Aydem renewables

SUSTAINABILITY REPORT
2021

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ABOUT THE REPORT

Among our sustainability reports that we first published for 2019, we are including Aydem Renewables Sustainability Report 2021, our third sustainability report, which we have prepared to evaluate the social, economic and environmental dimensions of our activities and to share the work we have carried out in line with the United Nations (UN) Sustainable Development Goals with all our stakeholders. This report is prepared in accordance with "GRI Standards: Core option". The report content is basically created according to the principles set out in the GRI Standards. The sustainability priorities, which we have identified with the participation of our internal and external stakeholders, constitute the main content of the report.

The scope of Aydem Renewables Sustainability Report 2021 is comprised of the activities carried out by Aydem Renewable Energy Inc. in Turkey between January 1st, 2021 and December 31st, 2021. You can access the Aydem Renewables Sustainability Report 2021 document at *www.aydemyenilenebilir.com.tr/surdurulebilirlik*. You can send your comments and suggestions about our sustainability activities and reporting studies to us at *surdurulebilirlik@aydemenerji.com.tr*.

GRI 102-1, GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-54,
GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-54

MESSAGE FROM THE GENERAL MANAGER

Ömer Fatih Keha
General Manager

Adding long-term value to future generations, as a company that aims to be an effective stakeholder, we are fulfilling our responsibilities against society and the environment through studies we conduct in our wide operating geography.

Dear Stakeholders,

With our responsibility to be the pioneer and largest company that produces energy from 100% renewable resources in Turkey, we say "always further" for our country, our environment, our employees and our stakeholders from day one; we continue to produce Energy for Life.

In 2021, we produced approximately 3.2 TWh of annual energy with our total installed capacity of 1,020 MW in our 25 modern and licensed power plants spread over four regions of our country, and on the other hand, we contribute to the sustainable future of our country.

We are in a period where the importance of renewable energy is increasing and this importance is understood better with global developments.

In this context, as a company, due to the nature of our business, we are one of the most important stakeholders in the transition process of our country to a low carbon economy with the "clean energy" we produce. With the goal of a more livable world, we have also demonstrated our difference with the financing model we choose for the investments we have undertaken, especially hybrid.

Our public offering, which we held in April 2021, is one of the developments that marked the year for our company. With a transaction volume of 1.3 billion TL, which we reached by collecting 5 times the demand from more than 338,000 investors, we signed the largest public offering in the last 3 years in our country. Seeing that our reliable corporate identity and strong future strategies are also accepted by the investors allows us to look to the future with more confidence.

The green bond issuance of 750 million USD, which we realized in 2021, is not only the largest bond issuance at the very first time in Turkey, but also the largest transaction performed by a renewable energy company in the CEEMEA (Central & Eastern Europe, Middle East and Africa) Region. Undoubtedly, the interest in our bond issuance has been greatly influenced by our success in obtaining the "Second Party Opinion" by the international independent assessment company Sustainalytics regarding that our company's projects financed by green bond revenues are in compliance with the UN Sustainable Development Goals.

As a company that provides service for the continuity of life; thanks to our young, strong and diversified portfolio, knowledge and engineering competence, with our strengthening, rehabilitation works and investments that we carry out in our power plants; we realized our availability rate, which is one of the most important indicators of energy production efficiency, at the level of 98.6 percent, well above the sector average.

We took action to realize our hybrid projects and increase the energy production in our power plants by taking advantage of the opportunities offered by the legal regulations in our country in 2021 for our energy production, which we realize with the awareness of respect for the environment. Thus, by using more than one energy in the same power plant in the same network infrastructure, we will diversify our resources and ensure continuity in clean energy production, while increasing our capacity utilization rate and efficiency.

GRI 102-14

GRI 102-14

MESSAGE FROM THE GENERAL MANAGER

We derive our value-creating power from our sustainability vision. As a company whose only field of activity is renewable energy generation, we have built all our values on sustainability awareness. In order to expand and deepen our efforts in this field, we became a signatory to the United Nations Global Compact in 2020. We took our sustainability agenda one step further by updating it in line with the United Nations Sustainable Development Goals and became a participant in the world's largest corporate initiative in this field in 2021.

While we increase our efforts to make Turkey's energy map green, we are constantly working to reduce the direct and indirect effects of our operations on the environment and to improve our own environmental performance. At Aydem Renewables, we also lead the risks and opportunities related to climate change in our sector. While we are among the best in our sector with the degrees we received in 2021 from the Climate Change and Water Security programs of the Carbon Disclosure Project (CDP), one of the most important environmental platforms in the world, we became the company with the highest Supplier Engagement Rating (SER) score in its sector in Turkey, with A-Leadership Level in the SER. With Akıncı HEPP, which is included in our portfolio, we were happy to be selected as a "Low Carbon Hero" by the Sustainable Production and Consumption Association (SÜT-D) for the third time. In the first quarter of 2021, we were entitled to receive the "Zero Waste" certificate in all of our power plants.

With our inclusive employer identity, we attach great importance to providing a safe, transparent, fair and supportive workplace for our employees based on fundamental rights and freedoms, equality of opportunity and diversity. We advocate the existence of women in all areas and at all levels of economic life, and we are proud to be a signatory to the United Nations Women's Empowerment Principles (WEPs), which is the largest initiative in this context. With our Equal Life initiative, we are trying to transform ourselves in terms of gender equality in a way that includes all our stakeholders in our wide sphere of influence. We believe that domestic violence and abuse is a fundamental issue of equality and a violation of human rights. In this context, with our zero-tolerance approach to violence, on November 25th, the International Day for the Elimination of Violence Against Women, we have published our Domestic Violence Procedure in order to provide an egalitarian, safe work environment where our employees who are exposed to violence can talk in confidence and confidentially, get support and assistance, and show our zero-tolerance approach to all forms of violence.

Another one of our priorities in 2021 was to develop a more digital and efficient working structure suitable for the new world order. With the on-site/office, remote or hybrid working models we have developed, we have reflected our innovation in every field to our ways of doing business. Our people-oriented approach and practices have allowed us to repeat the previous year's success in the survey conducted by the Great Place to Work Institute ®. While renewing our certificate within the scope of the program, we ranked 4th among companies with 500 to 999 employees in Turkey's Best Employers 2021 List as a result of the evaluation made by our employees.

As a company that adds long-term value to future generations and aims to be an active stakeholder, we also fulfill our responsibilities towards the society and the environment through the activities we carry out in our wide operating geography. Especially in 2021, we did not remain indifferent to fires in the forests, which are the lungs of our country, and we implemented our "Hand in Hand with Our Energy for the Future" project.

We have signed a comprehensive cooperation with AKUT (Search and Rescue Association) to increase our social fighting power against forest fires. As the pioneer of renewable energy production in Turkey, we will continue to work and add value to nature and people with the awareness of the key role we play in the future of our country and the world.

We work with determination and are very excited to realize our capacity increase and all our other investment projects, especially hybrid ones, where we aim to benefit from more than one renewable energy sources, to eliminate the negative effects that may arise from the risks of climate change, to increase our efficiency, total net production and revenues in a single power plant.

In this context, we are planning investments in wind power plants to be commissioned through the installation of solar power plants in hybrid generation and wind capacity increase, which will enhance our portfolio of diversity. By the end of 2023, we aim to increase the installed capacity of our 1,020 MW portfolio by 35%. Our investments planned to be commissioned on the basis of total installed capacity in 2022 and 2023 are 358 MW. 196 MW of this investment will be for hybrid solar power plants and the remaining 162 MW will be for wind capacity increases. We will continue to contribute to a sustainable future by closely following the developments in the world in this field.

To undertake exemplary works and to produce "Energy for Life" with our investments that will enable us to maintain our position as the leader of the renewable energy sector in the upcoming period, we will continue to provide added value to our Business, Environment, Employees and Society. I would like to take this opportunity to thank all our stakeholders that lead our success, especially the Aydem Renewables Family.

Sincerely,

GRI 102-14

GRI 102-14

AYDEM FROM PAST TO PRESENT

1995

- Aydem Renewables has been established.

1997

- Aydem Renewables, Denizli, on the Büyük Menderes River, Turkey's first private Hydroelectric Power Plant Bereket-I HEPP started production.

1998

- Bereket II HEPP started production in Denizli.

1999

- Dalaman HEPP-4 started production on the Dalaman River in Muğla.

2000

- Dalaman HEPP-3 started production on the Dalaman River in Muğla.

2001

- Dalaman HEPP-2 and Dalaman HEPP-5 started production on the Dalaman River in Muğla.

2004

- Feslek HEPP started production in Aydın.

2005

- Dalaman HEPP-1 started production on the Dalaman River in Muğla.

2006

- 1/ Established on the Seyhan River in Adana, Mentaş HEPP started production.
- 2/ Gökyar HEPP started production in Muğla.

2008

- Kızıldere Geothermal Power Plant, which was established in Sarayköy district in Denizli, started production.

2009

- Koyulhisar HEPP, which was established on the Kelkit River in Sivas, started production.

2012

- 1/ Çırakdamı HEPP, which was established on the Aksu River in Giresun, started production.
- 2/ Kumkısık Biogas Power Plant, which was established in Denizli, started production.

2013

- Toros HEPP which was established in Adana started production.

2014

- 1/ Dereli HEPP, which was established in Giresun, started production.
- 2/ Uşak WPP, which was established in Uşak - Banaz, started production.
- 3/ Aksu HEPP, which was established in Düzce, started production.

2015

- 1/ Söke WPP which was established in Aydın started production.
- 2/ Göktaş II HEPP, which was established in Adana, started production.

2016

- 1/ Yalova WPP, which was established in Yalova - Armutlu, started production.
- 2/ Göktaş I HEPP, which was established in Adana, started production.

2017

- 1/ Adıgüzel HEPP in Denizli joined the portfolio through privatization.
- 2/ Kemer HEPP in Aydın joined the portfolio through privatization.

2018

- Akıncı HEPP, which was established in Tokat, started production.

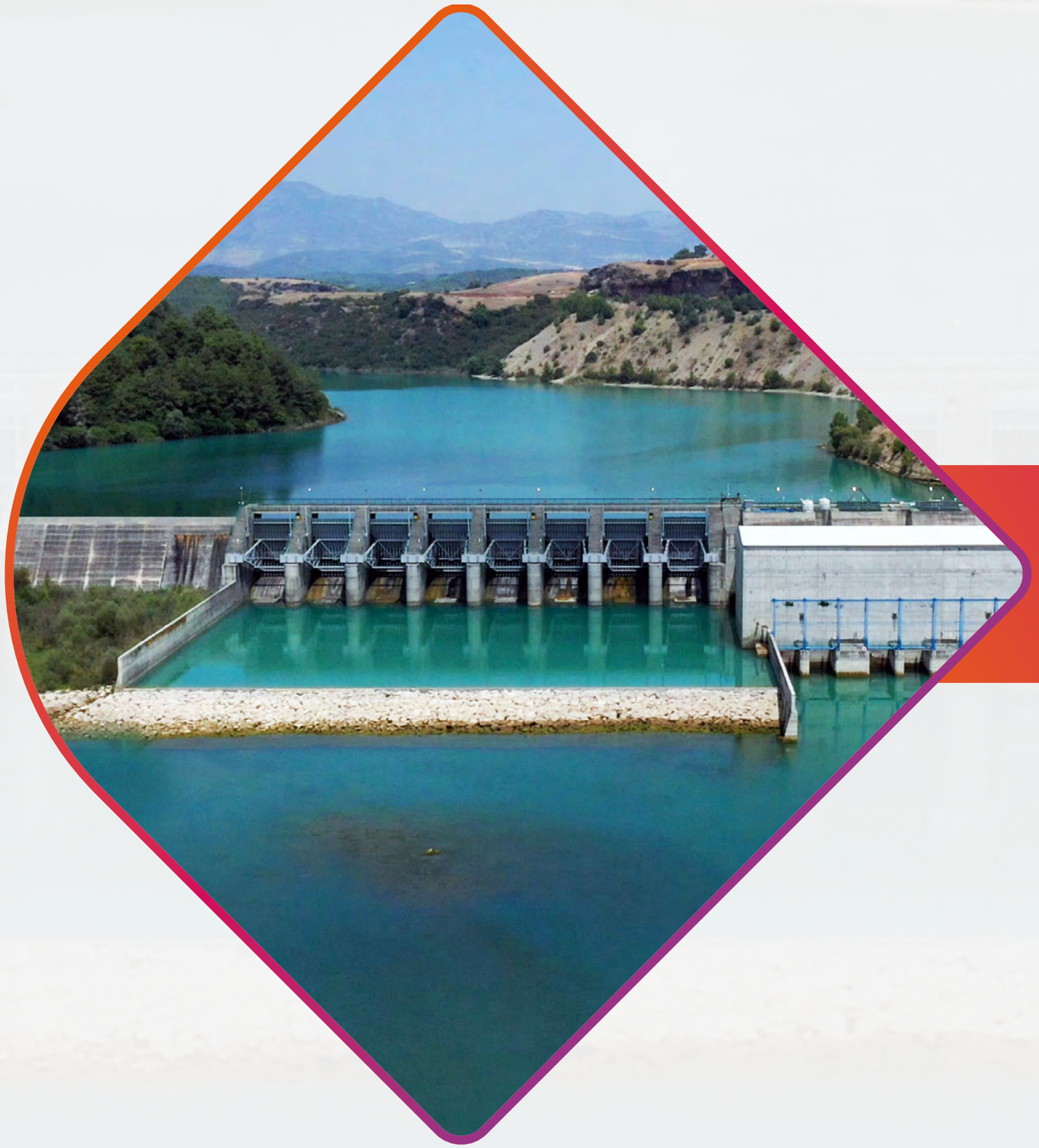
2020

- We celebrated the 40th anniversary of Aydem Energy.
- We published our first sustainability report and won the "Silver Award" at the LACP Awards organized by the League of American Communications Professionals.
- In line with our sustainability vision, we have become a signatory to the UN Global Compact, the world's most comprehensive sustainability platform that proposes universal principles that will shape the future of the business world.
- In the Environmental - Social - Governance (ESG) performance ranking, we were selected as the leader of the Turkish electricity sector by Vigeo Eiris/Moody's, one of the world's most important independent rating companies.

2021

- We started to be traded on the Istanbul Stock Exchange by realizing the largest public offering of the last 3 years with a transaction size of 1.3 billion TL.
- We signed the green bond issuance with a value of 750 million dollars, which was the first time in Turkey, with the highest amount.
- By developing the Green Financing Framework, we were able to obtain a "Second Party Opinion" by Sustainalytics, an international independent assessment company, regarding that our company's projects financed with green bond revenues are in line with the UN Sustainable Development Goals.
- As a result of the Moody's/Vigeo Eiris Environmental, Social and Governance (ESG) performance evaluation, we became number 1 in the sector in Turkey and in the world ranking of "Emerging Markets".
- We ranked 4th in Turkey's Best Employers Survey conducted by the Great Place to Work Institute ®, which provides global service on workplace culture and employee satisfaction.
- In 2020, we became a participant of the United Nations Global Compact (UNGC), of which we are a signatory.
- We have been declared a "Low Carbon Hero" for the third time by the Sustainable Production and Consumption Magazine (SÜT-D).
- In CDP Climate Change and Water Security reporting, we upgraded our rating to B Management Level, the highest grade received in the Turkish energy sector.
- We upgraded our CDP Supplier Engagement Rating (SER) rating to A-Leadership Level, which is the highest rating in the power generation sector in Turkey in 2021.

GRI 102-10 GRI 102-10



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Aydem Renewables is Aydem Energy's company operating in the field of renewable energy generation. Aydem Renewables, focusing on renewable energy with an approach that considers the sustainability of future generations and natural resources, started the installation activities of Turkey's first private hydroelectric power plant in 1995.

Main fields of activity of Aydem Renewables:

- Electricity generation from renewable energy sources,
- Sales of generated electrical energy,
- Wholesale of electrical energy in the electricity market.

At Aydem Renewables, we carry out our activities with the aim of creating value for our customers, employees, suppliers and the society.

We are constantly looking for the better for today and for the future; we continue to contribute to the sustainable growth of our country and to prepare a better future for the environment, the society and future generations with renewable energy production.

Aydem Renewables has a total of 25 renewable energy power plants, including 20 hydroelectric, 3 wind, 1 geothermal and 1 biogas, spread throughout Turkey, with an installed capacity of 1,020 MW and an annual energy production capacity of 3.2 TWh. We are proud to be the largest energy provider company of our country only in renewable energy production. In addition, all design and engineering stages of 23 power plants in our portfolio were carried out under the umbrella of Aydem, and all 25 power plants are operated by Aydem Renewables.

We continue our activities with our environmentally-friendly production model at our power plants operating in 4 regions of Turkey (Black Sea, Aegean, Mediterranean and Marmara) and holding Zero Waste Certificate, International Renewable Energy Certificate (IREC) and Emission Reduction Certificates (VCS & GS).

In April 2021, the shares of our company, which successfully realized the largest public offering of the last 3 years with its transaction size, are traded on Borsa Istanbul Yıldız Market.

GRI 102-6, GRI 102-16, GRI 102-45

Our Values

Sensitivity

While carrying the institution to the future by doing our job in the best way, we fulfill our responsibilities towards the individuals, the society, our country and the environment. We adopt a transparent and accountable working style that complies with procedures and rules. We take our stance against 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 developments in the working environment, our business system, and our products and services. We lead the energy sector with the steps we take, direct the development and change in the sector; we always try new ways for the better.

Touching Life

"Human" is at the center of every job we do, every step we take. Our continuous development, curiosity, investigative spirit and expertise gained over the years enable us to develop solutions that add energy and value to every moment of life. We work to increase the quality of life by acting in line with the needs and expectations of our colleagues and stakeholders.

GRI 102-6, GRI 102-16, GRI 102-45

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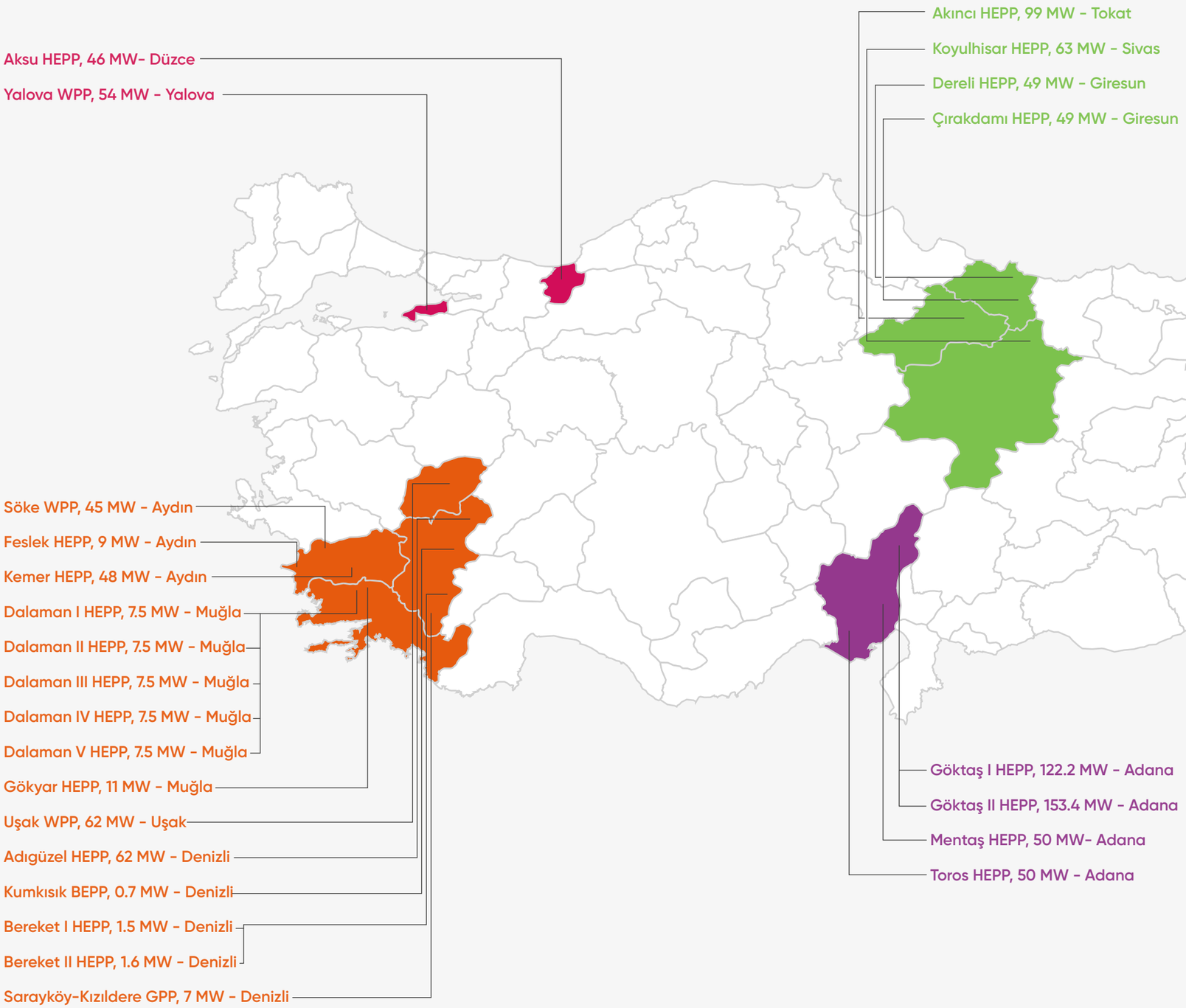
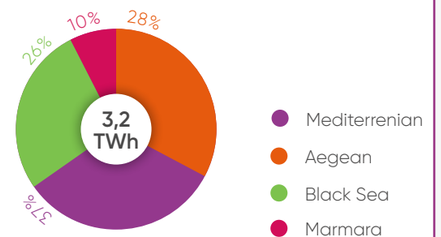
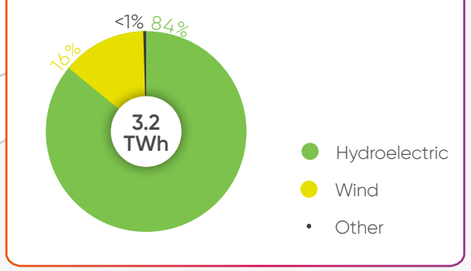
Our Power Plants



Regional Capacity Distribution



Capacity Distribution By Source



GRI 102-2, GRI 102-4, GRI 102-7

GRI 102-2, GRI 102-4, GRI 102-7

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Aydem in Numbers

Hydroelectricity Power Plants

20 Plants

Installed Capacity: **852.13** MW

Annual Production: **2,733** GWh

Wind Power Plants

3 Plants

Installed Capacity: **160.5** MW

Annual Production: **420** GWh

Geothermal Power Plant

1 Plant

Installed Capacity: **6.9** MW

Annual Production: **38** GWh

Biogas Power Plant

1 Plant

Installed Capacity: **0.64** MW

Annual Production: **3** GWh

25 Plants in Total

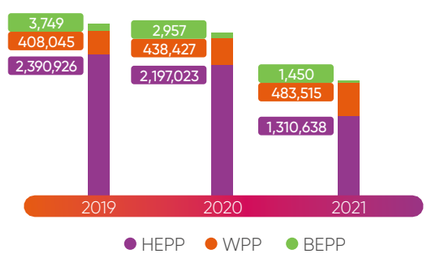
Total Installed Capacity **1,020** MW

Total Annual Production Capacity: **3,194** GWh

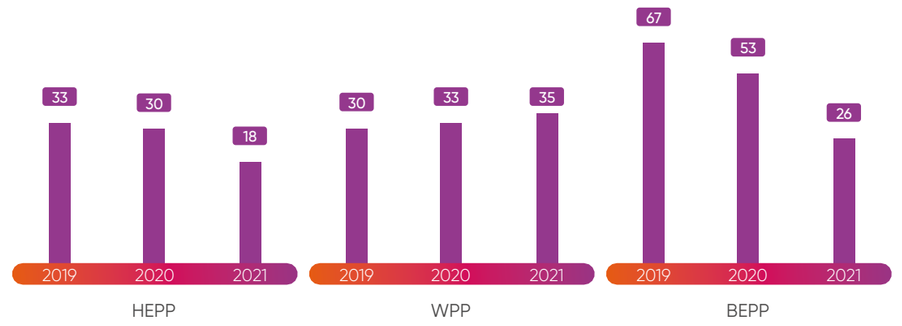
GRI 102-5, GRI 102-7

In 2021, when the worst drought of the last 50 years was experienced, the capacity utilization of our Hydroelectric Power Plants was adversely affected in parallel with the decrease in the production of Hydroelectric Power Plants across the country. Together with our hybrid power plant investments, we aim to minimize production risks arising from climatic conditions.

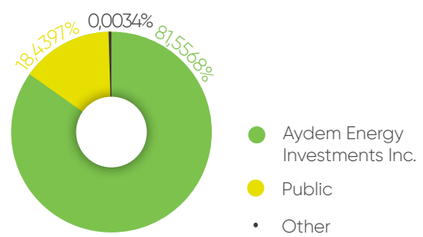
Electricity Generation (MWh)



Capacity Utilization Rate (%)



Aydem Renewables Capital Structure



GRI 102-5, GRI 102-7

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Partnerships and Investments of Aydem Renewables

Başat Electricity Generation and Trading Inc. (100%)

Başat Electricity Generation and Trading Inc., which was established to produce electricity using a hydraulic energy source is owned by Aydem Renewables with a 100% share.

Eytur Energy Electricity Generation and Trading Inc. (100%)

Eytur Energy Electricity Generation and Trading Inc., which was established to produce electricity using a hydraulic energy source is owned by Aydem Renewables with a 100% share.

Sarı Retail Energy Sales and Trading Inc. (100%)

Sarı Retail Energy Sales and Trading Inc., whose field of activity is electricity trading is owned by Aydem Renewables with a 100% share.

Akköprü Renewable Energy Production Inc. (100%)

Akköprü Renewable Energy Production Inc., whose field of activity is electricity generation using hydraulic energy source is owned by Aydem Renewables with a 100% share.

Our Investments

As Turkey's 100% renewable energy company, we contribute to Turkey's energy supply security with our investments. We not only support the clean energy transformation of our country and the world, but also increase the efficiency of our operations through the investments made with the aim of producing sustainable value for the needs of today and the future.

Increasing world population and increasing energy need in parallel with industrialization cannot be met with the decreasing and limited traditional energy resources. Fossil fuels, which currently meet most of the energy needs, cause serious environmental pollution. In addition to negativities such as dependence on foreign fuel, increasing import costs and environmental problems, the rapid depletion of fossil fuel reserves increases the importance of renewable energy sources. This innovative energy production, which has much less environmental impacts compared to non-renewable energy sources, also constitutes the entire production of Aydem Renewables.

GRI 102-6, GRI 102-45

Efficiency is at the center of our investments for a sustainable future. We are Turkey's largest renewable energy company in terms of installed capacity, operating only in the field of renewable energy generation. In order to achieve our goals and maintain our growth, we continue uninterruptedly with investments in reinforcement and efficiency. By making use of high technology, we increase the lifetime, efficiency performance and availability of the equipment used in all our power plants by performing periodic maintenance through our maintenance and repair teams who are experts in their fields.

As a company with diverse and differentiated clean energy generating assets, from hydroelectric to wind energy, from geothermal to biogas, the majority of our power plants are HEPPs, and due to their age and structure, there is no need for renewal. In order to be able to produce until the end of the license period in wind-sourced electricity generation facilities, there is a need for renewal investments of the machinery and equipment currently used. In addition, we are planning innovative renewable energy investments that will increase our diversity. In this context, we aim to increase our installed capacity of 1020 MW, especially with our new generation hybrid projects, and we include the need for new equipment investment in our plans accordingly.

In this regard, we continued our growth by increasing our investment expenditure, which was 154.7 million TL in 2019, 74.6 million TL in 2020, to 358.9 TL in 2021.

154.7 million TL
investment expenditure in 2019

74.6 million TL
investment expenditure in 2019

358.9 million TL
investment expenditure in 2019

Investment expenditures of Aydem Renewables consist of the construction, acquisition, renewal of power generation plants, purchase and maintenance of turbines and power plant equipment. The company manufactures and assembles hydroelectric, wind, solar, landfill gas power plants and the machinery and equipment used in these plants in accordance with the technical projects of the plant. In the construction of the electric power generation plant, where technology and capital investments are obligatory, high-cost machinery equipment is generally used and advanced engineering calculations are made.

GRI 102-6, GRI 102-45

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Our Institutional Views and Projections We Follow in Our Investment Strategy:

- To increase our renewable energy installed capacity by 35% until the end of 2023, with hybrid solar power plant investments and wind capacity increase investments,
- To make the optimum distribution of the investment portfolio according to the climatic conditions, taking into account the production source and geographical region, to make the most of the climate characteristics and being least affected by the adverse conditions.
- To continue to produce only green and renewable energy by continuing to supply safe and sustainable renewable energy,
- To realize environmentally-friendly investments by considering sustainability in our activities,

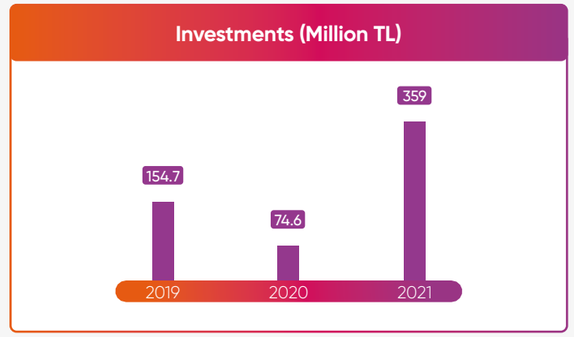
Our Investment Plans Created During the Reporting Period:

- The machinery and equipment group, which is the most important investment cost of WPPs, constitutes between 70% and 75% of the investment cost. The cost of supplying the land where the WPPs will be installed and making it ready for use corresponds to approximately 5% to 10% of the total investment cost, while the construction of the concrete structure where the turbine towers are placed on the ground and the electrical infrastructure corresponds to approximately 15% to 25% of the total investment cost.
- In this direction, feasibility studies and production estimation reports have been prepared in all our WPP power plants in order to apply to EMRA for a capacity increase for WPP sites in order to realize our investments. According to the reports;
  - *Within the scope of the Uşak WPP 102 MW capacity increase, the application approval for the increase in capacity has been received, and a turbine purchase contract will be made in 2022,*
  - *An additional 36 MW capacity increase application will be made for Uşak WPP,*
  - *12 MW capacity increase application will be made for Söke WPP,*
  - *12 MW capacity increase application will be made for Yalova WPP.*
- Within the scope of investments, feasibility studies and production estimation reports have been prepared for Hybrid projects in our Hydroelectric and Wind power plants that are currently producing. According to the reports;
  - *Within the scope of the conversion of the license granted for the Uşak WPP project to a multi-source generation facility, the installation of unlicensed Solar Power Plant (SPP) with an installed capacity of 82.15 MWp has been approved as an auxiliary source, and an additional application for an unlicensed SPP with a power of 17.85 MWp will be made,*
  - *Within the scope of transforming the license granted for the Yalova WPP project into a multi-source generation facility, the installation of an unlicensed SPP with an installed capacity of 18.88 MWp was approved as an auxiliary resource,*

GRI 102-6, GRI 102-45

  - *Within the scope of transforming the license granted for the Söke WPP project into a multi-source generation facility, the installation of an unlicensed SPP with an installed capacity of 16.95 MWp was approved as an auxiliary resource.*
  - *Koyulhisar HEPP Hybrid Unlicensed SPP: EMRA compliance was obtained for the installation of an unlicensed SPP with an installed capacity of 7.69 MWp,*
  - *Akıncı HEPP Hybrid Unlicensed SPP: EMRA compliance was obtained for the installation of an unlicensed SPP with an installed capacity of 12.09 MWp,*
  - *In addition, EMRA applications will be made for our other Hybrid Unlicensed SPP projects, corresponding to a total installed capacity of 40 MWp.*
- The Company's investments are planned for hybrid power plant investments and wind power plant capacity increases. Hybrid unlicensed SPP investment planned for 2022 is 82.15 MW. The hybrid unlicensed SPP investment planned for after 2022 is 113.46 MW. The WPP capacity increase planned within the scope of the investments is 162 MW, and the said capacity increase projects are targeted to be commissioned in 2023.
- Technical Interaction Analysis (TEA) applications for all capacity increase projects have been made.
- The EIA process of all capacity increase and hybrid applications will be initiated.
- In 2022, it is planned to complete the other permit processes for the Uşak Hybrid SPP projects and to commission the 82.15 MWp investment.

Within the scope of the planned investments, it is planned to increase the installed capacity of 358 MW, which will be 82.15 MW in 2022 and 275.46 MW in 2023. In this context, we aim to increase our current installed capacity by 35% until the end of 2023 and reach an installed capacity of 1378 MW.



GRI 102-6, GRI 102-45

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Corporate Management at Aydem Renewables:

Aydem Renewables Board of Directors is appointed by the General Assembly. The Board of Directors, which is appointed for a period of 3 years at most and consists of 8 members, is the highest-level body responsible for the strategic management of the company. 4 members of the Board of Directors are independent members of the board of directors, and the executive GM and the CEO are among the members of the Board. 4 Members of the Board of Directors meet the independence criteria specified by the Capital Markets Board.

Our company has set a target of at least 25% for the rate of female members in the board of directors, and has established a policy for achieving this goal and for the nomination process. In accordance with this policy, the structure of the board of directors is reviewed annually. While 3 of the 8 board members in the reporting period were women, during the reporting period, the number of physically held board meetings with 100% participation is 17.

While the board of directors ensures that strategies and risks do not threaten the long-term interests of the company and an effective risk management is implemented, Aydem Senior Management is responsible for taking and executing the necessary steps to achieve the strategic goals determined by the Board of Directors. And it consists of the General Manager and 4 top managers. The duties of the Board of Directors and General Manager are performed by different individuals.

Within Aydem, 5 committees have been established under the Board of Directors. Changing the working principles of all committees, including the Corporate Governance Committee, Audit Committee, Early Detection of Risk Committee, Investment Committee and Sustainability, Environment, Occupational Health and Safety Committee, is subject to the approval of the Board of Directors.

The effectiveness of the activities of the Board of Directors is ensured by the Early Detection of Risk Committee, Audit Committee and Corporate Governance Committee. The duties, working principles and the members of the committees are determined by the Board of Directors and disclosed to the public. All members of the Audit Committee and the chairmen of other committees must be elected from among the Independent Board members.

Applications within the scope of corporate management processes at Aydem Renewables;

Corporate governance processes are carried out in accordance with the legislation through committees affiliated to the board of directors, audited by internal audit, and notifications are made by performing the necessary procedures by the legal and investor relations directorates in accordance with the Capital Markets Board (CMB) legislation.

The Corporate Governance Committee fulfills the duties and responsibilities specified in its 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 identifying conflicts of interest, to oversee the investor relations unit and to fulfill the duties entrusted to the Nomination Committee and Remuneration Committee.

Our Committees at Aydem Renewables:

The Corporate Governance Committee, Audit Committee, Early Detection of Risk Committee, Investment Committee and Sustainability, Environment, Occupational Health and Safety Committee established within Aydem serve under the Board of Directors.

All committees and internal audit mechanisms work primarily for the independent and objective evaluation of all transactions and processes in the company's operations and mechanism, and to improve the functioning with the findings obtained as a result of the evaluations.

The main purpose of the Audit Committee is the surveillance of ensuring Company's compliance with the relevant legislation and corporate ethical rules regarding the Company's accounting system and practices, the functioning of the internal control system, the disclosure of financial information about the Company to the public, the effectiveness of the Company's internal audit and independent audit activities. The Audit Committee consists of at least two members and the members of the Audit Committee are elected from among the independent members of the board of directors. At least one of these members must have five years of experience in auditing/accounting and finance.

Corporate Governance Committee

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 identifying conflicts of interest, to oversee the investor relations unit and to fulfill the duties assigned to the nomination committee and the remuneration committee.

The Committee consists of at least three members who are members of the Board of Directors or who are not members of the Board of Directors but are experts in their own field, and the Chairman of the Corporate Governance Committee is elected from among the independent Board members. The majority of the committee members are elected from non-executive Board members. The manager of the investor relations unit is a natural member of the Corporate Governance Committee.

Early Detection of Risks Committee

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 endanger the existence, development and continuation of the Company, to implement appropriate risk management strategies, 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 it has more than two members, the majority of the members are elected from non-executive board members. The Early Detection of Risk Committee acts under its own authority and responsibility, and every three months it prepares a report containing the situation assessment, recommendations and suggestions, and presents it to the board of directors.

Investment Committee

The main purpose of the Investment Committee is to evaluate, submit to the approval of the board of directors and follow-up the investment and business development projects of more than 1 million USD in accordance with the purpose and subject of the Company's articles of association. The Investment Committee evaluates the Investment Projects to be made within the body of 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 consideration the project fundamental and feasibility analyses, project financing analyses, budget approval and Investment Criteria. Taking investment decisions regarding investment projects is under the authority of the board of directors. However, the Board of Directors cannot take an investment decision without the opinion of the Investment Committee regarding the relevant investment project.

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Sustainability, Environment, Occupational Health and Safety Committee

The main purpose of the Sustainability, Environment, Occupational Health and Safety Committee is to develop a culture of sustainability, safety of life, occupational health and safety covering the Company's employees and all business facilities, and to proactively adopt a safe behavior approach, including environmental regulations and activities, and ensuring its development. In addition, it is to inform the board of directors about preventive/remedial measures to ensure the implementation of sustainability principles, areas that may create opportunities, and activity results. The Sustainability, Environment, Occupational Health and Safety Committee consists of at least one board member or General Manager, Operations Director, Maintenance and Projects Director, Sustainability and HSE Manager. If there are items on stakeholder participation and social impact in the meeting agenda of the Sustainability, Environment, Occupational Health and Safety Committee, the participation of the Human Resources Director and Corporate Communications Manager is ensured. A member of the Board of Directors chairs the Committee.

All committee members are determined by the board of directors. The term of office of the committee members cannot exceed three years and the committee members whose term of office have expired can be reassigned.

While the committees immediately notify the board of directors in writing, their determinations and suggestions regarding their duties and responsibilities; all kinds of resources and support necessary for the committees to fulfill their duties are provided by the board of directors.

2021 Committee meetings in the reporting period:

- Audit Committee: 6 meetings
- Corporate Governance Committee: 4 meetings
- Early Detection of Risk Committee: 4 meetings
- Investment Committee: 3 meetings
- Sustainability, Environment, Occupational Health and Safety Committee: 4 meetings

Risk Management at Aydem Renewables

At Aydem Renewables, we carry out risk management studies in order to manage the risks that may arise in our fields of activity and to create a risk awareness within the company by calculating the possible effects of these risks. In this regard, we use internationally-accepted risk management principles in our risk management processes and fully comply with the Corporate Governance Principles regulation of the Capital Markets Board.

With the risk management process that we integrate into the whole of our activities and strategic planning, we implement a reliable risk management mechanism in all our investment decisions and processes, and we evaluate all risks and opportunities comprehensively. We manage all risk factors that have become the corporate culture in all our processes and units, including risk awareness, financial performance and reputation, in the most effective manner that may adversely affect both our company and our stakeholders.

We organize annual risk/opportunity assessment meetings with the participation of all process owners to identify and review long-term goals, risks and opportunities. We ensure that the results of these meetings are reviewed by the Early Detection of Risk Committee and the Board of Directors in order to manage key risks, protect the interests of shareholders, and monitor opportunities to increase the company's value.

In addition, in order to manage operational risks, we regularly perform structural, hydraulic, geological and topographic checks at our power plants and implement our action plans prepared in the light of these data. In addition, we continuously monitor and analyze wind data at our power plants.

We regularly review the risk management policies and systems we have determined in order to identify and analyze the risks to be encountered; we rank the assessed risks according to their importance and prepare action plans in line with Aydem Renewables' strategic goals and act accordingly.

In addition to the creation of plans and policies regarding risk management activities, which are the responsibility of the Board of Directors, the Early Detection of Risk Committee is assigned by the Board of Directors in order to effectively manage risks.

Practices within the scope of risk management in Aydem Renewables;

Risks foreseen by all units are identified, risks realized within the scope of key risk indicators are identified periodically, necessary actions and deadlines are determined and evaluated by the Early Detection of Risk Committee.

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Internal Audit at Aydem Renewables

Aydem Renewables' existing internal control system, especially in terms of increasing efficiency and productivity in its activities, ensuring reliability in financial reporting, and compliance with laws and regulations, is audited by the Internal Audit Unit within the framework of the annual internal audit plan.

The main purpose of the Internal Audit function is in the risk management, control and governance processes designed and implemented by Aydem Renewables; risks are appropriately identified and managed and incorporated into business processes; and to provide assurance that resources are used economically and efficiently and effectively protected within the scope of our company's sustainability goals, and that all information is accurate, reliable and available on time. In addition, the Internal Audit function oversees that the objectives related to complying with the ethical rules and working principles defined within the company are defined appropriately and that they are carried out adequately and effectively.

The Internal Audit function is an independent assurance function that reports its activities to the Audit Committee of Aydem Renewables Board of Directors, which consists of independent members, and receives its authority from the Board of Directors of the company through the Audit Committee. The Audit Plan, which is implemented with the approval of the Audit Committee and the Board of Directors annually, is created by risk-based categorization of the processes that include business activities that support 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 Related Management elements.

The Internal Audit Unit takes the International Internal Audit Standards and Internal Control Governance Frameworks as a basis and applies the risk-based audit methodology. In addition, it provides coordination with the activities carried out by an independent audit. Audit process which includes planning and preparation, fieldwork and reporting of audit results, as well as formal audit action follow-up procedures carried out to verify that risk mitigation actions recommended by Internal Audit and accepted by Management have been implemented.

Within the framework of the annual audit plan of the Internal Audit and Control Group Directorate, units are subject to audit studies, taking into account the legal regulations and company procedures. In the reporting period, throughout our company; "CMB Information Systems Management" and "Maintenance and Repair" audits were carried out. Within the scope of these audits, 10 different units (30%) were examined and 6 meetings were held to transfer the internal audit studies to the Audit Committee.

GRI 102-11

Business Ethics, Transparency and Anti-Corruption at Aydem Renewables

Our company's core values and principles guide our code of business ethics and form our standards and ethical practices regarding all our activities and business relationships. The Code of Ethics and Working Principles, which we issued and announced in 2020, are the procedure in which the basic principles of employee rights as well as company ethical values are defined.

While the "Code of Ethics and Working Principles Procedure", "Ethical Investigation and Investigation Practices Procedure", "Ethics Committee and Disciplinary Committee Structure and Working Order Procedure" have been published and implemented at Aydem, the "Anti-Bribery and Anti-Corruption Policy" has been published and implemented on the fight against corruption. All of our employees and business partners are also expected to comply with these principles.

Policies and procedures are announced to all employees through the Integrated Management System in line with business ethics and corporate management, and compulsory training is provided on the Code of Ethics and Working Principles. In 2021, with the participation of a total of 364 employees, 366 hours of training on ethics and anti-corruption were organized.

Our Ethics Line application, which we have created for all our employees who want to report or consult in case of any suspicion regarding ethics and corruption and/or witness a behavior or practice against the rules, is followed by the Internal Audit and Control Group Directorate and the Human Resources Group Directorate. Our employees can reach the Ethics Line via e-mail or via a dedicated phone line at any time of the day. The Internal Audit and Control Group Directorate evaluates the complaints and takes appropriate action if deemed necessary.

GRI 102-16, GRI 102-17

During the reporting period, a total of **364 employees** were given training on ethics and anti-corruption.

Practices within the scope of business ethics and anti-corruption at Aydem Renewables;

- In addition to the employment contracts, the code of ethics procedure is shared with all employees and they are expected to comply with this issue.
- In all contracts we use in partnerships such as services, contractors, purchase and sale, we refer to our Code of Ethics and the Anti-Corruption

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Management Systems Policy at Aydem Renewables

At Aydem Renewables, in line with our vision and mission, we are implementing the Integrated Management Systems (ISO 9001:2015 Quality Management System, ISO 45001:2018 Occupational Health and Safety Management System, ISO 14001:2015 Environmental Management System, ISO 50001:2018 Energy Management System, ISO 27001: Information Security Management System) in order to use domestic and renewable resources in the most efficient way.

In line with our Integrated Management System Policy, we undertake;

- To maintain Integrated Management Systems in the most effective way,
- To manage processes with risk-based thinking,
- To work to meet the expectations of the relevant parties,
- To be an organization that respects the environment and is sensitive to the protection of the environment,
- To ensure the effective use of its resources,
- To reduce waste, ensure recycling and prevent pollution,
- To act with the principle of zero work accident and zero occupational disease, to take measures to minimize the possible harmful consequences of accidents or emergencies that may occur during their activities,
- To give utmost importance to the health, safety and security of contractors, suppliers and employees within the working areas,
- To encourage multi-faceted communication, to get the ideas of the employees and ensure their participation,
- To work to achieve continuous improvement in quality, environment, occupational health and safety and energy efficiency performance,
- To prefer environmentally-friendly and energy efficient products and services,
- To provide information, human resources, technology and financial resources that will ensure the continuity of the Integrated Management System,
- To be an organization that learns, develops and shares by making educational activities continuous,
- To provide the resources needed for the protection of biodiversity and natural ecosystem environments in our fields of activity, within the scope of combating climate change,
- To implement, develop and continuously improve the effectiveness of Integrated Management Systems,
- To comply with the legal regulations, standards, directives and rules of the institutions to which it is affiliated, within the scope of its fields of activity,
- To ensure that all critical company information is protected in accordance with needs and in a manageable manner.

GRI 102-11

Awards We Received at Aydem Renewables

At Aydem Renewables, we are proud to be the owner of many awards in 2021 as well.

Moody's/Vigeo Eiris Environmental, Social and Governance (ESG) performance:

Leader of the Electricity and Gas Services Sector in Turkey and First in the **"Emerging Markets"** Ranking

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

Ranked 4th
(among 100 companies)

CDP Climate Change and Water Security

B Management Level
(Highest grade in the Turkish energy sector in 2021)

As a result of Supplier Engagement Rating (SER), **"A-" Leadership Level**, which is the highest grade received in 2021 in the energy production sector in our country.

Green bond issuance of 750 million USD

The highest amount of bond issuance made in Turkey at the first time and in a single item
Largest transaction by a renewable energy company in Central & Eastern Europe, Middle East and Africa (CEEMEA) Region

Sustainable Production and Consumption Association (SÜT-D)

3rd time
"Low Carbon Hero"
(Akıncı HEPP)

As of April 29, 2021, started to be traded on Borsa İstanbul, Yıldız Market.

We were entitled to receive Zero Waste Certificate in all our power plants that are in production.

SUSTAINABILITY MANAGEMENT AT AYDEM RENEWABLES

- Sustainability Aspects
- Supply Chain Management
- Stakeholder Engagement
- Corporate Memberships

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At Aydem Renewables, we work by considering the sustainability of natural resources, the environment and the needs of future generations with our vision of "Clean energy for a sustainable future" and our mission to "become Turkey's leading renewable energy producer". We aim to meet the expectations of our stakeholders by creating our corporate strategy in this direction.

As Turkey's largest company that produces energy from 100% renewable resources, we support the sustainable development of our country by adhering to Sustainability, Innovation and Human Orientation within our corporate focus, and we continue to work to add value to the future. While producing the "clean energy" of today and the future with sustainability, to create long-term values with the respect we have for the environment and people, we are working to strengthen our team and our company and carry it to the future.

At Aydem Renewables, in line with our sustainability vision, we are a signatory to the United Nations Global Compact (UNGC) in 2020. We updated our sustainability agenda in line with the United Nations Sustainable Development Goals in 2021 and became a participant in the world's largest corporate initiative in this field.

Every year, we share how we fulfill our commitment to the 10 principles of the United Nations Global Compact, of which we are a participant, at a global level with the "Progress Report"; from investment decisions to operations. We are making new commitments at many stages of our business model, from our governance structure to our decision-making mechanism.

We set our emission reduction target per production as 30% for 2025 and 65% for 2035, taking 2020 as a base. We aim to progress by considering our "sustainability" perspective integrated with our corporate strategy, our sustainable governance model, our environmental and social performance goals, and the sustainability of the needs of future generations.

In this regard, the Sustainability Environment, Occupational Health and Safety Committee, and the Sustainability Working Group consisting of 18 individuals are responsible for managing environmental, social and corporate governance issues at Aydem.

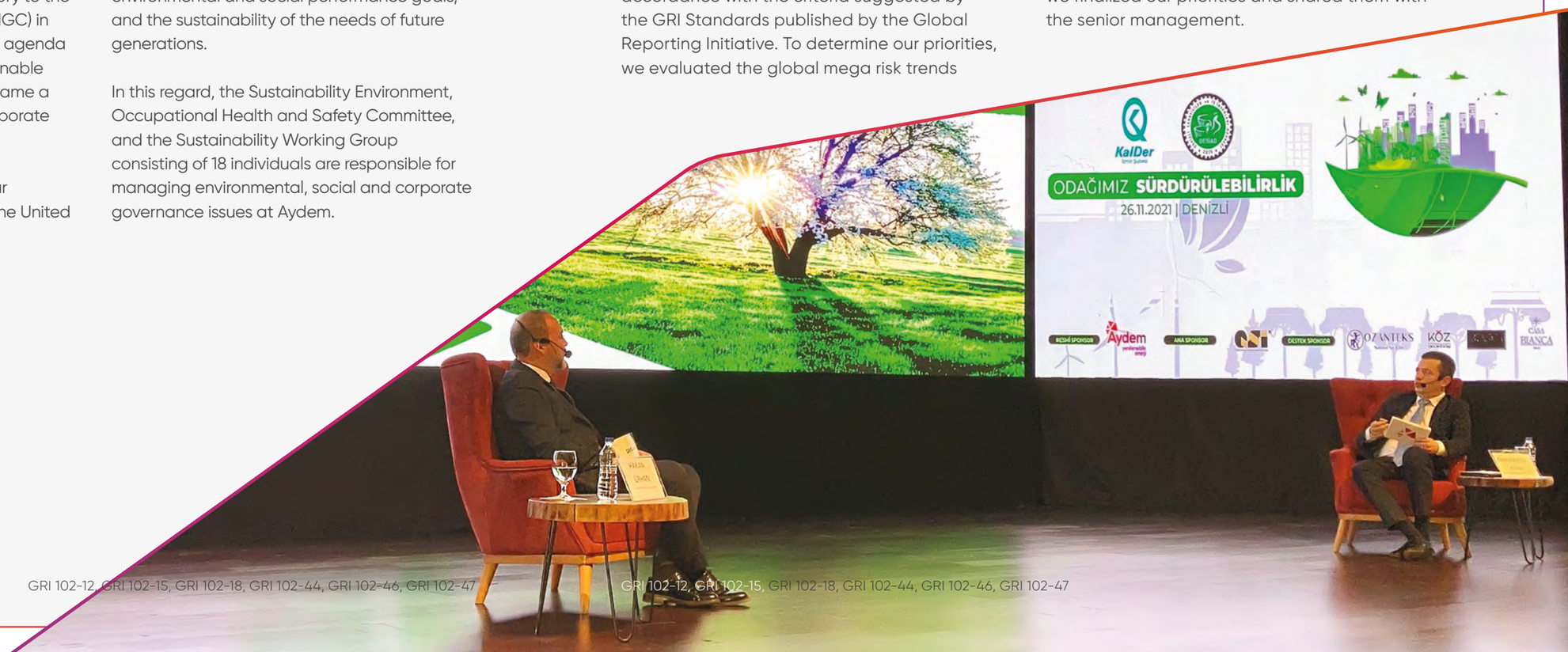
Sustainability initiatives we took part in during the reporting period

- Participant of the United Nations Global Compact (UNGC)
- World Wide Fund for Nature
- Reporting for Carbon Disclosure Project
- Business Against Domestic Violence Project participant (BADV, TÜSİAD and Sabancı University collaboration)

Sustainability Priorities at Aydem Renewables

Along with the sustainability report we published in 2019, we formed a working team by selecting representatives from the business units that will implement the necessary decision-making and implementation processes for our company's sustainability practices. Then, in 2021, we started studies to determine our sustainability priorities with the participation of our working team, which we also support with sustainability trainings.

Our prioritization studies were carried out in accordance with the criteria suggested by the GRI Standards published by the Global Reporting Initiative. To determine our priorities, we evaluated the global mega risk trends in the energy sector, the United Nations Sustainable Development Goals and the social, environmental and economic impacts specific to the sector. Following the research study we conducted with the participation of 157 managers and employees and 54 stakeholders, we held a comprehensive workshop with the participation of Aydem Renewables Sustainability Working Group Members, employees and managers. In the workshop where we evaluated our sustainability priorities in detail, we finalized our priorities and shared them with the senior management.



GRI 102-12, GRI 102-15, GRI 102-18, GRI 102-44, GRI 102-46, GRI 102-47

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Our Sustainability Priorities

Sustainability Priorities

- Sustainable Energy and Climate
  - Climate Change
  - Greenhouse Gas Emissions
  - Emission Trade
  - Renewable Energy
  - Energy Efficiency

- 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
  - Safety

- Biodiversity and Environment
  - Waste Management
  - Circular Economy
  - Biodiversity
  - Land Pollution
  - Material Consumption
  - Water Efficiency
  - Protecting Water Resources

- Social Responsibility
  - Infrastructure Investments
  - Contribution to Local Economy and Employment
  - Local Public Relations

- Business Continuity and Safety
  - Sustainable Supply Chain
  - Availability and Business Continuity
  - Efficient Renewable Energy Supply
  - Economic Performance
  - Innovation
  - Digital Transformation and Information Safety

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- Workplace Applications
  - Inclusive Workplace, Diversity and Equality
  - Talent Management
  - Employee Satisfaction and Commitment

GRI 102-15

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Supply Chain Management at Aydem Renewables

Within the scope of supply chain management, we expect our suppliers to comply with our business ethic values.

We mostly work with local suppliers to contribute to the local economy and minimize supply continuity and security risks. Only 4% of our supplier portfolio in our procurement operation amounting to 636.8 million TL in 2021 consists of foreign suppliers.

Local Supplier Ratio by Number of Suppliers (%)

Sustainable Supply Chain

At Aydem Renewables, we select our stakeholders according to the degree to which they can benefit from our activities and relationships and their ability to adapt to our business goals. We attach importance to open communication; and therefore, we try to stay in touch with both our internal and external stakeholders as much as possible and create new communication channels.

In all contracts with our suppliers, we include our principles regarding financial requirements, OHS policy, ethical values and environmental issues, and we convey our sensitivities to our suppliers regarding compliance with these issues.

We evaluate our suppliers regarding our sustainability strategy and expectations by classifying our suppliers.

We are carrying out our studies in the direction of domestic production and maintenance in order to support domestic production, primarily in failures or in our investments. In this way, we gain more time and flexibility in our failures or investments.

We make all our purchases within the framework of the principle of transparency and trust, and in this context, we aim to initiate our e-tender studies to make our process even more reliable.

Main Supplier Items

- Machinery Equipment Purchase and Manufacturing
- Consultancy
- Safety
- Automation Systems
- Maintenance & Repair Services
- Engineering Construction Services
- Electrical and Hardware Supplies

In the reporting period, Aydem also receives a Supplier Engagement Rating (SER) in addition to its climate change score by fully answering the CDP Climate Change survey. In 2021, Aydem Renewables' rating was risen to "A-" Leadership Level as a result of the Supplier Engagement Rating (SER), in which CDP evaluates the supplier relations, purchasing organization, supply chain emissions, governance, targets and value chain participation performance of organizations on climate change. "A-" Leadership Level is the highest degree received in the power generation sector in our country in 2021.

GRI 102-9 GRI 102-9

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Stakeholder Engagement at Aydem Renewables

At Aydem Renewable, the expectations of all our stakeholders are among our priorities. In this regard, we attach great importance to stakeholder participation and include your opinions and suggestions in our decision-making and activity processes. We use various channels to share opinions and suggestions with our stakeholders in a healthy way.

EMPLOYEES	*Idea Line (continuous)* *Enport Intranet Platform (continuous)* *Enbülten, monthly online communication magazine (monthly)* *Social events (continuous)* *Management meetings (continuous)* *Employee trainings (continuous)* *Project group meetings (continuous)* *IKON app (continuous)*
SHAREHOLDERS AND INVESTMENTS	*Board meetings (continuous)* *Committee meetings (every 3 months)* *Investor relations website (continuous)* *General Assembly meetings (annual)* *Email, phone and calls (Continuous)*
HOLDING AND GROUP COMPANIES	*Board meetings (continuous)* *General Assembly meetings (annual)*
PUBLIC ORGANIZATIONS AND LOCAL MANAGEMENTS	*Sustainability Report (annual)* *Annual Report (annual)* *Online and face-to-face meetings (continuous)*
SUPPLIERS AND SUBCONTRACTORS	*Sustainability Report (annual)* *Email, phone and calls (continuous)* *E-procurement (continuous)*
BANKS AND FINANCIAL INSTITUTIONS	*Online and face-to-face meetings (continuous)* *Congresses (continuous)* *Reports (instant)*
UNIVERSITIES, RESEARCH INSTITUTIONS AND CONSULTANTS	*Online and face-to-face meetings (continuous)* *Congresses (continuous)*
INDEPENDENT AUDIT AND RATING ORGANIZATIONS	*Online and face-to-face meetings (continuous)* *Congresses (continuous)* *Reports (instant)*
UNIONS, NON-GOVERNMENTAL ORGANIZATIONS AND INDUSTRY ASSOCIATIONS	*Sustainability Report (annual)* *Annual Report (annual)* *Online and face-to-face meetings (continuous)*
SOCIETY	*Assemblies and face-to-face meetings (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)*
CUSTOMERS	*Projects (instant)*

GRI 102-40, GRI 102-42, GRI 102-43

Corporate Memberships

- Sustainable Development Association (SKD)
- The Association of Turkish Electricity Industry (TESAB)
- Geothermal Energy Association (JED)
- Electrical Manufacturers Association (EUD)
- Sustainable Production and Consumption Association (SÜT-D)
- Denizli Industrialists and Businessmen Association (DESIAD)
- Turkish Industry & Business Association (TÜSİAD)
- United Nations Global Compact (UNGC)

GRI 102-13, GRI 102-40, GRI 102-42, GRI 102-43

CLIMATE CHANGE AND BIODIVERSITY AT AYDEM RENEWABLES

- Climate Change Management
- Greenhouse Gas Management
- Emission Trade
- Water Management
- Circular Economy and Waste Management
- Biodiversity

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Climate Change Management at Aydem Renewables

As a company that produces energy with 100% renewable resources, we attach great importance to the efficient use of energy resources. We try to minimize the negative effects of our activities in order to protect all natural resources and biodiversity and to be sustainable for the needs of future generations; we place this awareness at the center of our investments. We use the latest and most effective technology in our power plants and aim to achieve high efficiency by reducing our waste and footprints with great responsibility.

At Aydem Renewables, we have put climate change and environmental processes at the center of our operating culture by following global extends. In this context, we have been calculating, verifying and monitoring the water and carbon footprint inventory since 2018.

Greenhouse Gas Management at Aydem Renewables

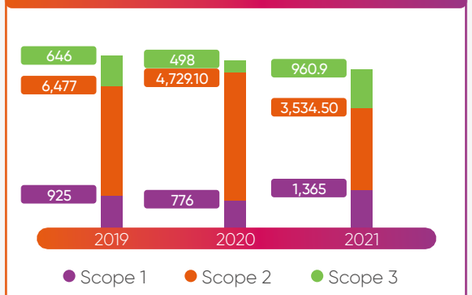
ISO 14001, which is within the scope of our integrated management systems, in order to reduce our carbon footprint resulting from our activities and to increase our energy efficiency: Environmental Management System and ISO 50001: We act in line with the requirements of the Energy Management System.

Our 2021 value of greenhouse gas emissions per production is at the level of 0.00325 Ton CO_2e/MWh. Our total greenhouse gas emission rate has been decreasing since 2019. it was realized at the level of 8049.24 tons of CO_2 in 2019, 6002.82 tons of CO_2 in 2020, and 5,860.13 tons of CO_2 in 2021.[1]

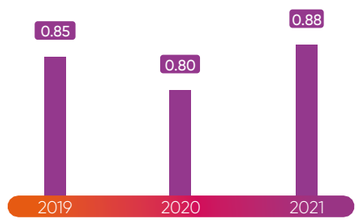
In 2022, along with our hybrid power plant projects planned to be realized, it is anticipated to prevent:

- 106,372 tons/year of CO_2 emission by generating 164,105 MWh/year energy with the Uşak WPP Hybrid SPP Project,
- 19,942 tons/year of CO_2 emission generating 30,766 MWh/year energy production with the Söke WPP Hybrid SPP Project.

Greenhouse Gas Emissions (TON CO_2)

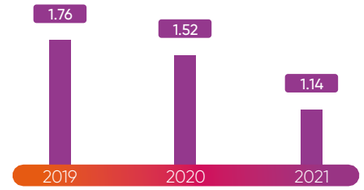


HEPP Energy Consumption Per Generation (%)

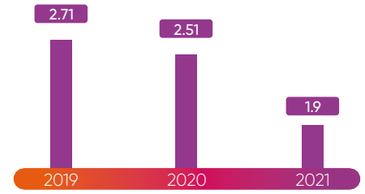


[1] *Scope 1, Scope 2 and Scope 3 were included when calculating total greenhouse gas emissions.*

Energy Consumption Per WPP Generation (%)



Energy Consumption Per BEPP Production (%)



In line with the European Union's Green Consensus 2050 strategic goals, while we move towards our goal of being net zero by 2050, we set our emission reduction target per production as 30% for 2025 and 65% for 2035, taking 2020 as a base. In line with this goal, we are proud to have achieved many important successes as a result of the improvement and innovation investments we have made in the production processes.

At Aydem Renewables, we took our place among the leaders of the Electricity Services Category in Turkey with the "B Management Level" degree we achieved in the Carbon Disclosure Project 2021 Climate Change and Water Security Program, in which 13,000 companies around the world participated. We have become the company with the highest SER score in its sector in Turkey by raising it to 'A-Leadership Level' in the Supplier Engagement Rating (SER).

The amount of carbon emissions we have **prevented** in the last 5 years: **6 million tons of CO_2** is equivalent to;

= **1.2%** of our country's emissions (506 million tons CO_2e/year)

= **1.7%** of energy-related emissions (364.4 million tons CO_2e/year) in our country.

= It is equivalent to the annual CO_2 absorption of an average of **250 million** trees.

250 million trees are equivalent to;

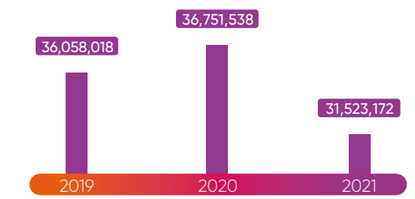
= **1/200** of the tree wealth in Turkey,

= approximately **80%** of the forest areas burned as a result of forest fires in 2021,

= **68%** of Istanbul fertile forest areas,

= It is equivalent to a forest area which is at the size of **216,920** football fields.

Total Renewable Energy Consumption (kWh)



Our Achievements on Climate and Environment

- Within the scope of carbon footprint, 2021 carbon footprint calculations of the headquarters and all businesses have been verified by an Accredited Certification Body according to ISO 14064-1 Standard.
- In 2021, as a result of the responses given to the Climate Change surveys within the scope of the Carbon Disclosure Project (CDP), our score was raised to the "B Management Level", which is the highest score received in the energy sector in our country.
- In the Supplier Engagement Rating (SER), we received the title of the industry leader with the "A-Leadership Level" score.
- Akıncı HEPP, which prevents more than 230,000 tons of carbon dioxide emissions, was awarded with the Low Carbon Hero award for the third time by the Sustainable Production and Consumption Association.
- A decrease of 899 tCO_2/year was achieved with the Vehicle Tracking System.
- With the LED Lighting Transformation Project, it is aimed to achieve a reduction of 490 tCO_2/year.
- With the use of A++ product groups, it is aimed to achieve a reduction of 600 tCO_2/year.

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Carbon or green energy certification processes at international standards are carried out for all power plants of Aydem Renewables:

- **Gold Standard (GS) project processes were initiated for Yalova WPP and Söke WPP.**
- **Registration to the Verified Carbon Standard (VCS) system has been completed for Toros HEPP, Akıncı HEPP, Koyulhisar HEPP, Düzce Aksu HEPP, Çırakdamı HEPP, Dereli HEPP and Uşak HEPP.**
- **Registration to the International REC Standard (I-REC) system for Göktaş 1-2 HEPP, Mentaş HEPP, Dalaman 1-5 HEPP, Gökyar HEPP, Bereket 1-2 HEPP, Feslek HEPP, Adıgüzel HEPP, Kemer HEPP and Kumkısık BEPP power plants have been completed.**

Emission Trade at Aydem Renewables

As a renewable energy producer, we are trying to fulfill our responsibility in the fight against climate change by obtaining renewable energy certificates in order to ensure that our customers use clean energy and to offer emission reduction certificates to voluntary carbon markets within the scope of carbon trade. In this regard, since 2011, we have been continuing to work with determination to provide electricity to our customers who aim to increase investment in renewable resources, reduce or neutralize their emissions.

In 2021, we put the certificate, which corresponds to more than 6.9 million MWh of electricity in total, into service. 88% of the certificates we offer were created under VCS and 12% under I-REC. In 2021, 3,037,566 tons of carbon and 829,987 I-RECs were sold, and an additional income of approximately 2,3 million USD was obtained within the scope of emissions trading.

Energy at Aydem Renewables

2 Has Gold Standard **power plants**

15 Renewable energy certified (IREC) **power plants**

8 Voluntary carbon standard (VCS) **power plants**

Our Potential for 2022

Verified Carbon Standard
540 tons of VCS

Gold Standard
Climate Security & Sustainable Development
420 tons of GS

THE INTERNATIONAL REC STANDARD
1.2 million IREC

Water Management at Aydem Renewables

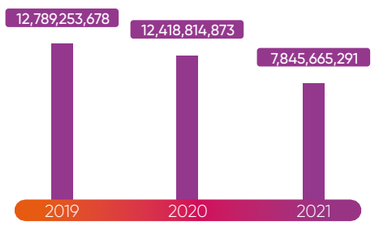
At Aydem Renewables, we pay attention to the responsible and efficient use of water in all our production activities and operations. In addition to being one of the basic requirements of life, water is also the main source of the hydroelectric power generation process. Due to its strategic and vital importance, we invest in R&D and innovative technologies in order to protect water resources, and continuously improve our water policies for a reliable and effective management. We obtain permissions from the necessary authorities regarding our use and operation of water and carry out internal and external audits to ensure that it is used appropriately. In addition to the efficient use of water, we carry out the relevant standards that must be followed in the management of waste water in order to protect it at its source, and we provide periodic controls.

Water Use Cycle at Aydem Renewables:

At Aydem Renewables, we release the water taken from the natural source to produce energy after taking its energy back to nature without any loss. We leave the water we use as cooling water and turbined water without polluting after completing its duties within the scope of production with the open cycle system; in addition, we regularly monitor the relevant parameters in accordance with the environmental legislation. We monitor our process water usage amount with power plant-based measurements. In this context, 7,845,652,718.00 m^3 of water was turbined in 2021 and the same amount of water was released back to nature without being polluted.

Our water use, which was 12,789 billion m^3 in 2019 and 12,419 billion m^3 in 2020, decreased to 7,846 billion m^3 in 2021.

Amount of Turbine Water (m^3)



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For Water Management at Aydem Renewables

To Reduce Water Consumption:

By starting the "flow limiter" application in order to reduce the amount of domestic water in 2021, we have reduced the total water consumption by 30% compared to 2020.

To Measure Process Water Quality:

We check whether the plants have any effect on the water by analyzing the process water with samples taken from the downstream and upstream once a year in our generating plants.

For Wastewater Management:

Wastewater management in all HEPP, WPP, GPP and biogas facilities in Aydem Renewables is provided through septic tanks, and it is given to the contracted local treatment system by drawing periodically. Registration of all enterprises in the Integrated Environmental Information System has been completed.

For Reporting Processes of Downstream Water Use Rights:

Within the framework of the Water Usage Rights Agreement with DSI, the revision process of the Çırakdamı HEPP and Dereli HEPP downstream water use rights reports has been initiated.

Our Achievements and Projects in Water Management:

- 2021 calculations of our headquarters and all our businesses for water footprint have been verified by an Accredited Certification Body according to ISO 14046 Standard.
- In 2021, as a result of the responses given to the Water Security surveys within the scope of the Carbon Disclosure Project (CDP), our score was increased to the "B Management Level", which is the highest score received in the energy sector in our country.
- Rainwater collection project studies have started in 2 of our enterprises selected as pilot points. The project is planned to be commissioned at the end of 2022.

Circular Economy and Waste Management at Aydem Renewables

As the renewable energy sector, there is no process-based waste generation in operation processes, while wastes are generated during maintenance works. At Aydem Renewables, we aim to prevent pollution at the source first and to separate and recover the waste generated.

First of all, we collect all our hazardous or non-hazardous wastes separately at the source, without harming the environment, and regularly collect them at the temporary waste storage area, and send the non-recoverable waste to the contracted licensed recovery/recycling or disposal facilities at least twice a year.

We adopt the principle of managing our Waste Management, which we have created in accordance with international standards and Environmental Policies, without harming the environment and applying it with the principle of Zero Waste. We are constantly updating and improving our policy in accordance with the relevant national legislation, including the ISO 14001 Environmental Management System.

During the reporting period, we were entitled to receive Zero Waste certificates of all enterprises in production. We regularly organize environment, climate change and waste management trainings not only for the fields of activity and power plants within our body, but also for all our employees and suppliers; we aim to increase awareness and responsibility in this regard. In 2021, our employees received 644 personXhours of training. As a result of these, we managed to reduce the amount of waste generated per person by 39% in 2021 compared to the previous year.

As a result of our activities, a total of 30 tons of hazardous waste, 4 tons of non-hazardous waste and 409 tons of scrap waste were generated during the reporting period, and we have ensured that 100% of our waste is recycled under appropriate conditions.

For waste management in the Covid-19 process; a communiqué was published by the Ministry of Environment, Urbanization and Climate Change. As a company, by taking the necessary actions, separate waste bins have been created in our headquarters and power plants for disposable mask and glove waste. Awareness was created by giving trainings to our personnel about the relevant regulation.

Thanks to the wastes we recycle and recover:

- Energy savings of approximately 484.328 kWh, equivalent to monthly electricity needs of Çardak district of Denizli province with 2,092 households;
- About 20 barrels of oil saved thanks to the recycling of 1.3 tons of plastic;
- 67,387 kg of greenhouse gas emissions equivalent to the clean air provided by 678 trees have been prevented.

- As a result of an effective waste management, the amount of waste generated per person is 39% compared to the previous year;
- With Robotic Process Automation (RPA) application, paper consumption has been reduced by 70%.

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Biodiversity at Aydem Renewables

HEPPs and WPPs, which are our biggest production tools in the renewable energy sector, are established in areas with a certain ecosystem such as water resources, air and land habitats. For this reason, we need to carefully monitor and manage the elements that may have an impact on water, air and life on land, which are in the impact areas of our power plants.

At Aydem Renewables, we organize our operations in a way that does not harm biodiversity, with a responsible attitude towards the biological richness of all areas we are in. Within the scope of Environmental Policies, we take the necessary measures to protect the existing biodiversity in all our activities and comply with the relevant legal regulations. We monitor and analyze the environmental risks that may arise regarding our fields of activity and investments, and we make our plans to minimize our impact. We evaluate all our facilities in terms of potential impacts and then implement the necessary practices. In this regard, we carry out biodiversity, monitoring and conservation programs, mammalogy and ornithology monitoring, afforestation and planting studies, and regularly monitor the results. In the reporting period of 2021, a total of 4,250 trees were planted.

Legally, we complete processes such as pre-investment EIA, Project Progress Studies and Project Introduction Files; prepare Ecosystem Assessment Reports and monitor birds and bats for necessary power plants. In this regard, all our power plants have Environmental and Social Management Plans. In the upcoming period, it is planned to prepare Biological Diversity Assessment reports within the scope of ecosystem assessment of all our businesses. In addition, Biological Diversity Monitoring Studies will be carried out and reported at all of our WPP enterprises.

For Biodiversity in Energy at Aydem Renewables

- Environmental Impact Assessments,
- Process Water Quality Measurements,
- General Bird Protection Plans
  - *Monitoring studies according to Scottish Natural Heritage methodology,*
  - *Collision risk model based on observation data*
  - *Carcass screenings according to Atienza-2014,*
- Aquatic Life Protection Plans in HEPPs
  - *Ensuring the continuity of aquatic life with fish passages,*
  - *Supporting the life continuity of fish in the stream through the fish elevator at Göktaş HEPP,*
- Following Life Line Values,
- Contributing to the protection of flora through afforestation, planting and vegetative soil management practices,
- Watching Wildlife with a Camera Trap,
- Biodiversity Monitoring Studies (WPP),
- Biodiversity Assessment Reports,
- Bat Houses Project,
- Biodiversity trainings for all our employees,
- We are implementing Beekeeping Monitoring and Supporting projects.

ENERGY MANAGEMENT AND EFFICIENCY AT AYDEM RENEWABLES

- Renewable Energy Supply

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Energy Management and Efficiency at Aydem Renewables

At Aydem Renewables, we carry out our activities within the scope of ISO 50001 Energy Management System in order to manage energy in the most effective way. In this regard, we provide trainings on Energy Efficiency and Savings to all our businesses, and we take care to raise awareness on the subject. In addition to healthy growth and continuity of energy supply, we calculate our energy consumption amounts for effective energy management, which is also at the core of our sustainability focus, we inform our stakeholders in a transparent manner, and we develop projects that reduce consumption and increase efficiency in order to minimize our environmental impact.

In this context, we increase production efficiency by making project rehabilitation and reinforcement investments in order to increase efficiency and reduce costs in all our power plants. We meticulously follow the issue of ensuring that all materials used, except the turbine, comply with international and national technical specifications and have type test certificates.

With the efficiency projects we carried out in 2021, we saved 19,577,000 kWh of energy.

Our Energy Management and Efficiency Projects:

1. Power transformer cooling project

Step-up transformers are used to raise the electrical energy produced in wind turbines to the national grid level.

Temperature problems are experienced in step-up transformers with 1600 kVA power in Uşak WPP and Yalova WPP sites, especially in summer months and when production is high. The increase in air temperature and the load that is generated as a result of full capacity production can cause the transformer oil temperature to rise to the upper limits, resulting in heat-related losses. In Yalova and Uşak WPP plants, with the installation of additional fans in the ventilation window in the transformer compartments of the concrete kiosks, the air circulation is increased, and the stable operation of the transformers is ensured by preventing the temperatures of transformers from reaching critical levels.

2. Backup of turbine main component

Major components such as generator-gearbox-blade, among the parts with deadlines up to 6-8 months, are available in our Uşak and Yalova field as hot spares against accidental situations.

3. Söke WPP software update

Our installed capacity, which is 3.3 MW per turbine in the Söke WPP site, will be increased to 3.45 MW as a result of the joint efforts we made with the turbine company.

4. Bereket HEPP-1-2 New Water Source;

It is ensured that Çıbangözü source is brought into production in Bereket HEPP-1-2.

5. Akıncı HEPP Spillway Project;

With the Akıncı HEPP spillway project, it was ensured that the production losses were prevented by providing the stilling gain as a result of the production of the spillway.

6. Reduction of Akıncı HEPP Tail Water Level;

With the Akıncı HEPP tail water elevation lowering process, breaking work was carried out at the base of the stream bed, in the approximately 500 m downstream area of the power plant; and stilling gain was achieved and productivity was increased by lowering the tail water elevation by 80 cm.

7. Dereli HEPP Group-1 Turbine Revision;

With the Dereli HEPP Unit-1 turbine revision, water leaks in the unit in question were reduced, minimizing production loss and thus contributing to production increase.

8. Koyulhisar HEPP Fish Pass;

Koyulhisar HEPP fish pass inlet was rehabilitated to reduce it to an appropriate level and increase the active volume of the lake area. This contributed to the increase in production.

9. Mentaş HEPP Grid Cleaning Machine;

The materials coming to the Mentaş HEPP lake area cause blockage from the water intake structure grids, resulting in production loss. For this reason, a Grid Cleaning Machine was installed in the water intake structure, preventing grid clogging and providing a production gain.

10. Toros Hepp Cooling Water;

Due to the impurities coming into the Toros HEPP cooling water, the cooling water system was clogged, causing production losses. Production losses were prevented by revising the cooling water source.

11. Toros HEPP Grill Cleaning Machine;

Materials coming to the Toros HEPP lake area cause blockage in the socket structure grids, resulting in production loss. For this reason, a Grid Cleaning Machine was installed in the socket structure, preventing grid clogging and providing production gains.

12. Toros HEPP Conduit Cover;

In order to reduce the shaft accumulation in the Toros HEPP regulator, the conduit cover was revised and production gain was achieved.

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Renewable Energy Supply at Aydem Renewables

With the increasing population in the world, the need for consumption in production and industrialization is increasing very rapidly. The limited natural resources that can be used to meet these needs necessitate responsible and sustainable use. Therefore, the need for energy production, especially from renewable sources, is increasing day by day. At Aydem Renewables, we are aware of the need to grow and maintain accordingly; we recognize our responsibility for our country's energy supply security with our efficient production. We apply the right energy economy and infrastructure works for the continuity of energy; and aim to increase our green and renewable energy diversity with new hybrid investments.

We aim to increase our renewable energy production day by day with the investments we make, our acquisition and merger targets, our hybrid investment projects and our approach to privatization opportunities, and to encourage consumers to use renewable energy by collaborating with various organizations and stakeholders.

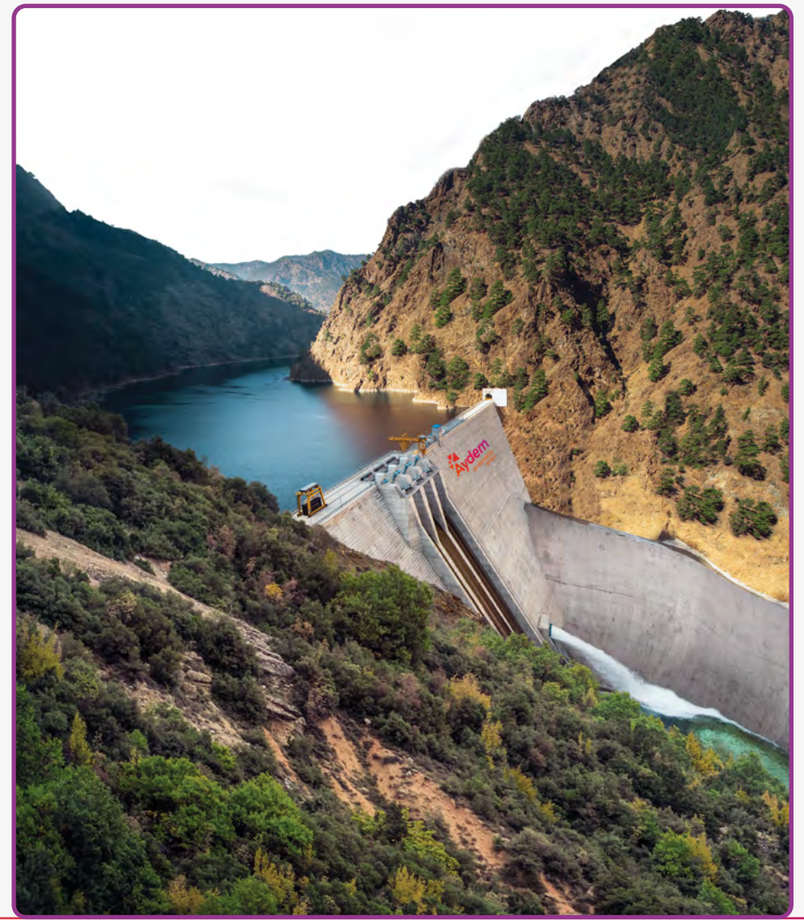
With our hybrid power plant projects, we will be able to produce energy with auxiliary energy sources based on the main source. In this context, we will invest in hybrid solar power plants for wind power plants and hybrid solar or hybrid wind power plants for hydroelectric power plants. With this system, which we aim to minimize the effects of seasons, climate and extreme weather conditions, we will increase both our capacity utilization rate and our efficiency, thanks to our diversified energy resources.

We also follow the merger, acquisition and privatization opportunities that may be appropriate in our sector in order to ensure energy supply security and increase our production.

We act in accordance with the regulations of the Turkish Energy Market Regulatory Authority (EMRA) in order to increase the capacities of our wind power plants, and we increase our capacity at our Uşak, Yalova and Söke WPP power plants with the opening of additional capacity allocation opportunities.

We meticulously follow the general maintenance and repair and re-enhancement of our power plants, which is another issue we attach importance to in the continuity of energy supply.

As of 2021, the weighted average age of our hydroelectric power plants is 8 years from the date of commissioning and the remaining license period is 34 years. For our wind farms, these values are 6 years and 37 years, respectively.



BUSINESS CONTINUITY AND SAFETY AT AYDEM RENEWABLES

- Availability and Business Continuity
- Digital Transformation and Innovation
- Privacy of Information and Cyber Security

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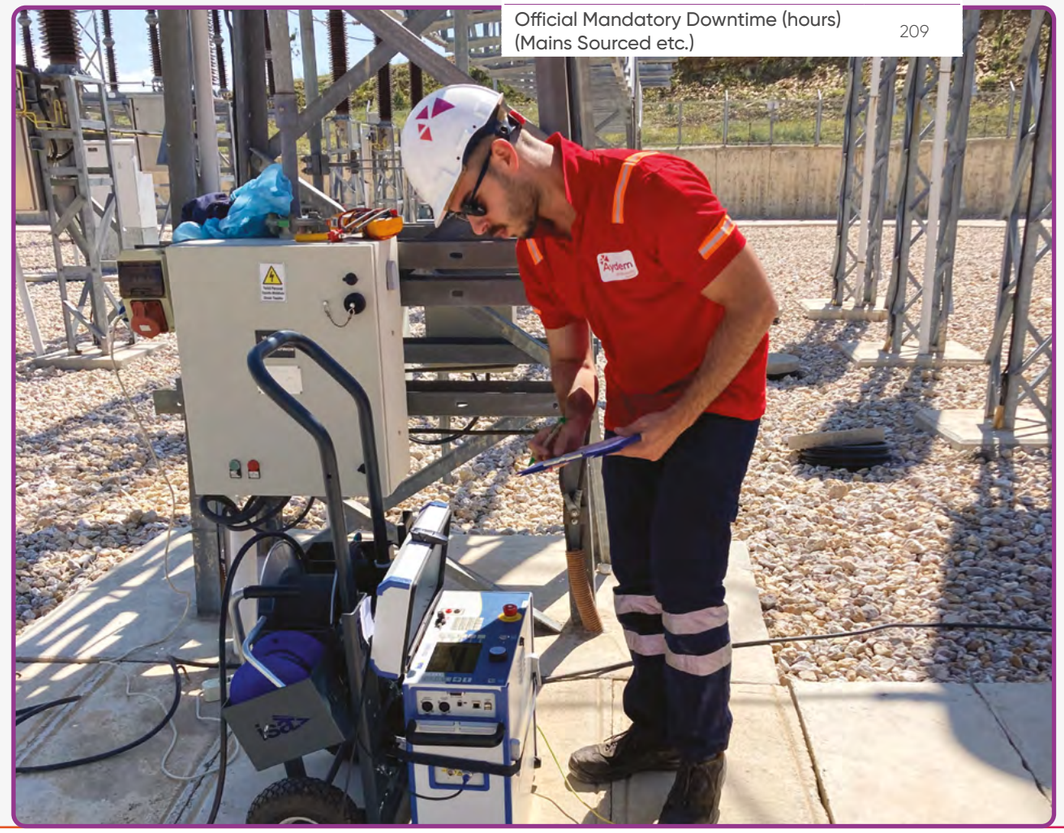
Availability and Business Continuity at Aydem Renewables

At Aydem Renewables, we carry on our continuous reinforcement and efficiency investments in order to achieve our goals and maintain our growth, we regularly maintain all our power plants and equipment by making use of high technology, thanks to our expert maintenance and repair and qualified workforce. IIn this regard, we increase the lifetime and efficiency performance of our power plants and the equipment used, and we keep our availability rate high, which represents the ratio of theoretically maximum production in maximum time of a power plant.

In order to ensure business continuity and reliability, we give particular importance to keep availability rates high, researching projects that will increase energy diversity and efficiency, and to develop new strategies. In this direction, we are constantly working on energy efficiency within the scope of ISO 50001 and are subject to internal and external audits regularly every year. We report all the risks and opportunities that we follow to the senior management.

In addition to our effective maintenance and repair works, we reached 99.6% availability in 2021 with the contribution of our strong information and infrastructure systems, which we continuously develop with a focus on digitalization. This rate was 99.8% in HEPPs and 98.51% in WPPs. During the reporting period, our planned downtime at all our power plants was calculated as 59,723, and our unplanned downtime was 14,414.

	2021
Scheduled Downtime (hours)	59,723
Unscheduled Downtime (hours)	14,414
Number of Unscheduled Stops	1,334
Official Mandatory Downtime (hours) (Mains Sourced etc.)	209



The Path We Follow for Availability and Business Continuity:

- We provide training to our personnel for operational reliability,
- In case of an extraordinary failure, we predetermine the electrical equipment with a long deadline and stock them as spares,
- We prepare a periodic test and maintenance schedule at the beginning of the year in order to avoid unexpected malfunctions,
- By performing test and maintenance operations on the specified calendar, we replace the equipment that are found to be defective with the new ones and prevent a possible loss of production,
- In addition, we include our guarantees of availability in our turbine maintenance and repair contracts, and in case of a realization below these figures, we impose penalties on turbine companies as per our contract,
- We aim to ensure the continuity of production with the grill cleaning machines that we are developing in the next year.

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Digital Transformation and Innovation at Aydem Renewables

At Aydem Renewables, we are working to increase our efficiency and create a safe energy supply with a focus on sustainability. While doing this, we closely follow technological innovations and always aim to be an innovative and future-oriented company. As a company that believes that innovation and digitalization are the most important factors that will carry us to the future, we continuously make investments in these areas. In this context, we have invested 6,867,615 TL in the latest innovation projects in order to enrich our portfolio in the last two years.

At Aydem Renewables, we form our approach to innovation and technology by keeping our economic performance at the highest level and by following and implementing the innovative developments brought by our sector. First of all, we make our plans to realize our renewable energy supply as needed by managing our risks correctly.

In this context, our main goal is to ensure that processes are monitored and reported faster, easier, with fewer errors and with understandable monitors, with a sustainable and secure infrastructure. In this regard, the topics of business continuity, information security and sustainability are reported periodically with our Risk Group Directorate and evaluated in "Information Technologies Key Risk Indicators". Our Information Technologies Department, which regularly reports to the senior management continues to work in all production-oriented processes of Aydem Renewables, considering business continuity and sustainable growth together with our Information Technologies Directorate. There is an annual target and performance system, and premium application in IT-related issues.

At Aydem Renewables, we use SAP as an ERP system that enables the realization of activities such as human resources, finance, accounting, purchasing, maintenance, accurate, effective and fast corporate resource planning, and efficient use of resources such as workforce, machinery, and materials.

- In human resources, with the digitalization of our work flow systems, first of all time loss and waste of paper were prevented; request processes such as leaves, travels, expenses, vehicles, additional budgets have been digitized, and thanks to the digital transformation of human resources training and recruitment processes, it has become easier to plan for compulsory trainings and process tracking, and reporting has become possible, thus we prevent "Personal Data" violations and the roaming of documents with personal information.
- With the vendor master data project we carried out in purchasing, possible repetitive errors were prevented by singularizing and updating the supplier information on the purchasing side. With the digital transformation of the fixture tracking system, errors in processes such as location, shelf-life tracking and transfer of fixtures in our power plants were eliminated, thus preventing time lost in counting.
- In financial affairs, we started to follow the budget management on a switchboard basis with the expense center business area project and the BPC project, thus ensuring that the distribution in budget use will be done more wisely and the budget will be used more consciously by the business units, the distribution is correct and the budget is transferred to the appropriate places.

Confidentiality of Information and Cyber Security at Aydem Renewables

At Aydem Renewables, we work meticulously for the reliability of our operations against the risks of increasing privacy of information and cyber security with digitalization. We follow the processes related to ensuring the security of information systems, which is one of the most important issues of our time, and keeping personal data and confidential information securely, in accordance with our policies and standards that we have established in line with our ISO 27001 Information Security Management System certificate. We have an Information Security Management System (ISMS) and Information Security Policy in accordance with ISO 27001 Standard in order to ensure that all critical company information is protected in a manageable and suitable manner. As part of our innovation-oriented strategies, we integrate Information Technologies into all our business processes and include our internal and external stakeholders in these processes.

Our Information Technologies Management, whose primary purpose is to provide effective, efficient and innovative information technologies and to ensure the continuous effectiveness of our operation, continues its activities under the Information Technologies organization in our head office. Business continuity and information security issues are our processes that are examined under the main headings of the Presidential Information Security Guide, EMRA legislation and 27001 Information Security Management System, with both internal audit and independent external audits.

We comply with all legal regulations and contracts regarding information security, and regularly organize trainings for our employees in order to raise awareness of security of information. With the studies carried out before the KVK Board, which we have established within our company, we ensure that the current regulations announced by the KVKK are followed, compliance with administrative and technical regulations, new decisions and sanctions are shared with the relevant business units and awareness is increased. In order to raise awareness about cyber-attacks, we conduct phishing tests for our employees and organize special trainings for those who fail. Moreover, we insure our company against cyber-attacks with cyber risks insurance. In addition to the control, monitoring, testing and improvement works carried out continuously under Information Technologies, we back up all critical systems at the Disaster Recovery Center. In this regard, we can keep the average Up-Time rate of our critical systems above 99% and ensure the continuity of our IT services.

Within the scope of information security, cyber security and confidentiality of corporate information, we manage many cyber security applications and implement new projects by following current technologies.

As the Information Technologies Department at Aydem Renewables, the digital transformation projects of our business processes, which we started in 2020 with a focus on business continuity and information security, provided an opportunity for our way of doing business to adapt to digital transformation faster due to the pandemic process that entered our lives.

OCCUPATIONAL HEALTH AND SAFETY AT AYDEM RENEWABLES

- Safety
- Disaster and Emergency Preparedness
- Fight against COVID-19

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Occupational Health and Safety at Aydem Renewables

Occupational health, safety and being prepared for extraordinary situations form the basis of the continuity and safety of our activities at Aydem Renewables. For this reason, we offer a safe and healthy work environment to our employees, which is our highest priority, while we take high-level measures against disasters and emergencies.

Within the scope of Occupational Health and Safety activities, we primarily fulfill the legal regulations, follow the practices of international institutions and organizations to improve our OHS practices and include them in our system. At Aydem Renewables, all of our businesses operate in accordance with ISO 45001 Occupational Health and Safety Standard in order to detect hazards in the working environment, reduce risks arising from danger, and provide healthier and safer working conditions, while we regularly provide trainings with the participation of all our employees.

We give priority to investments and business practices related to the digitalization processes required by the globalizing world, and work to ensure optimum health and safety conditions by using technology in the most effective way. We are constantly improving ourselves to minimize work accidents and related lost days, occupational diseases and losses that may occur thanks to the measures we take, our awareness-raising activities and practices.

All of our Occupational Health and Safety activities are carried out and periodically audited by our HSE-OHS Unit and OSGB professionals. In addition, all our businesses are regularly audited by the Life Safety and Environment Committee. Continuous internal and external audits are carried out within the scope of ISO 45001 Occupational Health and Safety standard.

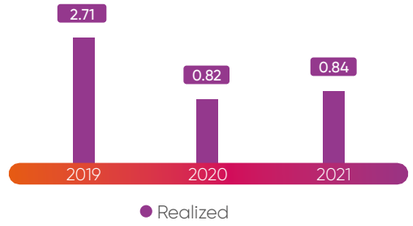
Our business is always ready for inspection and control in line with the initiative and working principles of the authorized institution labor inspectors in accordance with the legal legislation.

Periodically, occupational accident statistics and the activities carried out are reported to the senior management and the Sustainability and HSE Directorate and are followed up by the Risk Management Group Directorate. The HSE-OHS Unit is planning to organize an award-winning OHS Knowledge Contest between businesses to increase interest and awareness in Occupational Health and Safety.

- **At Aydem Renewables, we have identified employee representatives in each business and ensured their coordination with the Central Employee Representatives in order to develop the Occupational Health and Safety culture, to ensure the participation of employees in the planning, implementation and improvement actions of activities.**
- **As part of the Life Safety and Environment Committee activities, we conduct Behavior Based Audits and Monthly Planned Safety Controls for all our businesses.**
- **In order to reset the dangerous energy on the machinery and equipment during periodical maintenance, incidental maintenance and controls in our operations, and to protect our employees from possible work accidents, we have put into use the Tag-Lock-Secure-Try application at all our power plants.**

Every year, we expand our scope of training and increase our training hours for each person. In this context, we provided 17,968 person*hours of OHS training to our employees in 2021. Within the scope of the trainings, which we increase the rate of each year, we also provided 1,410 personXhours of training to the employees of the contractor companies.

Lost Time Injury Frequency Rate (LTIFR)



The Total Recordable Injury Frequency Rate decreased from 5.77 to 3.36 thanks to the activities of the HSE OHS Unit, our efforts to disseminate the OHS culture and our good practices.

While our Lost Time Injury Frequency Rate is 0.84, no occupational disease, loss of limb or deadly (major) occupational accident has occurred.

Total Recordable Injury Frequency Rate: 3.36

Lost Time Injury Frequency Rate: 0.84

A total of 33 people working at Adıgüzel HEPP and Kemer HEPP, which joined Aydem Renewables within the scope of privatization in 2017, are within the scope of TES-İŞ Union. At Aydem Renewables, the OHS provisions are complied with in the collective bargaining agreement we have made within the scope of unionization.

Our OHS System at Aydem Renewables:

- Within our company, one Sustainability and HSE Manager, one HSE OHS Manager, one HSE OHS Specialist and one HSE OHS Documentation Specialist carry out systematic and scientific studies within the scope of our activities.
- All of our OHS professionals working in the HSE OHS Unit have the **"NEBOSH International Occupational Health and Safety General Certificate"**, which is the most respected health and qualification certificate in its field in the world.
- In addition, for our workplaces and businesses, time-based services are procured from 6 different Joint Health and Safety Units.
- At least one employee representative has been elected at all businesses and Headquarters locations, and a Sustainability Leader has been determined in each business.
- We have 12 employees in the Life Safety and Environment Committee.
- Occupational Health and Safety and Environmental performance evaluations of contractor companies are carried out in investment and rehabilitation project studies.

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Disaster and Emergency Preparedness at Aydem Renewables

At Aydem Renewables, we provide trainings to our employees in all our businesses and at our headquarters in order to raise awareness of emergencies and fire safety in case of possible emergencies. Periodically, we conduct emergency drills at our headquarters and operations.

Number of participants in disaster and emergency training
370

Disaster and emergency trainings training person x hour
1,480

In addition, within the scope of the project prepared in cooperation with AKUT, we provide fire and forest fire response trainings to the local people around the enterprise, and we also contribute to raising the awareness of the local people by conducting post-training exercises.

In addition, at Aydem Renewables, we keep the material damage and loss of profit insurance policies of all our power plants under control, including the loss of profit, and the financial losses that may occur in the event of malfunctions, natural disasters and damage in the power plants within the company.

Combating Covid-19 at Aydem Renewables

In order to support the security of energy supply and the country's economy during the Covid-19 pandemic that affects the whole world, we continue our decisions and actions uninterruptedly and in a healthy way during the pandemic process. Within the scope of Risk Management activities, we activate the Business Continuity Plan (Covid-19 Scenario Study), Emergency Action and Business Recovery Plans, partially or completely when necessary.

With the onset of the Covid-19 pandemic, we have ensured the health of our employees and our business continuity by rapidly implementing our managerial measures along with digital transformation. As a result of the updates we made, we realized how important the Occupational Health and Safety issue, which we prioritized, is also important with the pandemic we are experiencing.

From March 2020, when the Covid-19 pandemic started in our country, until December 2021, we implemented our central office working system as working from home. Since December 2021, we have been using the hybrid operating model in our head office.

In addition to our work flow, thanks to the measures we have taken for Covid-19, no loss of life or a serious case has been encountered.

Covid-19 Precautions in Aydem Renewables:

- Covid-19 awareness trainings were given to raise awareness of our employees, business partners and contractors.
- Distance education were given to for our white-collar employees regarding the measures to be taken and ways of protection within the scope of the Covid-19 pandemic; and On-The-Job (Toolbox) Trainings were given to our blue-collar employees working in the fields, regarding the social distance and hygiene rules.
- Masks, gloves and disinfectants were supplied to our headquarters and business employees.
- Disinfection of company vehicles was carried out periodically.
- A PCR test was applied to our employees traveling due to their duties at the end of their travels.
- Health screenings of the employees were carried out on the "Health Declaration Form" through regular online surveys.
- Working offices, dining halls and employee services have been reorganized by observing social distance rules.
- Food distribution was provided at the power plants.
- Considering the possibility of quarantine, dormitories have been disinfected and made ready for use.
- Quarantine has been implemented at the power plants when necessary.
- Protective clothing (TYVEK overalls and goggles) was provided to the healthcare workers at our power plants to use when necessary.
- Information brochures were hung on the notice boards. Informational images about hygiene measures were published in digital environments.
- As far as possible, suppliers/visitors are not accepted to the workplaces.
- During the pandemic period, the headquarters switched to the remote working model.

WORKPLACE APPLICATIONS AT AYDEM RENEWABLES

- Inclusive Workplace, Diversity and Equality
- Employee Development and Employee Satisfaction

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Workplace Applications at Aydem Renewables

As Turkey's largest renewable energy producer, we work together with our 537 employees to always improve Aydem Renewables. We create value for our employees with our understanding that is fair, safe, supports our employees and takes responsibility for their employees.

We care about creating a working environment and culture that is fair, equitable, inclusive, supports continuous development and protects the work-life balance of the employees, and we believe that success comes only under these conditions. In this direction, we strive to create a work environment where our employees are happy, safe and have the opportunity to develop themselves. We will increase the contribution of our employees in achieving our business goals, reveal their potential, and make their peace and happiness in business life permanent. We develop and implement measurable, transparent and fair Human Resources Strategies that take into account the demands and needs of our employees. We develop many projects within the scope of our Human Resources Strategy, which consists of the following 5 main topics, and offer them to our employees.

Our Human Resources Strategy

- Working based on justice and merit
- Communication based on openness and trust
- Valuing the employee
- Ownership and responsibility
- Supportive and guiding leadership

Our understanding of manpower management is based on the public service responsibility of the energy sector and being prepared for the needs it creates, within the framework of our company's values and culture. It aims to create innovative employees and teams that are committed to ethical values, sensitive to the environment, creating value, aiming for the best and efficient.

At Aydem Renewables, we take decisions and proceed in line with the United Nations Universal Declaration of Human Rights in all human-related processes and operations. Inclusiveness and equal opportunity in the workplace, talent management and employee loyalty, which are followed by our Human Resources Policy and Human Resources Department, which we have prepared in this direction, proceed with the approval of the General Manager and Human Resources Group Directorate, followed by the Risk Management Group Directorate.

Human Resources practices, which are subject to audit and examination by the Internal Audit and Control Group Directorate, when necessary, are regularly reported to the senior management and are followed up with annual targets in the performance management system.

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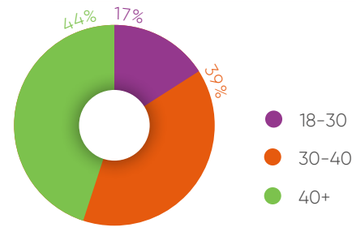
Employees by Age Group



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Due to the conditions of our industry, we have fewer female employees in the field. There are 56 engineering positions in our company. While 19% of our female employees are in the engineering position, this rate is 9% for our male employees.

At Aydem Renewables, we aim to achieve the new world working order, reach optimum efficiency, and thus increase our competitiveness, by taking advantage of the opportunities brought by digitalization with our new working models that we have developed together with the pandemic. As we transform into a more dynamic and innovative organization with our employees, we maintain our claim to lead the future of our industry. "We Are in The Right Place!" We have developed an innovative way of doing business in which we maintain team spirit, agility and leadership in hybrid, remote and field work, by saying #EnerjiİçinBiz (EnergyForUs) in the new working models we have developed with the motto.

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Inclusive Workplace, Diversity and Equality at Aydem Renewables

Our priority is to create equal opportunity in the business environment without discrimination. We believe that our employees work more effectively and creatively and add sustainable benefits with the harmony created by inclusiveness and equal opportunity. We do not allow discrimination based on ethnic origin, religion, language, race, age, gender, sexual orientation, nationality, disability or cultural differences in business life, and act with a fair and merit-based approach. In this direction, we also employ the disabled by taking into account the legal rates. In all our recruitment processes, we act with the principle of 'the right person for the right job'. We ensure the protection of inclusion and diversity through our company policies and procedures.

We value the talents and experiences of all our employees and respect differences. In this context, it is one of our top priorities that our employees work in a fair working environment where they are not exposed to discrimination and ill-treatment. We have an ethical committee that ensures that any action that may be subject to discrimination and ill-treatment is reported in accordance with the principles of confidentiality and necessary actions are taken. In 2021, when we developed our practices and processes with these sensitivities, there were no cases of discrimination or mobbing in our company.

Thanks to the inclusive and fair working environment we have created and the supportive opportunities we provide, we manage to keep our employee turnover rate as low as 3.53%.

Employee Circulation Rate
3.53%


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For Equal Opportunity and Inclusivity at Aydem Renewables...

- By supporting women's participation in the workforce, we include the principles of equal opportunities between men and women in all our human resources policies and procedures, and we guarantee them with our Human Rights Policy.
- We are trying to increase the training hours by supporting the participation of women.
- We aim to improve the gender balance in decision mechanisms and to increase the proportion of women in our company's board of directors and senior management.
- We organize webinars and awareness trainings for our employees within the scope of 'Equal Life'.
- We absolutely do not allow child labor at any stage of our operations.
- We ensure that no child is employed in the contracts made with our suppliers, and we follow this issue meticulously through audits.
- In order to ensure equality among our employees, we establish fair training and support processes and encourage our employees to participate in these trainings.
- We conduct necessity analysis according to the changing working conditions, especially due to the pandemic, and take action accordingly.
- We carry out communication activities within the scope of the "Equality at Home and Work" program.
- We offer new solutions to evaluate workspaces with an inclusive perspective and to implement solutions that will meet the special needs of different genders.
- We try to close the related position gap in career opportunities that arise within our organization, primarily by sharing it with our employees who create value within our organization through internal announcement channels.
- We carry out the recruitment processes, where the first contact is made with the employees, in a transparent manner with a gender-neutral CV approach and an impartial perspective that does not allow discrimination.
- We ensure that all our employees benefit from remuneration, performance evaluation and career opportunities at an equal level and with equal rights.
- We communicate all developments regarding our equal opportunity plans to our stakeholders through internal and external communication channels.
- With the support of our volunteer employees, we ensure that the adaptation of newly recruited employees at Aydem Renewables Company to the institution and to the job is facilitated within the scope of the 'Buddy Application Procedure'.

Number of female employees who received leadership training
49

Number of male employees who received leadership training
201

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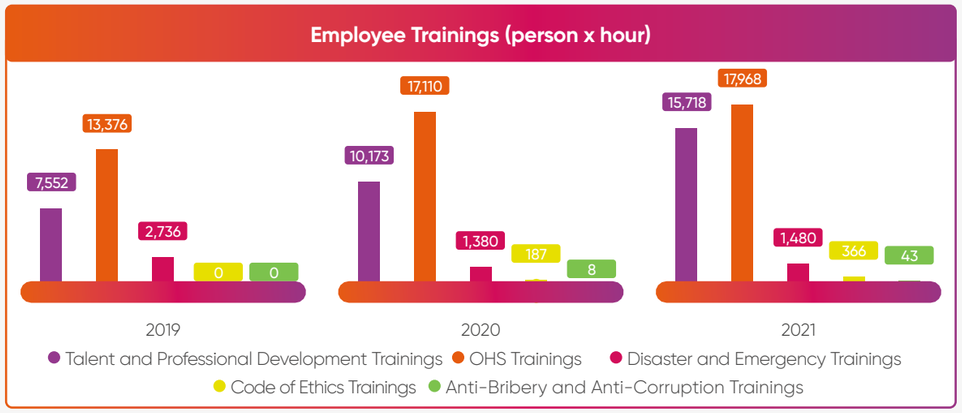
Employee Development and Employee Satisfaction at Aydem Renewables

At Aydem Renewables, we offer our employees a working environment where they can develop themselves, be productive, and feel happy and healthy. In this regard, we follow global and sectoral developments meticulously and take actions in which our employees can constantly renew themselves. Through our Training Policy, we constantly monitor the development of our employees and ensure that they work more efficiently during their employment in the company in line with the company's goals and objectives. We make all kinds of investments to determine the training needs to be implemented, to plan and implement training activities. We plan trainings in line with the needs of our employees on technical, professional development and personal development in accordance with their fields. With our Success Factors Education module, which is one of our digital transformation steps, a cloud-based system has been created where we can manage our education processes through a single platform. In this way, we can implement and follow our training processes more systematically.

Under the umbrella of Aydem Academy, we provided many online and face-to-face trainings for the development of our employees. For our technical employees, we organize the trainings given by the Vocational Qualifications Authority and continue to increase the quality of the workforce by ensuring that they are more technically equipped and receive certificates. We organize orientation trainings for our newly recruited employees.

Every year, we increase the training period we give to our employees in order to support their talent development. In 2021, we increased our total training hours for talent and professional development from 10,173 to 15,718 personXhours, resulting in a 55% increase. In addition to talent and professional development, we have been organizing OHS trainings, disaster and emergency trainings, and since 2020, we have been organizing ethics, risk and anti-corruption trainings.



** Trainings on Ethics and Anti-Bribery & Anti-Corruption Trainings started in 2020.*
**The Talent and Professional Development Training values also include training values on Ethics, Anti-Bribery and Anti-Corruption.*
** Among the OHS Education values, there are also Disaster and Emergency Education values.*

At Aydem Renewables, we received **80 points** in the Trust Index employee survey of Great Place to Work®, which is valid in more than 60 countries, and was awarded with the **Great Place to Work®** certificate in 2021 after last year organized among companies with 500-999 employees.

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CONTRIBUTION TO SOCIETY AT AYDEM RENEWABLES

- Supporting Local Economy and Society

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Supporting Local Economy and Society at Aydem Renewables

As Turkey's leading renewable energy company, Aydem Renewables, we believe that we must create value for our stakeholders and society, and we adopt an approach that considers the requirements of global standards, the sustainability of natural resources, the environment and the needs of future generations. In this context, we work with non-governmental organizations, public institutions and organizations in the fields we operate, and we try to contribute to sustainable development and the safe living of future generations. We consider contributing to the development of the society in which we operate as a fundamental responsibility.

At Aydem Renewables, with the theme of Respect for Social Life, we contribute to local employment in the regions where we operate and support the development of local people through our social projects and collaborations. In 2021, we donated a total of 4,483,663 TL to various institutions and organizations within the framework of donations and aids and social responsibility projects, increasing our contribution by 48% compared to the previous year.

We establish good relations with the local people in our operating regions based on mutual trust and transparency. Thanks to the Stakeholder Boxes, we measure the expectations of the local government and the public. In this way, we personally respond to requests and suggestions sent to us by phone, and we take action to meet the expected demand.

In cooperation with AKUT, we organized trainings and held drills on preparing the local people against disasters and responding to forest fires in the "Hand in Hand with Our Energy Project for the Future".

We established technology classes at Kütahya Dumlupınar University, Adana İmamoğlu Primary School and İmamoğlu Secondary School. We carried out the renovation work of the schools in need in the regions where we operate and established libraries.

We also make our local and social contribution with the voluntary participation of our valuable employees. In this context, we had the opportunity to reach a large number of people with our projects.

- **Within the scope of the project, Touch Life with Your Voice, with Boğaziçi University Technology and Education Center for the Visually Impaired, our employees sang the books they chose on a voluntary basis. Free Storytel membership is given to those who participate in this project. (Number of Volunteer Participants: 100)**
- **Within the scope of the All Schools Shall Have Books Project, the books are collected and transported by the Corporate Communications Directorate to be given to the village schools in need from the libraries of the employees. (Number of Volunteer Participants: 550)**
- **Under the leadership of the Sustainability and HSE Directorate, environmental projects are carried out and planned with the Ekoteam, which consists of employees from different units based entirely on volunteerism.**
- **In case of aid as a result of the campaign carried out in cooperation with LÖSEV to increase solidarity during the Ramadan Feast, a parcel is added by the company to support volunteerism.**

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Performance Chart

Economic Performance Data	2019	2020	2021
Net Sales Revenue (TL)	1,197,000,764	1,340,375,223	124,0753,398
Total Installed Capacity (MW)	1,020	1,020	1,020
Capacity Utilization Rate (%)			
HEPP	0.33	0.30	0.18
WPP	0.30	0.33	0.35
BEPP	0.67	0.53	0.26
Total Energy Production (MWh)	2,802,719.361	2,638,406.652	1,795,602.788
WPP, JPP, BEPP Electricity Generation (MWh)	411,793.594	441,384.02	484,964.341
HEPP Electricity Generation (MWh)	2,390,925.767	2,197,022.632	1,310,638.447
Operating Profit (TL)	671,711,233	683,241,931	450,168,938
EBITDA (TL)	968,448,475	1,039,205,100	904,865,477
Net Debt (TL)	4,227,466,418	4,783,416,254	8,530,802,291
Return on Equity (ROE) (%)	-0.12	-0.12	-0.001462045
Total Assets (TL)	10,242,416,788	12,470,698,190	22,531,356,887
Total Investment Amount (TL)	154,696,366	74,590,248	358,975,553
Generated Direct Economic Value - Net Sales Revenue (TL)	1,197,000,764	1,340,375,223	1,240,753,398
Distributed Direct Economic Value (TL)	348,853,195	505,314,343	567,056,866
Operating expenses (including supply, excluding wages)	172,466,254	264,501,448	275,837,180
Wages and fringe benefits paid to employees	58,552,448	68,320,010	95,242,652
Dividend paid	0	0	0
State taxes and similar payments	117,663,802	169,453,885	191,493,371
Donations, sponsorships and corporate responsibility expenditures	170,691	3,039,000	4,483,663
Supplier Structure (Based on Purchase Amount) (TL)	242,152,196	282,958,369	636,883,822
Domestic Supplier	200,817,998	265,290,348	373,201,590
Foreign (Overseas) Supplier	41,334,198	17,668,020	263,682,233
Supplier Structure (Number of Suppliers)	1,050	856	879
Domestic Supplier	1,015	842	843
Foreign (Overseas) Supplier	35	14	36

** The calculated corporate tax amount has been written.*

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Environmental Performance Data	2019	2020	2021
Total direct energy consumption (kWh) (based on fuels)	2.799.706,06	2.403.556,44	2.919.241,81
Diesel Consumption (kWh)	2.640.456,24	2.072.864,68	2.778.160,24
Gasoline Consumption (kWh)	120,924.70	120,413.35	99,124.81
Natural gas consumption (kWh)	159,249.82	210,278.41	41,956.76
Indirect Energy Consumption (kWh) (Electricity)	36,058,018	36,751,538	31,523,172
Total Renewable Energy Consumption (kWh)	36,058,018	36,751,538	31,523,172
Energy Consumption Per Production (%)			
WPP	1.76	1.52	1.14
BEPP	2.71	2.51	1.9
HEPP	0.85	0.8	0.88
Total energy savings (kWh) (obtained through efficiency projects)	-	-	19,577,000.00
Water Withdrawal by Source (m^3)	12,789,253,677.61	12,418,814,873.30	7,845,665,290.67
Underground Water	8,515	10,783	8,090
Municipal Water	8,568	6,903	4,293
Turbine Water	12,789,236,352	12,418,796,963	7,845,652,718
Recovered Water (off-site recovery)			
Other (Drinking water)	243.153	224.959	189.834
Water Consumption per Production (m^3/MWh)			
WPP	0.0015	0.0024	0.0026
HEPP	0.005	0.006	0.006
Geothermal	240,000	571,370	467,847
Total Water Recovery (m^3)			
Total Waste Water Discharge (m^3)			
Other (Cesspool)		1,334	3,627
Total Waste Amount (tons)*	37.26	74.41	73.98
Recycled (R-coded) non-hazardous waste (tons)	1	2	6
Recycled (R-coded) hazardous waste (tons)	33	26	50

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Performance Chart

Energy and Emission Management	2019	2020	2021
Total Direct Greenhouse Gas Emissions (scope 1) (tons CO_2)	925.32	775.45	1,364.72
Total Indirect Greenhouse Gas Emissions (scope 2) (tons CO_2)	6,477.28	4,729.06	3,534.47
Total indirect greenhouse gas emissions (scope 3) (tons CO_2)	646.64	498.31	960.94
GHG Emissions Per Production (tons CO_2/MWh)	0.0028	0.0022	0.0033
Amount of Fines Taken Due to Environmental Regulations in the Reporting Period (item- TL)	0	0	0
Amount Spent on Environmental Activities and Investments (TL)			
Measurement and analysis costs	-	-	91,200.00
Total waste costs	-	-	292,566.00
Chemical costs	-	-	15,000.00
Documentation and permit costs	-	-	201,652.00
Consultancy and training costs	-	-	1,022,660.00
Maintenance & repair costs	-	-	23,500.00
Investment costs	-	-	925,900.00

Social Performance Data	2019	2020	2021
Talent and Professional Development Trainings - Number of Participants (person)	*341*	*539*	*540*
Office Worker - Female	39	45	45
Field Worker - Female	0	0	2
Office Worker - Male	68	78	81
Field Worker - Male	234	416	412
Talent and Professional Development Trainings - Total Hours (personxhour)	7,552	10,173	15,718
Female	1,461	826	695
Male	6,091	9,347	15,023
Recorded Injury Frequency	5.42	5.77	3.36
Lost Time Injury Frequency	2.71	0.82	0.84
Occupational Disease Rate	0	0	0
Number of Fatal Occupational Accidents	0	0	0
OHS Trainings Offered to Employees - Total Hours (personxhour)	13,956	18,062	19,378
Direct Employment	13,376	17,110	17,968
Contractor Employees	580	952	1,410
Scheduled Downtime (hours)	35,766.79	66,079.81	59,723.17
Unscheduled Downtime (hours) (trip time)	11,573.855	5,205.79	14,414.316
Number of Unscheduled Downtime (number of trips)	4,031.57	2,249	1,334
Employees that receive leadership trainings	0	0	250
Female	0	0	49
Male	0	0	201
Employees that receive mentorship service	0	5	0

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Employee Demographics	2019	2020	2021
Total Workforce (Number)	690	753	704
Direct Employment			
Female	46	50	52
Male	523	517	485
Contractor Employees	121	186	167
Direct Workforce (Number)	569	567	537
Female	46	50	52
Male	523	517	485
Direct Workforce per Contract Type (Number)			
Indefinite Term Contract	510	563	535
Temporary Contract	59	4	2
Direct Workforce by Education Level (Number)	569	567	537
Uneducated	0	0	0
Primary School	138	129	101
High School	221	213	202
University and Higher	210	225	234
Direct Workforce by Age Groups			
18-30	104	94	94
30-40	225	217	207
*40**	240	256	236
Senior Management Structure (Number)			
Female	0	0	0
Male	5	4	4
Mid-Level Management Structure (Number)			
Female	5	8	7
Male	45	43	43
Newly Hired Employees (Number)	74	39	43
Leaving Employees (Number)	56	23	19
Employee Circulation	2.61%	4.03%	3.53%
Number of Employees on Maternity Leave			
Female	6	5	4
Male	-	-	-
Number of Employees Returning from Maternity Leave			
Female	6	5	4
Male	-	-	-
Number of Employees Who Haven't Left Work for the Last 12 Months After Returning from Maternity Leave			
Female	9	7	4
Male	-	-	-

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GRI Content Index

GRI MATERIALITY DISCLOSURES SERVICE 2022

Disclosure	Disclosures and Page Numbers
GRI 101: Foundation 2016	
GRI 102: General Disclosures 2016	
Corporate Profile	
102-1	About the Report (p.1)
102-2	Our Power Plants (p.12-13)
102-3	Communication (p.89)
102-4	Our Power Plants (p.12-13)
102-5	Aydem in Numbers (p. 14-15)
102-6	About Aydem Renewables (p.10-11), Partnerships and Investments (p.16-19)
102-7	Aydem in Numbers (p.14-15), Our Power Plants (p.12-13), Workplace Applications (p.68-73)
102-8	Performance Chart (p.78-81) Aydem Renewables' employee demographic is not seasonal. Employee demographic data is calculated based on the number of employees operating in the company on the last day of the relevant year.
102-9	Supply Chain Management (p.34-35), Supporting Local Economy and Society (p.76-77)
102-10	Aydem from Past to Present (p.6-7)
102-11	Risk Management and Internal Audit (p.22-24), Management Systems Policy (p.26)
102-12	Sustainability Management (p.30-31)
102-13	Corporate Memberships (p.37)
Strategy	
102-14	Message from the General Manager (p.2-5)
102-15	Sustainability Priorities (p.30-33)
Ethics and Integrity	
102-16	About Aydem Renewables (p.10-11), Business Ethics, Transparency and Anti-Corruption (p.25)
102-17	Business Ethics, Transparency and Anti-corruption (p.25)
Governance	
102-18	Sustainability Management (p.30-31)
Stakeholder Engagement (p.9-10)	
102-40	Stakeholder Engagement (p.36-37)
102-41	Occupational Health and Safety (p.62-63)
102-42	Stakeholder Engagement (p.36-37)
102-43	Stakeholder Engagement (p.36-37)
102-44	Sustainability Management (p.30-31)
Reporting Practice	
102-45	About Aydem Renewables (p.10-11), Partnerships and Investments (p.16-19)
102-46	Sustainability Management (p.30-31)
102-47	Sustainability Management (p.30-31)
102-48	No changes were made to the information given in the previous report.
102-49	About the Report (p.1)
102-50	About the Report (p.1)
102-51	About the Report (p.1)
102-52	About the Report (p.1)
102-53	Communication (p.89)
102-54	About the Report (p.1)
102-55	GRI Content Index (p.82-84)
102-56	Legal Disclaimer (p.89)

GRI Services Unit has assessed that, as part of the Materiality Disclosures Service, the GRI Content Index is clearly presented and "Disclosures 102-40 and 102-49" are included in the appropriate sections of the report. This service was carried out through the Turkish version of the report.

GRI 102-55

Priority Topics		
Standard	**Disclosure**	**Disclosures and Page Numbers**
Climate Change and Biodiversity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Management (p.0-31), Climate Change and Biodiversity (p.40-47)
	103-2 The management approach and Its components	Sustainability Management (p.0-31), Climate Change and Biodiversity (p.40-47)
	103-3 Evaluation of the management approach	Sustainability Management (p.0-31), Climate Change and Biodiversity (p.40-47)
GRI 302: Energy 2016	302-1 Energy consumption of the organization	Greenhouse Gas Management (p.40-41), Performance Chart (p.79-80)
	302-3 Energy density	Climate Change and Biodiversity (p.40-41), Energy Management and Efficiency (p.50-51), Performance Chart (p.79)
	302-4 Reducing energy consumption	Greenhouse Gas Management (p.40-41), Emission Trade (p.42), Performance Chart (p.79-80)
GRI 303: Water and Pollutants 2018	303-1 Water interactions as a shared resource	Climate Change and Biodiversity (p.40-47)
	303-2 Management of the impacts of water discharge	Climate Change and Biodiversity (p.40), Water Management (p.43-44)
	303-3 Source-based Water Consumption	Water Management (p.43-44), Performance Chart (p.79)
	303-4 Wastewater discharge	Water Management (p.43-44), Performance Chart (p.79)
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Climate Change and Biodiversity (p.40-47)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) Greenhouse Gas Emissions	Greenhouse Gas Management (p.40-41), Performance Chart (p.80)
	305-2 Indirect Energy (Scope 2) Greenhouse Gas Emissions	Greenhouse Gas Management (p.40-41), Performance Chart (p.80)
	305-3 Other Indirect Energy (Scope 3) Greenhouse Gas Emissions	Greenhouse Gas Management (p.40-41), Performance Chart (p.80)
	305-5 Reduction of greenhouse gas emissions	Climate Change and Biodiversity (p.40-43), Performance Chart (p.80)
GRI 306: Wastes 2020	306-2 Management of the impacts related to wastes	Climate Change and Biodiversity (p.40-47)
	306-3 Generated wastes	Circular Economy and Waste Management (p.45), Performance Chart (p.79)
	306-4 Recovered wastes	Circular Economy and Waste Management (p.45), Performance Chart (p.79)
Energy Management and Efficiency		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Management (p.30-31), Energy Management and Efficiency (p.50-53)
	103-2 The management approach and Its components	Sustainability Management (p.30-31), Energy Management and Efficiency (p.50-53)
	103-3 Evaluation of the management approach	Sustainability Management (p.30-31), Energy Management and Efficiency (p.50-53)
GRI 201: Economic Performance 2016	201-1 Generated and distributed direct economic value	Aydem in Numbers (p.14-15), Performance Chart (p.78)
GRI 204: Purchasing Applications 2016	204-1 Purchasing rate from domestic suppliers	Supply Chain Management (p. 34-35)
GRI 207 Tax 2019	207-4 Country-based reporting	Performance Chart (p.78)

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GRI Content Index

Business Continuity and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Management (p.30-31), Business Continuity and Safety (p.56-59)
	103-2 The management approach and Its components	Sustainability Management (p.30-31), Business Continuity and Safety (p.56-59)
	103-3 Evaluation of the management approach	Sustainability Management (p.30-31), Business Continuity and Safety (p.56-59)
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and supported services	Business Continuity and Safety (p.56-59), Investments (p.16-17), Performance Chart (p.78)
	203-2 Significant indirect economic impacts	Business Continuity and Safety (p.56-59), Investments (p.16-17), Energy Management and Efficiency (p.50-53)
Workplace Applications		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Management (p.30-31), Workplace Applications at Aydem Renewables (p.68-73)
	103-2 The management approach and Its components	Sustainability Management (p.30-31), Workplace Applications at Aydem Renewables (p.68-73)
	103-3 Evaluation of the management approach	Sustainability Management (p.30-31), Workplace Applications at Aydem Renewables (p.68-73)
GRI 205: Anti-corruption 2016	205-2 Communication practices regarding anti-corruption policies and procedures	Business Ethics, Transparency and Anti-corruption (p.25)
	205-3 Identified corruption cases and actions taken	No such case has been observed.
GRI 401: Recruitment 2016	401-1 New recruitment and employee circulation	Performance Chart (p.81)
	401-3 Maternal leave	Performance Chart (p.81)
GRI 404: Training 2016	404-1 Training hours per employee	Employee Development and Employee Satisfaction (p.7), Performance Chart (p.80)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity in employees and management bodies	Performance Chart (p.81)
GRI 406: Anti-Discrimination 2016	406-1 Cases of discrimination and corrective measures taken	Inclusive Workplace, Diversity and Equality (p.70-71)
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Management (p.30-31), Occupational Health and Safety (p.62-65)
	103-2 The management approach and Its components	Sustainability Management (p.30-31), Occupational Health and Safety (p.62-65)
	103-3 Evaluation of the management approach	Sustainability Management (p.30-31), Occupational Health and Safety (p.62-65)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	Occupational Health and Safety (p.62-65)
	403-2 Hazard Identification, Risk Assessment and Accident Investigations	Occupational Health and Safety (p.62-65), Risk Management and Internal Audit (p.22-24)
	403-3 Occupational Health Services	Occupational Health and Safety (p.62-63)
	403-4 Employee Engagement in OHS processes, Consultation and	Occupational Health and Safety (p.63-64)
	403-5 Employee OHS Trainings	Occupational Health and Safety (p.62-63), Performance Chart (p.80)
	403-9 Occupatinal Injuries	Occupational Health and Safety (p.63), Performance Chart (p.80)
	403-10 Occupational Diseases	Occupational Health and Safety (p.63), Performance Chart (p.80)
Contribution to Society		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Sustainability Management (p.30-31), Contribution to Society (p.76-77)
	103-2 The management approach and Its components	Sustainability Management (p.30-31), Contribution to Society (p.76-77)
	103-3 Evaluation of the management approach	Sustainability Management (p.30-31), Contribution to Society (p.76-77)

Appendix

Green Finance Framework

Financial Resource and Impact Reporting

Financial Resource Reporting

The net income distribution of Aydem Renewables Green Financing instruments is given below.

- The amount of investment allocated from internal resources to Eligible Green Projects

  The total amount to be spent until the end of 2023 is approximately 265 million US$, and the remaining amount from the Eurobond issuance will be funded from the company's internal resources.

- Project-based breakdown of the number of resources to be allocated

  Of the resource amount, 143 million US$ is allocated for Hybrid Projects, while 122 million US$ is allocated for Capacity Increase Projects.

- Financing source of the investment amount to be allocated

  This source will be provided from the remaining amount from the Eurobond issuance in addition to the cash flows that constitute the company's internal resources, and no additional financing is planned for the investments.

- Use of income other than the resources allocated to investments

  Uses other than reserve resources allocated for investments consist of meeting the operational requirements of the company, maintenance & repair and modernization works for the efficiency of the existing portfolio, technology and digitalization, and social responsibility expenditures. However, taking into account the market conditions, Eurobond repurchases can be made to reduce the loan level. Apart from all these, reserve resources are evaluated in a way to ensure maximum deposit return.

Impact Reporting

KPIs related to Renewable Energy Generation

- The capacity of renewable power plants built or rehabilitated (MW)

Hybrid Projects

There are no hybrid projects commissioned in 2021. Studies on the projects are ongoing and it is envisaged that the Hybrid Projects will be implemented in the following installed capacities; Uşak WPP Hybrid Unlicensed SPP: 82.15 MWp, Yalova WPP Hybrid Unlicensed SPP: 18.88 MWp, Söke WPP Hybrid Unlicensed SPP: 16.95 MWp, Koyulhisar HEPP Hybrid Unlicensed SPP: 7.69 MWp, Akıncı HEPP Hybrid Unlicensed SPP: 12.09 MWp and Uşak WPP Hybrid Unlicensed SPP (second phase): 17,85 MWp. In addition, EMRA applications will be made for our other Hybrid Unlicensed SPP projects, corresponding to a total installed capacity of 40 MWp. Hybrid Unlicensed SPP investment planned for 2022 was 82.15 MWp, and Hybrid SPP investment planned for after 2022 is 113.46 MWp.

Capacity Increase Projects

There is no capacity increase project or rehabilitation work for capacity increase commissioned in 2021. Capacity increase projects have been developed for 2022 and beyond. In order to make a capacity increase application for WPP sites to EMRA in order to realize our investments in this direction, feasibility studies have been carried out and production estimation reports have been prepared in all our WPP power plants. According to the reports, within the scope of the Uşak WPP 102 MW capacity increase, the application approval for the increase in capacity has been received and the turbine purchase contract will be signed in 2022. In addition, applications for an additional 36 MW capacity increase for Uşak WPP, 12 MW for

Appendix

Söke WPP and 12 MW for Yalova WPP will be made. The total WPP capacity increase planned for after 2022 is 162 MW, and the capacity increase projects are targeted to be commissioned in 2023.

- Expected renewable energy production (TWh/year)

  The expected renewable energy production in 2022 is approx. 3.2 TWh/year.

KPIs related to Energy Efficiency

- Annual energy savings

  As a result of the implementation of our energy management and efficiency projects, 19,577 MWh/year energy savings were achieved.

Investments for energy optimization

With the modernization efforts including Transmission Channel, Stream Bed, Turbine Parts etc., approximately 3.9 million TL of energy optimization/savings investment was made in 2021.

KPIs related to Project Management

- Completion Percentage of Eligible Projects

Hybrid Projects

There are no Hybrid Projects commissioned in 2021. Projects are in the permit processes phase, and the completion percentages of the permit processes are as follows; Uşak WPP Hybrid Unlicensed SPP: 30%, Yalova WPP Hybrid Unlicensed SPP: 30%, Söke WPP Hybrid Unlicensed SPP: 20% and Uşak WPP Hybrid Unlicensed SPP (additional): 10%. Following the completion of the permit processes, the construction processes are completed and planned to be put into use.

Capacity Increase Projects

Uşak WPP

After EMRA capacity increase approval (15.10.2021), EIGM's opinion was requested and a response is awaited. On 01.11.2021, TEİAŞ's conformity opinion was received, TEA application was made on 14.12.2021, and 14.12.2021 EIA process was initiated. A "Wind Analysis Report" was made on 01.12.2021 for selecting the turbines. Field roads and turbine pad area projects are ongoing. In addition, negotiations with turbine manufacturers are ongoing.

Yalova WPP

After EMRA capacity increase approval (22.10.2021), TEİAŞ's opinion was requested on 30.11.2021 and EIGM opinion will be requested after receiving TEİAŞ's opinion. TEA application was made on 14.12.2021 and the EIA process was started on 14.12.2021. "Wind Analysis Reports" have been prepared and negotiations with turbine manufacturers are ongoing.

Söke WPP

After EMRA capacity increase approval (15.10.2021), TEİAŞ's opinion was requested on 26.11.2021 and EIGM opinion will be requested after receiving TEİAŞ's opinion. TEA application was made on 14.12.2021 and the EIA process was started on 14.12.2021. The processes of preparing the "Wind Analysis Report" and negotiating with the turbine manufacturers are ongoing.

Capacity increase applications were approved by EMRA in October 2021 and other processes started immediately. There are no delays according to the plans.

KPIs on New Space Consumption

- New use of space for Eligible Projects

Hybrid Projects

There are no Hybrid Projects commissioned in 2021. All of the planned projects are terrestrial SPP projects. In this context, a maximum area of 15,000 m^2 is used for 1 MWp in accordance with the regulation published by EMRA. Necessary work is being done to remain below the said legal area limit. In addition, there are some legal obligations regarding the installation of Terrestrial SPP. Installation is not allowed in forestlands and farmlands etc. In this context, as a company, we will act in such a way that all areas where Hybrid unlicensed SPP will be established will consist of areas for which "Non-Agricultural Decision" has been given by authorized institutions.

Capacity Increase Projects

For capacity increase projects, land will be needed to meet the access road and pad area needs. It is planned to use turbines with maximum capacity in order to minimize land use. Forestland will be used for the Yalova WPP project, and it was decided to use the areas closest to the existing Energy Transmission Line (ETL) and roads and without trees, and the energy production reports were prepared based on these areas and the results were found appropriate. For the Söke WPP project, areas without trees were preferred on the existing power plant route and in the field, which is completely forest land, and the "Wind Energy Report" is prepared based on these areas. All of the areas with an altitude of 1,300 meters in the Uşak WPP site, which are generally arid, are privately owned. There is no tree cutting in this region, and minimal expropriation is planned.

KPIs for biodiversity conservation

- Number of Environmental Risk Assessments Prepared under Eligible Green Projects

  In 2021, "Environmental Impact Analysis" was conducted for 25 power plants belonging to our company. "EIA Report" and "EIA Not Required" documents are available for all our businesses. EIA processes have been initiated for hybrid projects and capacity increase projects.

  In order to protect biodiversity, the necessary resources have been allocated for the projects detailed below and a contract has been signed with a technical consultant firm that is competent in its field.

Biodiversity projects to be implemented in 2022;

1. Bat Houses Installation

   Within the scope of the project, 50 Bat Houses will be established in Kemer HEPP Plant, thus supporting the increase in the current bat population. With this population increase, it is aimed to make a positive contribution to the fight against agricultural pests.

2. Wildlife Monitoring Project with Camera Trap

   Within the scope of the project, with the installation of 5 camera traps in Göktaş 1-2 HEPP enterprises it is aimed to record biodiversity elements especially wildlife species in the project sites revealing the biological inventory of the region, to provide data to new project subjects in the field and its immediate surroundings with the data to be obtained, and to create visuals that will support the promotion of the project site.

Appendix

3. Monitoring of Beekeeping Activities

   As a result of the investigations to be carried out around our Söke WPP facility, it is aimed to determine whether our facility has an impact on beekeeping activities, to take measures if there is an impact, to inform the local people about beekeeping activities by academicians, and to develop beekeeping activities in cooperation with NGOs and other institutions in the region.

4. Preparation of Biodiversity Assessment Reports

   "Biodiversity Assessment Reports" will be prepared for all enterprises.

5. Conducting Biodiversity Monitoring Studies

   Mammalogical and Ornithological observations will be made within the scope of Biological Diversity Monitoring Studies at our WPP facilities.

KPIs related to Complaints Related to Eligible Green Projects

- Number of Fair Complaints Received

There are no legitimate complaints about the projects.

KPIs related to State / Local Government Approval

- Number of completed local/State authority approvals

Hybrid Projects

For Hybrid Projects, the number of approvals received from the Energy Market Regulatory Authority (EMRA) is 11, and the number of approvals from the State Hydraulic Works (DSI) is 8.

Capacity Increase Projects

Institutions with Ongoing Processes;

- EMRA (Capacity Increase Approval)
- TEİAŞ (Existing Energy Transmission Line and Substation Compatibility)
- Ministry of Environment and Urbanization (Environmental Impact Assessment Approval)
- TUBITAK (Technical Interaction Analysis)

Other Institutions whose Opinions and/or Permissions are Required;

- Ministry of Forestry (Forest Permit Process)
- Ministry of Environment and Urbanization, Ministry of Finance (Expropriation Process)
- General Directorate of Highways
- Mineral Research and Exploration
- State Hydraulic Works
- Directorate General of Civil Aviation
- Provincial Directorates of Agriculture, General Directorate for Protection of Natural Assets (Agriculture-Livestock Opinions)
- General Directorate of Nature Conservation and National Parks (SIT Area, National Park Views)
- General Staff and Ministry of National Defense (Military Forbidden Area Opinion)
- Municipalities and/or Special Provincial Administrations (Reconstruction Permit and Building License)
- Governorship and/or District Governorship (Starting a Business and Working License)

Contact Us

You can contact us to get more detailed information about Aydem Renewables Inc. 2021 Sustainability Report and to submit your suggestions.

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GRI 102-3, GRI 102-53, GRI 102-56

Aydem renewables

SUSTAINABILITY REPORT
2021