mentored employees.
- Enabling employees to activate their strong competencies and realize their potential.
- Dissemination of corporate intelligence, knowledge and experience.
- Transferring the in-company management culture to manager candidates.
- Adoption of successful managers as role models by subordinates.
- Direct role for managers to mentor in change management.
- Strengthening institutional ownership.

These programs aim to transform the knowledge learned through education into behavior and action.



Recruitment Processes

In the selection of candidates, the principle of "the right person for the right job" is adopted, independent of factors such as gender, age, faith, ethnicity, etc.

In its recruitment strategies and policies, Aydem Renewables aims to recruit qualified and highly motivated professionals in order to maintain its leading position in the sector. This process aims to select high potential individuals who are suitable for the company culture and values, taking into account not only the professional knowledge and skills of the candidates, but also their personal competencies such as creativity, innovation and adaptability to teamwork. By offering positions in line with candidates' career targets and development plans, the company aims to increase their job satisfaction and motivation, as well as to recruit talents that will contribute to the company's overall success and innovation capacity. During the recruitment process, candidates are selected in accordance with the qualifications required by the job and the competencies determined, taking into account company policies and strategies. The recruitment procedure includes orientation and trial period and is carried out in accordance with the established regulations and procedures.

In the selection of candidates, the principle of "the right person for the right job" is adopted regardless of factors such as gender, age, belief, ethnic origin, nationality, marital status, health status, physical disabilities. Open positions are first announced to company employees, internal candidates are evaluated and the process is managed with an objective and egalitarian approach.

Recruitment policies and procedures support the participation of disabled individuals in the workforce and encourage the employment of disabled individuals by taking into account the legal ratios.

Aydem Renewables secures its policies and procedures that support women's participation in the workforce and equal opportunities between genders with its Human Rights Policy and applies these principles in all human resources processes. Job advertisements are prepared using gender-neutral language and published through internal and external communication channels. Job descriptions and required qualifications are created with a fair and inclusive approach, and questions regarding the private lives of candidates are not asked. In this way, Aydem Renewables contributes to a more creative and productive working environment by promoting diversity and equality in recruitment processes.

During the recruitment process, not only the candidates' work experience but also their potential and competencies are taken into consideration, and candidates are evaluated using different interview techniques. At every stage of the recruitment process, the expectations and potential of candidates are taken into consideration and candidates who are suitable for the company and personal targets are selected. Job offers are made in accordance with the company's level structure and employees are ensured to benefit equally from the opportunities offered by the company in the post-employment process.

To facilitate the adaptation of new employees to the company, buddy assignments are made and comprehensive orientation trainings are provided. In addition, during the first two months of internal rotation and reassignment processes, the Human Resources team regularly monitors the performance, demands, satisfaction and needs of employees and ensures effective communication with them.





These strategies and policies ensure that Aydem Renewables has a qualified and effective workforce and increases the satisfaction and loyalty of its employees.

Aydem Renewables takes various steps to continuously improve its recruitment processes. In this context, the Human Resources team received Competency-Based Interview Techniques training in order to increase the effectiveness of interview processes. With this training, it is aimed to evaluate the competencies of candidates more accurately and to ensure objectivity and consistency in recruitment processes.

In addition to this training, continuous feedback is received and processes are revised in line with this feedback in order to improve the efficiency of the processes and the candidate experience. The tools and methodologies used in recruitment processes are regularly renewed, and the evaluation and selection of candidates is modernized through

the effective use of digital tools and software.

In addition, the company's recruitment strategies and policies are constantly updated in light of developments in the sector and best practices. In this way, Aydem Renewables' recruitment processes are carried out in the most appropriate and effective way for both candidates and the company. These continuous improvement efforts in recruitment processes enable the selection of the most suitable talents in the company's dynamic and competitive business environment.

Aydem Renewables has taken important steps in 2023 to ensure equal opportunities with a genderless CV approach and equal rights in recruitment and promotion processes. The Company aimed to prevent any discrimination based on candidates' characteristics such as gender, age, ethnic origin, etc. by continuing its genderless CV approach in 2023. This approach ensures that candidates

focus on their competencies and experience, thus ensuring a more objective and fair recruitment process. In 2023, the principles of transparency and fairness in the company's recruitment processes were strengthened. In this context, all job postings were announced through both internal and external communication channels, and cooperation with İŞKUR is maintained to encourage local employment. This cooperation encouraged a wide pool of candidates and encouraged applicants with different skills and backgrounds to apply.

In addition, a merit and performance-oriented approach is adopted in promotion processes. The promotion and career development of employees are based on objective criteria and fair evaluation processes. In these processes, the business success, contributions and potential of employees are taken into consideration instead of gender, age or other personal characteristics.

These steps strengthen Aydem Renewables' genderless CV approach and its commitment to providing equal rights and equal opportunities, and contribute to the creation of a more inclusive and fair work environment among employees.

Employee Training and Development

Aydem Renewables shapes its employee training and development strategies and policies in line with the company's targets and objectives.

These strategies aim to enable employees to work more efficiently and add value to the company during their tenure. The training policy adopts a customized and individualized approach according to the needs of the employees and plans trainings on technical, professional and personal development.

The main strategy and policy elements are:

- **Providing Needs-Driven, Individualized Training and Development Opportunities:** This approach aims to provide customized training and development opportunities based on the individual needs of each employee.
- **Continuous Development and Enhancement of Competencies:** The Company supports the continuous learning and self-improvement processes of its employees and provides the necessary resources and investments in this direction.
- **Full and Complete Alignment with Performance Targets and Business Strategies:** Training programs are aligned with the company's overall performance targets and business strategies, ensuring that employees are equipped with the necessary skills and knowledge to achieve these targets.
- **Adopting Digitalization:** Aydem Renewables aims to adapt to technological developments and increase the digital competencies of employees by effectively using digital tools and platforms in training and development processes.
- **Highlighting Talents:** By highlighting the unique talents and strengths of employees, the Company aims to integrate these talents into business processes and achieve maximum efficiency.

Aydem Renewables organizes various trainings to support the continuous development of its employees. These trainings are offered in both online and face-to-face formats under the roof of Aydem Academy. Especially for technical employees, trainings given by the Vocational Qualifications Authority are organized, so that employees are better equipped technically and receive certificates. These trainings aim to improve the quality of the workforce. In addition, orientation trainings are organized for newly recruited employees.

The trainings offered by Aydem Renewables are grouped under the following categories:

- **Mandatory Trainings:** This category covers topics such as KVKK (Personal Data Protection Law), Information Security, Occupational Health and Safety (OHS) and Competition Law.
- **Vocational Technical Trainings:** These trainings are designed for employees to improve their skills in their own professional fields.
- **Personal Development Trainings:** These trainings, which include topics such as effective communication, stress management, emotional resilience, self-awareness and initiative taking, critical thinking, aim to contribute to the personal development of employees.

- **Corporate Development Trainings:** Topics such as Electricity Market Information, Code of Ethics and Working Principles, Zero Waste, Individual Awareness for a Sustainable World, Understanding Unconscious Bias are included in this category.
- **Leadership Trainings:** These trainings are specifically designed for managers, directors, directors and C-level positions and focus on developing leadership skills.

The main purpose of these trainings is to increase both professional and personal competencies of Aydem Renewables employees and to raise awareness within the framework of company culture, values, targets and strategies. With these trainings, the overall performance and competitiveness of the company are increased. The total amount invested in training expenses in 2023 amounted to TL 2,514,906.

Aydem Renewables' employee training and development programs create multifaceted and positive impacts on customers, employees and other stakeholders. In addition to increasing the overall efficiency and effectiveness of the company, these programs also contribute to the professional and personal development of employees.

The main impacts of these programs are as follows:

- **Internalization of Corporate Culture:** Thanks to training programs, employees better understand the values, mission and vision of Aydem Renewables and reflect these values to their work. This ensures a solid adoption of the corporate culture and strengthens the corporate identity.
- **Improvement in Individual and Team Performance:** Increased competencies and skills of employees lead to significant improvements in individual and team performance. This contributes to more effective and efficient execution of projects.
- **Contribution of Learning to Corporate Results and Impact:** Training programs enable employees to act more consciously in line with the company's overall targets and strategies, which has a positive impact on corporate results and overall business performance.
- **Project Management and Innovation:** Continuous training and development enhances employees' project management skills and encourages innovative thinking. This enables the company to develop innovative projects and respond more quickly and effectively to the changing needs of the market.
- **Continuous Development:** Aydem Renewables' continuous development-oriented approach allows employees to develop themselves throughout their career paths, which ensures the continuous strengthening of the company's overall talent pool.

These impacts show that Aydem Renewables' employee training and development programs contribute significantly to the overall success and sustainability of the company. In addition, these programs increase customer satisfaction and employee job satisfaction and strengthen the company's competitive advantage.

Aydem Renewables implements various strategies to encourage participation in training and development programs. These strategies range from receiving feedback from participants to mentoring programs, from easy accessibility to support from senior management. The details and objectives of these strategies are set out below:

- **Receiving Participants' Feedback:** Aydem Renewables aims to improve the content and methods of the trainings by receiving feedback from the participants for continuous improvement of the programs.
- **Mentoring Programs:** The Company organizes mentoring programs to support the professional and personal development of its employees. These programs contribute to the development of participants by encouraging experienced employees to share their knowledge and experience.
- **Easy Accessibility:** Easy accessibility of training materials and resources ensures that employees can easily participate in learning processes.
- **Support and Involvement of Senior Management:** Senior management support and involvement in training programs helps to emphasize the value of learning within the company and encourages employees to show more interest in these programs.



Employee Training and Development

- **Strengthening the Learning Culture:** The Company promotes a culture of continuous learning and supports the continuous development of its employees.
- **Continuous Information:** Aydem Renewables provides its employees with continuous information about training and development opportunities, making it easier for them to benefit from these programs.
- **Providing Engaging Content:** When training programs offer interesting and relevant content, it increases employee interest and participation in these programs.

The effectiveness and success of Aydem Renewables' training and development programs are evaluated using specific metrics. The following main metrics are taken into account in this process:

- **Project Results:** The results of the projects carried out by the employees participating in the program after the trainings are an important indicator of the effectiveness of the training. These results reflect the direct impact of the training on practical applications.
- **Event Participation Tracking:** Participation rates in training and development activities are a factor that measures employee interest and participation in training.
- **Participant Evaluation:** Participants' feedback on the content and delivery of the trainings provides important information on the quality of the programs and the functionality of their content.

- **Manager's Evaluation of the Participant:** Managers' assessment of changes in participants' performance after training is used to measure the impact of training on job performance.

Feedback processes play a critical role in Aydem Renewables' training and development programs in order to contribute to the continuous development of the company and the skill development of employees. These processes take the form of one-to-one interviews during performance periods and systematic evaluations carried out after a certain period of time following the completion of training programs. The details and purposes of these processes are explained below:

- **Performance Period One-on-One Interviews:** These are meetings that employees hold with their managers during performance evaluation periods. In these meetings, employees' training and development needs, the effects of the training they have received and their future development plans are discussed. These meetings provide an important opportunity to increase the harmony between employees' career targets and the company's expectations.

- **Evaluation After Training Programs:** After 120 days following the completion of the training programs, employees' thoughts and experiences about the training programs are evaluated through the system. This evaluation helps to measure the long-term impact of trainings and to continuously improve development programs. Evaluation results are used to make training contents and methods more effective.

These feedback processes support the professional development of Aydem Renewables' employees and play an important role in improving the overall performance of the company. Feedbacks enable the company to continuously improve its training and development programs and better respond to the needs of employees. In this way, Aydem Renewables is able to maintain and improve its competitive advantage in the sector by increasing the skills and competencies of its employees.

The table showing the distribution of trainings offered by Aydem Renewables by category on an annual basis covers the period from 2019 until the end of 2023.

In this process, the changes in the number of participants in different types of training offered by the company can be summarized as follows:

Types of Training (hours)	2019	2020	2021	2022	2023
Talent and Professional Development Trainings	7,552	10,173	15,718	13,192	15,030
OHS Trainings	13,376	17,110	17,968	22,360	22,531
Disaster and Emergency Trainings	2,736	1,380	1,480	2,985	5,181
Ethics Trainings*	-	187	366	32	196

* Ethics trainings also include anti-bribery and anti-corruption training content.

Aydem Renewables' training and development programs are based on the principle of continuous development and innovation, and plans and projects for the future are as follows:

1. Taking Leadership Programs to the Next Level: The Company aims to make its existing leadership programs more effective and comprehensive. These programs will be redesigned to improve leadership skills and enable managers to adapt to the changing needs of the business world.

2. 360 Orientation Program Design:

A comprehensive 360-degree orientation program is being developed to ensure the effective integration of new employees into the company culture and business processes. This program will facilitate employees to comprehensively understand and adapt to all aspects of the company.



3. Digital Supported Trainings: Aydem Renewables plans to make training programs more accessible and effective by using digital platforms and tools. In this way, it will be easier for employees to access trainings without time and space limitations.

4. Project Based Assignments and Portfolio Assessments: Project-based assignments and portfolio assessments will be conducted to encourage hands-on learning and demonstrate how theoretical knowledge can be used in practice. This approach will allow employees to develop their ability to apply what they have learned in real world scenarios.

5. University Programs: Aydem Renewables will establish collaborations with universities and develop internship and training programs for students. These programs are designed to bring young talents to the sector and provide students with practical information about the energy sector.

These plans and projects reflect Aydem Renewables' commitment to invest in both the development of its existing employees and young talents in the energy sector. These innovations in training and development programs aim to strengthen Aydem Renewables' ability for continuous development and adaptation.

Employee Satisfaction

Aydem Renewables considers employee satisfaction as one of its main priorities and focuses on continuous development and renewal in this direction. The Company aims to create a happy and motivated work environment by supporting the work and private life balance of its employees. Within this framework, the Company carries out various programs and projects to invest in the professional and personal development of its employees, listen to their voices and create a participatory corporate culture. Aydem Renewables aims to establish healthy and sustainable relationships with both internal and external stakeholders by increasing employee satisfaction.

In 2023, Aydem Renewables developed various new projects to emphasize the value it attaches to its employees and to increase their participation in business processes. These projects are designed to increase the motivation of the company's employees, support their communication skills and promote an effective and efficient teamwork culture within the organization.

In this context, the company organized "Communication Workshops and Workshops". These events were organized in an interactive format and were implemented with the motto of "learning by living". Communication workshops and workshops aim to strengthen the interaction and cooperation of employees with each other, as well as to increase their motivation. These workshops and workshops show that Aydem Renewables attaches importance to the professional and personal development of its employees and



sees them as a critical element in the success of the company. Communication workshops and workshops enable employees to communicate more effectively with each other, increase harmony within the team and thus increase their work performance and overall job satisfaction.

In 2023, Aydem Renewables made significant improvements in the processes of listening to and responding to the demands of its employees. In this process, the company organized various activities to increase employee satisfaction and motivation. In particular, surveys and one-to-one interviews provided valuable information to enrich employees' workplace experiences and create a more interactive environment. In line with this information, the company added wall games, sports equipment and board games to the switchboards and other work areas, aiming to make employees' break times more enjoyable and interactive.

Such activities not only enable employees to work more effectively and motivated at work, but also strengthen social interaction and team spirit in the workplace. This approach of Aydem Renewables enables it to create effective action plans for new periods by evaluating and reporting the results of the interviews with employees. Thus, by focusing on the needs and expectations of employees, the company aims to increase their satisfaction and loyalty to the company. This process makes employees feel that their voices are heard and valued, thus contributing to the company's success by increasing their positive productivity at work.

Aydem Renewables achieved significant success in the Great Place to Work® certification process in 2023.



3rd Consecutive Year of Great Place to Work® Certification

Aydem Renewables achieved significant success in the Great Place to Work® certification process in 2023. The company has proven that it prioritizes the happiness and satisfaction of its employees by being included in the list of the best employers for three consecutive years. This success is an indication of the company's continuous efforts to increase employee satisfaction over the years.

In 2023, the company ranked 11th on the Great Place to Work® Best Employers list in the category of 500-999 employees, clearly demonstrating that the company has achieved great success. The fact that it ranked 4th in the Production and Manufacturing sector shows that it has a high performance in the sectoral field. Ranking 3rd in the Aegean Region Best Employers List proves that it is a pioneer in employee satisfaction in the region. Furthermore, ranking 5th in the 2023 Innovation By All category underlines that the company has an innovative and inclusive workplace culture.

These achievements demonstrate the effectiveness of Aydem Renewables' policies and practices aimed at continuously improving employee satisfaction and happiness in the workplace. With these achievements in the Great Place to Work® certification process, the company has succeeded in creating a participatory and innovative workplace culture that supports the well-being and development of its employees. The learnings from this process have helped the company develop strategies to further improve workplace culture and employee satisfaction. These achievements of Aydem Renewables once again demonstrate the importance it attaches to employee satisfaction and happiness in the workplace.

Increased Employee Happiness through Social Service

Aydem Renewables realizes various collaborations and joint projects in order to increase employee satisfaction and contribute to the sustainable development of local communities. In this context, various social responsibility projects such as beekeeping activities and Pasvak soup kitchen food distribution project are carried out. These projects aim to improve the quality of life of both company employees and local communities.

Aydem Renewables participates in afforestation activities in order to increase its contribution to the environment and contributes to nature with such projects. In order to support local employment, Aydem Yenilenebilir Enerji cooperates with Business Institutions and contributes to regional development. The Company cares about the opinions and suggestions of the local communities in the regions where its power plants are located, and for this purpose, it places request and complaint boxes and regularly checks these boxes.

These efforts demonstrate that Aydem Renewables not only focuses on its business achievements, but also acts with a sense of social responsibility and creates a positive impact by effectively collaborating with local communities. Such projects of the company contribute to improving the quality of life of employees and local communities, helping to increase overall satisfaction. In this way, Aydem Renewables strengthens its position as an organization that creates value both in the business world and in the social sphere.

Remuneration Management

Aydem Renewables adopts a fair and competitive remuneration approach within the framework of its human resources policies. Accordingly, the company has developed a performance-based remuneration system by evaluating global market dynamics and the current situation of the labor market through an independent remuneration consultancy service. Thanks to this system, equal treatment is provided to all employees regardless of gender, language, religion, race, sect, belief, nationality, marital status, etc., thus ensuring a safe and fair working environment for employees.

Aydem Renewables' remuneration policy covers the principles to be applied in the remuneration of senior management and all employees starting from the CEO. This policy includes competitive remuneration packages that motivate senior and key executives, attract new talents and encourage them to stay with the company for a long time. The remuneration of all managers and employees is based on performance evaluations based on their duties, responsibilities and competencies. During the annual evaluations, bonus payments are made to blue-collar and white-collar employees according to the targets set. These bonus payments include financial performance as well as social, environmental and governance issues, particularly occupational safety. In the evaluation processes, issues such as basic competencies and depth of technical knowledge are prioritized.

In 2023, the Company's remuneration system was shaped by taking into account macroeconomic indicators, the state of the energy sector, market conditions, job levels and employee performance. In this process, research and market analyses conducted by independent consulting firms specialized in their fields were taken into consideration. Thanks to these analyses, a fair and competitive wage and benefits policy is implemented within the company.

In 2023, the Company switched to a job family model, taking into account data from other market companies in the sector. This new model has made it possible to more effectively compare and evaluate the remuneration policy with market data specific to the department and position of the employees, based on a broad market benchmarking based on general grade and sector data. This change demonstrates that Aydem Renewables values its employees and is committed to continuously improving their financial well-being.

The challenges faced by Aydem Renewables in remuneration management include high inflation rates and minimum wage increases exceeding inflation rates. This situation requires continuous updating and review of remuneration policies. In order to overcome these challenges, Aydem Renewables closely monitors economic indicators and minimum wage changes and determines wage increase policies accordingly. This

approach aims to protect the market position of employees and maintain a fair remuneration structure. Thus, the company provides its employees with stable and reliable financial support despite economic fluctuations, thereby increasing employee satisfaction and motivation.

Aydem Renewables follows a very rigorous process while determining and reviewing the remuneration structure. The remuneration structure is based on the market data of peer companies in the sector, depending on the level and job family of the employees. The Company keeps measurable and systematic records of the current market position of all employees. This data is constantly updated in the light of economic indicators and reports based on market research. Aydem Renewables regularly reviews this data on a semi-annual basis together with the consulting firm. In this process, the current situation of the organization and market data are carefully examined and necessary updates are made. This approach demonstrates Aydem Renewables' commitment to providing its employees with fair and competitive remuneration in line with market conditions. These processes are designed to ensure that the financial well-being of employees is continuously protected and improved.

Aydem Renewables adopts a fair and competitive remuneration approach within the framework of human resources policies.



Personnel Management and Benefits



Aydem Renewables' personnel affairs management processes are carried out in a coordinated cooperation between the company's Human Resources unit and the Holding Wage, Benefits and Payroll Operations Group Directorate. These two units work together for the effective implementation and execution of the company's human resources policies and strategies. While the Human Resources Department plays an active role in areas such as employee recruitment, career development, training and development programs, and performance evaluation systems, the Holding's Wage, Benefits and Payroll Operations Group Directorate plays an important role in managing the salaries and benefits of employees, performing payroll transactions, and making strategic planning related to these issues.

This cooperation ensures that the company's personnel affairs management processes are carried out efficiently and effectively, and contributes to the creation of a transparent and fair working environment in line with the needs and expectations of employees. In addition, thanks to this cooperation, it is ensured that human resources

policies are constantly updated and adapted to the dynamic business environment of the company, thus aiming continuous improvement and development in Aydem Renewables' human resources management.

In Aydem Renewables' personnel affairs management, various technological tools and software are used to increase efficiency and optimize business processes. Among the prominent software are systems such as SAP-HR, EBA and PDKS. These software play critical roles in the company's human resources management processes.

The SAP-HR system comprehensively manages employees' personal information, career history, performance evaluations and remuneration, and ensures that this information is securely stored in a central database. The EBA system is used in the management of training and development programs, tracks employees' training processes and facilitates the distribution of training content. The Personnel Attendance Control System (PDKS) increases efficiency in workforce management

by effectively tracking employees' entry and exit times, leaves and overtime.

The integrated operation of these systems ensures the flow of data in workflows and allows business processes to be carried out more efficiently and error-free. These technological tools and software used in personnel affairs management increase Aydem Renewables' effectiveness in human resources management, provide access to more accurate and up-to-date information in decision-making processes, and thus strengthen employee satisfaction and employer brand. Thanks to these technological tools, human resources management is handled with a more strategic approach, focusing more on the career development of employees and making positive contributions to the overall performance of the company.

The personnel affairs management processes of Aydem Renewables are carried out in a coordinated cooperation between the Human Resources department of the company and the Holding Wage, Benefits and Payroll Operations Group Directorate.

In 2023, Aydem Renewables made improvements in the benefits of its employees. Basic fringe benefits such as meals and travel were updated according to economic changes and the needs of employees. Employees' leave rights have been expanded and leave periods and diversity have been increased. In this way, it is aimed to contribute to the work-private life balance of employees and to increase their work motivation and job satisfaction.

Aydem Renewables implemented an effective and transparent communication process with its employees regarding fringe benefits in 2023. The company's benefits policy and any changes in this policy are communicated to employees directly and through a method that includes personalized information. In this process, the company's Registered Electronic Mail (KEP) address system is used. Thanks to this system, all updates, changes and new practices regarding fringe benefits are communicated to employees in a timely and accurate manner.

Aydem Renewables has organized its working conditions to adapt to the requirements of modern business life. In this context, flexible working policies are implemented and employees are offered the option to carry out their work from home or office. The flexible working arrangement allows employees to increase their productivity by maintaining the balance between work and private life. This policy is shaped according to the living conditions and needs of employees and is designed to increase the efficiency of business processes.

Aydem Renewables' maternity and paternity leave policies attach great importance to the family lives of its employees. Employees who are mothers and fathers are provided with appropriate leave opportunities to spend quality time with their newborn children. Maternity and paternity leaves are provided to strengthen the roles of both mothers and fathers in the family and to strengthen their bonds with their children. Paternity leave is set at 5 working days to allow employees to be with their children when they are born. Maternity leave for female employees is designed to support the health of female employees and their bonding with their children during the preparation for and postpartum period. Based on a doctor's report, employees are

entitled to a total of 16 weeks of leave, 8 weeks before and 8 weeks after the birth. In case of multiple pregnancies, the prenatal leave period can be increased to 10 weeks, taking into account the extra needs of the mother. These leave processes reflect Aydem Renewables' commitment to help its employees achieve a balanced harmony between their work and family lives and to provide the support they need during these special periods. In addition, the employee who gives birth is entitled to one and a half hours of milk leave for each working day from the date of employment until the child turns one year old.

Aydem Renewables takes important steps to increase comfort and efficiency in the workplace, taking into account the needs of its employees. In this context, a milk room was put into operation in the Head Office building in order to ensure that female employees, especially new mothers, feel more comfortable and supported when they return to work after maternity leave. This lactation room is designed as a comfortable and peaceful environment where mothers can meet their special needs.

Occupational Health and Safety



One of the primary priorities of Aydem Renewables is to provide a healthy and safe working environment for its employees. Within this context, possible risks are minimised by ensuring a high level of preparedness and security with the measures taken for disasters and emergencies.

Occupational Health and Safety (OHS) practices are carried out in accordance with both national legislation and ISO 45001 Occupational Health and Safety Standards. The aim is to systematically identify hazards in the working environment, reduce the risks arising from these hazards and ensure healthy and safe working conditions at the Company's facilities. In addition, regular training programs for employees aim to ensure that OHS policies and practices are adopted and implemented by all employees.

Thanks to the continuous monitoring of technology, innovations in the field of occupational health and safety are integrated into Aydem Renewables' operations, thus ensuring continuous improvement in reducing risks and improving working conditions. It is aimed to minimize occupational accidents and occupational diseases with the policies implemented and awareness activities carried out, and it is aimed to provide a safe and healthy working environment for the company with the steps taken in this direction. Aydem Renewables aims to increase both employee satisfaction and operational efficiency with the working conditions it provides and continues to contribute to the sustainability of its activities.

Occupational Health and Safety Governance

Occupational Health and Safety activities are carried out with a planned and scientific approach under the leadership of HSE (Health, Safety and Environment) and Sustainability Manager, with the contributions of an HSE and Sustainability Manager, an HSE and Sustainability Senior Specialist and an HSE and Sustainability Documentation Specialist. In our workplaces and plants, services are regularly received from the Joint Health and Safety units, and it is ensured that health and safety standards are raised by working in co-operation with these units.

At least one representative elected from among the employees serves in all operations and Head Office locations of the company and a Sustainability Leader is appointed for each operation. These leaders play an important role in the adoption

Occupational Health and Safety (OHS) practices are carried out in accordance with both national legislation and ISO 45001 Occupational Health and Safety Standards.

and implementation of Aydem Renewables' sustainability targets at all levels. In addition, 10 employees in the Life Safety and Environment Committee work to continuously improve the company's environmental performance and safe working conditions.

During investment and rehabilitation projects, the Occupational Health and Safety and Environmental performances of contractor companies are evaluated in detail, and these evaluations are carried out to ensure that contractors work in compliance with our system and reach our high standards. These processes are critical to ensure the continuity of Aydem Renewables' commitments and high performance in the field of OHS and are carried out as part of the company's overall sustainability strategy. Addressing OHS management and related processes with an integrated approach in all areas of the company is one of the main factors that support Aydem Renewables' leadership and sustainable success in the sector.

Measures Taken within the Scope of Occupational Health and Safety

Aydem Renewables carries out its activities in the field of occupational health and safety comprehensively at its headquarters and all its plants. In this context, occupational hygiene measurements are carried out, necessary actions are taken in line with the findings obtained and trainings are provided to increase the level of awareness of employees on the subject.

The execution and supervision of occupational health and safety activities are carried out systematically by the employees of the HSE and Sustainability Department and the Joint Health and Safety Unit (JHSU). Internal and external audits are carried out periodically within the framework of the plans determined by the HSE and Sustainability Directorate and the requirements of the ISO 45001 Occupational Health and Safety standard, ensuring that processes and practices are in full compliance with current legal regulations and company policies.

The Life Safety and Environment Committee conducts regular inspections at all facilities in line with the standards set and keeps the sustainability of occupational health and safety under control. All facilities are kept ready for inspection and control in accordance with the initiatives and working principles of authorized institutions in accordance with legal regulations.

As part of these efforts, occupational accident statistics and the activities carried out are regularly reported to senior management and the HSE and Sustainability Group Directorate, and the effectiveness of the measures taken and the safety of the working environments are continuously monitored and evaluated by the Internal Audit and Control Group Directorate. This systematic approach reflects the importance Aydem Renewables attaches to occupational health and safety and its commitments in this field, and reinforces the corporate culture that prioritizes the safety and health of employees.

Occupational Health and Safety

Developments in Occupational Health and Safety in 2023

Aydem Renewables has made various innovations and improvements regarding the implementation of occupational health and safety standards and employee trainings in 2023. In accordance with the legal regulations, 16 hours of basic OHS trainings were regularly provided for employees. In addition to these basic trainings, Working at Height, Emergency and Fire Awareness Trainings were periodically carried out to raise employee awareness and improve the OHS culture of the organisation. Furthermore, OHS Leadership Training and Emergency Crisis Management webinars were organised to raise the awareness of company managers and all employees.

In 2023, employees were also provided with trainings on Business Specific Risk Assessment, Traffic Safety, Work Permits and Area Supervisors, Personal Protective Equipment Control and Safe Use of Work Equipment. Aydem Renewables is aware of the dangers that may arise during business processes, takes proactive measures and conducts dynamic risk assessments. These risk assessments are updated in line with the data obtained from field practices and the results are shared with all employees. With the development of OHS field practices, strategies have been adopted to prevent occupational accidents.

It was observed that these strategies yielded successful results and no day-loss accidents occurred during 2022-2023. In the year 2023, the total number of recordable accidents was reported as 4 (four). Thanks to the activities of the HSE OHS Unit, efforts to disseminate the OHS culture and good practices, the Total Recordable Accident Frequency Rate has decreased. These developments are among the concrete indicators of the importance Aydem Renewables attaches to occupational health and safety and the effective management approach it maintains in this field. Aydem Renewables implemented a series of improvements and updates to its occupational health and safety management system in 2023. Among

these improvements, updating the responsibilities of the parties in OHS field processes has an important place. Work permit systems were reviewed and revised to improve their effectiveness, and extensive work was carried out on the processes for assessing and auditing the OHS and Environmental performance of contractor companies. As part of these efforts, the social and welfare conditions of contractors were emphasized and a scoring system was implemented for each contractor. Innovations were also made in Personal Protective Equipment (PPE) processes. Feedback from employees on products to be purchased for the first time has been made an important part of the purchasing

The HSE and Sustainability Directorate organized an award-winning OHS Knowledge Contest among enterprises to raise awareness on occupational health and safety.



**3.32**

Total Recordable Accident Frequency Rate (TRIFR)

**ZERO**

Lost Time Injury Frequency Rate (LTIFR)

**475**

Number of participants in disaster and emergency trainings

**5,181 PERSON*HOUR**

Duration of disaster and emergency trainings



Aydem Renewables was awarded with the "Distinction" rating at the 65th International Occupational Safety Awards held in London.

process. In addition, updates were made to the existing occupational health and safety instructions and new forms prepared with these updates were published in the Company's Quality Management Systems (QDMS) and made accessible to all relevant units. Thanks to these improvements, Aydem Renewables aims to raise OHS standards and ensure the safety of its employees, and maintains continuous improvement and development processes for this purpose.

Aydem Renewables has implemented a number of innovative projects in the field of occupational health and safety in 2023. These projects aim to guarantee the safety of employees and raise health standards in the workplace. As part of the OHS Week activities, the HSE and Sustainability Directorate organized an award-winning OHS Quiz Competition among enterprises to raise

awareness on occupational health and safety, which attracted wide participation. In addition, an OHS Leadership Workshop was organized to ensure that occupational safety culture is adopted by all company employees and to create leadership and awareness. In this workshop, effective communication techniques for managers and team leaders, employee management and leadership characteristics were emphasized, and efforts were made to recognize and improve the weaknesses of leaders.

During the year, the establishment of Aydem Renewables' Search and Rescue Team was initiated and it is aimed to activate the team in 2024. This initiative aims to increase preparedness and response capacity against a possible disaster or emergency.

Grand Prize for Occupational Health and Safety Performance

Aydem Renewables applied for the 2023 International Occupational Safety Awards organized by the British Safety Council, one of the leading organizations in the sector, in order to have its occupational health and safety processes and practices recognized and evaluated by independent international rating agencies. At the award ceremony held in London for the 65th time this year, Aydem Renewables stood out among more than 250 companies from Turkey and was awarded with the "Distinction" rating, which is the highest level among the awards granted to 29 companies. This success confirms Aydem Renewables' outstanding efforts and significant achievements in the field of occupational health and safety in the international arena.

Occupational Health and Safety

PPE Tracking Module

Significant progress was made in the digitalisation of Aydem Renewables' occupational health and safety processes and the implementation of the Personal Protective Equipment (PPE) tracking module in 2023. In this process, the PPE tracking module has been actively used and the use of PPE has been recorded in detail thanks to this module. The data obtained were analysed on an annual basis and evaluations were made on the effectiveness and needs of PPE use.

Risk assessments were monitored digitally and the QDMS Corrective Action module was actively used to eliminate identified nonconformities. In this way, occupational health and safety processes were managed in a faster, more effective and systematic manner. The use of digital tools contributed to improving risk management and raising occupational safety standards to a higher level.

LOTO Applications

In order to eliminate potential hazards during maintenance and repair work on high-voltage machines or equipment, the LOTO (Lock Out-Tag Out) system was commissioned in 2023. Thanks to this system, occupational accidents that may arise from energy sources have been prevented and the number of accidents has been reduced to zero.

The LOTO system has been effectively utilized to ensure that employees and other stakeholders operate in a safe working environment. The results obtained with the implementation of the system showed that the LOTO application provided maximum impact in reducing occupational accidents. This success proves the effectiveness of proactive approaches and systematic practices in the field of occupational health and safety in preventing accidents. With the implementation of the LOTO system, Aydem Renewables has strengthened its occupational safety culture and adopted an approach that prioritizes the safety of its employees.

Transition Processes to Online Infrastructure

Transferring Aydem Renewable OHS trainings to online platforms in 2023 played an important role in increasing the OHS awareness of employees. Through this change, the accessibility and flexibility of trainings have increased, enabling all employees to receive more comprehensive and regular training on OHS issues. Furthermore, the use of online platforms has enabled the diversification and continuous updating of training content, thus facilitating employees' access to up-to-date information on OHS issues. The realization of the contractor tracking module and the integration of the visitor module into the online system will be evaluated

in the coming years. Considering the future evaluations and potential applicability of these projects, Aydem Renewables plans to put these issues back on its agenda in the coming years. In this way, it will be possible to effectively track contractors and visitors and evaluate their contribution to occupational safety management. Since such integrations have the potential to increase efficiency and effectiveness in occupational safety management, Aydem Renewables aims to take proactive steps in this regard and develop its future practices.

Occupational Health and Safety Trainings

The distribution of Aydem Renewables' Occupational Health and Safety (OHS) training hours to employees in 2023 and the measurement of the impact of these trainings on occupational accidents constitute one of the key elements of the company's OHS strategies. In 2023, it was observed that the OHS training hours provided to Aydem Renewables employees and contractor company employees increased. This increase contributed to the targets of preventing occupational accidents and creating a safer working environment by increasing the knowledge and awareness of employees on OHS.

Occupational Health and Safety Trainings for Aydem Renewables and Stakeholders

Year	Direct Employment (person*hour)	Contractor Company Employee (person*hour)
2019	13,376	580
2020	17,110	952
2021	17,968	1,410
2022	22,360	2,042
2023	27,712	1,880



As of 2023, the number of OHS training hours provided to employees increased compared to previous years, and the detailed hourly distribution of these trainings is included in the OHS records of the company. The downtrend in Aydem Renewables' occupational accident statistics is an important indicator of the effectiveness of the trainings provided. Increasing OHS training hours and effective implementation of these trainings enable employees to become more aware of OHS issues and adopt safe working practices. This contributes to a decrease in occupational accidents and an increase in occupational safety culture in general. Aydem Renewables maintains its commitment to protecting the safety and health of its employees by continuing its investments in OHS trainings and aims to realize continuous improvements in this field.



Disaster and Emergency Preparedness

Aydem Renewables always takes a proactive approach against natural disasters and emergencies that may threaten the continuity of operations and occupational safety. The company's business ethics is based on the understanding of safe and reliable operations, and in this direction, it is of great importance to be prepared for disasters and emergencies and to ensure the continuity of the supply chain. Preparedness for natural disasters and emergencies is a critical part of Aydem Renewables' business continuity strategy.

The Company keeps its emergency plans and procedures, which are in effect at all power plants and headquarters, up-to-date, and organizes regular trainings to ensure compliance with these plans and to raise employee awareness on emergencies and fire safety. These trainings provide employees with the necessary knowledge and skills in emergency response and fire safety and ensure that they are prepared for potential risks. In addition, emergency drills are periodically conducted at the headquarters and all operations to test the effectiveness of emergency plans and procedures and to make improvements.

Occupational Health and Safety

Aydem Renewables secures all of its power plants with comprehensive insurance policies in order to minimize material damages and business losses that may arise after natural disasters, emergencies and occupational accidents. These insurance policies allow the company to cover possible material damages and allow operations to return to normal quickly.

The scope of disaster and emergency trainings organized by Aydem Renewables in 2023 and the improvements in employee participation reflect the company's determination to increase its capacity to be prepared for emergencies. In this context, emergency drills conducted at all of the company's power plants were designed by experts using realistic scenarios. These drills reinforce employees' knowledge and skills in emergency procedures and improve their ability to respond quickly and effectively to potential disaster or emergency scenarios.

All employees at 25 locations of Aydem Renewables participated in renewed trainings within the scope of emergency procedures. These trainings were provided by OHS professionals and consulting firms, and special attention was paid to the training of emergency teams. Drills are planned to be conducted at least once a year in line with the scenarios prepared in accordance with the potential emergencies of the businesses. These drills play an important role in testing and improving the emergency response capabilities of emergency teams as well as all employees.



The Company keeps its emergency plans and procedures, which are in effect at all power plants and headquarters, up-to-date and organizes trainings to raise employee awareness.

The outputs obtained from the drills are evaluated for continuous improvement of emergency response plans and procedures, necessary action plans are created and process improvements are realized. These studies demonstrate Aydem Renewables' proactive approach in emergency management and its commitment to keeping the safety of its employees at the highest level. Investments in emergency trainings and drills continuously improve the company's ability to be prepared for disasters and emergencies and constitute an important step to ensure the safety of its employees and facilities.

Business Continuity and Recovery Plans

Aydem Renewables maintained a prepared approach in 2023 against extraordinary situations such as the Covid-19 pandemic and natural disasters. The Company is able to respond quickly and effectively to possible epidemics and pandemic periods with "Exit Plans" prepared and continuously updated during the pandemic period. These plans are designed to adopt a proactive approach against pandemics and similar extraordinary situations and to ensure business continuity.

Within the framework of Risk Management activities, Aydem Renewables keeps its specially prepared Business Continuity Plan (Covid-19 Scenario Practice), Emergency Action and Business Rescue Plans ready for implementation. These plans aim to prioritize the health and safety of employees by maintaining the operational continuity of the company in the face of unexpected situations such as epidemics or natural disasters. The implementation of the plans is designed to be partially or fully activated depending on the situation. Thus, the company can adapt quickly and flexibly to changing conditions.

These plans demonstrate Aydem Renewables' commitment to ensuring business continuity in extraordinary situations and protecting the interests of all stakeholders. In addition, these plans strengthen the company's crisis management and risk management capabilities and increase its operational flexibility.

Emergency Procedures

Aydem Renewables effectively implemented the Emergency Procedure, Risk Assessment Procedure and Environmental Impact Dimension Analysis Procedure in 2023. These practices have been prepared taking into account the different locations of the company and aim to manage the specific risks that may arise in these locations.

Emergency Procedure and Risk Assessment Procedures include plans prepared for emergencies and risks that may be encountered in various business areas of the company. These procedures are regularly updated and ensure that the company is prepared

for possible emergencies. Updated procedures and risk assessments are systematically monitored and managed in the Corrective Action/Action module within the QMDS (Quality Management Documentation System).

The Environmental Impact Dimension Analysis Procedure evaluates the company's environmental impacts and the risks associated with these impacts. This procedure includes the identification and assessment of environmental risks and the determination of measures to be taken against these risks. Risks identified within the scope of this procedure are updated periodically and necessary actions are monitored in the Corrective Action/Action module within the QMDS (Quality Management Documentation System).

These processes ensure that Aydem Renewables is prepared for and manages emergencies and environmental impacts. In addition, these processes function as part of the company's continuous improvement and risk management strategies.

Aydem Renewables - Search and Rescue Team

Aydem Renewables has made significant progress in the process of establishing the Search and Rescue Team in 2023. This team will be established to effectively respond to possible disasters in Turkey and emergencies that may occur in the company's operations. The team aims to minimize loss of life by planning, directing and implementing the measures to be taken before, during and after disasters.

The following steps were taken in this process:

- **Preparation of Search and Rescue Procedure:** Aydem Renewables has prepared procedures for search and rescue activities.
- **Identification of Volunteer Workers:** Work was carried out for the selection of volunteers to be included in the search and rescue team.
- **Team Planning:** The team to be accredited by AFAD (Disaster and Emergency Management Authority) was planned in accordance with the conditions set by AFAD. The foreseen team size was determined as 21 people. This number is more than the minimum team size of 18 persons specified by AFAD.
- **Training Planning:** AFAD trainings and other relevant trainings that the team should receive were identified and training plans were made.
- **Vehicle and Equipment Planning:** Work was carried out to identify and procure the tools and equipment required for the team, and procurement research was initiated.

These developments aim to increase Aydem Renewables' response capacity to disasters and emergencies and to be more prepared for such events. These steps are considered as an important part of the company's risk management and business continuity strategies.

Supply Chain Management

Aydem Renewables prioritizes working with local suppliers by adopting an approach focused on contributing to the local economy and minimizing supply continuity and security risks. Thus, both the local economy is supported and supply chain risks are minimized. Within the framework of supply chain management, suppliers are expected to comply with the company's work ethics values and various audits are carried out in this direction. The completion of self-audits is also checked to ensure that suppliers are compliant and comply with standards.

During the reporting period, 1,275 suppliers successfully passed environmental audits. These audits are critical to increase the prevalence of sustainability and environmentally friendly practices in the supply chain. 94.58% of the purchasing transactions amounting to TL 1,694,253,055 in 2023 were made through local suppliers. This demonstrates the company's commitment to local suppliers and its support for the local economy. In the reporting period, local suppliers accounted for 98.11% of the company's supplier portfolio.

The main procurement items cover a wide range. Procurement of goods such as automation systems, machinery, electrical components, equipment and occupational health and safety (OHS) equipment constitute the basic elements to meet the operational needs of the company. In addition, service procurements such as security, consultancy, maintenance-repair, engineering and construction support the various operational and strategic needs of the company,

thus ensuring Aydem Renewables' overall operational efficiency and achieving its sustainability targets. This procurement strategy is carried out in line with the company's ethical values, environmental responsibilities and sustainability focus.

Aydem Renewables carries out activities in supply chain management, especially within the framework of procurement and supplier evaluation procedures. Taking into account the activities and relations with stakeholders, the Company selects stakeholders in line with its business objectives and integrates them into its business processes. The basis of these strategies is to meet the supply demands of power plants by taking into account factors such as product quality and delivery time in order not to interrupt their production. This approach is planned and implemented to support both compliance with business targets and operational efficiency.

Aydem Renewables uses various technologies and software in supply chain management. In this process, the SAP system is effectively used for supplier evaluation processes. The SAP system allows detailed analysis and evaluation of supplier performances. In addition, the e-tendering platform is also used in bidding processes to increase transparency and reliability. This platform provides access to a wider pool of suppliers and competitive pricing advantages in procurement processes. The use of these technological tools makes Aydem Renewables' supply chain management more efficient and effective.

Aydem Renewables adopts a comprehensive approach in supplier selection and evaluation. The Company acts within the framework of the supplier evaluation procedure. In this process, detailed reports are made through the SAP system. Suppliers are meticulously evaluated in terms of environmental, social, governance and sustainability (ESG) criteria. This assessment is carried out through surveys and suppliers' environmental impact, social responsibility, ethical management and sustainability performances are analyzed. These criteria and methods contribute to strengthening the principles of sustainability and responsibility in supply chain management.

Aydem Renewables prioritizes sustainability and ethical issues in supply chain management. Accordingly, special trainings are provided to the supply chain team to raise awareness of the ISO 20400 Sustainable Purchasing standard. The Company aims to integrate this standard in its future procurement operations. In addition, criteria such as environment, human rights, sustainability, business ethics, occupational health and safety are taken into account in procurement procedures and supplier evaluation systems. All contracts state that these ethical rules must be complied with, and external stakeholders are informed about this issue.

Aydem Renewables prioritizes working with local suppliers by adopting an approach focused on contributing to the local economy and minimizing supply continuity, security and risks.

Aydem Renewables effectively uses various communication channels in order to strengthen supplier relations and ensure sustainable cooperation. In this context, direct and detailed feedback is received from suppliers through various communication tools. In addition, suppliers are encouraged to visit the company at certain time intervals and exchange views on deficiencies and strengths. Supplier satisfaction surveys are analyzed and necessary actions are taken according to the results obtained from these analyzes. This approach contributes to the continuous development and improvement of relations between the Company and its suppliers.

Interaction and integration processes with local suppliers have an important place in Aydem Renewables' supply chain management. The company encourages its suppliers to adapt to new technological processes such as digital platforms and e-procurement systems, while supporting them to overcome the challenges that arise in these processes. Successful supplier relationships, positive feedback from supplier evaluation surveys, on-time delivery of products, and a strategy focusing on local suppliers demonstrate the company's

achievements in supply chain management. These achievements reflect the effectiveness of Aydem Renewables' supply chain strategy and its commitment to building sustainable business relationships.

Aydem Renewables' supply chain management strategies stand out with a customized and strategic approach compared to other electricity supply companies in the sector. While planning the procurement of the materials needed for its production processes, the company conducts extensive research and forecasting to identify the most suitable sources. In this process, strategies such as fast ordering of materials with short lead times and keeping hot spares ready for materials with long lead times are implemented. These approaches make Aydem Renewables' supply chain more effective and efficient, thus differentiating it from other companies in the sector. Aydem Renewables carried out various improvements and optimizations in supply chain management in 2023. One of these improvements is the implementation of Supplier Pre-Assessment Forms. This form is used for suppliers with a certain volume.

Aydem Renewables plans various strategic steps in supply chain management in the coming periods. These plans aim to contribute to the local economy, ensure supply continuity and security, and minimize risks in this process. Accordingly, the company mostly prefers to cooperate with local suppliers. During the supply chain management process, suppliers are expected to comply with the company's work ethics values. In this context, regular audits are conducted on suppliers and/or it is checked that suppliers have completed their own self-regulation. This approach aims to ensure that suppliers comply with the high standards of Aydem Renewables and thus protect the integrity and reliability of the supply chain.

Corporate Social Responsibility

Under the theme of "Respect for Social Life", the Company implements and supports various projects that emphasize the importance of energy in all areas of life.

Aydem Renewables develops its corporate social responsibility (CSR) policies and strategies by emphasizing the impact of energy on various segments of society. Under the theme of "Respect for Social Life", the Company implements various projects that emphasize the importance of energy in all areas of life and aims to support local communities with these projects.

In this context, Aydem Renewables focuses on strengthening local employment, contributing to the socioeconomic development of local people and implementing projects that support vulnerable communities. By adopting the principle of respect for business, environmental and social life, the company aims to respond to the needs of society by developing sustainable and effective initiatives in these areas. This approach of Aydem Renewables is integrated into its business model and activities and is managed with an approach that focuses on interaction with society and the needs of stakeholders. This strategic orientation ensures that social contribution is prioritized in all activities and projects of the company. In 2023, Aydem Renewables successfully carried out innovative and effective CSR projects that are sensitive to the environment and society.



The financing of the social projects realized by Aydem Renewables in 2023 was provided from the company's own resources and within the framework of the determined budget planning. The total amount spent for these projects amounted to TL 60.3 million. The financing of the projects was considered as part of the company's overall budget planning, and these investments were directed in line with the company's social contribution and sustainability targets.

Throughout 2023, Aydem Renewables' CSR projects were carried out in cooperation with local communities, non-governmental organizations and other stakeholders. The Company attached great importance to developing original and innovative social responsibility projects and participated in environmental and social activism movements. This approach has been of a nature to raise public awareness.

Aydem Renewables has actively participated in various environmental and social projects in cooperation with non-governmental organizations that volunteer in social responsibility. These collaborations demonstrate Aydem Renewables' determination to support projects that touch the society and create a positive impact. The Company's efforts have enabled the development of projects that respond to the needs and expectations of local communities and non-governmental organizations and aim to work in harmony with them.



Hand in Hand for the Future with our Energy

Aydem Renewables prioritizes the sustainability of the natural environment and future generations and exhibits a sensitive approach to environmental problems as well as energy production. In this context, a

corporate social responsibility project called "Hand in Hand for the Future with Our Energy" was launched in cooperation with AKUT (Search & Rescue Association) to prevent the damages caused by forest fires in our country. This project is the first of its kind in Turkey and aims to ensure effective and conscious response to fires.

Corporate Social Responsibility



Within the scope of the project, the local communities in the four power plant regions where Aydem Renewables operates were provided with fully-equipped, professional fire equipment to help them prepare for and respond effectively to potential fires. In addition, thanks to the fire intervention trainings organized by AKUT's expert trainers, local people have gained the ability to respond to fires in a coordinated and effective manner. Equipped with these trainings, the teams formed from local people have reached the capacity to respond to possible fires in a more effective and conscious manner.

Another important dimension of this project is the continuation of periodic awareness raising trainings for local people. These trainings contribute to the development of an effective prevention and response strategy against fires by raising the awareness of the local people on the correct response to fires. With this project, Aydem Renewables not only takes a proactive stance against environmental disasters, but also makes a significant contribution to environmental sustainability by increasing social awareness and capacity.

Awareness Activism on Violence Against Women

Aydem Renewables takes a sensitive approach to social issues and actively participates in efforts to raise awareness on violence against women. In this context, every year on November 25, International Day for the Elimination of Violence against Women, the company's headquarters is illuminated in orange to draw attention to this important issue. Orange lighting has become a global symbol for raising awareness and fighting against violence against women.



Employee Support Line

Adopting an approach that prioritizes the welfare and psychological health of its employees, Aydem Renewables increased its support for its employees living in the earthquake zone following the earthquake that deeply affected Turkey in February. In this context, the scope of the company's "Employee Support Hotline" and "AVITA Employee Support Program" was expanded. This step was taken to ensure that employees living in the earthquake zone receive the support they need during this challenging period.

The Employee Support Line and AVITA Employee Support Program, expanded by Aydem Renewables, provide psychological and emotional support to employees and help them cope with the stress and trauma caused by the earthquake. These supports constitute an important resource in overcoming the difficulties experienced after the earthquake.

Sponsorships and Scholarship Opportunities

Aydem Renewables implemented various sponsorships and scholarship programmes for the education and professional development of young people in 2023. Acting with the awareness of sustainable development, the company identified the needs in the field of education, especially in its regions of operation, provided financial support and contributed to the fulfillment of these needs.

Corporate Social Responsibility

Some of the key initiatives undertaken by the company in 2023 are as follows:

- 500 books were donated to Sarayköy Sakarya Secondary School.
- Renovation works were carried out in Çivril Lütfiye Altaş Primary School and library.
- Scholarship, internship and post-graduation employment programs are carried out in cooperation with İstanbul Technical University, Middle East Technical University, Pamukkale University and Kütahya Dumlupınar University. These programs contribute to the recruitment of a qualified workforce and the development of undergraduate students.
- An annual main sponsorship agreement was signed with Pamukkale University (PAU)- IEEE.
- Three technology classrooms were established at Kütahya Dumlupınar University and İmamoğlu Primary and Secondary School.
- A cinema event was organized for 2500 students in Uşak.
- Every year, technical tours are organized at the power plants for university and high school students.
- In order to support their education, we provided tablet to three students in the earthquake region.
- A kindergarten in Denizli was supported with 5 wooden tables.
- In order to introduce kindergarten children to renewable energy at an early age and raise their awareness, 20 memory/game cards were sent to a kindergarten.
- Uşak Banaz district Büyükturak Primary and Secondary School building was painted.



With these projects, Aydem Renewables makes various contributions to education and professional development of young people. Such initiatives of the company help to increase support for the education and development of local communities and better prepare young people for the future.

Energy Education Campaigns

Aydem Renewables' participation and contributions to energy education campaigns showed a significant development in 2023 and the company supported various education-oriented projects. This year's targets and realized activities are as follows:

- **We Enlighten the Future with Our Energy:** Aydem Renewables contributed to this campaign by donating a total of 1,000 books to village schools around the power plant. This donation is a step towards increasing resources in the field of education.

- **Training of Gender Equality Trainers:** Emphasizing the importance of gender equality, 30 volunteer employees were trained as "Gender Equality Trainers" within the company. These trainings raised the awareness of company employees on the issue. In the future, these trainings are planned to be offered to teachers and students in the operational regions in cooperation with KODA.
- **Cooperation with Non-Governmental Organizations:** Social responsibility projects are carried out with various non-governmental organizations, particularly the Foundation for Children with Leukemia (LÖSEV). Gift and donation campaigns organized jointly with LÖSEV have increased the Company's effectiveness in the area of social responsibility.
- **Regional Support and Employment:** The Company supports schools, mosques, libraries and road works in the regions where it operates and prioritizes regional employment. In addition, the Company participates in university career fairs and supports new graduates in their career planning.



- **Book Box Project:** With book boxes to be set up at the Company's headquarters and power plants, it is aimed to deliver the books collected each year to designated village schools. This project is an initiative to increase access to education and promote reading culture.

These activities and targets show that Aydem Renewables has a serious commitment to contribute to education and social development. With these projects, the company both supports local communities and contributes to the construction of a sustainable society.

Although Aydem Renewables' business model and operations do not have a direct customer portfolio, the company acts unconditionally based on stakeholder satisfaction in all its operations

Customer Satisfaction

Although Aydem Renewables' business model and operations do not have a direct customer portfolio, the company acts unconditionally based on stakeholder satisfaction in all its operations. Aydem Renewables aims for the highest standards in supply chain management, investor relations and all other business processes, taking into account the expectations and needs of relevant stakeholders. In addition to its core activities such as energy generation and distribution,

Aydem Renewables cares about the satisfaction of all its stakeholders with social responsibility projects and environmental management practices and continuously improves its efforts in this direction. This perspective forms the basis of the company's total quality management approach and its relations with stakeholders, which contributes to Aydem Renewables' positioning as a reliable and preferred company in the sector.

Engagement with Local Communities

Aydem Renewables has built its interaction strategies with local communities on effective communication and sensitivity to the needs of communities. The Company maintains regular and periodic communication with local communities through "Public Relations Officers" working in its power plants. This continuous communication is critical to ensure that the voices of local communities are heard and their needs are understood.

Aydem Renewables also takes the feedback collected through the complaint and suggestion boxes seriously, evaluates and quickly finds solutions. In this process, a Grievance Procedure has been developed that covers both the company's employees and the affected local communities, and in line with this procedure, special mailboxes have been placed in each mukhtar's (local community leaders) office for the submission of complaints. This approach demonstrates that the concerns and demands of local communities are taken into account and valued.

Another important step that further strengthens the company's relations with local communities is the visits organized to the villages around the power plant. These visits are carried out by teams of experts and the demands and opinions of local people are directly collected. The information obtained enables the development of social assistance projects that will improve the social life of the local communities around the power plant.

Regular and periodic communication with local communities is maintained through "Public Relations Officers" working at Aydem Renewables power plants.

These strategies serve Aydem Renewables' target of establishing sustainable and mutually beneficial relationships with local communities. These approaches of the company can be considered as a reflection of its social responsibility approach and contribute to the creation of long-term, positive interactions with local communities.

Aydem Renewables adopts an effective and inclusive approach by partnering with various institutions and organizations in its local community engagement programs. These partnerships ensure that the programs have a wide impact and respond to local needs in the right way. The main institutions and organizations that Aydem Renewables cooperates with are as follows:

- **Local Authorities:** Collaboration with local government bodies, such as municipalities and district governments, ensures that the needs and priorities of local communities are properly understood and projects are developed in line with these needs.

- **Opinion Leaders:** Collaborations with opinion leaders who are influential in local communities play an important role in reaching different segments of society and gaining the trust of local people.
- **Non-Governmental Organizations (NGOs):** Partnerships with NGOs operating in various fields expand the company's sphere of influence in raising awareness and generating solutions to social problems.
- **Public Institutions and Organizations:** Collaborations with public institutions and organizations in different fields such as education, health, infrastructure and environment increase the scope and effectiveness of projects by ensuring that official support and resources are included in the projects.

These partnerships allow Aydem Renewables to carry out its interaction programs with local communities in a multifaceted and comprehensive manner, serving the target of contributing to the development and welfare of local communities. These collaborations demonstrate the company's commitment to building long-term and sustainable relationships with local communities.

Projects Focused on Local Community Development

In 2023, Aydem Renewables collaborated with local communities in the regions where it operates on a number of projects. These projects focused on meeting the needs of local communities and contributing to regional development. Here are some of these projects:

- The Solar Power Plant (SPP), which was established on an area of 26 thousand square metres in Kızılcaören Village and has an installed power of 1.84 MWe with 3,65 panels, was completed and transferred to Uşak Special Provincial Administration.
- Within the scope of the project carried out with Uşak Directorate of Provincial Agriculture and Forestry and S.S. Çiftlik and Karaköse Villages Irrigation Cooperative, a total of 33 tonnes of tritcale seed support was provided to 100 farmers in commemoration of the 100th anniversary of our Republic.
- Panel fence construction was realized for Uşak Banaz Vocational High School.
- A total of 104 km of land roads covering Büyükturak, Paşacık, Çiftlik and Karaköse villages of Banaz district of Uşak were improved.
- A partnership was established within the scope of Büyükturak Natural Life Village Project.
- Büyükturak Family Health Center was furnished and renovated.
- The water holding capacity of Büyükturak Kozviran Pond was increased.
- Büyükturak Primary and Secondary School building was painted.
- Solar Energy System (SPP) was installed in the drinking water system of Çiftlik village.
- The construction of a common use oven for Çiftlik Village was realized.
- Construction of Karaköse Village Hall was completed.
- The water tank that meets the water needs of Mutluca Village, located in the Akıncı HPP region, was renovated in accordance with hygiene conditions.
- Camera recording system was installed and assembled for security purposes for Büyükçakır Neighborhood in Göktaş 1 HPP region.

Aydem Renewables demonstrates its commitment to regional development and improving the quality of life of the community by working in close cooperation with local communities. With these projects, the company ensures that the needs of local communities are met and sustainable development is supported.



Information on Private and Public Audits Conducted in 2023

Güney Bağımsız Denetim ve S.M.M.M. INC. (Ernst & Young) conducted the audit as of June 30, 2023 (limited audit) and December 31, 2023.

Dividend Distribution Policy

06.07.2020 dated and 2020/27 numbered Board of Directors Decision, approved as amended at the General Assembly dated 14.08.2020.

Article 1: Scope and Legal Basis

This dividend distribution policy determines the principles regarding the dividend and advance dividend distributions to be made by Aydem Renewables INC. ("Company") within the scope of its Articles of Association ("Articles of Association") and related regulations.

This policy has been prepared in accordance with the Articles of Association, Capital Markets Law No. 6362 ("CMB Law"), Turkish Commercial Code No. 6102 ("TCC"), Dividend Communiqué No. II-19.1 ("Dividend Communiqué"), Corporate Governance Communiqué No. II-17.1 and related legislation.

Article 2: Purpose

The purpose of the Company's dividend distribution policy is to ensure that a balanced and consistent policy is followed between the interests of investors and the Company in accordance with the relevant legislation, to inform investors and to maintain a transparent policy towards investors in terms of dividend distribution.

Article 3: Principles of Dividend Distribution

The dividend distribution decision, the method and timing of dividend distribution shall be decided by the General Assembly of the Company upon the proposal of the Board of Directors.

It is aimed to distribute at least 50% of the distributable net profit for the period calculated in accordance with the Articles of Association, the Turkish Commercial Code, the CMB, the Dividend Communiqué and tax regulations to shareholders and other persons participating in the profit, taking into account market expectations, the Company's long-term strategies, the capital requirements of subsidiaries and affiliates, investment and financing policies, contractual obligations, profitability and cash position, and national and global economic conditions, as long as the relevant regulations and financial means allow. Dividends may be distributed in cash and/or by issuing bonus shares and/or by using these two methods together at certain rates.

Dividends are distributed equally to all shares existing as of the date of distribution, regardless of their issue and acquisition dates. There is no privileged dividend share among the Company's shares.

Dividend payments may be made in equal or different installments, provided that it is resolved at the general assembly meeting where dividend distribution is decided.

Unless the reserves required to be set aside in accordance with the Turkish Commercial Code and the Articles of Association and the dividend determined for the shareholders in the Articles of Association or in this dividend distribution policy are set aside, no decision can be made to set aside other reserves, to transfer profits to the following year and to distribute dividends to the holders of usufruct shares, members of the Board of Directors, Company employees, foundations and persons and institutions other than shareholders, and no dividend can be distributed to these persons unless the dividend determined for the shareholders is paid in cash.

Dividend distribution procedures shall commence on the date specified in the general assembly meeting, provided that they shall commence no later than the end of the accounting period in which the general assembly meeting at which the distribution decision is made is held.

Pursuant to the Articles of Association, the dividend distribution decision taken by the General Assembly cannot be revoked unless permitted by law. A number of factors, including but not limited to financial means, market expectations, the Company's long-term strategies, capital requirements of subsidiaries and affiliates, investment and financing policies, contractual obligations, profitability and cash position, national and global economic conditions, determine the implementation of this policy and the rate of dividend to be distributed in cash. For the avoidance of doubt, the Company's Board of Directors reserves the right not to propose dividend distribution and the General Assembly reserves the right not to decide on dividend distribution in the event that dividend distribution does not coincide with or contradicts these factors.

Article 4: Dividend Advance Distribution Principles

The General Assembly of the Company may decide to distribute advance dividends to shareholders in accordance with the provisions of the Capital Markets Law and other relevant legislation. The provisions of the relevant legislation shall be complied with in the calculation and distribution of the advance dividend amount.

Advance dividend is distributed in cash over the profits recognized in the interim financial statements of the Company. Advance dividend for a specific interim period cannot be distributed in installments. Advance dividend is distributed equally to all shares existing as of the distribution date, regardless of their issue and acquisition dates.

The advance dividend to be distributed may not exceed half of the amount remaining after deducting the reserves required to be set aside in accordance with the Turkish Commercial Code and the Articles of Association and losses of previous years from the net profit for the period according to the interim financial statements.

Total amount of dividend advances to be given in an accounting period;

- a) Half of the net profit for the previous year,
- b) It cannot exceed the lower of the other sources that can be subject to profit distribution, excluding the net profit for the period in the relevant interim financial statements.

If more than one advance dividend payment is made within the same accounting period; while calculating the advance dividend payments to be made in the following interim periods, the advance dividend payments made in the previous interim periods are deducted from the calculated amount.

Unless the dividend advances paid in the previous accounting periods are offset, additional dividend advances cannot be given and dividends cannot be distributed in the following accounting periods.

Advance dividend cannot be distributed to persons other than shareholders and advance dividend is paid to privileged shares without taking privilege into consideration.

Article 5: Public Disclosure

The proposal of the Board of Directors regarding dividend distributions or the decision of the Board of Directors regarding advance dividend distribution is disclosed to the public within the scope of the regulations regarding the form and content of the dividend distribution table or advance dividend distribution table. In addition, in case of any amendment to this dividend distribution policy, the decision of the Board of Directors regarding this amendment and the reason for the amendment are also disclosed to the public.

This policy is disclosed to the public on the Company's website following the approval of the general assembly.

2023 Profit Distribution Proposal



According to Article 7 of the General Principles Regarding Dividend Distribution section of the Capital Markets Board (CMB) Dividend Guidelines, the entire amount of dividends to be distributed can only be distributed to the extent that it can be covered from the net distributable profit in the statutory records (records kept in accordance with the Tax Procedure Law) or from other sources. In other words, the upper limit for the amount of dividends to be distributed is the distributable amount of the relevant profit distribution sources in the statutory records.

In this context, no dividend distribution will be realized.

2023 Profit Distribution Table

AYDEM YENİLENEBİLİR ENERJİ INC. 2023 PROFIT DISTRIBUTION TABLE

1. Paid-in/issued capital**		705,000,000
2. Total Legal Reserves (According to Legal Records)***		1,523,866
If there is a privilege in dividend distribution in accordance with the articles of association, information on such privilege		None
Information		
	According to the CMB	According to Legal Records
3. Profit/(Loss) Before Tax	1,856,838,737	(3,067,740,163)
4. Deferred Tax Assets (-)	(3,136,939,276)	0
5. Net Profit/(Loss) (=)	(1,280,100,539)	(3,067,740,163)
6. Retained Earnings (-)	0	(3,608,296,645)
7. General Legal Reserves According to Legal Records		1,523,866
8. NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	0	0
9. Donations made during the year (+)		
10. Donation-Added Net Distributable Current Period Profit on which First Dividend Is Calculated		
11. First Dividend to Shareholders	-	-
- Cash	-	-
- Free of charge	-	-
- Total	-	-
12. Preferred Stockholders	-	-
13. Dividends to board members, employees, etc.	-	-
14. Dividends Distributed to Beneficial Ownership	-	-
15. Second Dividend to Shareholders	-	-
- Cash	-	-
- Bonus Share	-	-
- Total	-	-
16. General Legal Reserves	-	-
17. Statutory Reserves	-	-
18. Special Reserves	-	-
19. EXTRAORDINARY RESERVE	-	-
20. Other Resources Proposed to be Distributed		

AYDEM YENİLENEBİLİR ENERJİ INC. 2023 DIVIDEND RATES TABLE

	TOTAL PROFIT DISTRIBUTED		TOTAL PROFIT DISTRIBUTED	TL 1 NOMINAL	
	CASH	FREE OF CHARGE	RATE	AMOUNT	RATE
	(TL)	(TL)	(%)	(TL)	(%)
GROSS	-	-	0.00	0.000	0.00
NET ⁽¹⁾	-	-	0.00	0.000	0.00

⁽¹⁾Net calculation is based on the assumption of 15% income tax withholding.

**Amount is the registered nominal capital amount and the capital inflation adjustment difference amounting to TL 7,040,383,640 is included in the records prepared in accordance with TPL.

***The amount is nominal legal reserves and inflation adjustment difference amounting to TL 27,971,808 is included in the records prepared in accordance with TPL.

Changes in the Accounting Period

- As of 23.02.2023, the Ministry Acceptance of our 82.15 MWm Uşak WPP Auxiliary Source SPP plant was realized and with this acceptance, our total installed capacity increased by 8% from 1,020 MWm to 1,102 MWm. Our Uşak WPP Hybrid SPP plant, which has started commercial operation, will contribute 164,000 MWh to our annual production.
- The Technical Interaction Analysis (TIA) report submitted to the MENR for the additional 34 MWm capacity increase of Uşak WPP Project was approved by the Authority and notified to our company on 10.03.2023.
- On February 2, 2023, USD 27,068,115.00 was transferred to the relevant investor accounts for the payment of coupon number 3 of our Company's bonds with a nominal value of USD 750 million and a maturity of 5.5 years.
- Pursuant to the decision of the Republic of Turkey Ministry of Environment, Urbanization and Climate Change dated 17.01.2023 and numbered 5553888; Environmental Impact Assessment (EIA) Positive decision was given for our Company's Söke WPP Auxiliary Source Solar Power Plant (SPP- 16,9 MWm) project.
- The updated "Disclosure Policy", which was approved by the Board of Directors and entered into force, is published on the Company's website. (www.aydemyenilenebilir.com.tr/en)
- Our Company has signed an agreement on February 1, 2023 with "SAHA Corporate Governance and Credit Rating Services, Inc ", which has an operating license in Turkey for rating in accordance with the Capital Markets Board's Corporate Governance Principles, for the renewal of its corporate governance rating. The term of the contract is 1 (one) year from the date of signature.
- As of 30 September 2023, 6,105,026 shares with a total amount of TL 83,423,193 (average TL 13.664674) were bought back.
- The Ordinary General Assembly Meeting for the year 2022 was held in Denizli on 29 March 2023, both online and in physical environment.
- There has been no change in the articles of association during the accounting period.
- In the report prepared by SAHA Corporate Governance and Credit Rating Services (SAHA Rating) to rate the level of compliance with the "Corporate Governance Principles" published by the Capital Markets Board (CMB), our Company increased its Corporate Governance Compliance Rating Score from 9.48 last year to 9.56 this year. With this score, our company became the company with the highest degree of compliance with Corporate Governance Principles among the companies in the BIST Electricity index as of April 7, 2023, and continued to be included in the Borsa İstanbul Corporate Governance Index (XKURY).
- As a result of the CDP - Carbon Disclosure Project (Carbon Disclosure Project) Climate Change Reporting made by Aydem Renewables in 2022, its rating increased from "A- Leadership Level" to "A Leadership Level". "A Leadership Level" is the highest rating received in the energy sector in our country in 2022. Again, Aydem Renewables' rating was determined as "A Leadership Level" as a result of the CDP - Carbon Disclosure Project (Carbon Disclosure Project) Water Security Reporting in 2022. "A Leadership Level" is the highest rating received in the energy sector in our country in 2022. Our Company was included in the Global A List by receiving the "A Leadership Level" rating in both climate change reporting and water reporting. In 2022, our company is the only company in our country to be included in the Global A List in both climate change reporting and water reporting among all sectors. Aydem Renewables continued this success in 2023 and maintained its success by receiving "A Leadership Score" in both Climate Change and Water Security reporting of the CDP - Carbon Disclosure Project in 2023. In 2023, it was the only company to receive an A Leadership Score in both categories for two consecutive years. It is also the only company in the Turkish energy sector to receive an A Leadership Score in both categories.
- Our Company's 2022 Financial Report, Annual Report, Statement of Responsibility, Participation Finance Principles Information Form, Corporate Governance Information Form, Corporate Governance Compliance Report and Sustainability Principles Compliance Report were published on the Public Disclosure Platform (KAP) and on our corporate website on March 3, 2023.

- The British Safety Council, one of the world's most respected organizations on Occupational Health and Safety, has set the 2023
- In the International Occupational Safety Awards evaluation, Aydem Renewables was awarded the highest rating of "Distinction" with 51 points in its first year of participation.
- According to the dividend distribution table attached to the resolution of our Board of Directors dated March 2, 2023 and submitted to the review of our shareholders above, it has been determined that our Company has no distributable profit in 2022 according to the legal records. Since the issue of not distributing dividend due to the lack of distributable profit of the Company according to the Company's financial statements cannot be subject to the General Assembly vote, only the shareholders have been informed within the scope of the relevant article.
- The General Assembly Resolution dated March 29, 2023 regarding the election of Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik INC. as Auditor for a period of 1 (one) year in order to audit the financial reports of our Company for the fiscal year 2023 and to carry out other activities within the scope of the relevant regulations in these matters was registered on April 3, 2023 and announced in the Turkish Trade Registry Gazette dated April 4, 2023 and numbered 10804.
- The results of the Ordinary General Assembly Meeting of 2022 were registered by Denizli Trade Registry Office on April 3, 2023 and announced in the Turkish Trade Registry Gazette dated April 4, 2023 and numbered 10804.
- Mr. Hamdi Alp, who served as CFO of our Company, resigned from his position as of April 13, 2023. At the Board of Directors meeting of our Company dated 13 April 2023 and numbered 2023/16, it was decided to assign Mr. Fırat Soğanlık as the Financial Affairs Director.
- Pursuant to EMRA's Board decision dated 13/04/2023, an additional 88 MWm/MWe installed capacity increase has been approved for Uşak WPP project. The necessary works for the commissioning of the plant are ongoing. After commissioning, the total installed capacity of Uşak WPP will increase from 209.65 MWm/114.3 MWe to 297.65 MWm/202.3 MWe.
- The results of our Company's financial report for the 1st quarter of 2023, interim activity report and statement of responsibility were published on the Public Disclosure Platform (KAP) and on our corporate website on May 9, 2023.
- Pursuant to the decision of the Republic of Turkey Ministry of Environment, Urbanization and Climate Change dated 10.05.2023 and numbered E-48331039-220.01-6393410; Environmental Impact Assessment (EIA) Positive decision was given for our Company's Koyulhisar HPP Auxiliary Source Solar Power Plant (SPP - 7,6945 MWm) project.
- With the decision of our Board of Directors dated 11.05.2023 and numbered 2023/21, it has been decided to transfer the geothermal source and natural mineral waters operation license of our Company, which has an area of 5061,46 hectares with license number J-443 in Horsunlu - Ortakçı Mahallesi, Kuyucak district, Aydın province, and a blocked area of 5782,72 hectares with the coordinates specified in the license, to Kocaer Çelik Sanayi ve Ticaret INC.
- Pursuant to the decision of our Board of Directors dated 11.05.2023 and numbered 2023/21, the geothermal source and natural mineral waters operation license of our Company, which has an area of 5061,46 hectares with license number J-443 in Horsunlu - Ortakçı Mahallesi, Kuyucak district, Aydın province, and a blocked area of 5782,72 hectares with the coordinates specified in the license, was transferred to Kocaer Çelik Sanayi ve Ticaret INC. on 15 May 2023.
- Pursuant to EMRA Board decisions dated 11 May 2023, our pre-license application for a total capacity of 500 MWm (400 MWm SPP and 100 MWm WPP) for generation facilities with storage was accepted and pre-licenses were obtained for 200 MWm Atlantis 1 SPP, 200 MWm Atlantis 2 SPP and 100 MWm Kızılağaç WPP.
- Our Company (Aydem Renewables INC.) has been evaluated by JCR Eurasia Rating INC. and on May 30, 2023, our Company's Long Term National Credit Rating was affirmed as "BBB+ (tr)", Short Term National Credit Rating was affirmed as "J2 (tr)" and outlook was affirmed as "Stable" at investment grade level. Our Company's Long-Term International Foreign and Local Currency Credit Ratings and outlooks were determined as "BB/Negative" in parallel with the international ratings and outlooks of the Republic of Turkey.

Changes in the Accounting Period

- Pursuant to the decision of the Republic of Turkey Ministry of Environment, Urbanization and Climate Change dated 01.06.2023 and numbered E-48331039-220.01-6564761; Environmental Impact Assessment (EIA) Positive decision was given for our Company's Uşak WPP (88 MWm) capacity increase project.
- Our Company's 2022 Sustainability Report was made available to the public on our corporate website and Public Disclosure Platform (KAP) page on June 5, 2023.
- As of 08.06.2023, the Ministry's acceptance of Uşak WPP capacity increase project was realized for a power increase of 54 MWm. With this acceptance, our total installed capacity increased by 13.4% to 1,156 MWm from 1,020 MWm as of the end of 2022.
- Within the scope of the Eurobond repurchase decision taken by our Board of Directors on May 11, 2022; between January 1, 2023 and December 31, 2023, our Company's Eurobonds with a total nominal value of USD 26,104,000.00 were repurchased.
- The transaction regarding the increase of the capital of Sarı Perakende Enerji Satış ve Ticaret INC. ("Sarı Perakende"), our 100% subsidiary, to 269,000,000-TL within the scope of the preliminary license and in accordance with the "Provisional Article 38 of the Electricity Market License Regulation" has been registered and completed as of 13.07.2023 and the said increase has been covered by our Company.
- Our Company's Sustainability Compliance Report for the year 2022 was disclosed to the public on our Public Disclosure Platform (KAP) page on July 13, 2023.
- Pursuant to the decision of the Republic of Turkey Ministry of Environment, Urbanization and Climate Change dated 21.07.2023 and numbered E-48331039-220.01-6941009; Environmental Impact Assessment (CED) Positive decision was given for our Company's Akıncı HPP Auxiliary Source Solar Power Plant (SPP - 12,0914 MWm) project.
- Pursuant to EMRA's Board decision dated 13/07/2023, approval has been granted for the installation of a 12 MWm installed capacity increase for the Söke WPP project in addition to the main source. The necessary works for the commissioning of the plant are ongoing. After commissioning, the total installed capacity of Söke WPP will increase from 45 MWm to 57 MWm.
- Within the scope of the share repurchase transactions decided by our Board of Directors on February 14, 2022; between January 1, 2023 and November 7, 2023, 6,105,026 shares with a total amount of TL 83,423,193 (average TL 13.664674) were bought back.
- On 02.08.2023, USD 26,370,615.00 was transferred to the relevant investor accounts for the payment of coupon number 4 of our Company's bonds with a nominal value of USD 750 million and a maturity of 5.5 years.
- On July 15, 2023, the corporate tax rate has been increased from 20% to 25% and the new rate is effective from July 2023 with the "Law on Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by Earthquakes Occurring on February 6, 2023 and Amendments to Certain Laws and Decree Law No. 375" published in the Official Gazette. The Group is in the process of assessing the impact of the amendment on financial position of the Group.
- The Investment Incentive Certificate application made by our Company to the Ministry of Industry and Technology of the Republic of Turkey within the scope of the general-revised 12 MWm power increase investment project for electricity generation, transmission and distribution in the WPP project in Aydın-Söke, which has a total wind installed capacity of 49.5 MWm, was approved on 22.08.2023. In this context, the Investment Incentive Certificate numbered 557600 was issued on behalf of our Company for the investment project to be realized with domestic capital.
- The results of our Company's second quarter financial report for 2023, interim annual report, participation finance principles information form and statement of responsibility were published on the Public Disclosure Platform (KAP) and on our corporate website on August 15, 2023.

- As of 31.08.2023, the Ministry's acceptance of the Uşak WPP capacity increase project was realized for a 12 MWm power increase. With this acceptance, a total of 148 MWm, 82.15 MWm SPP and 66 MWm WPP, was commissioned by our Company in 2023. As of the end of 2022, our total installed capacity of 1,020 MWm increased by 14.5% to 1,168 MWm.
- It has been resolved to appoint Mr. Galip Ayköse as a member of the Board of Directors as of September 25, 2023, in place of Mr. Mehmet Gökay Üstün, who resigned as a member of the Board of Directors effective as of September 25, 2023, in accordance with Article 363 of the Turkish Commercial Code, to be submitted to the approval of the first general assembly.
- On September 8, 2023, Fitch Ratings, the International Credit Rating Agency, affirmed Turkey's credit rating of "B" and changed its credit outlook from "Negative" to "Stable". Following this decision, in its report dated September 18, 2023, Fitch Ratings affirmed our Company's long-term credit rating of "B" and changed its outlook from "Negative" to "Stable".
- As of July 1, 2023, our Company was included in the "BIST Sustainability Index", which evaluates international sustainability performances.
- Sustainability Index.
- Pursuant to Article 10.3 of the BIST Market Value Weighted Equity Indices Rule Set, Borsa İstanbul General Directorate of Borsa İstanbul has announced that on September 29, 2023, Standard & Poor's (S&P) Global Ratings, the International Credit Rating Agency of our Company, confirmed Turkey's credit rating of "B" and changed its credit outlook from "Negative" to "Stable". Following this decision, in its report dated October 11, 2023, S&P Global Ratings affirmed our Company's long-term credit rating of "B" and changed its outlook from "Negative" to "Stable".
- Mr. Ömer Fatih Keha, General Manager of our Company, resigned from his position as of 20.10.2023. Pursuant to the decision of our Board of Directors at its meeting held on 25.10.2023, Mr. İdris Küpeli, CEO of Aydem Energy and Chairman of the Board of Directors of Aydem Renewables, will be assigned as the acting General Manager by Mr. Serdar Marangoz, to be submitted to the approval of the general assembly at the first general assembly meeting.
- Our Company's third quarter 2023 financial report, interim annual report and statement of responsibility results were published on the Public Disclosure Platform (KAP) and on our corporate website on November 7, 2023.
- International credit rating agency Fitch Ratings announced on November 14, 2023 that it has affirmed Aydem Renewables' long-term (LT IDR) rating as "B" and the rating outlook as "Stable".
- Our Company did not apply to EMRA within the scope of the 2024 calendar year for Göktaş 1-2 Hydroelectric Power Plant and Akıncı Hydroelectric Power Plant, which are among our power plants entitled to the "Renewable Energy Resources Support Mechanism (FIT (YEKDEM))", which is established for facilities generating electricity from renewable energy resources and provides a fixed price guarantee in USD, and preferred to switch to the spot market for these 3 power plants with an installed capacity of 374.60 MWm for 1 year. This result corresponds to 52.6% of our power plants with a total installed capacity of 712.65 MWm and 32.1% of our total installed capacity of 1,167.63 MWm that are entitled to FIT (YEKDEM) by 2024. Five of our power plants within the scope of FIT (YEKDEM), with a total installed capacity of 338.05 MWm, will continue to use their FIT (YEKDEM) rights in 2024. Our Company has the right to make a new evaluation at the end of 2024 according to the developments during the year and make a new decision for the following year.
- As of 15.12.2023, the Ministry's acceptance was realized for the Söke WPP capacity increase project (12 MWm). With this acceptance, our total installed capacity increased by 15.7% to 1,180 MWm from 1,020 MWm as of the end of 2022.

Legislative Amendments in 2023

- **The Communiqué on the Default Interest Rate to be Applied in Late Payments in the Supply of Goods and Services and the Minimum Expense Amount that may be Requested for the Collection of Receivables** (Official Gazette dated 02.01.2023 and numbered 32061): The annual interest rate is set at 11.75% and the minimum amount of compensation that may be claimed for the costs of collection of receivables is set at TL 800.
- **Amendment on The Waste Oils Management Regulation (WOMR)** (Official Gazette dated 12.01.2023 and numbered 32071): Amending various articles of the Regulation on Waste Oil Management published in the Official Gazette dated 21/12/2019 and numbered 30985.
- **Amendment on The Regulation on Technical Evaluation of Solar Energy Based Electricity Generation Applications** (Official Gazette dated 17.01.2023 and numbered 32076): The Regulation was enacted to determine the procedures and principles for the technical evaluation of applications for pre-license or unlicensed electricity generation activities based on solar energy and the evaluation of modification requests within the scope of pre-license, generation license or unlicensed generation activities.**Regulation Amending the Regulation on the Procedures and Principles Regarding the Signing of Water Usage Rights Agreements for Production Activities in the Electricity Market** (Official Gazette dated 20.01.2023 and numbered 32079): Regulation Amending the Regulation on the Procedures and Principles Regarding the Signing of Water Usage Rights Agreements for Generation Activities in the Electricity Market published in the Official Gazette dated 15/6/2019 and numbered 30802.
- **EMRA Board Decision No. 11588 dated 26.01.2023:** Procedures and Principles Amending the Procedures and Principles Regarding the Determination of Minimum and Maximum Price Limits in the Day-Ahead Market were published.
- **EMRA Board Decision No. 11589-2 dated 26.01.2023:** The Decision on the Determination of the Value of CUPCC and the Coefficients to be used in CUPCC and CUPCC calculations pursuant to Article 110 of the Electricity Market Balancing and Settlement Regulation was published.
- **Amendment on the Regulation on Surface Water Quality:** (Official Gazette dated 01.02.2023 and numbered 32091): Amends various articles of the Regulation on Surface Water Quality published in the Official Gazette dated 30/11/2012 and numbered 28483.
- **EMRA Board Decision No. 11629 dated 09.02.2023:** 06.02.2023 In the provinces affected by the earthquake centered in Kahramanmaraş on 06.02.2023 and declared a state of emergency, a cautionary decision has been published regarding the non-application of certain legal obligations during the state of emergency for legal entities holding Production licenses that have electricity generation facilities installed and operating in these provinces and legal entities holding Production licenses whose company headquarters are in these provinces, legal entities holding Distribution licenses operating in these provinces, incumbent supply companies, supply companies in which Organized Industrial Zones (OIZ) are directly or indirectly shareholders, and supply companies whose company headquarters are in the above-mentioned provinces.
- **EMRA Board Decision dated 16.02.2023 and numbered 11650, 11651, 11652, 11659, 11665, 11661-1, 11661-2, 11655:** Pursuant to Article 35 of the Electricity Market Licensing Regulation, the decision regarding the acceptance of the earthquakes that occurred on February 6, 2023 centered in Kahramanmaraş as "force majeure" in terms of the term obligations of legal entities holding pre-license or generation licenses and the postponement of some of their obligations in this context has been published.
- **Amendment on the Electricity Market Balancing and Settlement Regulation:** (Official Gazette dated 28.02.2023 and numbered 32118) The ninth paragraph of Article 132/Ç of the Electricity Market Balancing and Settlement Regulation published in the Official Gazette dated 14/4/2009 and numbered 27200 has been amended as follows.

"(9) Payments to be made by the Market Operator to the creditor market participants, provided that the invoices submitted to the Market Operator by the market participants, advance payments related to day-ahead market and intraday market activities, and the total amount of the debt amount is deducted from the invoice amount in case the same market participant is an invoice debtor, At the latest within the seventh business day following the invoice

notification date, according to the ratio of all amounts collected from the market participants for the relevant invoice period to the net receivable amounts, the unpaid debts of the market participant for the markets operated by the Market Operator are deducted and paid from the Market Operator's account at the central settlement institution by using intermediary banks. Following these payments, if a new collection is made until the next preliminary settlement notification is published, these are also distributed to the creditor market participants according to the procedure in the first sentence."

ARTICLE 2- The second paragraph of Article 132/1 of the same Regulation has been amended as follows.

"(2) The payments to be made by the Market Operator to the creditor market participants, provided that the total amount of the debt amount is deducted from the invoice amount if the same market participant is the invoice debtor, shall be made by the Market Operator to the creditor market participants within seven business days following the invoice notification date at the latest, According to the ratio of all amounts collected from market participants for the relevant invoice period to the net receivable amounts, the unpaid debts of the market participant regarding the markets operated by the Market Operator are deducted and paid from the Market Operator's account at the central settlement institution, using intermediary banks. Following these payments, if a new collection is made until the next preliminary settlement notification is published, these are also distributed to the creditor market participants according to the procedure in the first sentence."

ARTICLE 3- The following sentence has been added to the end of the first paragraph of Article 140 of the same Regulation. "However, in cases of state of emergency and/or disaster, the Board may take a decision on implementation."

- **Amendment on the Regulation on the Implementation of the Third Paragraph of Article 17 of the Forest Law:** (Official Gazette dated 15.02.2023 and numbered 32105): The phrase "facilities and licensed solar energy based electricity generation" in the seventh paragraph of Article 4 of the Regulation on the Implementation of the Third Paragraph of Article 17 of the Forest Law published in the Official Gazette dated 30/11/2021 and numbered 31675 has been abrogated and the following paragraphs have been added to the same article.

"(8) Licensed solar energy-based electricity generation facilities may be permitted in de facto stony, rocky, unproductive forest areas where there are no tree and shrub communities, forestry activities and technically it is not possible to establish forests.

- **EMRA Board Decision dated 28.02.2023 and numbered 11682:** Procedures and Principles Amending the Procedures and Principles Amending the Procedures and Principles Regarding the Determination of Minimum and Maximum Price Limits in the Day-ahead Market and Balancing Power Market were published.

- **Amendment on the Regulation on Unlicensed Electricity Generation in the Electricity Market:** Official Gazette dated 02.03.2023 and numbered 32120) Amendments and additions have been made to various articles of the Regulation on Unlicensed Electricity Generation in the Electricity Market published in the Official Gazette dated 12/5/2019 and numbered 30772.

- **Law Amending the Social Security and General Health Insurance Law and the Decree Law No. 375:** (Official Gazette dated 03.03.2023 and numbered 32121) The following temporary article was added to the Social Security and General Health Insurance Law No. 5510 dated 31/5/2006 (EYT Regulation).

"PROVISIONAL ARTICLE 95- Those who will be granted old-age or pension according to the provisions of subparagraph (B) of the first paragraph of the provisional Article 81 of the Law No. 506, the second paragraph of the provisional Article 10 of the Law No. 1479, the subparagraph (B) of the first paragraph of the provisional Article 2 of the Law No. 2925 and the provisional Article 205 of the Law No. 5434, shall benefit from old-age or pension if they meet the conditions other than age in the said provisions. No retroactive payment shall be made on the basis of this paragraph and no retroactive rights shall be claimed.

Legislative Amendments in 2023

In the event that those who are granted an old-age or pension pension for the first time by requesting an old-age or pension pension within the scope of the first paragraph start working subject to social security support premium in the last private sector workplace within 30 days following the date of termination of employment, the amount corresponding to five points of the employer's share of the social security support premium specified in subparagraph (a) of the first paragraph of the provisional Article 14 of this Law from the date of starting to work subject to social security support premium is covered by the Treasury. In the event that the insured benefiting from the social security support premium employer's share discount leaves the job, this discount cannot be utilized again due to the insured in question. The discount in this paragraph shall be utilized provided that the other conditions in subparagraph (i) of the first paragraph of Article 81 of this Law are met. The procedures and principles regarding the implementation of this paragraph shall be jointly determined by the Ministry and the Ministry of Treasury and Finance."

- **EMRA Board Decision dated 02.03.2023 and numbered 11685:** Procedures and Principles Amending the Collateral Procedures and Principles were published.
- **EMRA Board Decision dated 09.03.2023 and numbered 11698:** It has been decided to exempt the generation facilities of legal entities holding generation licenses for the cities where a state of emergency has been declared and/or a disaster area has been declared due to the earthquake centered in Kahramanmaraş on February 6, 2023, which are in operation in such cities and which are obliged to participate in primary frequency control and secondary frequency control service and reactive power support service in accordance with the provisions of the Electricity Market Ancillary Services Regulation, from such obligations within a certain period.
- **Law No. 7440 on the Restructuring of Certain Receivables and Amendments to Certain Laws** (Official Gazette dated 12.03.2023 and numbered 32130): The restructuring of public payments, such as tax debts, SSI debts and administrative fines, will begin with interest rate reductions, and applications must be made until May 31, 2023.
- **Decision Amending the Decision on State Aids in Investments** (Official Gazette dated 10.03.2023 and numbered 32128): The Decree on State Aids in Investments contains regulations on energy investments.
- **Amendment on Communiqué on the Minimum Labor Rates for Various Trades Determined by the Minimum Labor Determination Commission of the Social Security Institution (Official Gazette dated 22.03.2023 and numbered 32140):** Minimum labor rates in this field are regulated for 2023 in the sections titled "VI - Electricity - Installation" and "XVII - Plant Operation" of the annex of the Communiqué.
- **General Communiqué on Law No. 7440 on the Restructuring of Taxes and Certain Other Receivables (Serial No. 1-2) (Official Gazette dated March 25, 2023 and numbered 32143):** Communiqué on the implementation procedures of Law No. 7440.
- **EMRA Board Decision dated 30.03.2023 and numbered 11769:** Within the scope of the procedures and principles regarding the determination of the support price, it is the decision regarding the continuation of the support price application for 6 months as of 01.04.2023 and the updating of the AUF prices related to the support.
- **EMRA Board Decision dated 30.03.2023 and numbered 11773:** With this decision, the deadline for the generation license companies not to consider the amount of electricity they will supply to the system in excess of their agreement power in the direction of supply as power overrun in case of an application regarding the power increase amounts has been extended until September 30, 2023.
- **EMRA Board Decision dated 30.03.2023 and numbered 11755:** Within the scope of Law No. 5346 on the Utilization of Renewable Energy Resources for Electricity Generation, it has been decided to set the Turkish Average Wholesale Electricity Price (TORETOSAF) for 2022 as 254.79 kr/kWh.

- **General Communiqué on Law No. 7440 on the Restructuring of Taxes and Certain Other Receivables (Serial No: 3) (Official Gazette dated 15.04.2023 and numbered 32164):** Communiqué on the implementation procedures of Law No. 7440.
- **Amendment on the Law on Organized Industrial Zones and Certain Laws (Official Gazette dated 10.04.2023 and numbered 32159):** Electricity storage investments are included in the scope of domestic contribution under Article 6/B of Law No. 5346.
Pumped storage HPPs will be able to benefit from FIT (YEKDEM) and domestic contribution supports.
The definition of Green OIZ was introduced into the legislation, and limitations and provisions were introduced to charging network licenses.
- **Presidential Decree (Official Gazette dated 01.05.2023 and numbered 32177):** From 01.07.2021 until 31.12.2030, the prices and periods to be applied for electricity generation facilities based on renewable energy resources with YEK certificates that have been/will be put into operation have been updated. (04.05.2023 dated 04.05.2023 and numbered 32180 has been corrected by changing the phrase "US dollar" in the definition of the term KURE-2 in the Annex-2 of the Resolution annexed to the Presidential Decree dated 30/4/2023 and numbered 7189 published in the Official Gazette dated 1/5/2023 and numbered 32177).
- **EMRA Board Decision dated 04.05.2023 and numbered 11827:** From May 8, 2023 until June 30, 2023 in cities where a state of emergency has been declared by the Presidential Decree and/or a disaster area has been declared;

For legal entities holding generation licenses with electricity generation facilities installed and operating in these cities, legal entities holding generation licenses with headquarters in these cities, legal entities holding distribution licenses operating in these cities, incumbent supply companies, supply companies in which Organized Industrial Zones (OIZ) are directly or indirectly shareholders, and supply companies with headquarters in the aforementioned cities;
It has been decided that the amounts included in the advance payment notifications specified in the first paragraph of Article 132/Ç of the Electricity Market Balancing and Settlement Regulation, which are obliged to pay, shall be postponed until the invoice due date for the relevant invoice period, and default interest shall not be applied to the market operator and market participant during the period of postponement of advance payments.

- **Amendment on the Regulation on Electrical High Current Facilities** (Official Gazette dated 11.05.2023 and numbered 32187): Amendments and additions were made to various articles of the Regulation on Electrical High Current Facilities published in the Official Gazette dated 30/11/2000 and numbered 24246.
- **Amendment on the Zoning Regulation on Planned Areas** (Official Gazette dated 12.05.2023 and numbered 32188): Amendments and additions were made to various articles of the Planned Areas Zoning Regulation published in the Official Gazette dated 3/7/2017 and numbered 30113.

EMRA Board Decision dated 11.05.2023 and numbered 11846: In the cities where a state of emergency has been declared and/or a disaster area has been declared by the Presidential Decree; from the date of publication of this decision until June 30, 2023;

1) For legal entities holding distribution licenses, incumbent supply companies, supply companies in which Organized Industrial Zones (OIZ) are directly or indirectly partners, the amounts included in the advance payment notifications specified in the first paragraph of Article 132/Ç of the Electricity Market Balancing and Settlement Regulation, which are obliged to pay, shall be postponed until the invoice due date for the relevant invoice period, and default interest shall not be applied to the market operator and market participant during the period of postponement of advance payments,

2) To apply the first article for the advance fees corresponding to the withdrawal amounts of the final consumers (including OIZs) in the cities in question, where the supply companies and legal entities holding generation licenses and legal entities holding generation licenses with electricity generation facilities installed and operating in the said cities sell through bilateral agreements,

Legislative Amendments in 2023

3) To repeal the Board Decision dated May 4, 2023 and numbered 11827.

- **Regulation on Cyber Security Competency Model in the Energy Sector (dated 06.06.2023, 32213):** The purpose of the Regulation is to improve the cybersecurity of industrial control systems used in the energy sector according to continuously evolving needs and threats, to define the minimum acceptable security level and to regulate the procedures and principles regarding the cyber resilience, competence and maturity of these control systems.
- **EMRA Board Decision dated 22.06.2023 and numbered 11917:** Procedures and Principles Regarding Offsetting Transactions of Generation and Consumption Facilities Located in Different Distribution or Incumbent Supply Company Regions were adopted.
- **Decision of the Minimum Wage Determination Commission of the Ministry of Labor and Social Security (dated 24.06.2023, numbered 32231):** It has been decided to determine the minimum wage of the worker for one day of normal work as 447.15 TL between 01.07.2023 - 31.12.2023.
- **EMRA Board Decision dated 03.07.2023 and numbered 11933:** Provisional Article 1/5 of the Procedures and Principles Regarding the Determination of Minimum and Maximum Price Limits in the Day-Ahead Market and Balancing Power Market; "Until a new decision is taken by the Board; minimum price limits in the relevant markets are applied as 0 TL/MWh and maximum price limits are applied as 2.700 TL/MWh. Article 4/2 of these Procedures and Principles shall not be applied during this application period".
- **Presidential Decree (Official Gazette dated 07.07.2023 and numbered 7343):** Amendments have been made to the withholding rates in Article 94 of the Income Tax Law. Article 94 of the Income Tax Law has been amended regarding withholding tax rates.
- **Presidential Decree (Official Gazette dated 07.07.2023 and numbered 7346):** With the Decree Amending the Decree on the Determination of Value Added Tax Rates Applicable to Goods and Services, VAT rates were changed from 18% to 20% and from 8% to 10%.
- **Amendment on the Electricity Market License Regulation (Official Gazette dated 13.07.2023 and numbered 32247):** The following temporary article has been added to the Electricity Market License Regulation published in the Official Gazette dated 2/11/2013 and numbered 28809.

"Obligation regarding the provision of collateral in pre-license applications for electricity generation facilities with storage
 PROVISIONAL ARTICLE 39- (1) Regarding the obligation to provide collateral for the applications for pre-license applications made until 30/6/2023 within the scope of the fourteenth paragraph of Article 12 of the Regulation and for the applications for which a connection opinion has not yet been formed as of the date of entry into force of this article; the obligation to provide collateral for the applications for which a positive connection opinion has been formed by TEİAŞ must be fulfilled within 30 days as of the date the notification made by the Authority is notified to the company. In case the said obligation is not fulfilled within this period; the pre-license application shall be rejected by the Board decision."
- **Amendment on the Electricity Network Regulation (Official Gazette dated 13.07.2023 and numbered 32247):** The sixth paragraph of Article 105 of the Electricity Network Regulation published in the Official Gazette dated 28/5/2014 and bis numbered 29013 and the second paragraph of Article E.17.A.1 of Annex 17 of the same Regulation have been amended.

- **EMRA Board Decision No. 11952 dated 13.07.2023:** Within the scope of Articles 13/4 and 14/2 of the Regulation on Certification and Support of Renewable Energy Resources, the projected FIT (YEKDEM) costs per unit energy amount supplied for July 2023 and beyond have been revised.
- **EMRA Board Decision dated 13.07.2023 and numbered 11956:** Safety Analysis and Testing Procedures and Principles for Industrial Control Systems Used in the Energy Sector have been published.
- **Presidential Decree Official Gazette dated 29.07.2023 and numbered 7433:** Regulation Amending the Regulation on Workplace Opening and Operation Licenses was published.
- **Amendment on the Electricity Market Connection and System Utilization Regulation (Official Gazette dated 29.07.2023 and numbered 32263):** The second paragraph of Article 25 of the Electricity Market Connection and System Utilization Regulation published in the Official Gazette dated 28/1/2014 and numbered 28896 has been amended as follows.

"(2) The user shall pay the amount stated in the notification to TEİAŞ or the distribution company within fifteen days following the date of notification of the payment notification. For the period of delay in payment, the delay increase calculated according to Article 51 of the Law on Procedure for Collection of Public Receivables dated 21/7/1953 and numbered 6183 shall be applied. This rate shall be doubled for transmission system users."

- **Amendment on the Regulation on Charging Service (Official Gazette dated 09.07.2023 and numbered 32274):** Amendments and additions were made to various articles of the Charging Service Regulation.
- **Amendment on the Communiqué on Workplace Hazard Classes Regarding Occupational Health and Safety (Official Gazette dated 11.08.2023 and numbered 32276):** The lines "01.41.31", "06.20.01", "08.99.90", "28.92.10", "33.20.38", "47.89.20" and "86.21.90" in the Workplace Hazard Classes List in Annex-1 of the Communiqué on Workplace Hazard Classes Regarding Occupational Health and Safety published in the Official Gazette dated 26/12/2012 and numbered 28509; the lines "35.14.02", "59.11.03", "66.13.01" lines in the same list have been repealed; lines "35.14.04" and "35.14.05" have been added to come after line "35.14.03", lines "59.11.04" and "59.11.05" have been added to come after line "59.11", lines "66.13.02" and "66.13.03" have been added to come after line "V" and line "86.21.05" has been added to come after line "86.21.04".

Regulation Amending the Regulation on **Renewable Energy** Resource Guarantee Certificate in the Electricity Market (Official Gazette dated 17.08.2023 and numbered 32282): Amendments and additions were made to various articles of the Regulation on Renewable Energy Resource Guarantee Certificate in the Electricity Market published in the Official Gazette dated 14/11/2020 and numbered 31304.

- **EMRA Board Decision No. 12006 dated 10.08.2023:** The Procedures and Principles Amending the Procedures and Principles for the Operation of the YEK-G System and Organized YEK-G Market were adopted.
- **Communiqué on the Determination of Interest Rates Applicable to Rediscount and Advance Transactions (Official Gazette dated September 28, 2023 and numbered 32323):** Rediscount interest rate will be applied as 30.75% and advance interest rate as 31.75%.
- **Amendment on the Electricity Market License Regulation (Official Gazette dated 14.10.2023 and numbered 32339):** The article on the EIA decision regarding the storage plant modification to be added within the scope of the preliminary license has been amended to apply and notify the institution within 45 days after the approval board decision. It is also stated that for the modifications within the scope of the generation license and supply license, the application for the EIA process must be made within 45 days and the obligation must be completed within the given period.

Legislative Amendments in 2023

The 40th provisional article added to the regulation stipulates that forestry preliminary permits submitted until 31.12.2025 for lands not owned by the investor will be accepted as forestry permits obtained within the scope of the preliminary license.

Amendments have been made for unlicensed investments in wind power plant sites, and with the amendment made in Article 14 of the regulation titled "Right of priority in case of more than one application to the same place", it has been made possible for the holders of the right of use in wind power plant sites to establish unlicensed production facilities.

- **EMRA Board Decision dated 26.10.2023 and numbered 12153-1: With the Board decision, it is stated that the documents** within the scope of property rights, zoning plan, EIA, public institution opinions and permits that must be completed during the pre-license phase to be obtained for storage facilities and auxiliary resource facilities must be collected and sent from the system in the specified format.
- **Amendment on the Communiqué on the Procedures and Principles Regarding the Implementation of Article 376 of the Turkish Commercial Code No. 6102 (Official Gazette dated 31.10.2023 and numbered 32355):** The phrase "1/1/2024" in the Communiqué on Procedures and Principles Regarding the Implementation of Article 376 of the Turkish Commercial Code has been amended as "1/1/2025".
- **Amendment on the Regulation on the Procedures and Principles Regarding the Monitoring of Transactions Affecting the Foreign Exchange Position by the Central Bank of the Republic of Turkey (Official Gazette dated 08.11.2023 and numbered 32363):** Amendments and additions were made to various articles of the Regulation on the Procedures and Principles Regarding the Monitoring of Transactions Affecting the Foreign Exchange Position by the Central Bank of the Republic of Turkey published in the Official Gazette dated 17/2/2018 and numbered 30335.
- **Presidential Decree dated 14.11.2023 and numbered 32369:** Article 51, Paragraph 1 of the Law No. 6183 on the Procedure for Collection of Public Receivables, "A delay increase of 3.5% is applied separately for each month starting from the due date for the part of the public receivable that is not paid within the payment period. The delay increase corresponding to the fractions of a month is calculated daily." It has been amended as follows. With the Communiqué, the deferment interest rate, which is applied as 24% per annum, has been determined as 36% per annum as of the date of publication of this Communiqué.
- **Presidential Decree dated 25.11.2023 and numbered 32380:** Decision on Increasing the Minimum Capital Amount for Joint Stock and Limited Liability Companies
- **Amendment on (Communiqué No: 2023/1) the Communiqué on the Implementation of the Decree on State Aids in Investments (Communiqué No: 2012/1) (Official Gazette dated 28.11.2023 and numbered 32383):** Amendments and additions were made to various articles of the Communiqué on the Implementation of the Decree on State Aids in Investments (Communiqué No: 2012/1) published in the Official Gazette dated 20/6/2012 and numbered 28329.

Amendments to the Articles of Association

In 2023, no amendments were made to the Company's Articles of Association.

Information on Lawsuits Filed Against the Company that May Affect the Financial Position and Activities of the Company and Their Possible Results

In 2023, there are no lawsuits filed against the Company that may affect the financial position and operations of the Company and their possible outcomes.

In the 2023 Annual Report, current developments regarding the litigation and possible outcomes in this section are as follows;

The Company may be subject to lawsuits and administrative proceedings in the ordinary course of business. The subjects of lawsuits and claims are mainly disputes arising from labor law, commercial disputes, disputes arising from administrative transactions and compensation claims due to work accidents. These claims may be brought by current and former employees of the Company, subcontractor employees, contractors and suppliers, public institutions, municipalities or other third parties. For example, at the end of 2020 and in the first quarter of 2021, Dalaman, Ortaca and Köyceğiz Municipalities issued administrative sanction decisions against the Company in the form of administrative fines amounting to approximately TL 34 million in total with the allegation that the Company's Dalaman I-II-III-IV-V HPP and Gökyar HPP did not have a building license. A total of 96 annulment lawsuits have been filed on behalf of the Company against the administrative sanction decisions of the municipalities before the Muğla Administrative Courts with the request for the annulment of the transactions. In 95 of these cases, the Company has been notified of the court decisions in favor of the Company, and in only 1 case, it has been decided to reject the cancellation request. Of the decisions given for the annulment of the aforementioned administrative actions, 13 are under appeal at the Council of State and in 82 cases, the annulment decisions have become final. Therefore, the Company does not foresee any legal and financial risk in the form of any payment or penalty due to the administrative sanction decisions of the municipalities that have been decided to be canceled.

In 2023, there were no administrative or judicial sanctions due to violation of legislation.

On the other hand, there may also be matters in which the Company is not a direct party, but indirectly a party to the lawsuits within the scope of guarantor and surety. For example, the Company is a guarantor under a contract signed between Yatağan Termik Enerji Üretim INC. ("Yatağan"), a subsidiary of Aydem Group, and the contractor GE Enerji Endüstri Ticaret ve Servis INC. ("GE") for the construction of certain rehabilitation works. As a result of the dispute between Yatağan and GE, a lawsuit was filed by GE Enerji in January 2020 against Yatağan and the Company for EUR 9.7 million compensation. In the court decision dated 23.12.2023, it was decided to dismiss the lawsuit for the Company on the grounds that the guarantor agreement was not valid for the Company.

Explanations Regarding the Administrative and Judicial Sanctions Imposed on the Company and the Members of the Board of Directors of the Company Due to Practices Contrary to the Provisions of the Legislation

It is not available.

Information on Own Shares Acquired by the Company

As of December 31, 2023, 6,105,026 shares amounting to TL 83,423,193 (average TL 13.664674) were repurchased.

Information on Privileged Shares

The shares representing the Company's capital are divided into two groups: Group A and Group B shares. Among these shares, Group A shares have two privileges, namely the right to nominate candidates for the election of board members and the right to veto on the following matters.

Information regarding the privileges and restrictions granted to Group A shares is given below. Pursuant to Article 8 of the Articles of Association titled "Board of Directors":

The Company's Board of Directors consists of eight members. Provided that the capital represented by Group A shares continues to represent at least 30% of the issued capital of the Company, half of the members of the Company's Board of Directors will be elected among the candidates nominated by the shareholders holding the majority of the capital represented by Group A shares. The members of the Board of Directors to be elected among the candidates nominated by the shareholders holding the majority of the capital represented by the aforementioned Group A shares shall be members other than independent members.

In the event that the capital represented by Class A shares does not continue to represent at least 30% of the Company's issued capital, the privilege to nominate candidates to the Board of Directors as set forth in (i) shall automatically cease to exist as of the moment the legal transaction giving rise to such situation is realized, with no subsequent revival.

Pursuant to Article 14 of the Articles of Association titled "General Assembly and Meetings":

Provided that the quorums stipulated in the Capital Markets Law No. 6362 and the Turkish Commercial Code No. 6102 are preserved, the affirmative vote of the shareholders holding the majority of the capital represented by Group A shares is also required for the General Assembly of the Company to take decisions on the following matters and amendments to the Articles of Association falling within the scope of these matters:

- Approval of the annual report, budget and financial statements and release of the members of the Board of Directors,
- Amendment of the Articles of Association, except for capital increases to be made according to the registered capital system,
- Changing the Company's line of business, entering into new lines of business or abandoning existing lines of business,
- Capital increase, liquidation, dissolution, termination, capital decrease, change of type of the Company, except for capital increases to be made according to the registered capital system,
- Bankruptcy, concordat, financial restructuring within the scope of Article 309/m. of the Execution and Bankruptcy Law No. 2004, application for postponement of bankruptcy,
- Transfer of all or part of the Company's commercial enterprise.

In the event that the capital represented by Class A shares does not continue to represent at least 30% of the issued capital of the Company, the requirement for the affirmative vote of the shareholders holding the majority of the capital represented by Class A shares in relation to the aforementioned matters shall automatically cease to exist as of the moment the legal transaction giving rise to the aforementioned situation is realized, and shall not be revived thereafter.

The Company's Group A shares have two types of privileges: the right to nominate candidates for the election of board members and the right to veto the aforementioned matters. The Company currently has 59.57% of Group A shareholders.

Information on Debt Instruments

The sale and issuance of the bond with a nominal value of USD 750 million and a maturity of 5.5 years (3.5 years grace period) was completed on August 2, 2021. With the amount obtained from the bond issuance, the Company's loan debt to the banks has been fully repaid and the remaining amount is used in line with the Company's target of doubling its installed capacity.

Detailed information regarding the Bond Issue is given below:

Issuer Aydem Yenilenebilir Enerji INC.
Issue Amount USD 750,000,000
Interest Rate: 7.75
ISIN Code: XS2368781477/US054644AA72
Issue Date: 02/08/2021
Maturity Date: 02/02/2027

[Click here to access the Approved Issuance Document for the Eurobond \(Green Bond\) issuance.](#)

[Click here to access the Eurobond \(Green Bond\) Prospectus.](#)

Note: In order to reduce the indebtedness of our Company, our Board of Directors decided to repurchase Eurobonds on May 11, 2022. Within the scope of the repurchase program, our Company repurchased Eurobonds with a nominal amount of USD 75.9 million between 11 May 2022 and 31 December 2023, paying a total of USD 60 million (at a cost of 79.066%).

Donations and Aids

As of the reporting period (January 1, 2023 - December 31, 2023), donations and aids (including earthquake aid) and social responsibility projects amounting to TL 76,108,776 were made to various institutions and organizations.

Changes between the End of the Period and the Preparation of the Report

- Our Company has signed a contract on February 1, 2024 with "SAHA Corporate Governance and Credit Rating Services, Inc.", which has an operating license in Turkey to perform rating in accordance with the Capital Markets Board's Corporate Governance Principles, for the renewal of its corporate governance rating. The term of the contract is 1 (one) year from the date of signature.
- On 02.02.2024, USD 26,121,646.25 was transferred to be transferred to the relevant investor accounts for the payment of coupon number 5 of our Company's bonds with a nominal value of USD 750 million and a maturity of 5.5 years.
- As a result of the CDP - Carbon Disclosure Project (Carbon Disclosure Project) Climate Change Reporting conducted by Aydem Renewables in 2022, its rating was confirmed as "A Leadership Level". As a result of the CDP - Carbon Disclosure Project (Carbon Disclosure Project) Water Security Reporting conducted by Aydem Renewables in 2023, its rating was confirmed as "A Leadership Level". With this rating, we became the only company in Turkey to receive "A Leadership Level" in both of these categories in 2022 reporting. In 2023, our company continued to remain on the Global A List by receiving the "A Leadership Level" rating in both Climate Change Reporting and Water Security Reporting. In 2023, our company is the only company in Turkey among all sectors to receive the "A Leadership Level" in both Climate Change Reporting and Water Security Reporting for 2 consecutive years and to be included in the Global Leaders List (A List). At the same time, our Company is the only company in the energy sector to receive A Leadership Level in both categories in 2023.
- As disclosed in our Company's material event disclosure dated 18.05.2023, a total of 500 MWm (200 MWm Atlantis 1 SPP, 200 MWm Atlantis 2 SPP and 100 MWm Atlantis 2 SPP and 100 MWm Atlantis 2 SPP), including 400 MWm SPP and 100 MWm WPP, was realized for storage generation facilities through Sarı Perakende Enerji Satış ve Tic. INC., a wholly-owned subsidiary of our Company, for a total capacity of 500 MWm (200 MWm Atlantis 1 SPP, 200 MWm Atlantis 2 SPP and 100 MWm Kızılağaç WPP), 400 MWm SPP and 100 MWm WPP. In this process, Sarı Perakende Enerji Satış ve Tic. INC. revisions have been made to the Atlantis 1 SPP and Atlantis 2 SPP project site coordinates of our pre-licensed projects belonging to our company. Detailed information regarding the field changes are given below: On 03.08.2023, a project site change application was made to EMRA in the Atlantis 1 SPP project area, for which an EIA application was made on 03.08.2023, due to the planned construction of housing, trade and social facilities etc. within the scope of the Kahramanmaraş earthquake dated February 6, 2023, in accordance with the letter dated 18.08.2023 and numbered 466747 of the Mass Housing Administration of the Ministry of Environment, Urbanization and Climate Change of the Republic of Turkey, and with the board decision dated 08.02.2024 and numbered 12428-6 by EMRA, it was deemed appropriate to change the production plant district from Eyyübiye to Halfeti. On 08.08.2023, a project site change application was made to EMRA due to the overlap of the Atlantis 2 SPP project area, for which an EIA application was made on 08.08.2023, with the Şanlıurfa OİZ additional area finalized on 16.08.2023, as stated in the letter of the Ministry of Industry and Technology dated 18.08.2023 and numbered 4989435, and it was approved by EMRA to change the production plant district from Eyyübiye to Halfeti with the board decision dated 25.01.2024 and numbered 12401-8.
- The investor presentation prepared for the year 2023 is presented for the information of our investors in the presentations section of our Company's Investor Relations website.
- The resignation of Mr. Ersin AKYÜZ, our Independent Member of the Board of Directors, who submitted his resignation from his duty in the Board of Directors of the Company with his resignation petition dated 18.03.2024, is hereby accepted. Although the minimum number of independent members stipulated in Article 4.3.4. of the Capital Markets Board Corporate Governance Communiqué (II 17.1) Annex-1 Corporate Governance Principles is met even after this resignation, pursuant to Article 8 of the Articles of Association of our Company, in order to ensure the full number of members of the Board of Directors, Ms. Aslı DURMAZ, with the ID number 146**638, will be appointed to the vacant Board membership at this stage, to serve until March 29, 2026 and to submit it to the approval of the shareholders at the first general assembly meeting. Mr. Mehmet Hayati ÖZTÜRK was appointed as the Chairman of the Audit Committee, which became vacant due to the resignation of Mr. Mehmet Hayati ÖZTÜRK. Mr. Mehmet Hayati ÖZTÜRK was assigned as the Chairman of the Audit Committee, which was vacated due to resignation; the Corporate Governance Committee, Early Detection of Risk Committee, Sustainability, Environment, Occupational Health and Safety Committee and Investment Committee were continued with the remaining members; and these matters were registered at Denizli Trade Registry Office and announced in the Turkish Trade Registry Gazette.
- As Aydem Renewables, we are pleased to announce the launch of our newly designed Investor Relations website. With this advanced user-friendly platform, we aim to prioritize open and timely communication with our stakeholders by providing comprehensive and up-to-date information about the Company in terms of corporate governance, facilitating access for investors and other interested parties. You can access our Investor Relations website at <https://yatirimciiliskileri.aydemyenilenenbilir.com.tr/en>. We are committed to transparency and open communication with our stakeholders. This new website aims to continue our ongoing commitment to providing a valuable resource for the investment community.

Changes between the End of the Period and the Preparation of the Report

- Mr. Fırat Soğancık, who served as the Finance Director of our Company, resigned from his position as of March 31, 2024. At the Board of Directors Meeting of our Company dated April 1, 2024 and numbered 2024/13, it was decided to assigned Mr. Mehmet Özülcü as the Financial Affairs Director.
- As a result of the rating study conducted by AHA Corporate Governance and Credit Rating Services, Inc. to rate the level of compliance with the "Corporate Governance Principles" published by the Capital Markets Board, our Company's Corporate Governance Compliance Rating Score has been revised as 9.57 as of April 5, 2024 (out of 10 full points; 9.56 last year).
- As stated in our Company's material event disclosure dated 19.02.2024, revisions were made in the project site coordinates of Keberli SPP and Güzelkuyu SPP, which are our Company's 100% subsidiary Sarı Perakende Enerji Satış ve Tic. INC., a 100% subsidiary of our Company, revisions were made in the project site coordinates of Keberli SPP and Güzelkuyu SPP projects. Due to the change in the field coordinates of Keberli SPP and Güzelkuyu SPP projects, the name change amendment requests made to EMRA (Energy Market Regulatory Authority) regarding the change of project names have been approved. In this context, the name of the "Keberli SPP" project has been changed to "Atlantis 1" and the name of the "Güzelkuyu SPP" project has been changed to "Atlantis 2".

Other Topics

If an Extraordinary General Assembly Meeting was held during the year, information on the Extraordinary General Assembly, including the date of the meeting, the decisions taken at the meeting and the actions taken in relation to the meeting:

There is no extraordinary general assembly meeting was held in 2023.

Other Rights

None.

Information on Conflicts of Interest between the Company and the Institutions Providing Services Such as Investment Advisory and Rating Services and Measures Taken to Prevent These Conflicts:

None.

Information on the Transactions of the Members of the Governing Body with the Company on Their Own Behalf or on Behalf of Others within the Framework of the Permission Granted by the General Assembly of the Company and Their Activities within the Scope of Non-Competition:

Permission is obtained from the General Assembly for the members of the Board of Directors to perform the transactions stipulated in Articles 395 and 396 of the TCC, except for the transactions prohibited by the TCC. According to the information available at Aydem Renewables INC., the members of the Board of Directors did not engage in any commercial activities on their own behalf or on behalf of others in the areas that fall within the scope of the Company's field of activity during the accounting period 01.01.2023-31.12.2023.

Insolvency:

The financial statements of the Company have been prepared on a going concern basis.

There are no developments related to insolvency after the reporting date, indicating that there is no uncertainty that may cast doubt on the entity's ability to continue as a going concern.

The high collectability of the Company's trade receivables from electricity sales creates an advantage in terms of timely payment of short-term liabilities. Therefore, the Group does not have any financing requirement to fund its working capital.

The Company has made an assessment of the sustainability of its operations and has concluded that the Company has sufficient resources to continue its operations for the foreseeable future, taking into account its capacity to generate revenue, profit and liquidity.

Management believes that there are no uncertainties that cast doubt on the sustainability of the Company's operations and has prepared the consolidated financial statements on the assumption that the Company will continue in operation for the foreseeable future.

Analysis

The Board of Directors evaluated the results and plans for the operating period January 1, 2023 - December 31, 2023, and determined that the targets were largely achieved.

As of the report date, the Company has accumulated profit of TL 35.200.600.850 and net loss for the period amounting to TL (1.280.100.539). On the other hand, the Company generated operating profit amounting to TL 3.057.416.254 and earnings before interest, tax, depreciation and amortization ("EBITDA") amounting to TL 5.187.110.111.

Explanations on the Group's Internal Audit and Risk Management Systems Related to the Preparation of the Consolidated Financial Statements

The consolidated financial statements are prepared in accordance with the Capital Markets Board ("CMB") Communiqué No. II-14.1 numbered "Communiqué on the Principles of Financial Reporting in Capital Markets" of the Capital Markets Board ("CMB") and in accordance with the Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") and in accordance with the 2022 TFRS Taxonomy, the presentation principles of which were developed by the POA based on paragraph (b) of Article 9 of the Decree Law No. 660 and determined and announced to the public with the decision of the POA dated October 4, 2022.

Information and Evaluations on Whether the Targets Set in the Previous Periods were Achieved, Whether the Resolutions of the General Assembly were Fulfilled, and the Reasons for Failure to Achieve or Failure to Fulfill the Resolutions

There were no agenda items that were not fulfilled by the Company in accordance with the agenda items within the scope of the Ordinary General Assembly Meeting.

Information on Cross-Shareholdings in which Direct Participation in Capital Exceeds 5%

None.

In the event that the Capital of a Capital Company in which we hold, directly or indirectly, five, ten, twenty, twenty-five, thirty-three, fifty, sixty-seven or one hundred percent of the shares, the ratio of the shares we hold falls below or rises above these ratios, this situation and its justification

None.

Information on the Shares of the Entities Included in the Company in the Capital of the Parent Company

The entities included in the Company do not have a share in the capital of the parent company.

Information on Related Party Transactions

The mandatory information to be presented to shareholders regarding related party transactions and balances is included in Article 5 of the consolidated financial statements and footnotes for the period 01.01.2023 - 31.12.2023 announced on the Public Disclosure Platform (KAP).

Additional Information

None.

Statement of Responsibility

STATEMENT OF RESPONSIBILITY PREPARED IN ACCORDANCE WITH ARTICLE 9 OF THE CAPITAL MARKETS BOARD'S COMMUNIQUÉ NUMBERED II-14.1 ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS

Resolution of the Board of Directors on the Adoption of the Financial Statements;

Decision Date : 15.03.2024

Decision Number: 2024/09

The financial statements for the period 01.01.2023-31.12.2023, prepared by our Company and reviewed by the Independent Audit Company Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik INC. (a member firm of Ernst & Young Global Limited), have been prepared in accordance with the Capital Markets Board ("CMB") Communiqué Serial II-14.1 "Consolidated Statement of Financial Position", "Statement of Comprehensive Income", "Statement of Cash Flows" and "Statement of Changes in Equity" for the period 01.01.2023-31.12.2023, which have been reviewed by the Capital Markets Board ("CMB") in accordance with the "Communiqué on the Principles of Financial Reporting in Capital Markets" ("Communiqué"), prepared in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS) and the formats determined by the CMB, in line with the CMB regulations;

that it has been examined by us,

- within the framework of the information we have within the scope of our duties and responsibilities in our company, that it does not contain any misrepresentation of the facts on important issues and any deficiency that may be misleading as of the date of the disclosure,
- that, to the best of our knowledge within the scope of our duties and responsibilities within the Company, the financial statements prepared in accordance with the Communiqué on Financial Reporting give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, including those within the scope of consolidation, and that the annual report fairly reflects the development and performance of the business and the financial position of the Company, including those within the scope of consolidation, together with the significant risks and uncertainties that the Company is exposed to,

We submit for your information and declare that we are responsible for the statement made.

Sincerely,

Audit Committee Chairman
Ersin AKYÜZ
(T.C. ID No. 641*****890)

Audit Committee Member
Mehmet Hayati ÖZTÜRK
(T.C. ID No. 359*****800)

Audit Committee Member
Fatma Dilek BİL
(T.C. ID No. 286*****554)

Audit Committee Member
Serpil DEMİREL
(T.C. ID No. 112*****028)

Company General Manager
Serdar MARANGOZ
(T.C. ID No. 155**** 026)

Financial Reporting
Responsible Manager
Fırat SOĞANCIK
(T.C. ID No. 125*****12)

*Signatures are present in the original.

STATEMENT OF RESPONSIBILITY PREPARED IN ACCORDANCE WITH ARTICLE 9 OF THE CAPITAL MARKETS BOARD'S COMMUNIQUÉ NUMBERED II-14.1 ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS

Decision of the Board of Directors on the Acceptance of the Annual Report;

Decision Date: 15.05.2024

Decision Number: 2024/17

The "Corporate Governance Compliance Report", Corporate Governance Information Form" and "Sustainability Report" for the year 2023, prepared by our Company and reviewed by the Independent Audit Company Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik INC. (a member firm of Ernst & Young Global Limited) in accordance with the Turkish Commercial Code ("TCC"), Capital Markets Board's ("CMB") Communiqué Serial II-14.1 numbered "Communiqué on Principles Regarding Financial Reporting in Capital Markets" ("Communiqué") of the Capital Markets Board ("CMB") and in compliance with the formats determined by the CMB, the "Corporate Governance Compliance Report", the "Corporate Governance Information Form" and the "Annual (Integrated) Activity Report of the Board of Directors" including the explanations within the scope of the "Sustainability Principles Compliance Framework"; that it has been examined by us,

- within the framework of the information we have within the scope of our duties and responsibilities in our company, that it does not contain any misrepresentation of the facts on important issues and any deficiency that may be misleading as of the date of the disclosure,
- to the best of our knowledge within the scope of our duties and responsibilities within the Company, it honestly reflects the development and performance of the business and the financial position of the Company, together with those within the scope of consolidation, together with the significant risks and uncertainties it faces,

We submit for your information and declare that we are responsible for the statement made.

Sincerely,

Audit Committee Chairman
Mehmet Hayati ÖZTÜRK
(T.C. ID No. 359*****800)

Audit Committee Member
Serpil DEMİREL
(T.C. ID No. 112*****028)

Audit Committee Member
Fatma Dilek BİL
(T.C. ID No. 286*****554)

Financial Reporting Officer
Mehmet ÖZÜLKÜ
(T.C. ID No. 297*****528)

Company General Manager
Serdar MARANGOZ
(T.C. ID No. 155**** 026)

*Signatures are present in the original.

Annual Engagement Report

Pursuant to Article 199 of the Turkish Commercial Code No. 6102, our Company's Board of Directors has made the following declaration in the loyalty report it has prepared regarding its relations with the controlling company and a company affiliated to the controlling company. In all transactions carried out by our Company with the controlling company and its affiliated companies during the activity period 01.01.2023 - 31.12.2023, all measures taken or avoided to be taken for the benefit of the controlling company or its affiliated company during the 2023 activity period have been evaluated according to the circumstances and conditions known to us, as well as legal transactions made for the benefit of the controlling company or an affiliated company with the guidance of the controlling company. Regarding the 2023 activity period, we hereby declare that our Company has not suffered any such loss or benefit due to a transaction that occurred according to the known circumstances and conditions, and that there is no question of offsetting the benefits or losses obtained by the controlling shareholder.

Chairman of the Board of Directors
Representing Aydem Holding INC.
İdris KÜPELİ

Vice Chairman of the Board of Directors
Serdar MARANGOZ

Board Member
Galip AYKÖSE

Board Member
Asya Vuslat SALDANLI

Independent Board Member
Serpil DEMİREL

Independent Board Member
Mehmet Hayati ÖZTÜRK

Board Member
Aslı DURMAZ

Independent Board Member
Fatma Dilek BİL

Statement on 2023 (Integrated) Annual Report

AYDEM RENEWABLES 2023 ANNUAL ACTIVITY REPORT

"This report has been prepared in accordance with the provisions of the "Regulation on Determining the Minimum Content of the Annual Activity Report of Companies" published by the Ministry of Customs and Trade in the Official Gazette dated 28.08.2012 and numbered 28395, and has been signed and approved by the Members of the Board of Directors of the Company whose names appear below.

Pursuant to Article 199 of the Turkish Commercial Code No. 6102, the Company's Board of Directors has made the following statement in its loyalty report on its relations with the parent company and a company affiliated with the parent company.

"In all transactions made by our Company with the controlling company and its affiliated companies during the operating period 01.01.2023 - 31.12.2023, according to the circumstances and conditions known to us, all measures taken or avoided to be taken for the benefit of the controlling company or an affiliated company during the 2023 operating period were evaluated, including legal transactions made for the benefit of the controlling company or an affiliated company with the guidance of the controlling company. Regarding the 2023 activity period, we hereby declare that our Company has not suffered any such loss or benefit due to a transaction that occurred according to the known circumstances and conditions, and that there is no question of offsetting the benefits or losses obtained by the controlling shareholder."

Chairman of the Board of Directors
Representing Aydem Holding INC.
İdris KÜPELİ

Vice Chairman of the Board of Directors
Serdar MARANGOZ

Board Member
Galip AYKÖSE

Board Member
Asya Vuslat SALDANLI

Independent Board Member
Serpil DEMİREL

Independent Board Member
Mehmet Hayati ÖZTÜRK

Board Member
Aslı DURMAZ

Independent Board Member
Fatma Dilek BİL

*Signatures are present in the original.

The Independent Auditor's Opinion on the Board of Directors' Annual (Integrated) Report



Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Daire: 57 34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No: 479920
Mersis No: 0-4350-3032-6000017

(Convenience translation of a report originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of Aydem Yenilenebilir Enerji A.Ş.

1) Opinion

We have audited the annual report of Aydem Yenilenebilir Enerji A.Ş. ("the Company") and its subsidiaries ("the Group") for the period of 1/1/2023-31/12/2023.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated 15 March 2024 on the full set consolidated financial statements of the Group for the period of 1/1/2023-31/12/2023.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.

**(Convenience translation of a report originally issued in Turkish)**

c) The annual report also includes the matters below:

- Subsequent events occurred after the end of the fiscal year which have significance,
- The research and development activities of the Group,
- Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Onur Ünal.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Onur Ünal, SMMM
Partner
15 May 2024
İstanbul, Türkiye

Sustainable (Green) Financing Framework Allocation and Impact Report Independent Assurance Statement



Independent Assurance Report

To the Management of Aydem Yenilenebilir Enerji Anonim Şirketi
İstanbul, Türkiye

This report is intended solely for the management of Aydem Yenilenebilir Enerji Anonim Şirketi ('Aydem Renewables') for the purpose of reporting "Selected Information" listed below in its 2023 Integrated Annual Report and Sustainable (Green) Financing Framework's ('Allocation Report') that has been prepared by the Aydem Renewables for the period running from January 1, 2023 to December 31, 2023.

Subject Matter Information and Applicable Criteria

In line with the request of the Aydem Renewables, our responsibility is to provide limited assurance for Selected Information listed below and included in pages 118-125 of the Integrated Annual Report.

The Scope of Our Assurance

The scope of our assurance is limited to the examination the Selected Information shown below, which are reported in page 125 of the Allocation Report.

Selected Information;

Hybrid Energy Investments (Solar Energy)

- Number of Projects
- Allocated Amount

Capacity Expansion (Wind Energy)

- Number of Projects
- Allocated Amount

Aydem Renewables's Responsibilities

Aydem Renewables's management is responsible for the preparation, collection, and presentation of the Selected Information. In addition, Aydem Renewables's management is responsible for ensuring that the documentation provided to the practitioner is complete and accurate. This also includes establishing and maintaining internal control system guaranteeing that the records are free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance engagement in accordance with the Assurance Engagement Standard (AES) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information which is a part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). These regulations require that we comply with the ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Selected Information.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies the International Standard on Quality Control 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.

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 a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

(Convenience translation of an independent assurance report originally issued in Turkish)

The procedures selected depend on the practitioner's judgment. The procedures include inquiry of the personnel responsible for collecting and reporting on the Selected Information and additional procedures aimed at obtaining evidence about the Selected Information.

The assurance provider is only performing assurance of the accuracy of the disclosed content. This means that the assurance provider should evaluate if Aydem Renewables's description of processes, activities, and their outcomes sufficiently reflect actions taken by Aydem Renewables's, rather than evaluating the applied approach itself.

Procedures Applied

In respect of the Selected Information mentioned above the procedures performed include the following procedures:

1. Interviewed select key senior personnel of the Aydem Renewables's to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;
2. Reviewed Selected Information with online communications covering Aydem Renewables's locations; as well as reviewed pertaining to the Aydem Renewables's other locations in Turkey, against evidence, on a sample basis;
3. Undertook substantive testing, on a sample basis, of the Selected Information;
4. Used the Aydem Renewables's internal documentation to evaluate and measure the Selected Information;
5. Evaluated the design and implementation of key processes and controls over the Selected Information;
6. Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period.

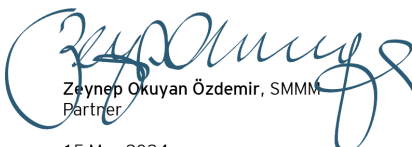
Our Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that Aydem Renewables's has not prepared, in all material respects with Selected Information for the year ended in December 31, 2023, the relevant requirements of the criteria as defined in of 2021 Aydem Renewables Green Financing Framework.

Limitations

We permit this report to be disclosed in addition to Aydem Renewables's 2023 Allocation and Impact Annual Report for the year ended on December 31, 2023, to enable the management of Aydem Renewables to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Aydem Renewables for our work, for this independent limited assurance report, or for the conclusions we have reached.

Güney Bagimsiz Denetim ve Serbest Muhasebeci Mali Müşavirlik
Anonim Şirketi
A member firm of Ernst & Young Global Limited


Zeynep Okuyan Özdemir, SMMM
Partner

15 May 2024
İstanbul, Türkiye

As of December 31, 2023 Consolidated Financial Statements and Independent Auditor's Report



You can access Aydem Renewables' Consolidated Financial Statements and Independent Auditor's Report as of December 31, 2023 by reading the QR code above on your device.

<https://yatirimciiliskileri.aydemyenilenebilir.com.tr/en/financial-information/financial-results>

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries
Consolidated statement of financial position as at 31 December 2023

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.)

		Audited	Audited
	Notes	31 December 2023	31 December 2022
ASSETS			
Current assets:			
Cash and cash equivalents	3	1,393,347,665	2,131,820,839
Financial investments	27	626,629,118	585,511,774
Trade receivables		2,001,075,460	2,148,799,944
- Due from related parties	5	1,928,894,734	2,030,660,755
- Due from third parties	6	72,180,726	118,139,189
Other receivables		655,967,001	107,884,655
- Due from related parties	5	641,543,115	57,682,313
- Due from third parties	7	14,423,886	50,202,342
Inventories	8	21,071,412	20,830,560
Prepaid expenses	26	40,244,202	44,800,601
Other current assets	13.1	42,587	84,133
Total current assets		4,738,377,445	5,039,732,506
Non-current assets:			
Other receivables		3,262,076	2,556,976
- Due from third parties	7	3,262,076	2,556,976
Property, plant and equipment	9.1	48,608,887,652	51,989,813,772
Right of use assets	9.2	254,120,885	259,469,472
Intangible assets	10	1,696,393,888	1,738,185,808
Investment properties		-	72,624,161
Prepaid expenses	26	272,515,676	667,874,306
Other non-current assets	13.2	33,227,884	18,177,915
Total non-current assets		50,868,408,061	54,748,702,410
Total assets		55,606,785,506	59,788,434,916

The accompanying notes form an integral part of these consolidated financial statements.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Consolidated statement of financial position as at 31 December 2023

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.)

		Audited	Audited
	Notes	31 December 2023	31 December 2022
LIABILITIES			
Current liabilities:			
Short-term portion of long-term financial liabilities	23.1	1,495,046,954	1,657,468,152
Lease liabilities	23.2	16,625,292	8,962,032
Trade payables		403,201,926	782,958,490
- Due to related parties	5	11,435,775	12,727,319
- Due to third parties	6	391,766,151	770,231,171
Liabilities for employee benefits	12	11,764,821	5,490,644
Other payables		236,074	388,383
- Due to third parties	7	236,074	388,383
Current provisions		57,932,618	57,766,379
- Provisions for employee benefits	11.1	44,202,139	37,234,930
- Other short-term provisions	11.1	13,730,479	20,531,449
Other current liabilities	13.3	101,910,829	120,276,188
Total current liabilities		2,086,718,514	2,633,310,268
Non-current liabilities:			
Financial liabilities	23.1	18,603,594,131	20,071,487,686
Lease liabilities	23.2	37,868,181	41,420,774
Other payables		50,402,202	66,256,354
- Due to related parties	5	50,402,202	66,256,354
Non-current provisions		68,561,192	57,245,791
- Provisions for employee benefits	11.4	68,561,192	57,245,791
Deferred tax liabilities	22	6,138,866,162	7,596,464,840
Total non-current liabilities		24,899,291,868	27,832,875,445
Total liabilities		26,986,010,382	30,466,185,713

The accompanying notes form an integral part of these consolidated financial statements.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Consolidated statement of financial position as at 31 December 2023

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.)

		Audited	Audited
	Notes	31 December 2023	31 December 2022
EQUITY			
Paid-in capital	14	705,000,000	705,000,000
Adjustment to share capital	14	4,327,573,437	4,327,573,437
Share premiums	14	527,560,938	527,560,938
Treasury shares	14	(119,493,506)	-
Restricted reserves	14	137,913,977	18,420,471
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		1,342,274,352	1,259,413,302
- Gains on revaluation of property, plant and equipment		1,400,723,460	1,292,542,527
- Actuarial losses on defined benefit plans		(58,449,108)	(33,129,225)
Other comprehensive income that may be reclassified to loss or profit in subsequent periods		(12,220,554,385)	(12,783,347,446)
- Reserve of losses on cash flow hedge		(12,220,554,385)	(12,783,347,446)
Retained earnings		35,200,600,850	30,294,604,930
Net profit/(loss) for the period		(1,280,100,539)	4,973,023,571
Equity attributable to equity holders of the parent		28,620,775,124	29,322,249,203
Total equity		28,620,775,124	29,322,249,203
Total equity and liabilities		55,606,785,506	59,788,434,916

The accompanying notes form an integral part of these consolidated financial statements.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Consolidated statement of profit or loss and other comprehensive income for the year period ended 31 December 2023

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.)

		Audited 1 January – 31 December 2023	Audited 1 January – 31 December 2022
	Notes		
LOSS OR PROFIT STATEMENT			
Revenue	15	6,358,818,133	7,565,576,718
Cost of sales	16	(3,610,939,626)	(3,376,715,198)
Gross profit		2,747,878,507	4,188,861,520
General administrative expenses	17	(631,527,370)	(348,782,241)
Other operating income	19	1,052,723,955	896,860,961
Other operating expenses	19	(111,658,838)	(20,649,012)
Operating profit		3,057,416,254	4,716,291,228
Income from investing activities	21	305,693,097	12,050,294
Expense from investing activities	21	(3,663,590,788)	(4,954,032,477)
Profit/(Loss) before finance income/(expense)		(300,481,437)	(225,690,955)
Finance income	20	1,043,908,459	1,280,656,588
Finance expenses	20	(13,193,720,783)	(4,226,715,622)
Gains/(losses) on net monetary position		14,307,132,498	13,270,544,543
(Loss)/Gain before tax		1,856,838,737	10,098,794,554
Tax expense		(3,136,939,276)	(5,125,770,983)
- Deferred tax income/(expenses)	22	(3,136,939,276)	(5,125,770,983)
Net profit/(loss) for the period		(1,280,100,539)	4,973,023,571
(Loss)/Gain attributable to			
Equity holders of the parent		(1,280,100,539)	4,973,023,571
(Loss)/Gain earnings per share			
- (Loss)/Gain earnings per share	25	(1.83)	7.10
OTHER COMPREHENSIVE INCOME/(LOSS) STATEMENT			
Other comprehensive income that will not be reclassified to profit or loss		135,326,905	1,259,413,302
- Increases/(decreases) in property, plant and equipment revaluation		214,195,717	1,615,678,159
- Total tax on revaluation increases on property, plant and equipment		(53,548,929)	(323,135,632)
- Actuarial losses on defined benefit plans	11.4	(33,759,844)	(41,411,531)
- Total tax on remeasurement losses / gains on defined benefit plans		8,439,961	8,282,306
Other comprehensive income that will be reclassified to profit or loss		562,793,061	(4,662,684,018)
- Reserve of losses on cash flow hedge	23.1	750,390,748	(5,828,355,023)
- Tax related to other comprehensive income that will be reclassified to profit or loss		(187,597,687)	1,165,671,005
Other comprehensive income/(loss)		698,119,966	(3,403,270,716)
Total comprehensive income/(loss)		(581,980,573)	1,569,752,855

The accompanying notes form an integral part of these consolidated financial statements.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries

Consolidated statement changes in equity for the year period ended 31 December 2023

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.)

	Other comprehensive income that will not be reclassified to (loss) or profit			Other comprehensive income that will be reclassified to (loss) or profit			Net profit/ (loss) for the period		Total equity
	Paid-in capital	Adjustment to share capital	Share premiums	Treasury shares	Restricted reserves	Gains on revaluation of property, plant and equipment	Reserve of (losses)/gains on cash flow hedge plans	Retained earnings	
Balance as of 1 January, 2022	705,000,000	4,327,573,437	371,433,142	-	18,420,471	-	(8,120,663,428)	30,294,604,930	27,596,368,552
Transfers	-	-	-	-	-	-	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	4,973,023,571
Other comprehensive income/(loss)	-	-	-	-	-	1,292,542,527	(33,129,225)	-	(3,403,270,716)
Total comprehensive income/(loss)	-	-	-	-	-	1,292,542,527	(33,129,225)	-	1,569,752,855
Acquisition of own shares	-	-	-	-	-	-	-	-	-
Depreciation transfers related to revaluation of property, plant and equipment	-	-	156,127,796	-	-	-	-	-	156,127,796
Balance as of 31 December 2022	705,000,000	4,327,573,437	527,560,938	-	18,420,471	1,292,542,527	(33,129,225)	30,294,604,930	29,322,249,203
Balance as of 1 January, 2023	705,000,000	4,327,573,437	527,560,938	-	18,420,471	1,292,542,527	(33,129,225)	30,294,604,930	29,322,249,203
Transfers	-	-	-	-	-	-	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	(1,280,100,539)
Other comprehensive income/(loss)	-	-	-	-	-	160,646,788	(25,319,883)	-	698,119,966
Total comprehensive income/(loss)	-	-	-	-	-	160,646,788	(25,319,883)	-	(581,980,573)
Acquisition of own shares *	-	-	-	(119,493,506)	119,493,506	-	-	(119,493,506)	(119,493,506)
Depreciation transfers related to revaluation of property, plant and equipment	-	-	-	-	-	(52,465,855)	-	52,465,855	-
Balance as of 31 December 2023	705,000,000	4,327,573,437	527,560,938	(119,493,506)	137,913,977	1,400,723,460	(58,449,108)	35,200,600,850	28,620,775,124

* The Company has planned to make its own share repurchase transactions in order to protect its shareholders, to contribute to the formation of a stable share price in line with its real value, and to preserve the confidence in the Company, in line with the CMB's statements on 14 February 2022, dated 21 July 2016, 25 July 2016 and 23 March 2020. It has been unanimously approved by the Board of Directors and the maximum number of shares that can be repurchased has been determined as 20,000,000 with a nominal value of TL 20,000,000. The Company Management has evaluated that it will not have any consequences against the Company and the investors and that the use of the Company's existing resources for repurchase will not affect the Company's cash needs. In this context, the fund to be allocated for repurchase has been determined as a maximum of TL 170,000,000, to be met from the cash generated from the Company's activities and its current resources.

Within the scope of the share buyback transactions initiated by the decision of the Board of Directors, 6,105,026 shares have been bought back in the amount of TL 119,493,506 by our Company for the period ended 31 December 2023. The total amount of purchases provided from the internal resources of the company is 119,493,506 TL and its share in the Company's capital is 0.8660%. The Company has shown TL 119,493,506 in the "Repurchased Shares (-)" account, which was paid in connection with the repurchase of shares.

In accordance with Article 520 of the Law No. 6102, the Company has set aside a reserve fund for the shares bought back in an amount that meets the acquisition value. Since these reserves are dissolved when the repurchased shares are transferred or cancelled, they are shown in the "Restricted Reserves Set aside from Profit" item.

Aydem Yenilenebilir Enerji Anonim Şirketi and Its Subsidiaries**Consolidated statement of cash flows for the year period ended 31 December 2023**

(Amounts expressed in terms of the purchasing power of the Turkish Lira ("TL") as of December 31, 2023, unless otherwise indicated.)

		Audited	Audited
	Notes	1 January- 31 December 2023	1 January- 31 December 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		4,410,756,539	6,788,672,748
Net profit/(loss) for the period		(1,280,100,539)	4,973,023,571
Net profit/(loss) for the period adjustment to reconcile		6,082,715,888	3,695,322,744
Adjustment related to amortization and depreciation	9, 10	2,129,693,857	2,147,502,981
Adjustment related to provisions		46,529,445	38,110,454
Adjustment related to incomes / expenses of interest, net		1,383,141,045	2,160,841,422
Adjustment related to tax income / expense	22	3,136,939,276	5,125,770,983
Adjustment related to exchanges differences		7,215,606,837	2,022,738,178
Adjustment related to gains of sales of tangible and intangible assets, net		73,819,581	(8,503,069)
Adjustment to related party to interest incomes / expenses from related parties	20	(83,894,426)	(2,781,336)
Adjustments related to fair value gains		3,437,967,177	4,954,032,477
Other adjustments to reconcile net income / expense		12,135,293	6,438,783
Monetary gains/(losses) on net monetary position		(11,269,222,197)	(12,748,828,129)
Changes in working capital		(384,182,694)	(1,863,955,456)
Related to increase / decrease in restricted accounts		52,078,083	(569,792,482)
Related to increase / decrease in trade receivables		147,850,415	(1,750,217,360)
Related to increase / decrease in other receivables		(163,880,840)	(200,659,585)
Related to increase / decrease in the inventories		(240,852)	13,123,415
Related to increase / decrease in trade payables		(379,756,564)	598,501,292
Related to increase / decrease in other payables		(46,507,113)	43,581,905
Related to increase / decrease in liabilities for employee benefits		6,274,177	1,507,359
Taxes paid		-	(11,721,077)
Employee termination benefit paid	11.4	(7,676,116)	(3,997,034)
B. CASH FLOWS FROM INVESTING ACTIVITIES		(1,645,602,425)	(2,180,034,740)
Interest received		424,231,207	73,646,835
Inflow related to sales of tangible and intangible assets		301,897,552	11,999,313
Outflow related to purchase of tangible and intangible assets		(2,169,323,916)	(2,246,440,542)
Cash inflows arising from acquisition of shares or debt instruments of other businesses or funds		786,510,129	31,676,701
Cash outflows arising from acquisition of shares or debt instruments of other businesses or funds		(988,917,397)	(50,917,047)
C. CASH FLOWS FROM FINANCING ACTIVITIES		(2,575,280,746)	(3,473,512,196)
Cash inflow related to proceeds from borrowings	23.1	(834,654,469)	(1,582,385,190)
Cash outflow related to lease liabilities	23.2	(41,242,617)	(212,285,263)
Cash outflows for the acquisition of own shares		(119,493,506)	233,914,123
Cash inflows for the sales of on shares		-	(77,786,327)
Interest paid	23.1	(1,579,890,154)	(1,834,969,539)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		189,873,368	1,135,125,812
D. EFFECT OF NET MONETARY POSITION DIFFERENCES GAINS (LOSSES) ON CASH AND CASH EQUIVALENTS		(928,346,542)	(3,132,652,775)
E. CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD		2,131,820,839	4,129,347,802
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)		1,393,347,665	2,131,820,839

The accompanying notes form an integral part of these consolidated financial statements.

Declarations of Independence

I hereby declare that I comply with the independence criteria specified below within the scope of Article 4.3.6 of the Capital Markets Board Communiqué on Corporate Governance No. II-17.1 and that I will serve as an independent member of the Board of Directors of Aydem Renewables INC. within this scope.

AT AYDEM RENEWABLES

I have not been employed in a managerial position to undertake important duties and responsibilities within the last five years, I have not jointly or individually held more than 5% of the capital or voting rights or privileged shares, or I have not established a significant commercial relationship with the Company, the partnerships in which the Company has management control or significant influence, the shareholders who control the management of the Company or have significant influence in the Company and the legal entities controlled by these shareholders, and myself, my spouse and my relatives by blood or marriage up to the second degree,

Within the last five years, I have not been a partner (5% or more), an employee in a managerial position with significant duties and responsibilities, or a member of the board of directors, in companies from which the company purchases or sells services or products to a significant extent within the framework of agreements made, primarily for the audit (including tax audit, legal audit, internal audit), rating and consultancy of the company, during the periods when services or products were purchased or sold,

I have the professional training, knowledge and experience to duly fulfil the duties to be undertaken due to being an independent member of the Board of Directors,

I will not work full-time in public institutions and organisations after being elected as a member, except for university faculty membership, provided that it is in accordance with the legislation to which they are affiliated,

I am considered a resident in Turkey according to the Income Tax Law (G.V.K.) dated 31/12/1960 and numbered 193,

I have strong ethical standards, professional reputation and experience to contribute positively to the Company's activities, to maintain impartiality in conflicts of interest between the Company and shareholders, and to make decisions freely by taking into account the rights of stakeholders,

I will be able to allocate time for company affairs to the extent that I can follow the functioning of the company activities and fully fulfil the requirements of the duties undertaken,

I have not been a member of the board of directors of the company for more than six years within the last ten years,

The same person is not serving as an independent board member in more than three of the companies controlled by the company or the shareholders who control the management of the company and in more than five of the listed companies in total,

I have not been registered and announced on behalf of the legal entity elected as a member of the board of directors I declare.

SERPİL DEMİREL

Independent Board Member

I hereby declare that I comply with the independence criteria specified below within the scope of Article 4.3.6 of the Capital Markets Board Communiqué on Corporate Governance No. II-17.1 and that I will serve as an independent member of the Board of Directors of Aydem Renewables INC. within this scope.

AT AYDEM RENEWABLES

I have not been employed in a managerial position to undertake important duties and responsibilities within the last five years, I have not jointly or individually held more than 5% of the capital or voting rights or privileged shares, or I have not established a significant commercial relationship with the Company, the partnerships in which the Company has management control or significant influence, the shareholders who control the management of the Company or have significant influence in the Company and the legal entities controlled by these shareholders, and myself, my spouse and my relatives by blood or marriage up to the second degree,

Within the last five years, I have not been a partner (5% or more), an employee in a managerial position with significant duties and responsibilities, or a member of the board of directors, in companies from which the company purchases or sells services or products to a significant extent within the framework of agreements made, primarily for the audit (including tax audit, legal audit, internal audit), rating and consultancy of the company, during the periods when services or products were purchased or sold,

I have the professional training, knowledge and experience to duly fulfil the duties to be undertaken due to being an independent member of the Board of Directors,

I will not work full-time in public institutions and organisations after being elected as a member, except for university faculty membership, provided that it is in accordance with the legislation to which they are affiliated,

I am considered a resident in Turkey according to the Income Tax Law (G.V.K.) dated 31/12/1960 and numbered 193,

I have strong ethical standards, professional reputation and experience to contribute positively to the Company's activities, to maintain impartiality in conflicts of interest between the Company and shareholders, and to make decisions freely by taking into account the rights of stakeholders,

I will be able to allocate time for company affairs to the extent that I can follow the functioning of the company activities and fully fulfil the requirements of the duties undertaken,

I have not been a member of the board of directors of the company for more than six years within the last ten years,

The same person is not serving as an independent board member in more than three of the companies controlled by the company or the shareholders who control the management of the company and in more than five of the listed companies in total,

I have not been registered and announced on behalf of the legal entity elected as a member of the board of directors I declare.

FATMA DİLEK BİL

Independent Board Member

Declarations of Independence

I hereby declare that I comply with the independence criteria specified below within the scope of Article 4.3.6 of the Capital Markets Board Communiqué on Corporate Governance No. II-17.1 and that I will serve as an independent member of the Board of Directors of Aydem Renewables INC. within this scope.

AT AYDEM RENEWABLES

I have not been employed in a managerial position to undertake important duties and responsibilities within the last five years, I have not jointly or individually held more than 5% of the capital or voting rights or privileged shares, or I have not established a significant commercial relationship with the Company, the partnerships in which the Company has management control or significant influence, the shareholders who control the management of the Company or have significant influence in the Company and the legal entities controlled by these shareholders, and myself, my spouse and my relatives by blood or marriage up to the second degree,

Within the last five years, I have not been a partner (5% or more), an employee in a managerial position with significant duties and responsibilities, or a member of the board of directors, in companies from which the company purchases or sells services or products to a significant extent within the framework of agreements made, primarily for the audit (including tax audit, legal audit, internal audit), rating and consultancy of the company, during the periods when services or products were purchased or sold,

I have the professional training, knowledge and experience to duly fulfil the duties to be undertaken due to being an independent member of the Board of Directors,

I will not work full-time in public institutions and organisations after being elected as a member, except for university faculty membership, provided that it is in accordance with the legislation to which they are affiliated,

I am considered a resident in Turkey according to the Income Tax Law (G.V.K.) dated 31/12/1960 and numbered 193,

I have strong ethical standards, professional reputation and experience to contribute positively to the Company's activities, to maintain impartiality in conflicts of interest between the Company and shareholders, and to make decisions freely by taking into account the rights of stakeholders,

I will be able to allocate time for company affairs to the extent that I can follow the functioning of the company activities and fully fulfil the requirements of the duties undertaken,

I have not been a member of the board of directors of the company for more than six years within the last ten years, The same person is not serving as an independent board member in more than three of the companies controlled by the company or the shareholders who control the management of the company and in more than five of the listed companies in total,

I have not been registered and announced on behalf of the legal entity elected as a member of the board of directors I declare.

ERSİN AKYÜZ

Independent Board Member

I hereby declare that I comply with the independence criteria specified below within the scope of Article 4.3.6 of the Capital Markets Board Communiqué on Corporate Governance No. II-17.1 and that I will serve as an independent member of the Board of Directors of Aydem Renewables INC. within this scope.

AT AYDEM RENEWABLES

I have not been employed in a managerial position to undertake important duties and responsibilities within the last five years, I have not jointly or individually held more than 5% of the capital or voting rights or privileged shares, or I have not established a significant commercial relationship with the Company, the partnerships in which the Company has management control or significant influence, the shareholders who control the management of the Company or have significant influence in the Company and the legal entities controlled by these shareholders, and myself, my spouse and my relatives by blood or marriage up to the second degree,

Within the last five years, I have not been a partner (5% or more), an employee in a managerial position with significant duties and responsibilities, or a member of the board of directors, in companies from which the company purchases or sells services or products to a significant extent within the framework of agreements made, primarily for the audit (including tax audit, legal audit, internal audit), rating and consultancy of the company, during the periods when services or products were purchased or sold,

I have the professional training, knowledge and experience to duly fulfil the duties to be undertaken due to being an independent member of the Board of Directors,

I will not work full-time in public institutions and organisations after being elected as a member, except for university faculty membership, provided that it is in accordance with the legislation to which they are affiliated,

I am considered a resident in Turkey according to the Income Tax Law (G.V.K.) dated 31/12/1960 and numbered 193,

I have strong ethical standards, professional reputation and experience to contribute positively to the Company's activities, to maintain impartiality in conflicts of interest between the Company and shareholders, and to make decisions freely by taking into account the rights of stakeholders,

I will be able to allocate time for company affairs to the extent that I can follow the functioning of the company activities and fully fulfil the requirements of the duties undertaken,

I have not been a member of the board of directors of the company for more than six years within the last ten years,

The same person is not serving as an independent board member in more than three of the companies controlled by the company or the shareholders who control the management of the company and in more than five of the listed companies in total,

I have not been registered and announced on behalf of the legal entity elected as a member of the board of directors I declare.

MEHMET HAYATİ ÖZTÜRK

Independent Board Member

Corporate Governance Information Form (CGIF)

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholder Rights

Number of investor conferences and meetings organized by the company throughout the year	All investor meetings held by our Company in 2023 were held physically or electronically online. A total of 249 meetings were held during the year, including investor conferences, analyst meetings and investor meetings (local and foreign).
--	---

1.2. Right to Obtain and Review Information

Number of special auditor requests	None.
Number of special auditor requests accepted at the general assembly meeting	None.

1.3. General Assembly

Link to the PDP announcement disclosing the information requested under Principle 1.3.1 (a-d)	You can access the relevant information from the link https://yatirimciiliskileri.aydemyenilenebilir.com.tr/en/corporate-governance/general-assembly
Whether the documents related to the general assembly meeting are available in English simultaneously with Turkish	Presented.
Within the scope of Principle 1.3.9, links to PDP announcements regarding transactions that do not have the approval of the majority of independent members or unanimous vote of those attending	None.
Links to PDP announcements related to related party transactions within the scope of Article 9 of the Communiqué on Corporate Governance (II-17.1)	You can access the relevant information from the link https://www.kap.org.tr/en/Bildirim/1129614
Links to PDP announcements related to related party transactions within the scope of Article 10 of the Communiqué on Corporate Governance (II-17.1)	You can access the relevant information from the link https://www.kap.org.tr/en/Bildirim/1129614

The name of the section on the corporate website that demonstrates the policy on donations and grants	Corporate Website/Corporate/Policies/Donation and Aid Policy
Link to the PDP announcement containing the minutes of the general assembly meeting where the policy on donations and grants was approved	It was approved by the Extraordinary General Assembly meeting held on 14.08.2020, before the public offering. You can access the minutes of the relevant general assembly meeting via the link https://yatirimciiliskileri.aydemyenilenebilir.com.tr/en/corporate-governance/general-assembly
Number of the article in the articles of association regulating the participation of stakeholders in the general shareholders' meeting	An article has been added to the General Assembly Internal Directive and information on the issue is provided in the minutes of the general assembly meetings.
Information on stakeholders who attended the general shareholders' meeting	The list of attendees at the Ordinary General Assembly Meeting for the Year 2022 held on 29.03.2023. You can access the relevant information from the link https://yatirimciiliskileri.aydemyenilenebilir.com.tr/en/corporate-governance/general-assembly
1.4. Voting Rights	
Whether there are voting privileges	<p>Yes. (According to the Company's Articles of Association; -</p> <p>To elect half of the members of the Company's Board of Directors from among the candidates nominated by the shareholders holding the majority of the capital represented by Class A shares, provided that the capital represented by Class A shares continues to represent at least 30% of the issued capital of the Company,</p> <p>- To approve the annual report, budget and financial statements and to release the members of the Board of Directors, -</p> <p>Amendment of the Articles of Association, except for capital increases to be made according to the registered capital system,</p> <p>- Change of the Company's field of activity, entering into new business lines or abandonment of existing business lines</p> <p>- Capital increase, liquidation, termination, capital reduction, change of type of the Company, except for capital increases to be made according to the registered capital system,</p> <p>- Bankruptcy, concordat, application for financial restructuring within the scope of Article 309/m. of the Execution and Bankruptcy Law No. 2004 - To</p> <p>apply for bankruptcy, concordat, financial restructuring within the scope of Article 309/m. of the Execution and Bankruptcy Law No. 2004,</p> <p>- To transfer all or part of the company's commercial enterprise,</p> <p>- For the sale of Group A shares in the stock exchange, the approval of the shareholders holding the majority of the capital represented by the Group A shares for such sale can only be taken with the approval of the shareholders holding the majority of the capital represented by the Group A shares).</p>
If there are privileged voting rights, privileged shareholders and their voting rates	Group A shareholders are privileged shareholders and hold 59.57% of the shares.
Shareholding rate of the largest shareholder	84.21% (Aydem Enerji Yatırımları INC.)

Corporate Governance Information Form (CGIF)

1.5. Minority Rights

Whether minority rights are expanded (in terms of content or ratio) in the articles of association of the company

No (Maximum attention is paid to the exercise of minority rights. Shareholders constituting one twentieth of the capital may request the Board of Directors to call the general assembly for a meeting by stating the reasons and agenda in writing or, if the general assembly is already convened, to add the issues they want to be resolved to the agenda. The request to add an item to the agenda shall be made in accordance with Article 411 of the Law).

If minority rights have been expanded in terms of content and ratio, please indicate the number of the relevant article of the articles of association.

None.

1.6. Dividend Right

The name of the section on the corporate website that demonstrates the dividend distribution policy

Corporate Website/Corporate/Policies/Dividend Distribution Policy

In the event that the Board of Directors proposes to the general assembly not to distribute the profit, the text of the minutes of the general assembly agenda item stating the reasons for this and the use of the undistributed profit

The minutes of the 2022 Ordinary General Assembly Meeting held on 29.03.2023 are available at <https://yatirimciliskileri.aydemyenilenebilir.com.tr/en/corporate-governance/general-assembly>

In case the Board of Directors proposes to the general assembly not to distribute dividends, the link to the PDP announcement containing the minutes of the relevant general assembly meeting

<https://www.kap.org.tr/en/Bildirim/1129660>

General Assembly Meetings

General Assembly Date

29.03.2023

Number of requests for additional explanations regarding the agenda of the general shareholders' meeting

1

Shareholders' participation rate in the general assembly

86.54%

Proportion of shares represented directly

1.07%

Proportion of shares represented by proxy	85.47%
The name of the section on the Company's corporate website that contains the minutes of the general shareholders' meeting, including the affirmative and negative votes on each agenda item	Corporate Website / Investor Relations / Corporate Governance / General Assembly
The name of the section on the corporate website that includes all questions asked at the general shareholders' meeting and the answers provided to them	Corporate Website / Investor Relations / Corporate Governance / General Assembly
Article or paragraph number of the minutes of the general assembly meeting related to related parties	7
Number of people who have privileged access to shareholder information who report to the Board of Directors (Insider list)	-
Link to the general assembly notice published on PDP	https://www.kap.org.tr/en/Bildirim/1129660
2. PUBLIC DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
The names of the sections on the corporate website that contain the information required by the corporate governance principle numbered 2.1.1.	Corporate Website/Information Society Services and Corporate Website/Investor Relations sections.
The section of the corporate website containing the list of real person shareholders who directly or indirectly own more than 5% of the shares	You can access the relevant information from the link https://yatirimciliskileri.aydemyenilenebilir.com.tr/en/corporate-governance/shareholder-structure
Languages in which the corporate website is prepared	Turkish - English

Corporate Governance Information Form (CGIF)

2.2. Annual Report

2.2.2. page numbers or section names where the information specified in the corporate governance principle numbered 2.2.2. is included in the annual report

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the duties of the board members and executives outside the company and the independence declarations of the members	2023 Integrated Annual Report/Annexes/Independence Declarations
b) Page number or section name of the information on the committees established within the Board of Directors	2023 Integrated Annual Report/Corporate Governance/Committees and Policies
c) Page number or section name of the information on the number of meetings of the Board of Directors during the year and the attendance of the members to the meetings	2023 Integrated Annual Report/Corporate Governance/Board of Directors
ç) Page number or section name of the information on legislative amendments that may significantly affect the Company's activities	2023 Integrated Annual Report/Other Matters/Legislative Amendments in 2023
d) Page number or section name of the information on significant lawsuits filed against the Company and their possible outcomes	2023 Integrated Annual Report/Other Matters/Information on Lawsuits Filed Against the Company that may Affect the Company's Financial Position and Activities and Their Possible Outcomes
e) Page number or section name of the information on conflicts of interest between the Company and the institutions that provide services such as investment consultancy and rating services and the measures taken to prevent them	2023 Integrated Annual Report/Other Issues/Other Matters

f) Page number or section name of the information on cross-shareholdings where direct participation rate exceeds 5%	2023 Integrated Annual Report/Other Issues/Other Matters
g) Page numbers or section names of the information on corporate social responsibility activities related to social rights and vocational training of employees and other company activities that have social and environmental consequences	2023 Integrated Annual Report/Social Assets/Corporate Social Responsibility
3. STAKEHOLDERS	
3.1. Company Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the compensation policy	Corporate Website/Corporate/Policies/Employee Compensation Policy
Number of judicial decisions finalized against the company due to violation of employee rights	2
Title of the official in charge of the whistleblowing mechanism	Internal Audit and Control Group Director
Access information to the company's whistleblowing mechanism	You can access the relevant information from the link https://yatirimciiliskileri.aydemyenilenebilir.com.tr/en/corporate-governance/policies/code-of-ethics-and-working-principles
3.2. Supporting The Participation of the Stakeholders in the Corporation's Management	
The name of the section on the corporate website that demonstrates the internal regulations on employee participation in the management bodies	Corporate Website/Corporate/Policies/Human Resources Policy
Governance bodies where employees are represented	In our workplaces where there is a union, there is a union representative elected among the workers by the Union Branch Board of Directors and in all other workplaces there is an employee representative.

Corporate Governance Information Form (CGIF)

3.3. Human Resources Policy

The role of the board in developing succession plans for key executive positions	The development of a succession plan for key management positions is subject to the approval of the Board of Directors and the process is included in the human resources policy.
The name of the section on the corporate website that includes the human resources policy on equal opportunities and recruitment criteria or a summary of the relevant articles of the policy	Corporate Website/Corporate/Policies/Recruitment Process
Whether there is a share acquisition plan	None.
The name of the section on the corporate website that includes the human resources policy on measures to prevent discrimination and ill-treatment or a summary of the relevant articles of the policy	Corporate Website/Corporate/Policies/Human Rights Policy
Number of judicial decisions finalized against the company due to liability related to occupational accidents	1

3.5. Code of Ethics and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics policy	Corporate Website/Corporate/Policies/Ethical Rules and Code of Conduct
The name of the section on the corporate website that includes the corporate social responsibility report. If there is no corporate social responsibility report, measures taken on environmental, social and corporate governance issues	Corporate Website/Corporate/Policies/Environmental Policy, Sustainability, General Environmental Procedure

Measures to combat all forms of corruption, including extortion and bribery	There is an Anti-Bribery and Anti-Corruption Policy and Disciplinary Regulation.
---	--

4. BOARD OF DIRECTORS-I

4.2. Operating Principles of the Board of Directors

Date of the most recent board performance evaluation	Each year, in the last week of the year, one-on-one meetings are held with the members of the Board of Directors to evaluate their overall performance.
Whether independent experts are utilized in the performance evaluation of the Board of Directors	No.
Whether all members of the Board of Directors are discharged	Yes (Released at the Ordinary General Assembly Meeting for the Year 2022 held on 29.03.2023)
Names of the members of the Board of Directors to whom authority is delegated with the distribution of duties and the content of such authorities	CEO-İdris Küpeli, General Manager-Serdar Marangoz
Number of reports submitted by the internal control unit to the audit committee or other relevant committees	4
The name of the section or page number of the annual report that includes the assessment of the effectiveness of the internal control system	2023 Integrated Annual Report/Corporate Governance
Name of the chairman of the board	İdris Küpeli representing Aydem Holding INC.
Name of the chief executive officer/ general manager	Serdar Marangoz
Link to the PDP announcement stating the reason for the chairman of the Board of Directors and chief executive officer/ general manager being the same person	It's not the same person.

Corporate Governance Information Form (CGIF)

Link to the PDP announcement regarding the insurance of the damages that may be caused by the members of the Board of Directors during the execution of their duties for an amount exceeding 25% of the company's capital	There is an executive liability policy, the amount of the policy does not exceed 25% of the share capital due to the high capital of the Company.							
The name of the section on the corporate website that provides information on the diversity policy to increase the proportion of female board members	Corporate Website/Corporate/Policies/Board of Directors Diversity Policy							
Number and proportion of female members	3 people, 37.5							
Structure of the Board of Directors								
Board Member Name/Surname	İdris Küpeli	Serdar Marangoz	Galip Ayköse	Asya Vuslat Saldanı	Serpil Demirel	Fatma Dilek Bil	Mehmet Hayati Öztürk	Ersin Akyüz
Whether the Executor is in Charge	Yes	Yes	No	No	No	No	No	No
Whether Independent Member or not	Not Independent Member	Not Independent Member	Not Independent Member	Not Independent Member	Independent Member	Independent Member	Independent Member	Independent Member
Date of First Election to the Board of Directors	3.04.2020	25.10.2023	25.09.2023	20.12.2021	10.06.2021	10.06.2021	3.04.2020	3.04.2020
Link to the PDP Disclosure of Independence Declaration	-	-	-	-	PDP Announcement for Serpil Demirel, Fatma Dilek Bil, Mehmet Hayati Öztürk and Ersin Akyüz can be accessed from the link below. https://www.kap.org.tr/en/Bildirim/1007608			
Whether the Independent Member is Evaluated by the Nomination Committee	Not evaluated							
Whether there are any members who lost their independence					No	No	No	No
At least 5 Years of Experience in Auditing, Accounting and/or Finance	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes

4. BOARD OF DIRECTORS-II

4.4. Board Meeting Procedures

Number of board meetings held physically or electronically during the reporting period	29
Average attendance rate at board meetings	100%
Whether an electronic portal is used to facilitate the work of the Board of Directors	Yes
In accordance with the working principles of the Board of Directors, how many days prior to the meeting the information and documents are presented to the members	3
The name of the section on the corporate website that includes information about the internal regulations governing the conduct of board meetings	Corporate Website/Investor Relations/Corporate Governance/Board of Directors Working Principles
The upper limit set in the policy limiting the members from taking other duties outside the company	None.
4.5. Committees Established within the Board of Directors	
Page numbers or section names of the annual report where information on board committees are presented	2023 Integrated Annual Report/Corporate Governance/Committees and Policies/Committees
Link to the PDP announcement of the Committee's working principles	You can access the relevant information from the link https://www.kap.org.tr/en/Bildirim/100760

Corporate Governance Information Form (CGIF)

Board Committees-I

Names of Board Committees	Corporate Governance Committee				
Name of the Committee Indicated as "Other" in the First Column					
Name-Surname of Committee Members	Serpil Demirel	Ersin Akyüz	Mehmet Hayati Öztürk	Fatma Dilek Bil	Mehmet Yusuf Güngör (Investor Relations Manager)
Committee Chairmanship	Yes	No	No	No	No
Member of the Board of Directors	Yes	Yes	Yes	Yes	No

Board Committees-II

Names of Board Committees	Audit Committee	Audit Committee	Audit Committee	Audit Committee
Name of the Committee Indicated as "Other" in the First Column				
Name-Surname of Committee Members	Serpil Demirel	Ersin Akyüz	Mehmet Hayati Öztürk	Fatma Dilek Bil
Committee Chairmanship	No	Yes	No	No
Member of the Board of Directors	Yes	Yes	Yes	Yes

Board Committees-III

Names of Board Committees	Early Detection of Risk Committee	Early Detection of Risk Committee	Early Detection of Risk Committee	Early Detection of Risk Committee
Name of the Committee Indicated as "Other" in the First Column				
Name-Surname of Committee Members	Serpil Demirel	Ersin Akyüz	Mehmet Hayati Öztürk	Fatma Dilek Bil
Committee Chairmanship	No	No	Yes	No
Member of the Board of Directors	Yes	Yes	Yes	Yes

Board Committees-IV

Names of Board Committees						
Name of the Committee Indicated as "Other" in the First Column	Investment Committee	Investment Committee	Investment Committee	Investment Committee	Investment Committee	Investment Committee
Name-Surname of Committee Members	İdris Küpeli	Serdar Marangoz	Serpil Demirel	Ersin Akyüz	Mehmet Hayati Öztürk	Fatma Dilek Bil
Committee Chairmanship	Yes	No	No	No	No	No
Member of the Board of Directors	Yes	Yes	Yes	Yes	Yes	Yes

Board Committees-I

Names of Board Committees

Name of the Committee

Indicated as "Other" in the First Column Sustainability, Environment, Occupational Health and Safety Committee

Name-Surname of Committee Members	Serdar Marangoz	Serpil Demirel	Ersin Akyüz	Mehmet Hayati Öztürk	Fatma Dilek Bil	Adnan Can (Operations Director)	Hüseyin Günlü (Project and Maintenance Director)	Fatih Peker (HSE and Sustainability Manager)
Committee Chairmanship	No	No	No	No	Yes	No	No	No
Member of the Board of Directors	Yes	Yes	Yes	Yes	Yes	No	No	No

4. BOARD OF DIRECTORS-III**4.5. Committees Established within the Board of Directors-II**

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/ website)

2023 Integrated Annual Report/Corporate Governance/Committees and Policies/Audit Committee

Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/ website)

2023 Integrated Annual Report/Corporate Governance/Committees and Policies/Corporate Governance Committee

Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/ website)

2023 Integrated Annual Report/Corporate Governance/Committees and Policies/Corporate Governance Committee

Corporate Governance Information Form (CGIF)

Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)

2023 Integrated Annual Report/Corporate Governance/Committees and Policies/Early Detection of Risk Committee

Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)

2023 Integrated Annual Report/Corporate Governance/Committees and Policies/Corporate Governance Committee

4.6. Financial Rights Provided to Board Members and Executives with Administrative Responsibility

Page numbers or section names of the annual report where information about operational and financial performance targets and whether they have been achieved or not

2023 Integrated Annual Report/Corporate Governance/Board of Directors' Assessment

The name of the section of the corporate website that demonstrates the remuneration policy for executive and non-executive members

Corporate Website/Corporate/Policies/Compensation Policy

Page numbers or section names of the annual report where the remuneration and all other benefits provided to board members and executives with administrative responsibilities are presented

2023 Integrated Annual Report/Corporate Governance/Financial Benefits Provided to Board Members and Senior Executives

Board Committees-II

Names of Board Committees	Corporate Governance Committee	Audit Committee	Early Detection of Risk Committee	Investment Committee	Sustainability, Environment, Occupational Health and Safety Committee
Name of the Committee Indicated as "Other" in the First Column					
Proportion of Non-Executive Directors	80%	100%	100%	66%	50%
Ratio of Independent Members in the Committee	80%	100%	100%	66%	50%
Number of Physical Meetings Held by the Committee	5	4	6	0	4
Number of Reports Submitted to the Board of Directors on the Activities of the Committee	2	2	6	1	1

Corporate Governance Compliance Report (CGCR)

	Compliance Status					Description
	Yes	Partially	No	Exempt	Disinterested	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.		X				
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit		X				
1.3. GENERAL ASSEMBLY						
The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.		X				
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.		X				
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.		X				
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.		X				
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights		X				

	Compliance Status					Description
	Yes	Partially	No	Exempt	Disinterested	
1.4.2 - The company does not have shares that carry privileged voting rights.					X	<p>According to the Company's Articles of Association; -</p> <p>Provided that the capital represented by Class A shares continues to represent at least 30% of the issued capital of the Company, half of the members of the Company's Board of Directors shall be elected from among the candidates nominated by the shareholders holding the majority of the capital represented by Class A shares,</p> <p>- Approval of the annual report, budget and financial statements and release of the members of the Board of Directors, -</p> <p>Amendment of the Articles of Association, except for capital increases to be made according to the registered capital system,</p> <p>- Change of the Company's field of activity, entering into new business lines or abandonment of existing business lines</p> <p>- Capital increase, liquidation, termination, capital reduction, change of type of the Company, except for capital increases to be made according to the registered capital system,</p> <p>- Bankruptcy, concordat, application for financial restructuring within the scope of Article 309/m. of the Execution and Bankruptcy Law No. 2004 - To apply for bankruptcy, concordat, financial restructuring within the scope of Article 309/m. of the Execution and Bankruptcy Law No. 2004,</p> <p>- To transfer all or part of the commercial enterprise of the company,</p> <p>- For the sale of Class A shares in the stock exchange, the approval of the shareholders holding the majority of the capital represented by the Class A shares for such sale can only be taken with the approval of the shareholders holding the majority of the capital represented by the Class A shares.</p>

Corporate Governance Compliance Report (CGCR)

	Compliance Status					Description
	Yes	Partially	No	Exempt	Disinterested	
-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	X					
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.		X				Maximum attention is paid to the exercise of minority rights. Shareholders constituting one-twentieth of the share capital may request the Board of Directors to call the general assembly for a meeting by stating the reasons and agenda in writing, or if the general assembly is already convened, they may request the Board of Directors to put the issues they wish to be resolved on the agenda. The request to add an item to the agenda is made pursuant to Article 411 of the Law.
1.6. DIVIDEND RIGHTS						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.		X				
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The Board of Directors reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					

	Compliance Status					Description
	Yes	Partially	No	Exempt	Disinterested	
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The Board of Directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING STAKEHOLDERS' PARTICIPATION IN COMPANY MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The Company has a Human Resources Development Policy and organizes trainings for employees within this scope.	X					

Corporate Governance Compliance Report (CGCR)

	Compliance Status					Description
	Yes	Partially	No	Exempt	Disinterested	
3.3.4 – Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 – Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 – Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 – Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 – The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 – A safe working environment is provided for employees.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 – The company measured customer satisfaction and operated with an understanding of unconditional customer satisfaction.		X				Although customer satisfaction is not measured, company activities are always based on unconditional customer satisfaction.
3.4.2 – Customers are notified when there is a delay in the processing of customer requests for goods and services purchased.	X					
3.4.3 – The Company complied with the quality standards with respect to its products and services.	X					
3.4.4 – The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 – The Board of Directors has determined the Code of Ethical Conduct and published it on the corporate website.	X					
3.5.2 – The Company is sensitive about social responsibility. It has taken measures to prevent corruption and bribery.	X					

	Compliance Status					Description
	Yes	Partially	No	Exempt	Disinterested	
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS						
4.2.1 - The Board of Directors has documented its activities and submitted them to the information of shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
The Board of Directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X			There is an executive liability policy, the amount of the policy does not exceed 25% of the share capital due to the high capital of the Company.	
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9- The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					

Corporate Governance Compliance Report (CGCR)

	Compliance Status					Description
	Yes	Partially	No	Exempt	Disinterested	
4.4. BOARD MEETING PROCEDURES						
4.4.1 – Each board member attend the majority of the board meetings in person or via an electronic board meeting system.	X					
4.4.2 – The Board of Directors has defined a minimum period of time for the information and documents related to the items on the agenda to be sent to all members before the meeting.	X					
4.4.3 – The opinions of the members who could not attend the meeting but submitted their opinions in writing to the Board of Directors were submitted for the information of the other members.	X					
4.4.4 – Each member has one vote in the Board of Directors.	X					
4.4.5 – The conduct of the board meetings is documented in writing through internal regulations.	X					
4.4.6 – The minutes of the Board of Directors meeting show that all items on the agenda have been discussed and the minutes are prepared to include dissenting opinions.	X					
4.4.7 There are limits to external commitments of board members. Shareholders are informed of board members’ external commitments at the General Shareholders’ Meeting.		X				Members of the Board of Directors are not restricted from assuming other duties outside the company, but this situation does not cause any conflict of interest. In addition, shareholders are informed at the general shareholders’ meeting.
4.5. COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS						
4.5.5 – Board members serve in only one of the Board’s committees.			X			Based on the shareholding structure and the requirement of the Corporate Governance Communiqué to elect the chairmen of the committees from among the independent board members, members of the Board of Directors are assigned to more than one committee, taking into account the number of committees that need to be formed. On the other hand, it is ensured that the committees act in accordance with their legal authorities and responsibilities.

	Compliance Status					Description
	Yes	Partially	No	Exempt	Disinterested	
4.5.6 - Committees invited the persons they deemed necessary to receive their views to the meetings and received their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.		X				Not included since no consultancy service was received.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL BENEFITS PROVIDED TO BOARD MEMBERS AND EXECUTIVES WITH ADMINISTRATIVE RESPONSIBILITIES						
4.6.1 - The Board of Directors conducted a board performance evaluation to assess whether it fulfilled its responsibilities effectively.	X					
4.6.4 - The Company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.		X				
4.6.5 - Remuneration of board members and executives with administrative responsibilities is disclosed on individual basis in the annual report.				X		In not disclosing the remuneration and benefits provided to the members of the Board of Directors and senior executives, it is aimed to establish a balance between the rights and interests that need to be protected in terms of the Personal Data Protection Law and Remuneration Policy and the rights of shareholders and stakeholders to obtain information in terms of the transparency requirement in accordance with the Corporate Governance Communiqué, taking into account the principle of proportionality. In this context, the remuneration of board members and senior executives are not disclosed on individual basis, but are included in the annual report as a total amount.

Performance Tables

Economic Performance Data	2019*	2020*	2021*	2022	2023
Total Installed Capacity (MWm)	1,020.00	1,020.00	1,020.00	1,019.48	1,179.63
Capacity Utilization Rate HPP (%)	33	30	18	27	25
Capacity Utilization Rate RES (%)	30	33	35	35	34
Capacity Utilization Rate LFG (%)	67	53	26	22	-
Total Energy Production (MWh)	2,800,559	2,636,219	1,793,409	2,469,177	2,380,312
Electricity Generation from HPP (MWh)	2,390,933	2,197,022	1,310,639	1,996,634	1,823,866
Electricity Generation from WPP (MWh)	408,045	438,427	483,515	474,725	472,162
Electricity Generation from SPP (MWh)	-	-	-	-	87,872
Electricity Generation from LFG (MWh)	3,749	2,957	1,450	617	-**
Electricity Generation from GPPs (MWh)	-	-	-	-	-
Operating Profit (TL)	671,711,233	683,241,931	450,168,938	4,716,291,228	3,057,416,254
EBITDA (TL)	968,448,475	1,039,205,100	904,865,477	6,863,794,209	5,187,110,111
Net Debt (TL)	4,227,466,418	4,783,416,254	8,530,802,291	19,011,623,225	18,078,664,302
Return on Equity (ROE) (%)	(12)	(12)	0	(17)	(4)
Total Assets (TL)	10,242,416,788	12,470,698,190	22,531,356,887	59,788,434,916	55,606,785,506
Total Investment Amount (TL)	154,696,366	74,590,248	358,975,553	2,245,851,364	2,252,382,780
Direct Economic Value Created - Net Sales Revenue (TL)	1,197,000,764	1,340,375,223	1,240,753,398	7,565,576,718	6,358,818,133
Direct Economic Value Distributed (TL)	348,853,195	505,314,343	567,056,866	2,167,650,141	3,023,150,591
Activity costs (including procurement. excluding fees)	172,466,254	264,501,448	275,837,180	1,579,803,893	2,188,881,915
Wages and benefits paid to employees	58,552,448	68,320,010	95,242,652	331,303,826	495,058,956
Taxes and similar payments to the government***	117,663,802	169,453,885	191,493,371	587,846,248	834,268,676
Donations. sponsorship and corporate responsibility expenditures	170,691	3,039,000	4,483,663	1,809,435	76,108,776
Supplier Structure (Based on Purchase Amount) (TL)***	242,152,196	282,958,369	636,883,822	1,509,488,924	1,694,253,055
Local Supplier***	200,817,998	265,290,348	373,201,590	1,474,944,970	1,602,460,006
Non-local (Overseas) Supplier***	41,334,198	17,668,020	263,682,233	34,543,954	91,793,048
Supplier Structure (Number of Suppliers)	1,050	856	879	1,136	1,275
Local Supplier	1,015	842	843	1,111	1,251
Non-local (Overseas) Supplier	35	14	36	25	24
Incentives and funds received from government and various international organizations (TL)***	0	0	0	12,494,671.12	314,357,455.70

*Figures are not subject to inflation adjustment.

**Due to the expiration of the Company's contract with Denizli Metropolitan Municipality on 16.06.2022, the generation license of Kumkısıç LFG Power Plant was terminated and the plant was transferred to Denizli Metropolitan Municipality on 16.06.2022.

***The related item is not subject to indexation under inflation accounting.

Environmental Performance Data	2019	2020	2021	2022	2023
Total direct energy consumption (kWh) (by fuel)	2,799,706.06	2,403,556.44	2,919,241.81	2,830,330.00	3,409,265.78
Diesel Consumption (kWh)	2,640,456.24	2,072,864.68	2,778,160.24	2,627,620.00	2,768,874.62
Gasoline Consumption (kWh)	120,924.70	120,413.35	99,124.81	161,880.00	605,482.37
Natural gas consumption (kWh)	159,249.82	210,278.41	41,956.76	40,830.00	34,908.79
Total Energy Consumption (kWh) (Electricity)	36,058,018.00	36,751,538.00	31,523,172.00	37,133,839.00	33,208,967
Purchased Energy (Electricity)	137,409,863.38	143,676,027.80	107,781,309.21	125,577,000.00	143,605,376
Total Renewable Energy Consumption (kWh)	36,058,018.00	36,751,538.00	31,523,172.00	37,133,839.00	33,208,967
WPP, GPP, LFG	11,713,150.00	14,812,156.00	15,581,962.00	12,517,240.00	13,264,120
HPP	24,344,868.00	21,939,382.00	15,941,210.00	24,616,599.00	19,944,967
Energy Consumption per Production (%)					
WPP	1.76	1.52	1.14	1.14	1.31
LFG	2.71	2.51	1.90	3.75	-
HPP	0.85	0.80	0.88	0.89	0.88
Total Energy Savings (kWh) (achieved through efficiency projects)	-	-	19,577,000	1,454,000	1,852,000
Water Use (m ³)					
Well Water	8,515.10	10,782.70	8,090.30	9,759.12	10,881
Mains Water	8,567.86	6,902.83	4,292.54	12,211.85	7,628
Turbined Water	12,79 billion m ³	12,41 billion m ³	7,84 billion m ³	10,85 billion m ³	9,67 billion m ³
Reclaimed Water (off-site recovery)	243.15	224.96	189.83	198.54	224.52
Water Consumption per Production (m ³ /MWh)					
WPP	0.0015	0.0024	0.0026	0.0035	0.0028
HPP	0.0050	0.0056	0.0063	0.0041	0.0066
GPP	240	571.37	468.16	1092.02	875.88
Consolidated*	0.0045	0.0053	0.0056	0.0090	0.0079
Fresh water (≤1.000 mg/L Total Dissolved Solids)	12,750.00	13,865.72	10,038.67	13,607.01	14,520.41
Total Wastewater Discharge (m ³ *)		1,334.00	3,627.00	9,986.10	5,071.49
Total Waste Amount (tons)***	37.26	74.41	73.98	97.5	51.66
Recovered (R-coded) non-hazardous waste (tons)	1.00	2.00	6.00	70.1	12.07
Recovered (R-coded) hazardous waste (tons)	33.00	26.00	50.00	27.4	39.59

*Total production and water consumption are taken into account.

**There is no discharge to natural receiving environments, and the wastewater generated is stored and periodically transferred to wastewater plants.

***The significant increase during the period was realized due to the construction works carried out during the investment process. It is aimed that the waste level will return to its normal course after the physical investment process.

Performance Tables

Energy and Emissions Management	2019	2020	2021	2022	2023
Total Direct Greenhouse Gas Emissions (scope 1) (tons CO ₂)	925.32	775.45	1,364.72	1,587.93	1,802.51
Total Indirect Greenhouse Gas Emissions (scope 2) (tons CO ₂)	6,477.28	4,729.06	3,534.47	3,120.07	2,617.49
Total indirect greenhouse gas emissions (scope 3) (tons CO ₂)*	646.64	498.31	960.94	70,482.52	66,028.25
Greenhouse Gas Emission per Production (tons CO ₂ / MWh)	0.00	0.00	0.00	0.03	0.03
Amount of Fines Received for Environmental Regulations in the Reporting Period (quantity - TL)	0.00	0.00	0.00	0.00	0.00
Amount of GHG emission reduction achieved by business travel, personnel shuttle service, use of company vehicles (tCO ₂)	-	-	-	537.44	-
Amount Spent on Environmental Activities and Investments (TL)					
Measurement and analysis costs	-	-	91,200.00	72,244.00	100,450
Total waste costs	-	-	292,566.00	321,359.03	410,968
Chemical costs	-	-	15,000.00	3,500.00	-
Certification and authorization costs	-	-	201,652.00	372,816.00	2,567,693
Consulting and training costs	-	-	1,022,660.00	1,798,998.00	2,445,352
Maintenance and repair expenses	-	-	23,500.00	20,229.00	-
Investment costs	-	-	925,900.00	354,000.00	200,000
Training provided to suppliers on ESG issues (person*hour)	1,014.00	1,137.01	217.71	226.00	2068
Total leakage and spillage incidents (number)	0	0	0	0	0
Total amount of leakage and debris (tons)	0	0	0	0	0
Environmental education					
Training participants (number of people)	-	-	773	1,419	620
Company employees	-	-	773	1,419	567
Contractor company/supplier employee	-	-	0	45	54
Training duration (person*hour)	-	-	591.92	1,422.25	1,798.45
Company employees	-	-	591.92	1,422.25	1,610.45
Contractor company/supplier employee	-	-	0	346	188
Environmental accident report	-	-	0	0	0

*The significant increase during the period was realized due to the construction works carried out during the investment process. It is aimed that the waste level will return to its normal course after the physical investment process.

Social Performance Data	2019	2020	2021	2022	2023
Skills and Professional Development Trainings - Number of Participants (human)	341	539	540	571	562
Office Worker Female	39	45	45	51	50
Field Worker Female	0	0	2	4	4
Office Worker Male	68	78	81	94	97
Field Worker Male	234	416	412	422	411
Skills and Professional Development Trainings - Total Hours (man x hour)	7,552.00	10,173.00	15,718.00	13,192	13,141
Female	1,461.00	826.00	695.00	1,815	2,644
Male	6,091.00	9,347.00	15,023.00	11,327	10,497
Training Hours per Employee (hours/employee)	13.30	17.90	29.30	23.70	23.17
Female	31.80	16.50	13.40	34.20	48.07
Male	11.60	18.10	31.00	22.50	20.50
Recorded Accident Frequency	5.42	5.77	3.36	1.6	3.32
Lost Time Accident Frequency	2.71	0.82	0.84	0	0
Occupational Disease Rate	0.00	0.00	0.00	0	0
Number of Fatal Work Accidents	0.00	0.00	0.00	0	0
Injury Rate	5.42	5.77	3.36	1.6	3.32
Direct employment				1.6	3.32
Contractor company employee				2.64	3.12
Total Number of Work Accidents	12	7	4	3	4
White-collar workers	0	0	0	0	0
Blue-collar workers	12	7	4	2	4
Contractor company employees	0	0	0	1	1
OHS Trainings Provided to Employees - Total Hours (man x hour)	13,956	18,062	19,378	24,402	24,411
Direct employment	13,376	17,110	17,968	22,360	22,531
Contractor company employee	580	952	1,410	2,042	1,880
OHS Trainings Provided to Employees - Number of Participants					
Direct Employment	-	567	537	556	567
Contractor Company Employee				124	163
Planned Downtime (hours)	35,766.79	66,079.81	59,723.17	46,680	50,605
HPP				45,378	38,013
WPP, GPP, LFG				1,302	12,592
Unplanned Downtime (hours) (trip duration)	11,573.86	5,205.79	14,414.32	14,908	7,725.66
HPP				2,348	899
WPP, GPP, LFG				12,560	6,826.66
Number of Unplanned Stops (number of trips)	4,031.57	2,249.00	1,334.00	5,044.00	
HPP				703.00	652
WPP, GPP, LFG				4,341.00	604
Official Forced Posture	52.00	53.00	61.00	170.00	
HPP				24.00	1
WPP, GPP, LFG	84.68	109.16	147.58	146.00	2
Employees Receiving Leadership Training	0	0	250	207	14
Woman	0	0	49	31	1
Male	0	0	201	176	13
Employees Receiving Mentoring Services	0	5	0	1	4

Performance Tables

Social Performance Data	2019	2020	2021	2022	2023
Employee Trainings On Ethics*					
Total Training Participants (person)		160	364	27	176
Total Training Hours (person*hour)		187	366	32	196
Sustainability Trainings (person*hour)					585
Sustainability Training				80	417.3
Sustainability Management And Reporting Training				34	6
Corporate Sustainability				360	40
Sustainability Expertise Training				198	121.7
Training on prevention of harassment, mobbing, pressure and violence					
Employees			21	67	4
Administrator			34	35	2
Number of participants in disaster and emergency trainings	342	329	370	500	475
Total hours of disaster and emergency trainings (people x hours)	2,736	1,380	1,480	2,985	5,181
Employee Demographics	2019	2020	2021	2022	2023
Total Labor Force (Number)	690	753	704	930	827
Direct Employment					
Female	46	50	52	53	55
Female (%)	8.1	8.8	9.7	9.5	9.7
Male	523	517	485	503	512
Male (%)	91.9	91.2	90.3	90.5	90.3
Contractor Company Employee	121	186	167	374	260
Direct Labor Force (Number)	569	567	537	556	567
Female	46	50	52	53	55
Male	523	517	485	503	512
Direct Labor Force by Contract Type (Number)					
Indefinite Term Employment Contract	510	563	535	552	560
Temporary Employment Contract	59	4	2	4	7
Direct Labor Force by Education Level (Number)					
Uneducated	0	0	0	0	0
Primary education	106	99	79	77	75
High School	221	213	202	213	224
Secondary Education	32	30	22	21	23
License	107	118	113	117	116
Master's Degree	6	6	12	16	11
Higher School	97	101	109	112	118
Direct Labor Force by Age Groups					
18-29	104	94	94	85	86
18-29 (%)	18.3	16.6	17.5	15.3	15.2
30-39	225	217	207	219	207
30-39 (%)	39.5	38.3	38.5	39.4	36.5
40-49	180	183	173	183	188
40-49 (%)	31.6	32.3	32.2	32.9	33.2
50-59	46	60	52	57	73

*Employee trainings on ethics include topics such as business ethics, misconduct, anti-bribery and anti-corruption.

Employee Demographics	2019	2020	2021	2022	2023
50-59 (%)	8.1	10.6	9.7	10.3	12.9
60+	14	13	11	12	13
60+ (%)	2.5	2.3	2.0	2.2	2.3
Number of employees given regular performance evaluation feedback				526	549
Senior Management Structure (Number)					
Female	0	0	0	0	0
Male	5	4	4	4	5
Middle Management Structure (Number)					
Female	5	8	7	7	9
Female (%)	10	15.7	14.0	13.2	18.4
Male	45	43	43	46	40
Male (%)	90	84.3	86.0	86.8	81.6
Newly Recruited Employees (Number)	74	39	43	61	72
Employees Quitting (Number)	56	23	19	28	39
Employee Circulation	0.026	0.040	0.035	0.052	0.069
Number of People Who Left Their Jobs Voluntarily	30	18	9	11	18
Number of People Dismissed by the Company	26	5	10	17	21
Number of Employees on Maternity Leave					
Female	6	5	4	3	2
Male	0	0	0	0	0
Number of Employees Returning from Maternity Leave					
Female	6	5	4	1	2
Male	0	0	0	0	0
Number of Employees Who Have Not Quit in the Last 12 Months After Returning from Maternity Leave					
Female	9	7	4	0	2
Male	0	0	0	0	0
Total number of disabled employees	14	15	16	16	15
Female	0	0	0	0	1
Male	14	15	16	16	14
Workforce Covered by Collective Bargaining (Number)	32	31	31	29	25

GRI Index

GRI Content Index

Notice of use	Aydem Renewables has reported the reporting period 01/01/2023 - 31/12/2023 in accordance with GRI Standards.
GRI 1	GRI 1: Foundation 2021
GRI Sector Standard Applied	None

For the "Content Index - Essentials Service" service, GRI Services confirms that the GRI content index is presented in a clear and consistent manner with the Standards and that the references to disclosures 2-1 to 2-5, 3-1 and 3-2 are consistent with the sections in the report.

GRI Standard	Notifications	Page Number/Direct Source
GRI 2: General Disclosures 2021	2-1 Organization details	2-3, 22
	2-2 Organizations included in the organization's sustainability reporting	2-3
	2-3 Reporting period, frequency and point of contact	2-3
	2-4 Restatements of information	There are no revised statements regarding the information provided in previous reports.
	2-5 External Assurance	260-261
	2-6 Operations, Value Chain and Other Business Relationships	2-3, 12-19
	2-7 Employees	190-193
	2-8 Non-Employee Workers	190-193
	2-9 Governance Structure and Composition	40-53
	2-10 Nomination and selection of the highest governance body	Regarding the minimum qualifications to be sought for the election of Board members, Aydem Renewables acts within the framework of the regulations stipulated by the Turkish Commercial Code and the CMB.
	2-11 Chair of the Highest Governance Body	The Chairman of the Board of Directors has no executive duties.
	2-12 The Role of the Highest Governance Body in Overseeing Impact Management	40-48
	2-13 Delegation of Responsibility for Managing Impacts	40-48
	2-14 The Role of the Highest Governance Body in Sustainability Reporting	65-68
	2-15 Conflicts of Interest	52-59
	2-16 Communicating Critical Issues	40-48
	2-17 Collective Knowledge of the Highest Governance Body	40-48
	2-18 Evaluation of the performance of the highest governance body	40-48
	2-19 Remuneration Policies	212-213
	2-20 Process to determine remuneration	212-213
	2-21 Annual Total Compensation Ratio	Aydem Renewables is not disclosed in accordance with the Privacy Policy.
	2-22 Sustainable Development Strategy Statement	69-70
	2-23 Policy Commitments	54-61

GRI Standard	Notifications	Page Number/Direct Source
GRI 2: General Disclosures 2021	2-24 Integration of Policy Commitments	54-61
	2-25 Processes to remediate negative impacts	87
	2-26 Mechanisms for Seeking Advice and Raising Concerns	210
	2-27 Compliance with Laws and Regulations	There are no penalties or sanctions.
	2-28 Corporate Memberships	90
	2-29 Stakeholder Engagement Approach	88-90
	2-30 Collective bargaining agreements	89
	3-1 Process to determine material topics	91-95
GRI 3: Material Topics 2021	3-2 List of material topics	93 There have been no significant changes in material elements and element frameworks compared to previous reporting periods.
Contribution to Local Economy and Society		
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	91-95
GRI 201: Economic Performance 2016	201-1 Direct Economic Value Generated and Distributed	128-135
	201-2 Financial Implications and Other Risks and Opportunities from Climate Change	128-135
	201-3 Defined Benefit Plan Liabilities and other Pension Plans	128-135
	201-4 Financial Assistance Received from the Government	Aydem Renewables has not benefited from any government incentives as of the report date.
Market presence		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	The standard entry-level wages of all employees at Aydem Renewables are above the local minimum wage.
	202-2 Proportion of senior management recruited from the local community	The entire senior management of Aydem Renewables is a citizen of the Republic of Turkey.
Indirect Economic Impacts		
GRI 203: Indirect Economic Impacts 2016	203-1 Supported infrastructure investments and services	128-133
	203-2 Significant indirect economic impacts	128-133
Procurement practices		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	234-235
Rights of Local Communities		
GRI 411: Rights of Local Communities 2016	411-1 Incidents of violations involving the rights of indigenous peoples	There were no nonconformities during the reporting period.

GRI Index

GRI Standard	Notifications	Page Number/Direct Source
Local Communities		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	232-233
	413-2 Operations with significant actual and potential adverse impacts on local communities	232-233
Business Ethics and Corporate Governance		
Anti-corruption		
GRI 3: Material Issues 2021	3-3 Management of material topics	91-95
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for corruption-related risks	196
	205-2 Communication and training on anti-corruption policies and procedures	196
	205-3 Measures taken against corruption	196
Ethics and Compliance		
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions against anti-competitive behavior, trust and monopoly practices	196
Non- Discrimination		
GRI 406: Prevention of Discrimination 2016	406-1 Incidents of Discrimination and Corrective Measures Taken	There were no cases of discrimination during the reporting period.
Public Policy		
GRI 415: Public Policy 2016	415-1 Political contributions	Aydem Renewables has adopted the principle of impartiality and sensitively protects its impartiality with its policies on this issue.
Tax		
GRI 207: Tax 2019	207-1 Approach to Tax	78-79, 244-246, 262-263
	207-2 Tax governance, control and risk management	78-79, 244-246, 262-263
	207-3 Stakeholder engagement and management of tax-related concerns	88-90
	207-4 Country-by-country reporting	2-3
Climate Change and Biodiversity		
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	91-95
GRI 301: Materials 2016	301-1 Materials used by weight or volume	184-185
	301-2 Recycled input materials used	184-185
	301-3 Recycled products and packaging materials	184-185
Energy		

GRI Standard	Notifications	Page Number/Direct Source
GRI 302: Energy 2016	302-1 Energy consumption within the organization	179-181
	302-2 Energy consumption outside the organization	179-181
	302-3 Energy intensity	179-181
	302-4 Reduction of energy consumption	179-181
	302-5 Reduction in energy requirements of products and services	179-181
Water and effluents		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	182-183
	303-2 Management of impacts related to water discharge	182-183
	303-3 Water withdrawal	182-183
	303-4 Water drainage	182-183
	303-5 Water consumption	182-183
Biodiversity		
GRI 304: Biodiversity 2016	304-1 Owned, leased, managed operational sites within or adjacent to protected areas and areas of high biodiversity value outside protected areas	186-189
	304-2 Significant impacts of activities, products and services on biodiversity	186-189
	304-3 Protected or restored habitats	186-189
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	186-189
Emissions		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	168-171
	305-2 Indirect energy (Scope 2) GHG emissions	168-171
	305-3 Other indirect (Scope 3) GHG emissions	168-171
	305- GHG emissions intensity	168-171
	305-5 Reducing of GHG emissions	168-171
	305-6 Emissions of ozone-depleting substances (ODS)	168-171
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	168-171
Waste		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	184-185
	306-2 Management of significant waste-related impacts	184-185
	306-3 Waste generated	184-185
	306-4 Waste diverted from disposal	184-185
	306- 5 Waste directed to disposal	184-185
Workplace Practices		
Diversity and Equal Opportunity		
GRI 3: Material Topics 2021	3-3 Management of Material Topics	91-95

GRI Index

GRI Standard	Notifications	Page Number/Direct Source
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of Governance Bodies and Employees	197-199
	405-2 Ratio of Basic Salaries and Wages of Women to Men	There is no gender-based wage discrimination at Aydem Renewables.
Freedom of Association and Collective Bargaining		
GRI 407: Right to Organize and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There were no cases where the right to freedom of association and collective bargaining was at risk.
Child Labor		
GRI 408: Child Labor 2016	408-1 Activities and Suppliers at Significant Risk of Child Labor Incidents	Aydem Renewables does not employ child labor under any circumstances.
Forced and Compulsory Labor		
GRI 409: Forced and Compulsory Labor 2016	409-1 Operations and Suppliers at Significant Risk of Forced or Compulsory Labor Incidents	In 2022, there were no cases of forced or compulsory labor.
Supplier Environmental Assessment		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers monitored according to environmental criteria	224-225
	308-2 Negative Environmental Impacts in the Supply Chain and Measures Taken	224-225
Employment		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	204-205
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	190-193
	401-3 Parental Leave	190-193
Labor/Management Relations		
GRI 402: Labor/Management Relations 2016	2-1 Minimum notice periods regarding operational changes	190-193
Training and Development		
GRI 404: Training and Development 2016	404-1 Average Annual Training Hours per Employee	206-209
	404-2 Programs for upgrading employee skills and transition assistance programs	206-209
	404-3 Percentage of Employees Receiving Regular Performance and Career Development Evaluations	206-209
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	91-95

GRI Standard	Notifications	Page Number/Direct Source
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	216-223
	403-2 Hazard Identification, Risk Assessment and Incident Investigation	216-223
	403-3 Occupational Health Services	216-223
	403-4 Worker Participation, Consultation and Communication on Occupational Health and Safety	216-223
	403-5 Worker Training on Occupational Health and Safety	216-223
	403-6 Promotion of Worker Health	216-223
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	216-223
	403-8 Workers within the scope of Occupational Health and Safety Management System	216-223
	403-9 Work Related Injuries	216-223
	403-10 Work-Related Ill Health	216-223
Business Continuity and Reliability		
Customer Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	91-95
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	216-223
	416-2 Incidents of non-compliance related to health and safety impacts of products and services	There were no non-conformities during the reporting period.
Marketing and Labeling		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	178
	417-2 Incidents of non-compliance related to product and service information and labeling	There were no non-conformities during the reporting period.
	417-3 Incidents of non-compliance related to marketing communications	There were no non-conformities during the reporting period.
Customer Privacy		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no complaints regarding breach of customer confidentiality and loss of customer data.
Supplier Social Assessment		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	224-225
	414-2 Negative social impacts in the supply chain and actions taken	224-225

TSRS Index

Topic Title	Page Number
TSRS S1: General requirements for disclosure of sustainability-related financial information	
Governance	65-68
Strategy	69-70
Risks and opportunities related to sustainability	71-86
Business model and value chain	96-99
Strategy and decision making	91-95
Financial position, financial performance and cash flows	234-237
Resilience	238-248
Risk management	71-86
Metrics and targets	87
TSRS S2: Climate Related Disclosures	
Governance	166-167
Strategy	69-70
Climate-related risks and opportunities	71-86
Business model and value chain	96-99
Strategy and decision making	91-95
Financial position, financial performance and cash flows	234-237
Climate resilience	168-171
Risk management	71-86
Metrics and targets	87
Climate-related metrics	168-171
Climate-related targets	168-171

This report has been prepared in accordance with the Board Decision on Determination of Turkish Sustainability Reporting Standards (TSRS) dated 27/12/2023.

ESRS Index

Sustainability Statement

ESRS coding	ESRS Topic	Indicator No.	Indicator	Page
ESRS 2	ESRS 2 General disclosures, including information provided under the Implementation Requirements of the current ESRS listed in Annex C.	BP-1	General basis for preparation of the sustainability statement	2-3
		BP-2	Disclosures in relation to specific circumstances	2-3
		GOV-1	The role of the administrative, management and supervisory bodies	40-53
		GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	65-68
		GOV-3	Integration of sustainability-related performance into company incentive programs	40-45, 65-68, 212-213
		GOV-4	Statement on due diligence	69-70
		GOV-5	Risk management and internal controls over sustainability reporting	71-86
		SBM-1	Strategy, business model(s) and value chain	65-99
		SBM-2	Stakeholders' interests and views	88-90
		SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	91-95
		IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	91-95
		IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	65-68
ESRS E1	Climate change	ESRS E1-1	Transition plan for climate change mitigation	168-171
		ESRS E1-2	Policies related to climate change mitigation and adaptation	168-171
		ESRS E1-3	Actions and resources unrelated to climate change policies	168-171
		ESRS E1-4	Targets related to climate change mitigation and adaptation	168-171
		ESRS E1-5	Energy consumption and mix	172-176
		ESRS E1-6	Gross scopes 1, 2, 3 and total GHG emissions	168-171
		ESRS E1-7	GHG removals and GHG mitigation projects financed through carbon credits	177-178
		ESRS E1-8	Internal carbon pricing	177-178
		ESRS E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	71-86

ESRS Index

Sustainability Statement

ESRS coding	ESRS Topic	Indicator No.	Indicator	Page
ESRS E2	Pollution	ESRS E2-1	Policies Related to pollution	166-167
		ESRS E2-2	Actions and resources related to pollution	166-167
		ESRS E2-3	Pollution-related targets	168-171
		ESRS E2-4	Pollution of air, water and soil	168-171
		ESRS E2-5	Substances of concern and substances of very high concern	168-171
		ESRS E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	168-171
ESRS E3	Water and marine resources	ESRS E3-1	Policies related to material water and marine resources-related impacts, risks and opportunities	182-183
		ESRS E3-2	Actions and resources related to water and marine resources	182-183
		ESRS E3-3	Targets related to water and marine resources	182-183
		ESRS E3-4	Water consumption	182-183
		ESRS E3-5	Potential financial effects from water and marine resources-related impacts, risks and opportunities	182-183
ESRS E4	Biodiversity and ecosystems	ESRS E4-1	Transition plan; taking biodiversity and ecosystems into account in strategy and business model	186-189
		ESRS E4-2	Policies related to biodiversity and ecosystems	186-189
		ESRS E4-3	Actions and resources related to biodiversity and ecosystems	186-189
		ESRS E4-4	Targets related to biodiversity and ecosystems	186-189
		ESRS E4-5	Impact metrics related to biodiversity and ecosystems change	186-189
		ESRS E4-6	Potential financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	186-189
ESRS E5	Resource use and circular economy	ESRS E5-1	Policies related to resource use and circular economy	184-185
		ESRS E5-2	Actions and resources on resource use and circular economy	184-185
		ESRS E5-3	Targets on resource use and circular economy	184-185
		ESRS E5-4	Resource inflows	184-185
		ESRS E5-5	Source outflows	184-185
		ESRS E5-6	Financial impacts expected from resource use and circular economy-related impacts, risks and opportunities	184-185

Sustainability Statement

ESRS coding	ESRS Topic	Indicator No.	Indicator	Page
ESRS S1	Own workforce	ESRS S1-1	Policies related to own workforce	190-193
		ESRS S1-2	Processes for engaging with own workers and workers' representatives about impacts	190-193
		ESRS S1-3	Processes to remediate negative impacts and channels for their own workers to raise concerns	190-193
		ESRS S1-4	Taking action on material impacts on own workforce, approaches to mitigate material risks and monitoring material opportunities related to own workforce and the effectiveness of these actions	190-193
		ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	190-193, 200-215
		ESRS S1-6	Characteristics of the undertaking's Employees	190-193, 200-215
		ESRS S1-7	Characteristics of non-employee workers in the undertaking's own workforce	190-193, 200-215
		ESRS S1-8	Collective bargaining coverage and social dialogue	190-193, 200-215
		ESRS S1-9	Diversity indicators	197-199
		ESRS S1-10	Adequate wages	212-213
		ESRS S1-11	Social protection	197-199
		ESRS S1-12	Persons with disabilities	197-199
		ESRS S1-13	Training and skills development indicators	206-209
		ESRS S1-14	Health and safety indicators	216-223
		ESRS S1-15	Work-life balance indicators	200-203
		ESRS S1-16	Compensation indicators (pay gap and total compensation)	212-213
		ESRS S1-17	Incidents, complaints and severe human rights impacts and incidents	197-199

ESRS Index

Sustainability Statement

ESRS coding	ESRS Topic	Indicator No.	Indicator	Page
ESRS S2	Workers in the value chain	ESRS S2-1	Policies related to value chain workers	224-225
		ESRS S2-2	Processes for engaging with value chain workers about impacts	224-225
		ESRS S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	224-225
		ESRS S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	224-225
		ESRS S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	224-225
ESRS S3	Affected communities	ESRS S3-1	Policies related to affected communities	226-233
		ESRS S3-2	Processes for engaging with affected communities about impacts	226-233
		ESRS S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	226-233
		ESRS S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	226-233
		ESRS S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	226-233
ESRS S4	Consumers and end users			231-232
ESRS G1	Work behavior	ESRS G1-1	Corporate Culture and Business Conduct Policies	40-45
		ESRS G1-2	Management of Relationships with Suppliers	224-225
		ESRS G1-3	Prevention and Detection of Corruption and Bribery	196
		ESRS G1-4	Confirmed Incidents of Corruption or Bribery	196
		ESRS G1-5	Political Influence and Lobbying Activities	196

SASB Index

Subject	Metric	Category	Measurement Unit	Code	References
Energy in the Production Process Management	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Nicel	Gigajoule (GJ), Percent (%)	RR-ST-130a.1	Aydem Renewables 2023 Integrated Annual Report – Environmental Performance Tables
Water in the Production Process Management	1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Nicel	Thousand cubic meters (m ³), Percent (%)	RR-ST-140a.1	Aydem Renewables 2023 Integrated Annual Report – Environmental Performance Tables
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Qualitative and Analysis	No	RR-ST-140a.2	Aydem Renewables 2023 Integrated Annual Report – Water Use and Management
Hazardous waste management	Amount of hazardous waste generated, percentage recycled	Nicel	Metric tons (t), Percent (%)	RR-ST-150a.1	Aydem Renewables 2023 Integrated Annual Report – Environmental Performance Tables
	The number and total amount of reported spills, the amount of such spills recovered	Nicel	Pieces, Kilogram (kg)	RR-ST-150a.2	In Fiscal Year 2023, there was no hazardous waste leakage in Aydem activities
Ecological Impacts of Project Development	Number and duration of project delays due to ecological impacts	Nicel	Pieces, Day	RR-ST-160a.1	Aydem Renewables 2023 Integrated Annual Report – Availability and Business Continuity
	Studies aimed at eliminating the impacts of SPP projects on social and ecological axes	Qualitative and Analysis	No	RR-ST-160a.2	Aydem Renewables 2023 Integrated Annual Report – Engagement with Local Communities

SASB Index

Subject	Metric	Category	Measurement Unit	Code	References
Energy Infrastructure Integration of Management and Related Legal Regulations	Identification of risks related to the integration of solar energy into the existing energy infrastructure and efforts to manage these risks	Qualitative and Analysis	No	RR-ST-410a.1	Aydem Renewables 2023 Integrated Annual Report - Risk Management and Practices
	Identification of risks and opportunities associated with energy policy and their impact on the integration of solar energy into existing energy infrastructure	Discussion and Analysis	No	RR-ST-410a.2	Aydem Renewables 2023 Integrated Annual Report - Risk Management and Practices
End of Product Life Cycle Management	Percentage of recyclable or reusable products sold	Nicel	Percentage (%)	RR-ST-410b.1	Aydem Renewables 2023 Integrated Annual Report - Environmental Performance Tables
	Weight of material recovered at the end of the product life cycle, percentage of that material recycled	Nicel	Metric tons (t), Percent (%)	RR-ST-410b.2	Aydem Renewables 2023 Integrated Annual Report - Environmental Performance Tables
	Percentage by revenue of products containing declared substances listed in IEC 62474, arsenic compounds, antimony compounds or beryllium compounds ¹	Nicel	Percentage (%)	RR-ST-410b.3	0%

¹Note to **RR-ST-410b.3** - The description shall include a statement on the management of the use of IEC 62474 declarable substances, arsenic compounds, antimony compounds or beryllium compounds.

AYDEM RENEWABLES

Adalet Mahallesi Hasan Gönüllü Bulvarı No: 15/1
Merkezefendi/Denizli, Türkiye
Phone: +90 258 242 27 76
Fax: +90 258 265 15 85
<https://www.aydemyenilenebilir.com.tr/en>

All contact information of our Company can be found on our Public Disclosure Platform (KAP) page. General Information-Contact tab is available. (<https://www.kap.org.tr/en/>)

Mehmet Yusuf Güngör

Investor Relations Manager

yusuf.gungor@aydemenerji.com.tr

Investor Relations Contact

Tel: +90 258 242 27 76

<https://yatirimciiliskileri.aydemyenilenebilir.com.tr/en>

E-mail: yatirimciiliskileri@aydemenerji.com.tr

E-mail: investorrelations@aydemenerji.com.tr



[company/aydemyenilenebilirenerji](https://www.instagram.com/company/aydemyenilenebilirenerji)



[aydemyenilenebilir](https://www.linkedin.com/company/aydemyenilenebilir)



[enerji_aydem](https://twitter.com/enerji_aydem)



[aydemrenewableenergy](https://www.facebook.com/aydemrenewableenergy)

Integrated reporting consultancy, content development,
Turkish and English editing, design services

TAYBURN®

T: +90 212 227 0436
www.tayburnkurumsal.com
Brands & Reputations.



Energy
For Life



100% recycled paper
was used in printing
this report.