



# SUSTAINABILITY REPORT 2020







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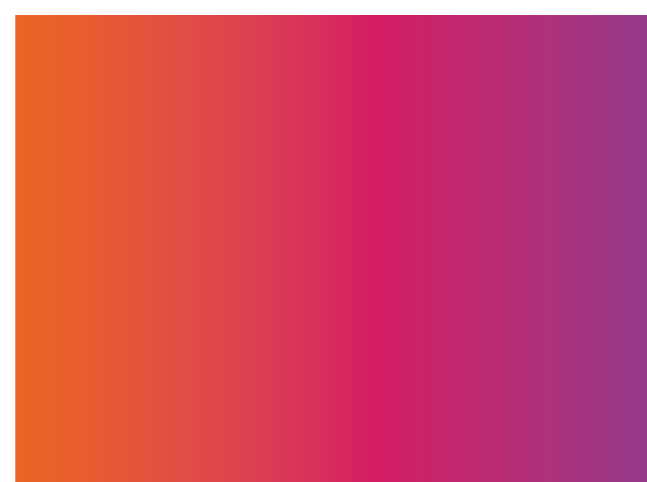
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## FROM AYDEM RENEWABLES

We generate the energy of future from today...

Since our establishment, we have focused on clean energy for our country with an approach that favors the sustainability of the natural resources, environment and the needs of future generations through our renewable energy generation. In our journey that began with the brave step we took by carrying the first private hydroelectric power plant of Turkey into effect after being established in 1995, we have justified proud of reaching to 25 renewable power plants, 1,020 MW installed capacity and an average 3,155 GWh annual energy generation throughout Turkey today.

With our **diverse** and differentiated clean energy generating assets from hydroelectricity to wind energy, geothermal to biogas, and our **innovative** approach focusing on people and environment, we continue to look for the better for today and the future. We believe that one of the most important indicators of our pursuit is our **innovative** renewable energy investments that we have already implemented, planned to implement, and that will increase our diversity. In this context, we aim to increase the installed capacity of our Company from 1,020 MW to 2,000 MW in 5 years, especially with our **new generation** hybrid projects, and we are taking steps to achieve more than 50% of this goal in the first 2 years.

In these days, when we once again understand the importance of the climate crisis after the COVID-19 pandemic we are experiencing, we are the **pioneer** of our country's clean energy transformation with our quarter-century **experience** in renewable energy and our approach of **combating climate change**, which is the basis of our existence. We have the vision to maintain our leading role in renewable energy today and all the time, with our differentiated energy resources, **efficiency-enhancing** and cost-reducing investments, and our **agile** generation network with smart and sustainable solutions. Highly-equipped and superior-performing operation and maintenance-repair which gives **high-end and outstanding performance**, we have increased our generation efficiency despite the uncontrollable external factors. While emphasizing the generation efficiency in our power plants, we are proud of our availability rate close **to 100%**, which is one of the most important efficiency indicators in our industry and represents the ratio of the time when the power plant is ready to generate energy to the maximum time that the relevant power plant can theoretically generate energy.

At this point, we act with the awareness that investment in renewable energy is an active way for forming an interaction with the future generations, and it promotes **low carbon emissions** in energy generation and consumption. While we support green and clean energy with our generation and growth goals, we also set challenging goals for ourselves in order to minimize the carbon footprint of our Company. As Turkey's largest pure-play renewable energy generation company, with our human and environment-oriented production model, we are aware of the importance of our employees and their significant contribution to our success. We maintain our high performance increasingly in the field of occupational health and safety with our inclusive human resources approach and our practices and investments, which we make by considering employee health, in order to ensure a **safe** working environment.

In these days when the transparency and new routes are needed more to invest in renewable energy, we reveal our environmental, social, economic and governance performance, point of view, goals and added value with our Sustainability Report. In this way, we aim to meet the expectations of our stakeholders by expressing ourselves in the most accurate way and to progress in line with these expectations. Throughout our report, We will be explaining how the concepts of **reliability, courage, innovation, leadership, pioneering, agility, superior performance and high quality**; whom we believe as the Aydem Renewables' strong sides, relates to our strategy, management approach, risk perception, sustainability perspective, operations and performance.

Transformation and continuous development have been our driving force on this path we started 25 years ago. At the point we have reached today, we continue to contribute to the sustainable growth of our country with our strong generation capacity and to prepare a better future for the environment, society and the next generations. **With the biggest public offering of the last 3 years in our country, as we lead the way one more time in our sector**; we grow with our stakeholders and investors and set more ambitious goals for the future.

We do our part for a more balanced and sustainable world; **we generate the energy of the future from today...**

# About Report

## GRI 102-45, GRI 102-46, GRI 102-49

As Turkey's leading renewable energy company, we have made it our priority to create value not only for our Company but also for the future and for all our stakeholders, while carrying out our activities in our 25-year journey. We are aware that the most important elements of being successful in the long run are to move forward with a structure that respects the environment, is sensitive to our employees and society, and takes care of the needs of future generations. We are one of the biggest pioneers of clean energy transformation not only for Aydem Renewables but also for all of our stakeholders and our country, beyond the goals we set for ourselves. At this point, we are pleased to present our "sustainability" perspective integrated with our corporate strategy, our sustainable governance model, our environmental and social performance and our goals and our story, which considers the sustainability of the needs of future generations, future generations, to our esteemed stakeholders.

We begin to this year's report, which we built on the motto **"We generate the energy of the future"**, by describing our corporate perspective, our strong corporate management, our inclusive risk perception, our exemplary struggle against the unexpected COVID-19 outbreak in 2020, and our public offering adventure, which was the largest public offering of the last 3 years in Turkey. In the second section of our report, we highlight our sense of sustainability in our Company and all value chain, our management, priorities and contribution to the Sustainable Development Goals of United Nations. In the third section of our report, we emphasize the **"high efficiency"** and **"environmentally sensitive generation"** approach we developed in 2020. In the following section, by mentioning about the **"employee health and safety"** we say "Human First". In our last section, we transparently share with you our **"respectful stance to employees"**, which we have achieved through and the projects we realized in employee branding by our fair and equal attitude and lastly we mention about our **"value-creating working environment"** practices.

Unless otherwise stated, our Sustainability Report we publish for the second time this year focuses on our journey to sustainability in the period between January 1<sup>st</sup> and



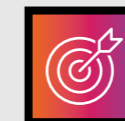
## GRI 102-45, GRI 102-46, GRI 102-49

December 31<sup>st</sup>, 2020 and sheds light on our public offering process as one of the turning point for our Company, which we prepared throughout 2020 and realized in April 2021.

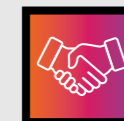
We publish our sustainability report every year on transparent communication and cooperation with all our Stakeholders in the matter of sustainability issues and we meet the requirements of the Non-Financial Reporting Directive (NFRD) which lays down the rules on disclosure of non-financial and diversity information (2014/95/EU)

Within the scope of our report; We have a total of 25 renewable energy power plants, 20 of which are hydroelectric, 3 wind, 1 geothermal and 1 biogas power plant, operating in Turkey, and our headquarters in Denizli, within the body of Aydem Renewables. Our report which we have created under the leadership of our senior management and with the contribution of our sustainability management team and sustainability leaders at our power plants has been prepared in line with the core practice level of GRI Reporting Guidance Principles and reflects how we fulfill our commitment to the 10 Principles of the United Nations Global Compact, of which we are a signatory. One of our top priorities is to make our sustainability report accessible to all our stakeholders and to get their feedback and opinions on our report. In this context, our report was printed and copied in limited numbers as part of our environmental responsibility. In addition, you can reach our report at <https://www.aydemyenilenebilir.com.tr/surdurulebilirlik?hl=en> and send us your ideas, questions and suggestions about our report at [surdurulebilirlik@aydemenerji.com.tr](mailto:surdurulebilirlik@aydemenerji.com.tr) We will present our sustainability studies within our Company with you, our valuable stakeholders, with our sustainability reports that we will publish in the upcoming periods.

### Navigation Indicators



It states the future goals of Aydem Renewables within the scope of related issues.



It states the future commitments of Aydem Renewables within the scope of related issues.

# Reliability

We build reliability through our stakeholders, regarding to our quarter-century of experience, strong governance approach, our experienced Senior Management team and our pioneering investments in every field.

## Message from Top Management

## MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE BOD



Dear Stakeholders,

As Turkey's largest pure-play renewable energy generation company, I am happy to share with you our Aydem Renewables Sustainability Report, which we published for the second time this year, unless otherwise stated, covering the period from January 1<sup>st</sup>, 2020 to December 31<sup>st</sup>, 2020.

The year 2020 passed under the influence of the COVID-19 pandemic in our country and in our industry, as it was experienced in all world geographies. This extraordinary process not only changed our individual lives in their entirety, but also transformed companies, forcing us to change our perspectives. Different ways of doing business, productivity models, more flexible structures entered our lives and introduced the concept of "new normal" to our agenda.

After the pandemic period that no system can predict; we have seen that agile structures that are able to adapt to change, open to transformation, have managed to consolidate their positions; and that the status quo has been shaken. This accelerated transformation process has shown us the importance of sustainability in every sense.

Within all this wave of change-transformation, as Aydem Renewables, we managed to leave behind the year 2020 successfully regarding to our dynamic decision-making mechanism, high efficiency-oriented business plans, our approaches that always place the human at the focus, and most fundamentally, our structure that is harmony with nature and respectful to environment.

With our sustainability culture, which we developed by evaluating social and economic impact areas, the expectations of all our stakeholders and our corporate strategy, and with our vision of "clean **energy for a sustainable future**" and our mission of "**being Turkey's leading renewable energy generator**"; we work by considering the sustainability of natural sources, the environment and the needs of future generations. With our approach that focuses on renewable energy, **we always aim to move our Company forward.**

Despite the pandemic, 2020 has been a year in which we managed our risks well and progressed steadily towards our goals. We also achieved many important successes that will set an example for our industry. With our Environmental, Social and Governance performance, we became the first in Turkey in our sector with the evaluation made by the international rating agency Moody's company Vigeo Eiris. In the "International Emerging Markets" segment of the same evaluation, we ranked second in the electricity and natural gas services sector. Our goal for the coming years is to raise this performance even higher with our vision of "Energy for Life".

In this process, we prioritized efficiency while accelerating our growth strategies. Operational excellence and our activities on occupational health and safety were on our agenda as always. We focused on our hybrid projects to increase our efficiency and accelerated our investment plans to generate the energy of the future. We have completed our preparations to establish power plants that back up each other and minimize the effect of seasonal conditions, along with hybrid systems that will increase the sustainability of energy generation at our existing power plants. With these investments, we will double our installed capacity in 5 years and maintain our sector leadership among companies that generate energy only with renewable resources. As a signatory of the United Nations Global Compact, we also give great importance

to decarbonization studies, which is one of the most important topic in the agenda of the world. The European Green Consensus envisages reducing carbon emissions by 50 percent by 2030, and reducing it to zero level by 2050. Believing in the necessity of this approach, we aim to maximize our scoring as part of the Carbon Disclosure Project with regard to the climate change and the management of environmental processes. We participated with all our power plants in the Zero Waste mobilization carried out under the coordination of the Ministry of Environment and Urbanization, and we were entitled to receive the "Zero Waste Certificate." As one of the biggest players in a sector that exists in all areas of life and is critical for the continuity of life, we will continue to take decisive steps in this sense.

I would like to express my gratitude to all our employees and all our stakeholders who powered-up us to achieve our global goals and supported us in our sustainability journey, which we started with our vision of "Energy for Life".

Best regards,

**İDRİS KÜPELİ**

Aydem Renewables, Chairman of the Executive BoD



## MESSAGE FROM GENERAL MANAGER

Dear Stakeholders,

While we are managing a large operation with the responsibility of being the largest pure-play renewable

energy generation company in Turkey; we continue to provide "Energy for Life" with businesses that will provide added value for our country, our environment and our stakeholders. We are working to generate the energy of the future with our 25 modern and licensed renewable energy power plants, spread over four regions of our country, with an installed capacity of 1,020 MW and an annual average of approximately 3.2 TWh<sup>1</sup> of energy.

The year 2020 passed under the shadow of the pandemic in our country as well as in the whole world. For the sake of our future, we felt our responsibilities more deeply, both individually and corporately. The importance of the effective use of renewable energy sources has increased in the pandemic and our industry has focused on efficiency-oriented studies.

In the coming period, we will witness an increase in renewable investments in the energy sector, both with the incentives of our public institutions and with the initiatives of the private sector. In parallel with the increase in sustainability awareness, this sensitivity will also be reflected in our homes. Soon, we will observe an increase in energy consumption from renewable sources in our homes due to individual decisions. As Aydem Renewables, we play an important role for a sustainable future with our environmentally friendly business model, zero waste approach, and circular economy solutions such as using resources in the most efficient way. We are a part of the solution to environmental issues faced including global warming and climate problems, for the sustainable future of our world, with the renewable energy we generate as part of our work. As a result of the energy efficiency and carbon reduction projects we have implemented to generate energy for life, we fight climate change more and more effectively every year. With our Environmental, Social and Governance score, we were selected the first in our sector in our country by Vigeo Eiris / Moody's.

Throughout 2020, we made significant investments in our human resources with our sustainability perspective and achieved successful results. After being certified by the Great Place to Work® Institute, which provides services on a global scale, where companies are evaluated within the scope of openness, team spirit and trust culture, we were able to enter the "Best Employers List of Turkey" with the evaluation of our employees. We crowned our journey to be a great workplace

with our rankings in the Aegean Region Generation Sector in the Regional and Sectoral Awards Category. With the evaluations of our colleagues, who are the real heroes behind our success, our company's Organizational Health Index score also increased to 80 points in 2020.

As a reflection of our sustainability approach, our employee turnover rate was around 1% in 2020. In order to ensure gender equality, which is one of the most important agendas of the whole world, we take important steps with the aim of setting an example for our industry for a more equal world, and transform all our processes with our Aydem Equal Life approach. As a company that provides service for the continuity of life, regarding to our strengthening, rehabilitation studies and investments that we carry out with precision in our power plants, our availability rate, which is one of the most important indicators of efficient energy generation, was at a level close to 100%, well above the sector average. While creating our future plans, we increased our investments in digitalization by considering digital transformation as a central component of our modern business strategy in order to achieve inclusive and sustainable results. By leading our industry with our robotic process automation investments, we use artificial intelligence in over two thousand processes in our daily business processes.

We are proud of all these successful results we have achieved despite the effects of the COVID-19 pandemic. On the other hand, there was no case resulting with death or with severe course of the disease due to the COVID-19 pandemic within our Company. Regarding to all the field investments for safety purposes within the company, we managed to realize our frequency rate of lost time injury well below the sector. We are working with great enthusiasm and determination to realize our investment projects including the Hybrid Power Plant Projects, in which we aim to benefit from more than one renewable energy source, to eliminate the negative effects that may arise from climate change risks, to significantly increase our efficiency, total net generation and revenues in a single power plant. To undertake exemplary works and to generate "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, the environment, our employees and the society. I would like to take this opportunity to thank all our stakeholders behind our success, especially the Aydem Renewables Family.

Best Regards,

**ÖMER FATİH KEHA**

Aydem Renewables, General Manager



## MESSAGE FROM CHIEF FINANCIAL OFFICER (CFO)

While the effects of the coronavirus pandemic are felt deeply in the world and in our country, we successfully

left behind the year 2020, when the global economy gave one of its most biggest challenge with the pressure created by the COVID-19 pandemic. We worked hard to maintain the financial discipline of Aydem Renewables and we succeeded. Together with the risk management team, we have minimized the impact of COVID-19 on our company's financial statements by taking the necessary actions through early detection of fiscal and financial risks and taking timely precautions.

While maintaining our financial discipline due to the smooth operation of our power plants, we achieved a turnover of 1,34 billion TL, regarding to the devoted work of our colleagues and our efficient use of capacity. This success will enable the necessary investment projects to double our installed capacity. With the importance we give to new investments, our company will have the opportunity to financially grow more.

Aydem Renewables has a rapidly growing and modern portfolio with high quality power plants and equipment, which have a long economic life and are supported by high technology. In order to enrich our portfolio, we have invested 2,8 million dollars in innovation projects in the last two years. We allocated 66% of these investments to innovation projects aimed at increasing the efficiency of energy generation facilities. While we achieved an increase in energy generation with our productivity-enhancing projects, we also increased our availability rates close to 100%. Innovation will continue to be our priority in the future, as evidenced by our investments and improvement efforts of today.

We give confidence to our stakeholders with the importance we give to the principle of transparency, with our quarter-century of experience, our foresighted investments that we are pleased with, our strong governance approach, our experienced senior management and our high performance in every field. As a result of this trust, we successfully completed our public offering in April 2021 by offering 18.44% of our shares and our investors became our partners to both our company and to our strong governance structure.

2020 was a year which we have worked together as a team pertinaciously.

While seeing the reflection of our hard work on our financial statements, we won the "Syndicated Loan Deal of the Year", "Natural Resources Finance Deal of the Year" and "Project Finance Deal of the Year" awards of Bonds&Loans Turkey in 2020, which is one of the most prestigious awards of the Turkish capital markets and finance industry. I would also like to share that this appreciation encourages and motivates us to do even better.

At the hearth of our corporate governance approach; in line with international business standards, we have an effective Board of Directors, governance and oversight mechanisms and policies that adopt the principles of accountability, responsibility, fairness, openness and transparency, and go beyond the responsibility of loyalty and diligence. We carry out our activities in compliance with all relevant legal regulations, including the "Corporate Governance Principles" of the Capital Markets Board, and consider many of the non-obligatory principles as contributions to our corporate governance model and act with this awareness.

Since the first day we were founded, our Company has been the pioneer of the renewable energy sector with our innovative business culture as well as our experience and we will move forward with strong, dynamic and courageous steps in 2021 as usual. This year, we will focus on our stakeholders, our sustainability and our financial discipline. We will continue to serve all our stakeholders in a responsible and consistent manner and to generate energy for life.

Best Regards,

**HAMDİ ALP**

Aydem Renewables, Chief Financial Officer (CFO)

<sup>1</sup> Run-rate generation. Run-rate Generation for a given period, (i) historical hydrology data (excluding one-time stoppages) for HPPs and (ii) combination of previous years performance (excluding one-time stoppages) and long-term historical wind data for WPPs calculates the average annual energy generation potential on the basis of each power plant, to be taken into account. Run-rate Generation data is calculated by considering the unique characteristics of each power plant (for example, the months when HPPs in irrigation dams go into decline are taken into account).

# Leadership

Since our establishment, we are the pioneering company of the renewable energy transformation in our country.

**Aydem Renewables:**  
We Generate the Clean  
Energy of Turkey



## Aydem Renewables: We Generate the Clean Energy of Turkey

### Aydem Renewables with Its Building Blocks

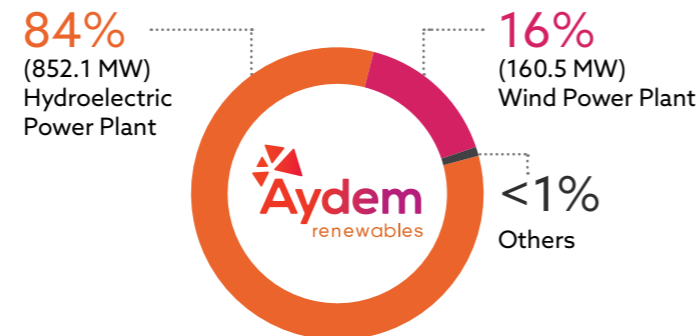
We have been continuing our renewable energy generation journey, which we started in Denizli, by putting Turkey's first private hydroelectric power plant into practice, after our establishment in 1995. At the point we have reached today, we are Turkey's largest pure-play renewable energy generation company by installed capacity. With our diverse and comprehensive portfolio consisting of 20 Hydroelectric (HPP), 3 Wind (WPP), 1 Geothermal (GPP), and 1 Biogas (LFG) power plants; we generate clean energy in **4 regions** of Turkey (Black Sea, Aegean, Mediterranean and Marmara), and contribute to our country's energy transformation. As of 2020, out of our total installed capacity of 1,020 MW, 84% (852.1 MW) is obtained from HPPs while 16% (160.5 MW) from WPP and the remaining from GPP (6.9 MW) and LFG power plants (0.7 MW).

**In the next 5 years, we aim to increase our installed capacity to 2,000 MW.**

**With our innovative approach that generates the energy of the future, we have managed to generate an average of 3,155GWh<sup>1</sup> energy annually.**

Although 2020 is the driest year of the last 50 years, due to all our effective productivity efforts that we have carried out through our sector-leading operational performance and high-quality operation and maintenance capability, **we have achieved a 27% increase in net energy generation in the last two years.**

Power plants in the company's portfolio



In addition to our 25 years of unique experience in renewable energy generation (except for 2 power plants that we took over from 25 power plants with privatization), we have carried out the development and implementation of the construction and electromechanical projects of all our power plants with our competent human resources.

We also carry out most of the maintenance work in all our power plants ourselves, with our maintenance and repair teams, who are experts in their fields, making use of high technology and quality.



**Our goal:** Increasing our installed capacity to **2,000 MW** in the next **5 years**



With our innovative approach, generating an average of **3,155 GWh<sup>1</sup>** energy annually



**27%** increase in the net energy generation in the last **2 years**



Hydroelectric  
Hydroelectric Power Plants

852.1 MW Installed Capacity



Wind  
Wind Power Plants

160.5 MW Installed Capacity



Geothermal  
Geothermal Power Plant

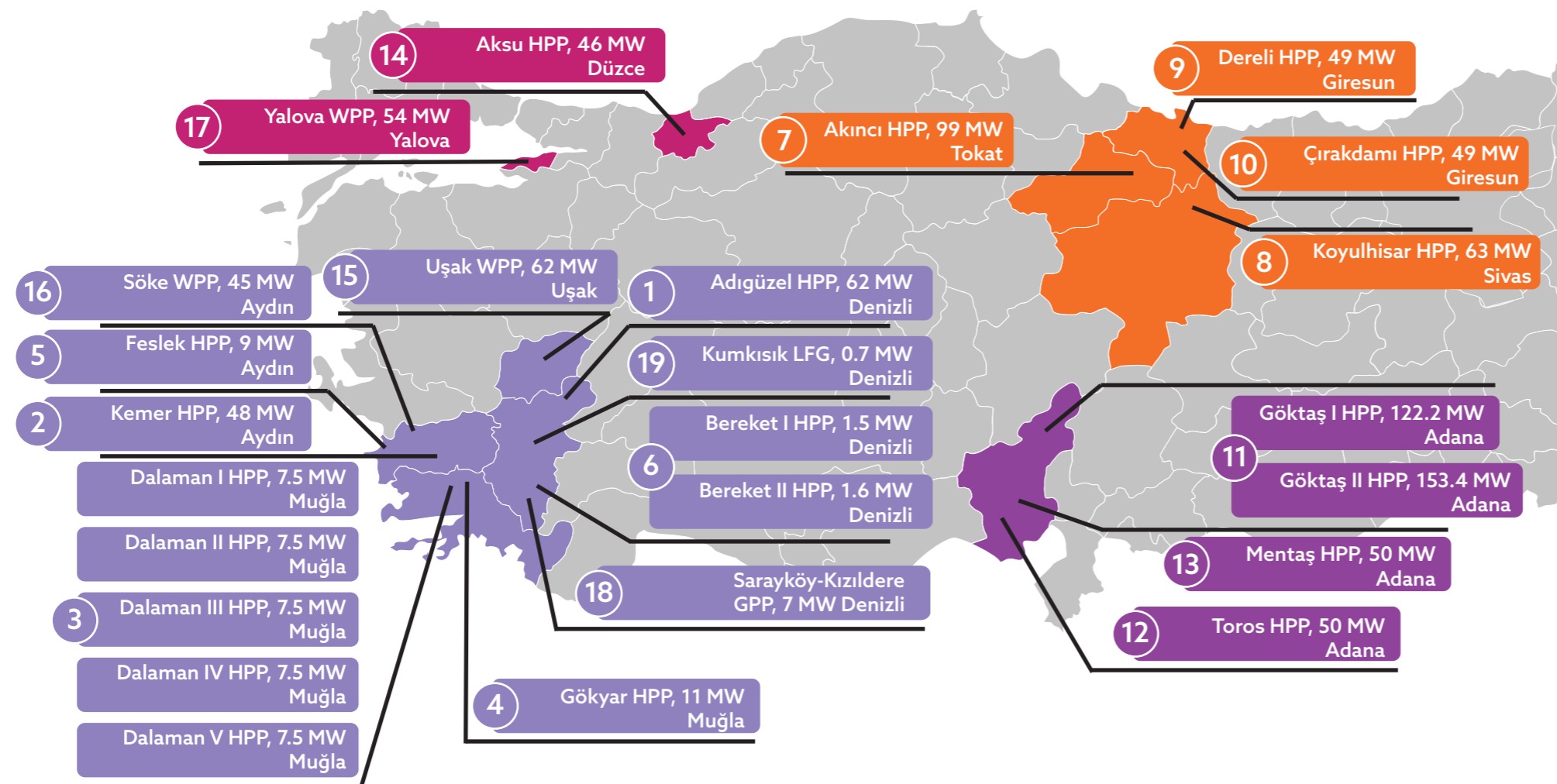
6.9 MW Installed Capacity



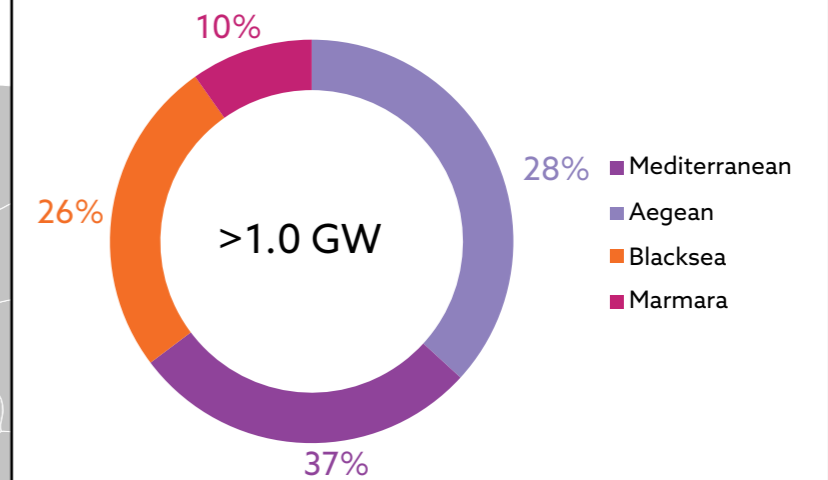
Biogas  
Biogas Power Plant

0.7 MW Installed Capacity

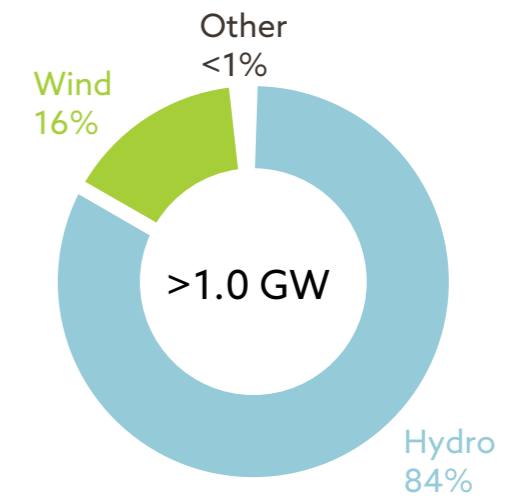
<sup>1</sup> Run-rate generation. Run-rate Generation for a given period, (i) historical hydrology data (excluding one-time stoppages) for HPPs and (ii) combination of previous years performance (excluding one-time stoppages) and long-term historical wind data for WPPs calculates the average annual energy generation potential on the basis of each power plant, to be taken into account. Run-rate Generation data is calculated by considering the unique characteristics of each power plant (for example, the months when HPPs in irrigation dams go into decline are taken into account).



Capacity Distribution by Region



Capacity Distribution by Source





- **Aegean Region:** Kemer HPP, Feslek HPP, Gökyar HPP, Dalaman I-V, Adigüzel HPP, Bereket HPP I-II
- **Black Sea Region:** Akıncı HPP, Koyulhisar HPP, Çırakdamı HPP, Dereli HPP
- **Mediterranean Region:** Toros HPP, Mentaş HPP, Göktaş I-II HPP
- **Marmara Region:** Aksu HPP

In 2020, our HPPs delivered **an outstanding performance in efficiency**, and

**the availability rate of our HPPs was 99.6%**,

which represents the ratio of the time when the power plant is ready to generate energy to the maximum time that the relevant power plant can theoretically generate energy, and which is one of the most important indicators of energy generation efficiency.



We have certified all of our environment-friendly hydroelectric power plants with the **Zero Waste Certificate** by the Turkey Ministry of Environment and Urbanization.

## Our Hydroelectric Power Plants (HPP's)

We have reached to 852.1 MW installed capacity in total and an average 2,732 GWh<sup>2</sup> energy generation annually by means of our 20 HPP plants throughout Turkey. This value is equivalent to the electricity need of 736,587<sup>3</sup> people.

Spread across our country's **4 different geographical regions** with different precipitation regime, the installed capacity of our HPP portfolio is distributed to Aegean Region (20% - 170 MW), Mediterranean Region (44% - 375 MW), Black Sea Region (31% - 260 MW) and Marmara Region (5% - 46 MW).

We have power plants which are both river type and have reservoir (storage) in our portfolio. There are power plants with large reservoir areas (with storage) in the upstream parts of

our power plants, which constitute 67% of the installed capacity of our river-type power plants. Therefore, 76% of total installed capacity of our hydroelectric power plants in our portfolio have the advantages of storage power plants, and generate energy with stable water flow.

For the sales of 78% of our total net generation amount from our hydroelectric power plants in 2020, we benefited from "Feed in Tariff", the most important incentive program in our country, which was created for promoting the rapid growth in renewable energy generation and offers USD-indexed purchase guarantee for 10 years.

Therefore, in 2020, we generated **87% of our income from hydroelectric power plants** based on a **fixed tariff of USD 73/MWh** with a pricing that corresponds to **approximately twice the average electricity market spot price** of USD 40 per MWh.

In line with our current hydroelectric power plants' remaining weighted average period of **exploiting feed in tariff**, we will maintain the plants in our portfolio, **subject to a USD-indexed inflexible pricing determined far above the average spot electricity market price, in the next 5 years approximately.**



Through **our new investments** in the field of HPPs, we aim to gain more strength with Armağan HPP facility with an installed capacity of **34 MW** and Yağmur HPP project with an installed capacity of **24 MW**, which are currently under construction and have generation licenses.

In our country, with the legal regulation in 2020, **an incentive mechanism was created** that allows companies to establish new generation facilities on the fields of their existing facilities and to benefit from the capacity of the license of this new generation facility's existing facilities.

As Aydem Renewables, we aim to use multiple renewable energy source with only one energy plant, to eliminate adverse effects possible to occur as a result of climate change risks, and to significantly increase our **efficiency, productivity and revenues**, with the aforementioned mechanism.



<sup>2</sup> Run-rate generation. Run-rate Generation for a given period, (i) historical hydrology data (excluding one-time stoppages) for HPPs and (ii) combination of previous years performance (excluding one-time stoppages) and long-term historical wind data for WPPs calculates the average annual energy generation potential on the basis of each power plant, to be taken into account. Run-rate Generation data is calculated by considering the unique characteristics of each power plant (for example, the months when HPPs in irrigation dams go into decline are taken into account).

<sup>3</sup> Electricity consumption value per person in 2018 was taken as 3,709 kWh based on the statistics of the Ministry of Environment and Urbanization, and the person calculation was made over this value and total generation value

## Our Wind Power Plants (WPP's)

We have reached to 160.5 MW installed capacity in total and an average 420 GWh<sup>4</sup> energy generation annually by means of our 3 WPP plants throughout Turkey. This value is equivalent to the electricity need of 113,238 people.<sup>5</sup>

For the sales of **100% of our total net generation amount** from our wind power plants in 2020, we benefited from **"Feed in Tariff Mechanism"**, the most important **incentive program** in our country, which was created for promoting the rapid growth in renewable energy generation and **offers USD-indexed Feed in Tariff guaranteed purchase price for 10 years**. Therefore, in 2020, we generated **all of our income from wind power plants** based on a **fixed tariff of USD 73/MWh** with a pricing that corresponds to **approximately twice the electricity market spot price** of USD 40 per MWh. In line with our current wind power plants' remaining weighted average period of **exploiting Feed in Tariff**, we will benefit from **a USD-indexed inflexible pricing determined far above the average spot electricity market price, for our power plant in the next 5 years approximately**.

Our wind power plants are generally deployed in high and hilly areas in order to maximize the use of wind energy capacity. Due to the harsh natural conditions, we constantly control, maintain and improve the access roads to the turbines. In consequence of our competent maintenance team's ability to access our units within minimum periods of time in 2020, together with their

dynamic action responses and right business plans, our renewed equipment, and continuous monitoring and improvement works; the availability rate of our WPPs was 99.4%, which is one of the most important indicators of energy generation **efficiency** and represents the ratio of the time when the power plant is ready to generate energy to the maximum time that the relevant power plant can theoretically generate energy.

**We are proud**

**99.4% Availability Rate**

Although wind speed decreased in 2020, our **energy generation** in Söke and Yalova power plants increased by **7.3% compared to the previous year, through the increase of our availability rate**.

Moreover, our improvements of access roads both help the local community to access their agricultural lands and allow the fire brigades to quickly respond to any fires in the region.

Furthermore, for the purpose of **protecting biodiversity** with the awareness of our environmental responsibilities; based on scientific research having revealed that purple is the color that attracts bugs the less, **we broke new ground** once again by switching to purple wings in Uşak WPP and Yalova WPP.



- **Aegean Region:** Uşak WPP, Söke WPP
- **Marmara Region:** Yalova WPP



We have certified all of our environment-friendly wind power plants with the **Zero Waste Certificate** from Ministry of Environment and Urbanization.



In our country, with the legal regulation in 2020, **an incentive mechanism was created** that allows companies to establish new generation facilities on the fields of their existing facilities and to benefit from the capacity of the license of this new generation facility's existing facilities.

As Aydem Renewables, we aim to use multiple renewable energy source with only one energy plant, to eliminate adverse effects possible to occur as a result of climate change risks, and to increase our **efficiency, productivity and income significantly**, with the aforementioned mechanism.

<sup>4</sup> Run-rate generation. Run-rate Generation for a given period, (i) historical hydrology data (excluding one-time stoppages) for HPPs and (ii) combination of previous years performance (excluding one-time stoppages) and long-term historical wind data for WPPs calculates the average annual energy generation potential on the basis of each power plant, to be taken into account. Run-rate Generation data is calculated by considering the unique characteristics of each power plant (for example, the months when HPPs in irrigation dams go into decline are taken into account).

<sup>5</sup> Electricity consumption value per person in 2018 was taken as 3.709 kWh based on the statistics of the Ministry of Environment and Urbanization, and the person estimating was made over this value and total generation value



## Our Geothermal Power Plant



**Aegean Region:** Sarayköy-Kızıldere GPP

Around **5,500 residences** in Sarayköy district of Denizli **are heated** with the geothermal water.

Commissioned in 2008, our Geothermal Power Plant with an installed capacity of 6.9 MW is located in Sarayköy-Kızıldere geothermal area in Denizli, which is Turkey's first high-potential geothermal area discovered for the purpose of energy generation.

Aydem Renewables makes generation using the geothermal fluid (underground water). Used (waste) groundwater after generation is re-injected to **protect nature and ensure the continuity of the natural resources.**

## Our Biogas Power Plant



**Aegean Region:** Kumkısık Biogas

We prevent the emission of methane gas to the nature and contribute to the ecosystem significantly.

In our biogas energy power plant with an installed capacity of 0.7 MW in Kumkısık region of Denizli province, we generate energy by absorbing methane gas accumulated in landfill with a piping system and burning it in gas engines. As a greenhouse gas, methane's potential to generate energy qualifies energy generation from landfill gas as a source of renewable energy.

## Our Corporate Focuses

We work in consideration of the sustainability of natural resources, environment and next generations' needs in line with our sustainability culture -which we developed by evaluating social and economic areas of influence, expectations of all stakeholders, and our corporate strategy-, our vision of **"Clean energy for a sustainable future"** and our mission of **"becoming Turkey's leading renewable energy generator"**. With our approach focusing on renewable energy, we always aim to carry our Company a step forward. Never being satisfied with what we get and always searching for the better, we are striving to create the highest value for all internal and external stakeholders by adding new achievements to our existing ones. We are supporting our country's sustainable development and continuing our works to add value to the future, **without compromising our focuses of Sustainability, Innovativeness and People Orientation**. We want to transparently share with you the meaning of our features and objectives, which we emphasized in "From Aydem Renewables" in the beginning of our report, and consider as reflections of us.



### Sustainability

For our Company, Sustainability means respecting the environment and humans, creating long-lasting values for our stakeholders and society, and strengthening our team while generating Clean Energy with a strong and successful business model today and in the future.



### Innovativeness

We broke new grounds in Turkey with courage, agility, will, and a visionary approach looking from many perspectives. In our search for the best for today and future, innovativeness is always our main starting point.



### People Orientation

By focusing on people, we take our decisions within the framework of economic, social and ecological facts and requirements, and generate Energy for Life.



**Transparency and Reliability:** We offer **reliability** to all stakeholders with the importance we give to the principle of transparency, our visionary investments in the past-the outcomes of which make us proud today-, our strong approach of governance, experienced Senior Management, and our high performance in every field of activity.



**Leadership:** Having conducted many industry-**leading** activities in relation to sustainability since its establishment with the first private enterprise in our country's renewable energy sector, our Company continues to be sector leader with all investments it has completed and recently committed.



**Courage:** On this path we started with the courageous step of establishing Turkey's first private hydroelectricity power plant, we have never lost our focus on 100% renewable energy.



**Efficiency:** As a result of our effective and efficiency-boosting reinforcement and rehabilitation initiatives and investments, keeping in mind our motto **"Invest in Business"**, we are continuing our generation effectively by increasing our availability rate close to 100% in all power plants.



**Diversity:** We have both geographical **diversity** and portfolio **diversity** with our power plants that generate with 100% renewable energy resources (hydroelectricity, wind, biogas and geothermal) in 4 different regions of Turkey.



**Outstanding Performance:** In 2020, we increased our net energy generation by **27%** compared to 2018 as a result of our recent investments, outstanding performance that increased our availability rate close to 100%, and high-quality operation and maintenance-repair skills.



**Innovation:** We have a fast-growing and modern portfolio with quality, economic and long-lasting power plants and equipment supported with high-technology. **Innovation** will continue to be one the most important priorities for us in the future, as it was in the investments and improvement studies we carried out.



**Experience:** Besides our quarter-century renewable energy **experience**, we have a long-established experience that ensures us to carry out all construction/generation works in our portfolio, from power plant design to engineering and operating steps internally.



**Agility:** We have an **agile nature** that can enable us to keep up with any conditions by means of our capability of acting quickly, our know-how to perform construction/generation works from design to the engineering and operating and the digitalization and technological improvements in our processes. One of the most important indicators of this feature we possess is that we ensure the continuity of our generation without interruption in this difficult period, with our rapid adaptation in the COVID-19 process and the decisions and actions we took without losing time.



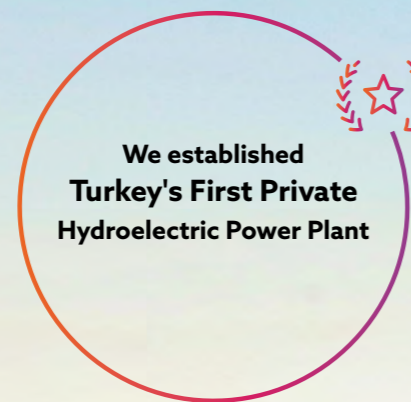
**Low Carbon Emission:** We support the **low carbon emission** with the Clean Energy we generate due to the nature of our business and we fight against the climate change more effectively every passing year, regarding to the energy efficiency and carbon reduction projects that we perform.

## Our Leading Role in Renewable Energy: Our First's and Most's

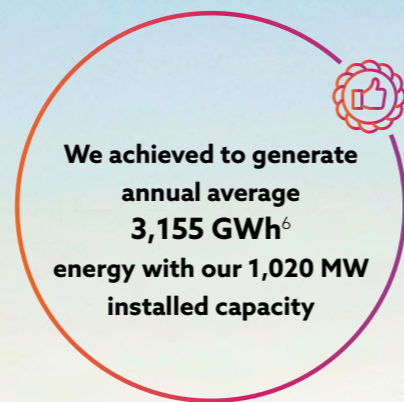
## Our Awards and Achievements



Regarding to our uninterrupted generation activities and efficient capacity utilization, we maintained our successful economic performance with a **turnover of 1.34 billion TL.**



We have invested **2.8 million dollars for innovation projects** in the last 2 years. We allocated 66% of these investments to increase the efficiency of our power plants.



Due to the O&M works we have carried out, we have achieved an availability rate of **99.6% in HPPs and 99.4% in WPPs** in 2020.

In 2020, we won Bonds & Loans Turkey's **"Syndicated Loan Deal of the Year"**, **"Natural Resources Finance Deal of the Year"** and **"Project Finance Deal of the Year"** awards.

In 2018, in the **"Top 500 Companies of Anatolia"** research conducted by the Economist Magazine, we ranked first in Turkey in respect to the ranking of companies that increased their profit before tax, according to 2017 data and ranked second in Turkey in respect to the ranking of companies that increased their turnover the most.

In 2020, regarding to our innovative digital technology transformation projects, we were ranked first in the **"Future of Work- Borderless Organization"** category at the CIO Summit Awards organized by IDC Turkey.

We have been declared a **"Low Carbon Hero"** company by the Sustainable Production and Consumption Association with our project to change the color of turbine blades in WPPs in order to prevent bird deaths and our LFG power plant project that generates energy from methane gas.

In 2017, we were among the companies that gave the fastest and highest rate of response to job applicants in the assessment of Kariyer.net. in addition, we were ranked first in this category and won the **Respect for Human Award** in two consecutive years, 2016 and 2017 respectively.

In 2020, we were selected **as the leader of the energy sector in Turkey** and ranked 2nd in emerging markets around the world in terms of **Environmental, Social, Governance performance**, as a result of the assessments conducted by **Vigeo Eiris/Moody's**, one of the most important independent rating companies in the world.

We won the **"Silver Award"** at the LACP awards with our first sustainability report, which was published last year.

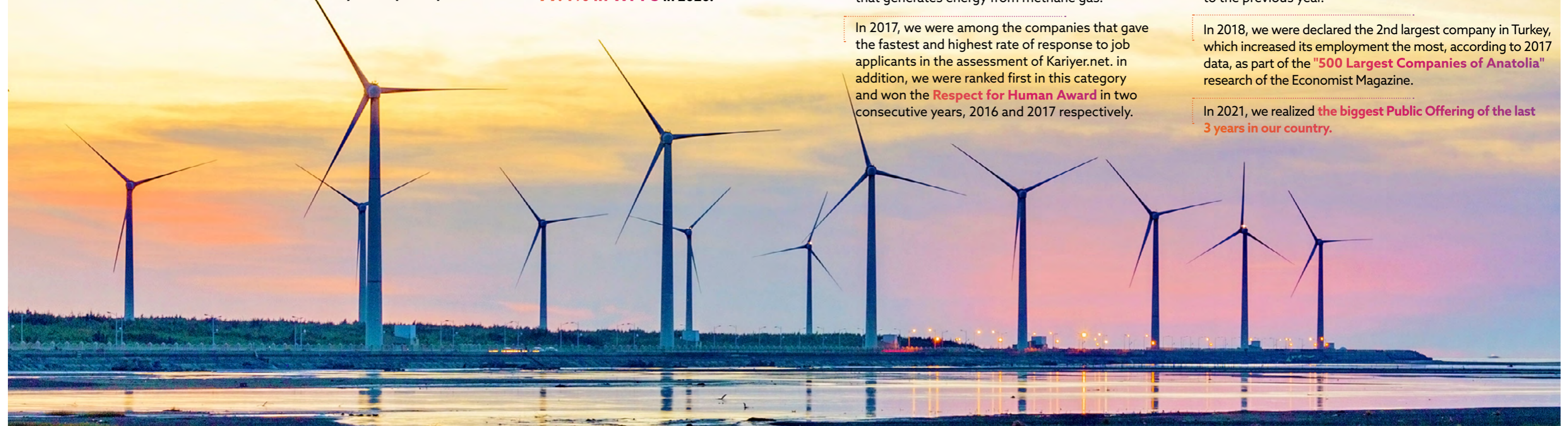
We signed the United Nations Global Compact, the world's largest voluntary sustainability development initiative.

In line with our goal of being the number 1 employer brand in the energy sector, we ranked 4th among 100 companies in the "Turkey's Best Employers" survey, conducted by **Great Place To Work® Institute**.

In line with the ISO 45001 Occupational Health and Safety System Standards applied in all our power plants and our **"Excellence and Zero Accident"** goal in occupational health and safety, we managed to reduce the total number of lost days as a result of work accidents to 27 days, with a decrease of 185% compared to the previous year.

In 2018, we were declared the 2nd largest company in Turkey, which increased its employment the most, according to 2017 data, as part of the **"500 Largest Companies of Anatolia"** research of the Economist Magazine.

In 2021, we realized **the biggest Public Offering of the last 3 years in our country.**



<sup>6</sup> Run-rate generation. Run-rate Generation for a given period, (i) historical hydrology data (excluding one-time stoppages) for HPPs and (ii) combination of previous years performance (excluding one-time stoppages) and long-term historical wind data for WPPs calculates the average annual energy generation potential on the basis of each power plant, to be taken into account. Run-rate Generation data is calculated by considering the unique characteristics of each power plant (for example, the months when HPPs in irrigation dams go into decline are taken into account).

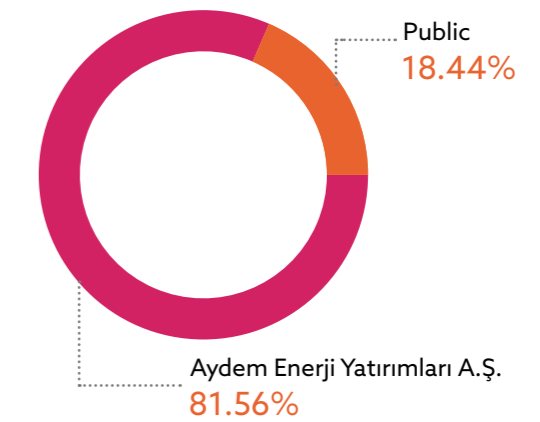
## Our Robust Corporate Governance Approach

Our journey to corporate transformation, which we started in 2019 with the awareness and responsibility of becoming one of the renewable energy sector's significant players with strategic importance in our country and in the world, continued in 2020. The basis of **our corporate governance concept**, which we have strengthened with the effect of our corporate transformation process as Aydem Renewables, is constituted by **an effective Board of Directors adopting the principles of accountability, responsibility, equitability, openness and transparency** in line with international business standards beyond the liabilities of loyalty and care, as well as **our governance and oversight mechanisms and policies**. We conduct all our activities in compliance with all relevant legal regulations, including "Corporate Governance Principles" of Capital Market Board ("CMB"), consider most of the non-obligatory principles as contributions to our corporate governance model, and act with this awareness.

Through various committees represented at the level of **Board Members, General Manager, Assistant General Manager and Directors**, As Aydem Renewables, which is currently Turkey's largest pure-play renewable energy generation company by installed capacity, we continue to generate **Clean**



### Current Capital Share



**Energy of the Future** while adopting a sense of management that takes **environmental, social and governance** criteria into consideration in all strategic and operational decision-making mechanisms for both our society's future and a more sustainable world with our **sustainable** and **innovative** approach **focusing on people**.

In 2021, we completed our public offering journey, which was one of our milestones, and included our investors in our strong governance structure and company. After our public offering, Aydem Enerji Yatırımları A.Ş. has a capital share of 81.56% and 18.44% of our company's capital has become open to public.

Kocaer Demir Sanayi Ticaret Ltd. Şti., Polat Turizm Halıcılık ve Ticaret A.Ş., Aciselsan Acıpayam Sel. San. Tic. A.Ş., Mopak Kağıt Karton San. Tic. A.Ş. have small shares in the company's capital. As a part of Aydem Energy Investments under Aydem Energy, our company has been proceeding on its way strongly and determinedly with its new capital structure after the public offering.

## Aydem Energy

With its pioneering approach that goes beyond the ordinary in Turkey's energy sector and its determination to break new ground, Aydem Energy that are active in the generation, distribution and retail trade of energy as well as non-energy areas- and continues its operations sensitive to the society and environment, and always focusing on people, with its deep-rooted history of 40 years and with more than 12 thousand employees.

Aydem Energy is one of the largest groups that operate in the energy sector in terms of its installed capacity. The company has positioned itself as the leader both in the sector and in our country, with pioneering steps it takes. As Turkey's first and leading integrated energy company, Aydem Energy has:

- Turkey's first private hydroelectric power plant,
- Turkey's first local solar cell generation company,
- Turkey's first private electricity distribution company,
- Turkey's first private retail electricity company, and
- Aydem Renewables as, which is currently Turkey's largest pure-play renewable energy generation company by installed capacity

As of 31 December 2020, Aydem Energy has an installed capacity of 1,965 MW, and has approximately 5.1 million consumers and 5.5 million users connected to its own electricity distribution system. The Company realized electricity sales of 20,439 GWh and electricity distribution of 23,987 GWh in 2020.

Apart from renewable energy generation, it plays an important role in meeting Turkey's electricity needs with a holistic approach with its other companies and activities in the sector. In the field of electricity retail, Aydem Elektrik Perakende Satış A.Ş. and Gediz Elektrik Perakende Satış A.Ş. companies transform customers' electricity relations with simple, personalized and creative solutions in 2 regions and 5 cities, namely Aydın, Denizli, Muğla, İzmir and Manisa. In addition to its electricity sales activities in 5 provinces, it provides electricity energy supply services to eligible consumers all over Turkey, regardless of region, through bilateral agreements. Within the scope of distribution activities, it considers the uninterrupted and safe delivery of electricity to consumers, which gives life to places and makes life more meaningful, as a service, and develops systems and solutions for a better quality life by focusing on people. With ADM Elektrik Dağıtım A.Ş., Turkey's first company with a private electricity distribution license, it continues to deliver electricity to consumers in Aydın, Denizli and Muğla provinces, and in İzmir and Manisa provinces with GDZ Elektrik Dağıtım A.Ş..



## Our Corporate Governance Structure

Aydem Renewables Board of Directors, Committees and Senior Management carry out their duties by prioritizing the company's profitability and shareholders' interests with an approach of sustainability and awareness of accountability to the company's legal personality and shareholders under the principle of transparency.

### Our Board of Directors

For us, corporate governance means our way of managing, controlling and monitoring the company and our activities. Leading the integration of our sustainability approach with all business processes, **our Board of Directors** is the highest governance body responsible for defining strategic goals, setting the corporate management strategy, identify and allocate the human and financial resources required, monitoring the performance of the management, and assessing the conformity of the Company's activities with the legislation, the Company's Articles of Association, internal regulations and policies as well as auditing the Company's sustainability performance.

**Aydem Renewables Board of Directors brings together members having the right composition and diversity of skills, education, knowledge, expertise, experience, age and gender.**

Our Board of Directors currently consists of 8 members in total, 6 of whom do not have executive functions. 4 of the members who do not have executive functions are Independent Board Members.

The formation process of our Board of Directors is conducted in accordance with the principles of the Company's Articles of Association. Within this scope, our Board Members are elected by the General Assembly with the recommendation of Executive Chairman. The members do not have to be shareholders, and legal persons can be elected for the Board of Directors. Within the framework principles on the independence of board members under Institutional Governance Principles of Capital Market Board, a sufficient number of independent board members are designated by the General Assembly. Our Board Members are elected for a maximum of three years, and Board Members whose term of office has expired can be elected again.



## Corporate Governance Structure


**Chairman:**
**İdris Küpeli**

Chairman of the  
Executive Board,  
Aydem Renewables

Chief Executive Officer (CEO),  
Aydem Energy

**Committee in Charge:**  
Investment Committee

**Information:**

- He has over 20 years of experience in the national and international Finance and Energy sectors.
- Director at Morgan Stanley, USA, Project Director at NextEra Energy, USA, Project Finance and Commercial Director at TANAP, Trans Anatolian Natural Gas Pipeline Project, one of the most important projects successfully carried out by Turkey and Azerbaijan Chief Investments Officer (CIO) at SOCAR Turkey.
- He joined Aydem Energy as the Chief Executive Officer (CEO) in 2018.
- He has been appointed as Chairman of the Board of Directors of Aydem Renewables in 2018.


**Board Member:**
**Ömer Fatih Keha**

General Manager,  
Aydem Renewables

**Information:**

- Has experience 13 years in the energy sector.
- He worked as Electricity and Operations Chief in Kalen Enerji, General Manager in Adali Renewable Energy and General Manager Advisor in Electricity Production at Republic of Turkey Ministry of Energy and Natural Resources Electricity Generation.
- He joined the Aydem Energy in 2018 and was appointed as the General Manager of Aydem Renewables in 2019.

**Committee in Charge:**

Investment Committee,  
Sustainability, Environment,  
Occupational Health and Safety  
Committee


**Board Member:**
**Galip Ayköse**

Chief Financial Officer (CFO),  
Aydem Energy

**Information:**

- He has over 20 years of experience in the Finance and Energy sectors.
- He worked at Arthur Andersen, Financial Reporting and Control Manager at Polisan Holding, Audit Director at Ernst & Young and Assistant General Manager of Financial Affairs at Petline Petrol Ürünleri, Internal Audit and Reporting Coordinator and Financial Affairs Director at Karadeniz Holding, and he worked as Assistant General Manager of Financial Affairs (CFO) at Çalık Enerji.
- He joined Aydem Energy as Chief Financial Officer (CFO) in 2019.

**Committee in Charge:**

Early Detection of Risk Committee,  
Investment Committee


**Board Member:**
**Serdar Marangoz**

Chief Commercial Officer (CCO),  
Aydem Energy

**Information:**

- He has 14 years of experience.
- He joined in Aydem Energy at 2009.
- In 2019, he was appointed as the Chief Commercial Officer (CCO) to Aydem Energy.
- In 2019, he was appointed as a Member of the Board of Directors of Aydem Renewables.

**Committee in Charge:**

Corporate Governance Committee,  
Early Detection of Risk Committee

As an indicator of “**Equal Life**” approach we have adopted to support gender equality within the Company, 2 female members with considerably **important accumulation of knowledge** in terms of sustainability approach and practices

participated in our Board of Directors in 2021, with the awareness that our Board of Directors is the top-level decision-making mechanism for our integrated management structure and sustainability.

### Independent Members


**Board Member:**
**Fatma Dilek Bil**

Aydem Renewables  
Independent Board Member

**Information:**

- She worked at American Express Bank, Koç-American Bank, BNP-AK-Dresdner and Societe Generale. Bil, who founded Kangaroo Communication and Consultancy company, provided strategic brand communication and creative advertising solutions to many national and international brands. She provides sustainable development consultancy to institutions. She is an independent member of Akmerkez REIC's Board of Directors.
- She is a member of the WWF Turkey-DHKV Board of Directors. She manages corporate governance and risk issues. She is the Sustainability Consultant of the Turkish Clothing Manufacturers' Association (TGSD), and she is the founding mentor of GENÇTGSD-Sustainability Platform, representing TGSD.
- She is a member of UN Global Compact Turkey and works in the Environment Working Group. She served as the chairman of KAGIDER (Women Entrepreneurs Association) and is a member of the High Advisory Board. She is the Chairman of the Board of Directors of 'Accademia Italiana della Cucina Istanbul' affiliated to the Italian Ministry of Culture.
- In 2021, she was appointed as an Independent Member of the Board of Directors of Aydem Renewables.

**Committee in Charge:**

Investment Committee, Audit Committee, Early Detection of Risk Committee, Corporate Governance Committee, Sustainability, Environment, Occupational Health and Safety Committee


**Board Member:**
**Mehmet Hayati Öztürk**

Aydem Renewables  
Independent Board Member

**Information:**

- He has over 40 years of experience.
- After working in various positions at Petkim, the only large-scale petrochemical producer in Turkey, which has been listed on the stock market since 1990, he became Petkim's Deputy General Manager, General Manager and Board Member who is responsible for areas such as R&D, finance, projects, investments, planning, sales and marketing, respectively.
- He served as an advisor to the Chief Executive Officer (CEO) of SOCAR Turkey.
- In 2020, he was appointed as an Independent Member of the Board of Aydem Renewables.

**Committee in Charge:**

Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee, Investment Committee


**Board Member:**
**Ersin Akyüz**

Aydem Renewables  
Independent Board Member

**Information:**

- He has over 30 years of experience in the financial industry.
- He started at Bankers Trust International Ltd in London and he worked at Morgan Stanley and Deutsche Bank in London. In 2008, he was appointed as the Chief Executive Officer (CEO) of Deutsche Bank Turkey.
- In 2020, he was appointed as an Independent Member of the Board of Aydem Renewables.

**Committee in Charge:**

Investment Committee, Audit Committee,  
Early Detection of Risk Committee,  
Corporate Governance Committee


**Board Member:**
**Serpil Demirel**

Aydem Renewables  
Independent Board Member

**Information:**

- After working as a sales engineer, marketing and sales manager, marketing sales director and Deputy General Manager, she worked as General Manager and Chief Executive Officer (CEO) at Esan Company, a subsidiary of Eczacıbaşı.
- In 2021, she was appointed as an Independent Member of the Board of Directors of Aydem Renewables.

**Committee in Charge:**

Investment Committee, Audit Committee, Early Detection of Risk Committee, Corporate Governance Committee, Sustainability, Environment, Occupational Health and Safety Committee

Our robust corporate governance approach governance aims to increase the **confidence we provide to all stakeholders** with our experienced Senior Management and successful business results, while our Board of Directors continuously monitor the efficiency of our business results and corporate governance structure, including the results of the approaches and practices we have adopted in consideration of **environmental, social and governance** criteria.



**Ömer Fatih Keha**  
Aydem Renewables  
General Manager,

- Has experience 13 years in the energy sector.
- He worked as Electricity and Operations Chief in Kalen Enerji, General Manager in Adalı Renewable Energy and General Manager Advisor in Electricity Production at Republic of Turkey Ministry of Energy and Natural Resources Electricity Generation.
- He joined the Aydem Energy in 2018 and was appointed as the General Manager of Aydem Renewables in 2019.



**Hamdi Alp**  
Aydem Renewables  
Chief Financial Officer (CFO)

- He has 20 years of experience in finance and cost units.
- Finance manager at Akfel Holding.
- He joined the Aydem Group in 2018.
- He worked as Cost Control Chief at Reysas A.Ş., Budget and Cost Control Specialist at Dünya Göz Hospital, Financial Affairs Group Assistant Manager at Medical Park Hospital, Financial Affairs Manager at Akfel Holding and Financial Affairs Director at Isystems Industry.
- He started to work as Financial Affairs Group Manager at Aydem Energy in 2018 and continued as Financial Affairs Director of Aydem Renewables in 2019. In 2020, he was appointed as the CFO of Aydem Renewables.



**Adnan Can**  
Aydem Renewables  
Operations Director

- He has 30 years of experience in managerial positions.
- He joined Aydem Group in 2019.
- He worked in various managerial positions at EÜAŞ.
- In 2019, he was appointed as the Operations Director to Aydem Renewables.



**Hüseyin Günlü**  
Aydem Renewables  
Maintenance and Project Director

- He worked as site manager in Batman Dam and HPP, as construction supervisor at Karkamış Dam and HPP, Calibration Specialist at TSE-Sojustest Metrology and Calibration Company, Mechanical Maintenance Specialist Engineer at Petkim Petrokimya Holding A.Ş., Senior Mechanical Maintenance Engineer at Botaş Petrol Pipeline Company, Central Workshop Manager and Mechanical and Construction Support Manager at Petkim Petrokimya Holding A.Ş, Project Manager at PSG Engineering and Construction, Project and Factory Manager at Salt Project Makine.
- In 2019, he was appointed as Maintenance and Project Director at Aydem Renewables.

We enlight  
the future with  
our "energy  
for life" vision  
and our clean  
energy.

## We Have An Efficient Governance Network Through Committees under Our Board of Directors...

To ensure that our Board of Directors can take more inclusive and efficient decisions in all duties, we have 5 committees actively working under our Board of Directors. Regarding to these committees, where our expert managers and Board members add value, we are able to make fast and effective decisions.

Through our Committees, we monitor the processes of making decisions, managing activities and tracking the performance in the fields of audit, risk, corporate management, investment, occupational health and safety and environment in order to receive successful results and create long-lasting values for our shareholders and stakeholders and we monitor performance results, evaluate the control environment, and ensure early detection of risks.

### Board Level Committees

#### Audit Committee

- **The Audit Committee contributes to the strengthening of transparency, accountability, equitability, predictability and efficiency within the Company with its supervisory function.**
- The effectiveness of the Company's accounting system and practices, the functioning of the internal control system, and the Company's internal control environment and risk management systems and oversees the Company's compliance with the relevant legal regulations.
- All members are consist of Independent Board Members.

#### Early Detection of Risk Committee

- **Early Detection of Risk Committee helps the Board of Directors in the early detection of risks that may put the Company's existence, development and continuity at risk, and in the management of risk by implementing appropriate risk management strategies.**
- Building a corporate risk management approach ensures that an efficient risk management framework is built and maintained.
- Majority of the Committee members are elected from the non-executive BoD members.
- Chaired by Independent Board Member.
- Through the Early Detection of Risk Committee (BoD Level Committee), we monitor all risks, including risks related to sustainability and climate change and ensure its management with their non-financial effects, including their effects on our employees, all our stakeholders, society and environmental impact, addition to their financial aspects.
- The Committee monitors the Risk profile and Key Risk Indicators.
- The Committee evaluates Risk incidents.
- The Committee oversees the operation and effectiveness of the Business Continuity Management process

### Corporate Governance Committee

- **Corporate Governance Committee helps the Board of Directors in identifying the investigations and conflicts of interest in case of non-compliance with corporate management principles, and in complying with these principles.**
- It makes suggestions on the functionality of the Board of Directors and its committees.
- It provides the determination of principles for evaluations and making suggestions within the scope of wage and performance payments for remuneration and performance payments of the members of the Board of Directors and senior executives.
- Majority of the Committee members are elected from the non-executive Board members.
- Chaired by Independent Board Member.

### Investment Committee

- **Through the Investment Committee, investment and business development projects, which are more than 1 million USD, are evaluated and submitted to the approval of the Board of Directors and their follow-up processes are carried out.**
- Chaired by Chairman of the Executive BoD.
- Investment proposals are submitted to BoD in order to be taken investment decision. Approved investments are monitored.
- The most effective decisions for our renewable energy investments are taken by considering environmental, social and governance criteria in our investment assessment integrated in our Board Investment Committee
- Due to the focus of our business, we contribute to the fight against climate change and our sustainability approach with every investment we make.

### Committee of Sustainability, Environmental, Occupational Health and Safety

- **They monitor, review and revise sustainability, OHS, environmental and social subjects.**
- Relevant action plan is prepared and if required, relevant issues and processes are reported to the Board of Directors.
- The culture of sustainability, occupational health and safety is developed for all the employees and entities of the Company and that a behavior-based safety approach including environment regulations and activities is proactively developed and embraced.
- Continuous improvement and development of Sustainability and HSE culture are ensured.
- Sustainability, ESG and HSE related KPIs are monitored.
- Chaired by Independent Board Member.

### Legal Regulations Follow-Up Mechanisms

We give great importance to the execution of all our activities and processes within the scope of legal compliance. Legislative follow-up regarding the activities of our company is constantly carried out, and changes in legislation are reported to the relevant business units and responsible parties. We organize our written responses to the requests and letters communicated by official institutions as soon as possible and present them to the official authorities together with the necessary information and documents. We arrange all our contracts in a way that manages all kinds of regulatory risks. We provide regular information flow to the relevant committees of Aydem Renewables at the level of the Board of Directors and make reports.

The absence of any lawsuits against our company related to non-compliance with environmental regulations or related to environmental issues, also within the scope of our human resources practices, psychological harassment, the absence of any lawsuits regarding psychological harassment or inequality is an indication of our Company's sensitivity to sustainability-related issues.

## Our Corporate Policies That Support Our Governance Structure

As a part of our governance model, we meticulously construct and implement our Company policies and management system. We ensure that our Committees work more effectively with the presence of our policies and on the other hand, we standardize the management model within the Company.

The policies, that all functions within the company will benefit from, have been formed on the main and related sub-titles such as Risk Management, Sustainability, Environment, Compliance, Human Resources, Occupational Health and Safety, Information Security.



**Integrated Management System Policy;** We ensure that all internal processes support each other by our **Integrated Management System Policy**. We expect our employees to fully comply with all Company policies, otherwise we take the necessary actions immediately.



**Risk Management Policy;** Through the implemented **Risk Management Policy**; it is aimed to manage the risks within the Company with the studies performed by using the approved standards and methodologies in accordance with the general principles and management rules within the scope of the approved risk management strategy and risk management framework. Through to the policy, risks and opportunities that may affect the realization of strategic, operational and financial goals are proactively Risk Management Policy identified, measured, managed, reported and monitored by drawing a roadmap for actions.



Our **Sustainability Policy**; which is a reflection of our approach of sustainability and that we have created in order for our employees to converge to this approach, covers all our activities and sustainability issues; It is a guide document on how it should be managed, taking into account environmental, social and governance criteria, remedial actions that can be taken and areas for continuous improvement. We aim to support the sustainable development and growth of our country by implementing this policy. **We touch every sensitive topic in the field of sustainability and determine the necessary criteria for their management with all our existing policies in addition to Sustainability Policy.**



Through our **Environmental Policy**; we focus on adapting to climate change fight, zero waste and supporting sustainability while working to aim better for today and for the future in order to protect biodiversity, with the awareness that natural resources are limited. We continue to contribute to the **sustainable growth** of our country and to prepare **a better future for the environment, society and next generations with renewable energy generation.**

We accept the protection of the environment as a fundamental responsibility of its existence, beyond legal requirements by adopting a management approach that focuses on **"Respect for Human and Environment"**.



**The Compliance Activities and Compliance Risk Implementation Policy;** which we implement in the field of ensuring the continuous compliance of the company with the necessary legal regulations and legislation determines working areas and management principles and the general principles regarding compliance and compliance risk activities which executed by Legal and Compliance Consultancy and Internal Control and Risk Management Unit. It is aimed to manage risks associated with Anti-Money Laundering, Anti-Bribery and Anti-Corruption, Code of Ethics and Business Principles, Data Protection and Privacy, Competition Rules. Besides, it is aimed to conduct of our activities in accordance with all relevant legislation, regulatory and supervisory procedures, standards and internal regulatory procedures of the regulatory and supervisory institutions with this policy.



The main purpose of the **Anti-Bribery and Anti-Corruption Policy** is to prevent corruption and bribery through our corporate activities and to emphasize the importance of compliance with the anti-bribery and anti-corruption regulations under which we operate. The Anti-Bribery and Anti-Corruption Policy applies to all of our employees and executives and relevant third parties (including their employees) that we work with, such as suppliers and consultants. We will procure compliance with the Anti-Bribery and Anti-Corruption Policy by, to the extent practicable, adopting compliance provisions (such as termination rights) in the agreements that we execute with such parties or by requiring commitments regarding compliance from such parties.

Our Ethics Committee and Discipline Committee are responsible for our compliance with the Anti-Bribery and Anti-Corruption Policy. The Ethics Committee is the senior board responsible for executing the Company's activities within the framework of ethical rules, evaluating and deciding on ethical reporting issues related to senior employees. The Ethics Committee is also the final decision-making authority on ethical issues for all other employees. The Discipline Committee is responsible for evaluating and deciding on ethical reporting issues regarding all other employees. The Ethics Committee also authorizes a representative, the Ethics Committee Representative, who is responsible for guiding and advising on questions and issues raised by employees regarding ethics and ethical nonconformities. The Ethics Committee Representative is the contact person in the Company for ethical reviews and investigations.

The Anti-Bribery and Anti-Corruption Policy encourages our employees to report misconduct within the Company. The Anti-Bribery and Anti-Corruption Policy provides detailed guidance on how to interact with public officials and other relevant third parties to avoid any compliance-related risks, as well as on the training and internal communication procedures that apply to our employees and executives. It also governs the process of providing gifts and entertainment to third parties by our employees and sets out gifts and hospitality limits. Furthermore, the Anti-Bribery and Anti-Corruption Policy provides that we will seek to comply with Turkish, U.S., United Kingdom and European Union economic sanctions laws and regulations to the extent applicable. We intend to implement and maintain all necessary procedures and mechanisms to ensure such compliance.



**Human Resources Policy;** In order to maintain our leading position and capacity in the energy sector by increasing and to create competency and skill groups that will support the performance required to meet the expectations of our stakeholders; with our human resources management approach and by being aware of the public service responsibility imposed by the energy sector and being ready for the needs it creates; we aim to create innovative employees and teams that are committed to ethical values, sensitive to the environment, creating value, aiming for the best and efficient within the framework of our Company's values and culture.

Our main goal is to create an environment where our employees are happy, adopt the companies they work for and everyone wants to work. In this direction; We develop and implement fair Human Resources Strategies that will increase the contribution of our employees in achieving our business goals, reveal their potential, make them happy, measurable, transparent, listen to their employees and improve themselves within our framework of Human Resources Policy.



**Occupational Health and Safety Policy;** Within the framework of our Occupational Health and Safety Policy, which is one of the highest priority issues of our company and is an indicator of our "people-oriented" business conduct, issues related to employee health and safety are managed. With our policy, it is aimed to develop the existing culture within the Company in this area, to take proactive actions and to manage processes that comply with all legal regulations.



**With the Human Rights Policy;** we commit to oversight the rights of the people living in the regions where we operate, to comply with national and international laws and regulations regarding Human Rights, to ensure that our business partners also comply, to make decisions in line with the United Nations Universal Declaration of Human Rights in all our investment activities and operations involving these activities, and to organize our activities accordingly, among our employees, not to tolerate discrimination under any circumstances, to value the differences of our employees, to embrace diversity in order to achieve our goals, to provide equal rights for all our employees and to plan equal opportunities, to support women's participation in the workforce, to improve the gender balance in the decision-making mechanisms of our company, and to promote women in our company's Board of Directors and senior management, to increase the rate of employment, to support the right of our employees to freedom of expression in the workplace by enabling cooperation with non-governmental organizations, not to allow the violation of the safety and health principles of our employees and to take the necessary precautions, to be sensitive to the environment for a liveable and green world, and to consider the principle of nature protection as a priority in all its activities.



**Ethical Rules and Working Principles;** While our company's core values and principles guide our business ethics, they form our expectations, standards and ethical practices that form the basis of all our business relationships and transactions. Ethical Rules and Working Principles define Company and all third parties acting on their behalf and the rules that must be followed by employees, employee rights, as well as company ethical evaluation and basic principles. Within the scope of the Code of Ethics and Working Principles, questions and notifications received through our communication channels regarding employee responsibilities, confidentiality, protection of personal information of customers, information belonging to the company, information storage, access to confidential information, protection of information in computer hardware, internal and external relations, media relations, conflicts of interest, corporate opportunities, bribery, political activities, gifts, donations, transactions on behalf of the company, company resources, harassment and mobbing, occupational safety and health and for including all other basic principles are meticulously examined.



**Code of Conduct and Business Principles;** The main purposes of our Code of Conduct and Business Principles are to ensure (i) the effective use of resources, (ii) the open, transparent and lawful maintenance of all services and activities, (iii) the prevention of unfair competition and (iv) awareness of corporate and social responsibility in our managers and employees.

The Code of Conduct and Business Principles state that the Company and its affiliates and all third parties and employees acting on their behalf must comply with employee rights, as well as with the Company's ethical values and basic principles. The Code of Conduct and Business Principles include the following principles: (i) protection of customers' personal information; (ii) data protection; (iii) internal and external relations, including customer and supplier relations; (iv) media relations; (v) conflicts of interest; (vi) insider trading; (vii) harassment and mobbing; (viii) equality among employees and (ix) occupational health and safety. These principles are published by the Board of Directors and are reviewed once a year in line with the Company's needs, changing conditions and current practices. Any violation of the Code of Conduct and Business Principles, such as non-cooperation in an investigation, may be the subject of ethical review or disciplinary investigation.



**With the Donation and Aid Policy;** In addition to fulfilling social responsibilities, creating a sense of corporate responsibility in our shareholders and employees, we also aim to support the realization of projects that will meet social and societal needs, benefit the public and contribute to social development. Pursuant to our donation policy, the Company may make any donations which do not disrupt our own business, provided such donations are not in violation of applicable laws and are submitted for the General Assembly's information. Donations can be made in-kind and in-cash. The maximum limit of donations that may be made within one financial year is determined by the General Assembly. We may make donations to any institutions or persons, including non-governmental organizations, universities, public and private institutions, charitable foundations and associations.





**Remuneration Policy;** The purpose of our remuneration policy is to determine the remuneration of the Board of Directors and our senior management in accordance with our future short-term and long-term goals and ongoing performance. Our Corporate Governance Committee is responsible for the process of monitoring, auditing and reporting on this policy and reports to the Board of Directors with its recommendations on remuneration. The Board of Directors is responsible for the implementation, development and monitoring of this policy.

Base premium of the members of the Board of Directors is determined by taking into consideration the recommendations of the Corporate Governance Committee and is subject to the approval of the Board of Directors. Base premium for senior management is subject to the approval of the Board of Directors. All premium is decided in accordance with our ethical values and strategic goals. Base premium is determined annually by reviewing the proposals of the Corporate Governance Committee and the decision of the Board of Directors. We also make bonus payments to employees who add value to the Company. The purpose of bonus payments is to increase employees' efficiency and ensure their continued high performance. We do not guarantee the amount of performance-based bonuses in advance.

All premium, bonuses and other personal benefits are confidential. We do not lend money or make any loan to members of the Board of Directors and senior management or grant security, pledge or guarantee to secure their obligations. The expenses incurred by the members of the Board of Directors and employees who have administrative responsibilities due to their duties are reimbursed by the Company.



**Information Security Policy;** The processes related to ensuring the security of information systems, which are one of the most important issues of today, and the safe storage of personal data, confidential information and all sensitive content are managed through to our policies on information security. Our processes regarding information systems are managed in accordance with

our working standards on Information Security Management Policy, Personal Data Protection Policy, Personal Data Retention and Disposal Policy, Processing and Protection of Special Categories of Personal Data. All of our policies, processes and systems within the scope of information technologies have been established in accordance with ISO 27001 requirements. **Our company has ISO 27001 Certificate.**



**Disclosure Policy;** The main purpose of the disclosure policy is to ensure that all material information relating to the Group that does not constitute commercial secrets or confidential information is disclosed to the public in an accurate, fair, timely, easily accessible and understandable manner. We undertake to disclose all material information that does not constitute commercial secrets or confidential information, including our financial statements and activity reports, to the extent required by the relevant CMB regulations through the Public Disclosure Platform.

We also use various means of communication, including our website ([www.aydemrenewable.com.tr](http://www.aydemrenewable.com.tr)), telephone, e-mail, teleconference, fax and social media, for disclosure as well as face-to-face meetings with investors.

Disclosures are made by our investor relations department on the Public Disclosure Platform. Our investor relations department responds to information requests submitted by shareholders, investors and anal investors and analysts with regard to publicly disclosed information. We may also make forward-looking statements regarding the future performance of our company in accordance with applicable regulations.

The disclosure policy has been approved by the Board of Directors and the Board of Directors will be responsible for the monitoring, supervision and development of the disclosure policy.



**Under our related party transactions policy,** related party transactions are categorized as either one-off or continuous related party transactions. One-off related party transactions are transactions that are conducted with a related party for a single event and are not expected to be conducted again. Continuous related party transactions are transactions that are either repeated or completed in series of transactions. Operations related to negative or positive imbalances in energy trading are excluded from the related party transactions policy.

One-off and continuous related party transactions which comprise at least 3% of net sales on the profit and loss statement are subject to approval from the Board of Directors.

For a one-off related party transaction to be approved, the Audit Committee must submit a report evaluating the arm's length nature of the transaction. A majority of the independent members of the Board of Directors must then vote in favor of the one-off related party transaction for the relevant transaction to be carried out. In the absence of approval of independent members, the General Assembly's approval will be required.

For continuous related party transactions, the Board of Directors are required to pass a framework resolution at the beginning of the each year outlining the permitted terms of the continuous related party transactions. The framework Board of Directors resolution on each continuous related party transaction will include the following information, if available: the parties of the contemplated transactions; the expected volume (in TL) of such transaction, based on annual budget and business plan; the material terms and conditions governing such continuous related party transaction; and the methodology and internal procedures to be followed to ensure that the transaction is competitive and conducted on an arms-length basis (such as benchmarking to other potential suppliers).

Once the framework resolution has passed, authorized persons within the Company can then carry out any continuous related party transaction that falls within the scope of the authorization.

The approval of the majority of the independent members of the Board of Directors is required to pass a resolution approving a continuous related party transaction. In the absence of approval by independent members, the General Assembly's approval will be required.

The Audit Committee, in each meeting following the announcement of the relevant quarterly financial statements, will review related party transactions conducted during the relevant quarter under annual authorization (i.e. the framework Board of Directors' resolution) of the relevant continuous related party transactions.

The Board of Directors' resolutions pertaining to the related party transactions shall be disclosed, if required by regulations. However, if regulations require the preparation of a report in relation to continuous related party transactions, only the conclusion of the report shall be disclosed.



**Dividend Policy;** It has established a dividend distribution goal of at least 50% of our distributable net profit in either cash, bonus shares or a combination thereof. The timing and amount of any future dividend payments will depend on our existing and future financial condition, results of operations, contractual obligations, liquidity needs and other matters that we may consider relevant from time to time, including, without limitation, capital expenditures, our financial performance and equity market conditions. Our Board of Directors will submit a dividend distribution proposal for approval by our shareholders in each ordinary General Assembly, which will take into consideration our long-term strategies, financing needs, short term liabilities and the conditions under our agreements and our profitability. For the avoidance of doubt, the Board of Directors may not submit a dividend distribution proposal and/or the General Assembly may not allow a dividend distribution, based on the considerations mentioned above. Also, in accordance with applicable law, we may consider making interim dividend payments or making the dividend payment in installments.

## Our Public Offering Process

Acting with the awareness of the responsibility we take from our deep-rooted history of 25 years, our corporate transformation journey, which started in 2019, continued in 2020 as well. One of the most important outputs of this journey has been our public offering process, which we realized in April 2021, was **one of the turning points** for our Company.

Our IPO process was led by Garanti BBVA Yatırım, İş Yatırım, Development and Investment Bank of Turkey and Yapı Kredi Yatırım, whereas Halk Yatırım, Vakıf Yatırım and Ziraat Yatırım acted as co-leaders, and the book collection process was carried out between 19-22 April. We are proud to have signed the **biggest public offering in our country in the last 3 years**, by collecting **5 times the demand** from 338 thousand 548 investors and reaching **a transaction volume of 1.3 billion TL**. This situation, which is an indicator of our **reliable corporate identity and strong investment plans**, has once again demonstrated the trust of all our stakeholders in us.



As an important player in the transformation of our country and the world, we take our strategic decisions and continue **our investment projects** in a way that considers **the expectations of our investors**, who support Aydem Renewables's sustainable growth. **As we underlined in our public offering process, in the short run, we are planning to take advantage of hybrid power plants and capacity increases in our existing power plants, new power plant investments and sectoral opportunities that can be purchased or privatized. In the long term, we are shaping our investment plans with, acquisitions, additional capacity investments and other steps that we will take in line with Turkey's renewable energy goals.** Within the scope of our goal of increasing our market value, with the principles of accountability, responsibility, fairness, openness and transparency that we have adopted in line with the international business standards and on which we base our corporate governance approach; we aim to increase the existing confidence of our investors, to develop and deepen our investor profile, and to increase the weight and number of our long-term investors.

## Our Economic Performance and Opportunities

Through our **financial discipline** adopted for our **strong, professional** and **transparent** corporate structure and operations resulting from our recent **corporate transformation**, we aim to continue **generating by using renewable resources only**, maximize our revenue, efficiently manage our costs, and **increase and maintain our profitability**; thus, acting within this framework, we keep reinforcing our current and future financial performance.

Through our **leading** role in renewable energy generation in our country, we actively benefit from legal regulations and **incentives** that support clean energy, and we evaluate the opportunities offered by these regulations without wasting time.

Therefore, as an indication of our insightful and appropriate investments in the past, we are pleased to share with you that 82% of the total net generation from renewable energy resources in 2020 was subject to the "Feed in Tariff Mechanism", which is a key incentive in Turkey, being a program created to encourage fast growth in renewable energy generation and offering 10-year & USD-indexed purchasing guarantee and that, as a result, **89% of our 2020 revenue** was obtained via a **USD-indexed**

**inflexible pricing** corresponding to an amount which was almost **two times more** than that of the average **spot electricity market price**. In line with our current plants' remaining weighted average period of **exploiting** Feed in Tariff, we will be using a **fixed tariff for 5 years at these power plants in the future**. This structure indicates our financial discipline while also helping us eliminate foreign exchange risk as well as collection risk and encouraging us to **invest anew**.



Similar to our past investments whose added-value pleased us today, we know that this **new incentive mechanism**, built through a regulation for the purpose of supporting **hybrid power plants** which generate from renewable energy sources in Turkey in 2020, is also **a great opportunity** for us to get favorable outcomes in the short to medium term. With this mechanism which helps companies build new manufacturing facilities on their available power plant sites and use these new facilities with the same capacity specified in the license of their earlier ones, we aim to benefit from multiple renewable energy sources in a single energy plant, eliminate possible negative effects of climate change risks and considerably increase our efficiency, total net generation and revenue.





In addition to our **hybrid plant projects**, we **want to almost double the size of our installed capacity** with the help of **2 new licensed hydroelectric power plant projects** as well as **projects for increasing the capacity** of our available power plants, and potential **M&A opportunities**.



We see the fact that we have carried out the development and implementation of the construction and electromechanical projects of most of our power plants in our portfolio with our competent human resources as our strength that will enable us to complete all our projects related to our investments in a short time and we rely on our expert and competent staff with long-term knowledge and many similar experiences in the field. Thus, at the first stage, we are certain that we will quickly commission our hybrid plant projects for various plants and ensure that the **positive outcomes and contributions of our investments** regarding those projects will be visible in our financial performance **starting from the next year, realizing 100% of our investment planning in the next 5 years**.

We pursue the best in our processes and aim for **operational excellence** regarding our sustainable financial achievement goal. As a result of our effective and efficiency-boosting reinforcement and rehabilitation initiatives and investments, keeping in mind our motto **"Invest in Business"**, we know that, in the industry, we have **a considerably higher-than-average availability ratio, which is a key indication of energy generation efficiency** and corresponds to the ratio of the available energy generation period of a plant to its maximum period during which it can generate energy theoretically, resulting in **99.6%** for HPPs and **99.4%** for WPPs, which reinforces our steps in achieving our financial goals.

In addition to operating in the renewable energy industry, which has lower operational costs, Aydem Renewables performs its **high-quality** repair and maintenance activities **with lower costs** and manages its operational costs with **the**

**most effective cost controls by using on-premise human resources** and cutting-edge technology in operational repair and maintenance processes.

As one of the key players in the renewable energy industry, which has a strategic importance for the Turkish economy, we identify our decisions and actions with this awareness and commitment during the **COVID-19 pandemic**, which has had unprecedented effects worldwide; thus, we carry on **generating "Energy for Life" without interruption** and support the financial performance in order to drive the Turkish economy during the pandemic as well.

While making our future plans, we think of **digital transformation** as a central component of our modern business strategy, rather than a general "trend", so that we can achieve inclusive and sustainable outcomes. Embracing this approach, we are happy to say that we have **significantly increased the resources** we allocate to our information technology investments **in the last 2 years**. We are aware that we have been able to quickly reorganize our business with the arrival of the pandemic and adapt to the new working conditions arising from the phenomenon since the first week during which the first case was confirmed in Turkey, as a result of the fact that we had already completed a radical transformation in our IT infrastructure in our plants around Turkey, through our investments before the COVID-19 pandemic. During the pandemic, which has shown the importance of **proactive approaches for risk management** to the whole world, we are proud to tell you that **our company performance has surpassed our objectives** despite the pandemic since we see risk management as a part of our company culture and business, manage strategic, financial

and operational risks appropriately and assume an **agile crisis management**. With this result, we believe that we have shown how agile measures we have taken and are prepared against the crises, and that we have get **a good achievement**.

In May 2021, JCR, one of the most respected credit rating agencies of the world, granted Aydem Renewables "BBB+ (Trk) / (Stable Outlook)" for Long-Term National Rating and "A-2 (Trk) / (Stable Outlook)" for Short-Term National Rating, which positions the company at an **"Investable Level"**. This report attests that an **independent agency also confirms the positive effects** of the following **on our financial structure: incremental sales income** and EBITDA (**Earnings Before Interest, Tax, Depreciation and Amortization**) **value** as a result of our initiatives for enhancing capacity; a cash flow supported by long-term debt structure; a significant portion of income covered by **feed-in-tariff**, which contributes to the predictability and **stability of our cash flow**; hedging and a high level of collection capacity, through a **USD-based tariff** support mechanism; support provided by geographical segmentation and a high level of know-how to the sustainability of our activities; **state policies encouraging** the generation and use of renewable energy; **our compliance with Corporate Management Principles by Capital Markets Board of Turkey**, as necessitated by being a public limited company; and a **high level of importance** regarding to the criteria of **environment, society and governance**. We are pleased to share with you that this independent report, which confirms the **positive effects of the high importance attributed to the Environment, Social and Governance** criteria on **our financial structure**, is also valuable for **our access to alternative and low-cost funding sources in the future**.

We know that our **sustainability** activities as well as support in the **fight against climate change** as part of our business will give us **access to different financing resources** for the purpose of strengthening our financial sustainability. For us, **green financing**, offering more demand and products each day, is a financing tool to be used in the future as a natural opportunity which may arise from our business activities; that is why we keep it in our agenda. We think that **great opportunities** lie ahead of us in this area, which is shown by the fact that we have been granted the "Low Carbon Hero" award and **became the leading energy company of Turkey in the area of sustainability** as a result of the **independent** studies conducted by **Vigeo Eiris/Moody's** with regard to **environment, society and governance**.

## Our Risk Perception and Reliable Risk Management

As Aydem Renewables, we work with the belief that protecting our Company's assets and values in the long term, ensuring sustainable financial performance, competitiveness and growth, and protecting the interests of all our stakeholders can be achieved through effective management of financial and non-financial risks, including climate change and environmental risks. Along with the financial effects of risks, we evaluate the reputational effects they may cause, the effects in regard to supervisory and regulatory institutions, the effects on employees as well as our value chain.

As Aydem Renewables, we adopt internationally accepted risk management principles in our risk management processes and fully comply with the Corporate Governance Principles Regulation of the Capital Markets Board.

As Aydem Renewables, by integrating risk management into all 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 in a comprehensive way. By our risk awareness, which has become a corporate culture in all our processes and units, we ensure that our strategic decisions and operational activities remain within the limits of our risk appetite, and we manage all risk factors that may adversely affect our Company and our stakeholders, including financial performance and reputation, in the most effective way.

We regularly review the implemented risk management policies and systems in order to identify and analyze the risks that may be encountered, to determine the appropriate risk limits, and to monitor the risks in comparison with the key risk indicators and the relevant limits.

### Commitment of the Board of Directors on Risk Management



Aydem Renewables's Board of Directors undertakes to oversee the implementation of the following risk management principles in order to establish a strong and effective risk management system and ensure its integration into company activities.

- At the company level, in each main business and process; qualitative and quantitative company risk appetite, hence acceptable levels of risk tolerance and risk policies are reviewed and approved annually.
- The compliance of the significant risks and threats to which the company is exposed to the approved risk policies and risk limits is periodically monitored.
- All necessary resources and support are provided for the company's risk management activities.



### Effectiveness of Risk Management Processes

The Risk Management Unit organizes annual Risk/ Opportunity Evaluation meetings with the participation of all process owners to identify and review long-term goals, risks and opportunities. It ensures that the results of these annual meetings are reviewed by the Early Detection of Risk Committee and the Board of Directors in order to manage the main risks, protect the interests of the shareholders and monitor the opportunities within the scope of increasing the value of the Company.

We pay strict attention to the environmental, social and economic effects of risks and the actions to be taken will be considered holistically and we conduct environmental risk analyzes both continuously in our operations and before investment decision processes. In order to ensure that legal obligations on environmental issues are followed, we identify potential risks with site visits, and we set off action plans to prevent these risks from occurring, and we minimize risks by regularly monitoring the actions taken.

While carrying out our activities, we pay attention to use natural resources in the most efficient way, to reduce greenhouse gas and air emissions, to minimize waste generation and to protect biodiversity. By determining the objectives and goals related to the Environmental Policy, we manage, monitor and audit our activities in accordance with the policy through our Framework Environmental Management System (FEMS). We aim to comply with environmental laws and other legal requirements with our regulations in the FEMS, where we determine the rules and authorizations regarding the Environmental Policy. Along with the FEMS which was established to provide an effective and viable environmental management system, we comply with



ISO 14001 Environmental Management System, ISO 9001 Quality Management System, ISO 50001 Energy Management System, ISO/IEC 27001:2013 Information Security Management System and OHSAS 18001 Occupational Health and Safety Management System standards to support our environmental management system.

At Aydem Renewables, the establishment of policies regarding risk management activities under the responsibility of the Board of Directors. The Board of Directors appointed the Early Detection of Risk Committee in order to manage risks effectively.

Aydem Renewables Risk Management Policy has been approved by the Board of Directors of Aydem Renewables and Aydem Renewables's Risk Management Strategy explains the general principles and management principles of the risk management framework. The Board of Directors is responsible for the establishment of annual plans and policies regarding Risk Management activities, whereas The Company's risk management manager or legal and compliance manager is responsible for the creation of supporting documentation and the implementation of risk management activities in parallel with the plans and policies.

The Early Detection of Risk Committee is structured to fully comply with the regulations of the CMB and works actively to assist the Board of Directors with the implementation of appropriate risk management strategies and risk management within the scope of early detection of risks that may endanger the existence, development and continuation of the Company and performs related duties assigned to it as well.



## Risk Management Strategy

We measure and monitor the risks we are exposed to, in accordance with the legal regulations, by taking as a reference the methods that comply with international standards. Our Board of Directors establishes the policies regarding our risk management activities and ensures the effective management of risks through the Early Detection of Risk Committee working under our Board of Directors. We follow strategy consisting of 8 components when managing our risks. By taking the relevant steps within the scope of our strategy, we identify, evaluate and monitor the existing and potential risks that may have an impact on the achievement of our Company's goals, in line with corporate risk management systems. Afterwards, in the light of these studies, we determine the principles and actions for the management of relevant risks in line with our Company's risk-taking profiles, and we take these principles into account when making our decisions. While managing all these processes, we constantly share information with the relevant units and Committees and work in an integrated manner.

We apply stress tests with various scenarios, taking into account risks related to climate changes, depletion of natural resources, natural disasters with changing frequency and impact, changing economic balances, technological innovations, digitalization and the risks that will affect the Company's business processes in the future.

### Risk Management Strategy



Thus, we act by fully integrating risk management into Aydem Renewables's daily activities and strategic planning in order to take faster and more accurate decisions in volatile and competitive market conditions.



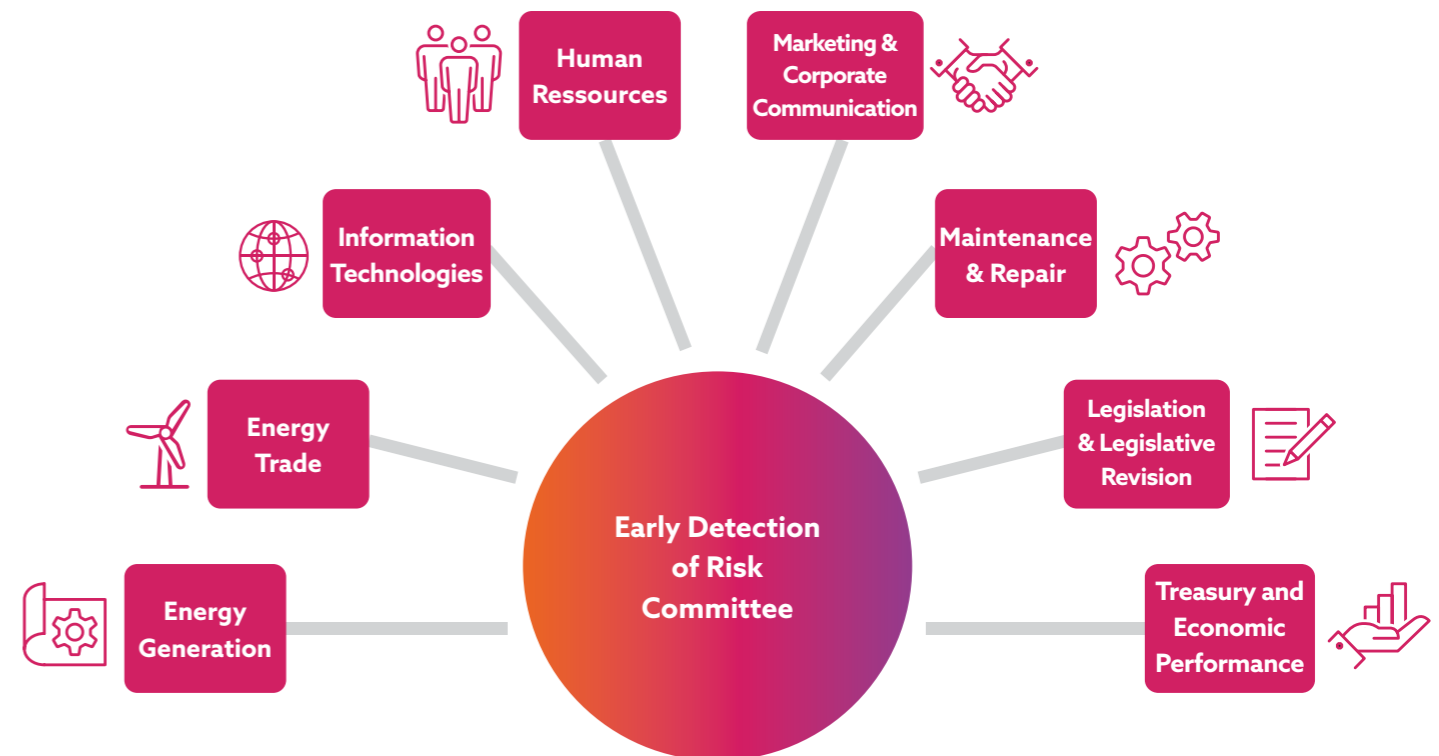
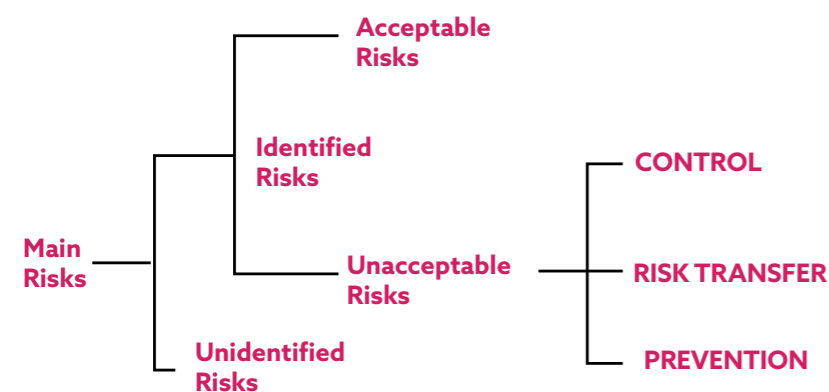
## Our Risk Categories

We define all situations that may endanger **the existence, advancement and continuity** of our company, that may prevent the realization of our strategic, operational and financial goals, and may negatively change our company image in the eyes of all our stakeholders as risks and we take effective measures for each risk. We monitor our financial and non-financial risk definitions that we have established within this scope and we take actions to eliminate these risks. We classify the risks we have deployed under 6 headings within our integrated risk management, taking into account their causes, circumstances and consequences. **We manage risks related to climate change, the decrease in natural resources and legal changes that are or will be experienced due to these, natural disasters, changing economic balances, new markets, technological innovations, digitalization** and all other sustainability-related risks by classifying them in an integrated manner **within our 6 main risk categories**. In addition to the Risk Management Methodologies that we apply within the scope of our governance approach regarding these risks, we take this monitoring mechanism to the next level with our specialized studies on climate change and sustainability and determine our actions for the elimination of risks.



### Risk Assessment

Determination Assessment Risk Reduction



## Our Perspective and Management on Climate Change and Sustainability Risks

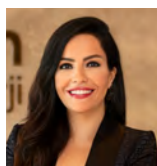
### Risk Category

Operational Risks and Opportunities  
Employment Practices, Safety, Business Continuity and Environmental Risks and Opportunities

### Risk Description

Failures, forced outages, natural disasters, unplanned outage or damage to the power plants of the Company; unexpected investment expenditures may cause interruption or suspension of operations, decrease in efficiency and profitability. This may adversely affect the Company's operations, financial condition and operations.

The Company may be subject to certain risks related to the supply and maintenance of equipment and services it needs for its current and future operations.



**Senem Rena,**  
Aydem Energy,  
Risk Management Group Director

"In line with our sustainability strategy and approach, we aim to minimize the risks that Aydem Renewables can cover by transferring them through insurance. In addition to our policies regarding material damage and loss of profit for all power plants in our company, construction risks within the scope of our projects and information security risks; we have employer's liability, manager liability and third party liability insurance policies."



### Risk and Opportunity Management

According to our Risk Assessment Methodology, the relevant risks are included in the "Operational Risks" and "Employment Practices, Safety, Business Continuity and Environmental Risks" categories.

Our Early Detection of Risk Committee and our Sustainability, Environment, Occupational Health and Safety Committee work together to manage the sustainability risks included in the company risks that Aydem Renewables may be exposed to.

Key risk indicators and opportunities, which are defined as early warning signals related to risk as well as risk and opportunities, are regularly monitored by the Early Detection of Risk Committee. Based on the actual values of the indicators, necessary actions are taken.

For our sustainable financial success goal; our availability rate, which is one of the most important indicators of energy generation efficiency and represents the ratio of the time the power plant is ready to generate energy to the maximum time that the relevant power plant can theoretically generate energy, is well above the sector average with 99.6% in HPPs and 99.4% in WPPs, regarding to our regular maintenance, all efficiency-enhancing retrofitting, rehabilitation works and investments.

As Aydem Renewables, we have modern power plants equipped with high quality and long-lasting equipment and machinery. With our portfolio consisting of young power plants and the continuous updates we make in our equipment and systems, we are exposed to less maintenance costs, which we see as a strategic advantage and we also believe that technology plays a critical role in the implementation of our low-carbon transition plans and climate goals. When we experience malfunctions, we respond immediately.

Regarding to the fact that we maintain the majority of our operational maintenance and repair processes with in-house human resources and benefit from high technology; we perform high quality maintenance and repair activities with low costs.

As Aydem Renewables, we regularly renew the property damage and loss of profit insurance policies of all our power plants. We also establish our insurance policies within the scope of our construction/investment projects. With the insurance policies we have made, we keep the financial losses that may occur in the event of malfunctions, natural disasters and damage, including the loss of profit under control.

As one of the most important players in the renewable energy sector, which has strategic importance for our country's economy; we take our decisions and actions with this awareness and responsibility during the COVID-19 pandemic, which deeply affects the whole world. During the pandemic, we continue to generate "Energy for Life" uninterruptedly and support our economic performance and our country's economy.

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.

### Risk Category

Employment Practices, Safety, Business Continuity and Environmental Risks and Opportunities

Regulatory Risks and Opportunities

### Risk Description

Legal actions taken due to violation of legal regulations due to the claim that any damage to the natural environment is caused by the operation of the Company's power plants may cause interruption or suspension of operations, decrease in efficiency and profitability. This may adversely affect the Company's operations, financial condition and operations.

### Risk and Opportunity Management

According to our Risk Assessment Methodology, the relevant risks are included in the "Regulation Risks" and "Employment Practices, Safety, Business Continuity and Environmental Risks" categories.

Our Early Detection of Risk Committee and our Sustainability, Environment, Occupational Health and Safety Committee work together to manage the sustainability risks included in the company risks that Aydem Renewables may be exposed to.

Key risk indicators and opportunities, which are defined as early warning signals related to risk as well as risk and opportunities, are regularly monitored by the Early Detection of Risk Committee. Based on the actual values of the indicators, necessary actions are taken.

As Aydem Renewables, we are the pioneer of our country's Clean Energy Transformation, with our activities in the field of sustainability and with the support we provide within the scope of combating climate change as part of our work.

As Aydem Renewables, we implement our environmental and social management plans that we have prepared on the basis of all our power plants, and we control our practices regularly. We manage our waste management in accordance with the current legislation, international standards, Occupational Health and Safety and Environmental Policies and carry out our activities with the approach of Zero Waste. In this context, we have certified all of our environmentally friendly power plants with the Zero Waste Certificate.



We act with the awareness that renewable energy sources encourage low carbon emissions in energy generation and consumption. We are committed to making 100% of our generation from renewable energy sources in the future. While we support green and clean energy with our generation and growth goals, we also set challenging goals for ourselves in order to minimize the carbon footprint of our Company.

We communicate with all our stakeholders on a monthly basis with our "Public Relations Officers" who work at the power plants. We consider, evaluate and quickly resolve stakeholder suggestions that we collect through our complaint and suggestion boxes.



As Aydem Renewables, we follow new legal regulations and legislative changes with the contribution of all business units and our Legal and Compliance Office. We reflect the requirements of new legal regulations or legislative amendments to our systems and processes and ensure full compliance with all legal regulations, we protect the reputation of the Company, minimize the problems that may arise with legal authorities and the penalties that may arise, and we aim to strengthen the trust we have built in the market/industry/business partners/regulatory and supervisory institutions/shareholders.



**Risk Category**  
Operational Risks and  
OpportunitiesEmployment Practices,  
Safety, Business  
Continuity and  
Environmental Risks  
and Opportunities**Risk Description**

The Company's activity is largely dependent on its information technology infrastructure. Possible delays and interruptions in the Company's information technology systems and networks due to reasons such as natural disasters, global pandemics, or cyber-attacks to these systems and networks may adversely affect the Company's activities. The company may incur significant costs and administrative penalties for repairing security breaches and system damage.

**Risk and Opportunity Management**

According to our Risk Assessment Methodology, the relevant risks are included in the "Operational Risks", "Employment Practices, Safety, Business Continuity and Environmental Risks" categories.

Key risk indicators and opportunities, which are defined as early warning signals related to risk as well as risk and opportunities, are regularly monitored by the Early Detection of Risk Committee. Based on the actual values of the indicators, necessary actions are taken.

We consider digitalization, information technologies and information security as one of the top priorities we focus on, both for our internal and external stakeholders. Within the scope of our innovative perspective and innovation-oriented strategies, we integrate Information Technologies into all our business processes in order to ensure the effectiveness of our activities, and we continuously and uninterruptedly invest in these areas with the awareness that innovation and digitalization are one of the important elements of ensuring our sustainability in the long term. We know that the fact that we completed our radical transformations in information technology infrastructures before the COVID-19 pandemic allowed us to rapidly change the way we do business due to the onset of the pandemic.

Within our company, we regularly provide our employees with Data Loss/Leakage Prevention Training and Training on the Personal Data Protection Law. We also share informational e-mails to all our employees to increase Information Security awareness. We provide information training against phishing attacks to our employees who were unsuccessful in the phishing attack tests conducted to increase the awareness of our employees about cyber attacks.

In addition to all the measures and controls we have developed, we insure our Company against possible cyber attacks with cyber risks insurance.

We continuously carry out all control, monitoring, testing and improvement studies necessary for the robust and stable operation of the Information Technologies system infrastructure in our company against cyber threats and we back up all critical systems that support critical processes of our company at the Disaster Recovery Center. Regarding to regular backups and controls, we can keep the average Up-Time rate of our critical systems above 99% and ensure the continuity of our Information Technologies services.

Although we have a fast growing and modern portfolio with high quality and long economic life equipment and machinery, we diagnose and analyze our technological risks and take our measures accordingly. In order to reduce these risks, we follow new technologies closely and develop scenarios and strategies for the technological transformation of our facilities in order to create an appropriate investment strategy. Since our portfolio consists of young assets, we are exposed to lower maintenance costs with continuous updates to our equipment and systems: we see this as a strategic advantage and aim to maintain this advantage in the long term. We believe technology plays a critical role in the implementation of our plans for transitioning to a low carbon economy and our climate change goals.

**Risk Category**  
Market Risk and  
OpportunitiesCredit Risk and  
OpportunitiesRegulatory Risks and  
Opportunities**Risk Description**

The company is exposed to market risks such as changes in retail consumption due to climate change, changes in the competitive environment, changes in commodity prices (gas, electricity, fossil fuels, etc.), changes in financial variables (interest rates, exchange rates), and credit risks due to fluctuations in the economy.

**Risk and Opportunity Management**

According to our Risk Assessment Methodology, the relevant risks are included in the "Market Risk" and "Credit Risks" categories.

Key risk indicators and opportunities, which are defined as early warning signals related to risk as well as risk and opportunities, are regularly monitored by the Early Detection of Risk Committee. Based on the actual values of the indicators, necessary actions are taken.

In May 2021, Aydem Renewables received its credit rate as "**Investable Level**", with Long-Term National Rating of "BBB+ (Trk) / (Stable Outlook)" and a Short-term National Rating of "A-2 (Trk) / (Stable Outlook)" from JCR, one of the world's most respected rating agencies. This report will also be valuable for our access to alternative and low-cost funding sources in the future by appropriately disclosing our status quo, with regards to our increased sales revenues and EBITDA (earnings before interest, tax, depreciation and amortization) figures as a result of capacity increase efforts, our cash flow supporting our long-term borrowing structure, the fact that a significant portion of our revenues are in the scope of Feed in Tariff and this contributes to the predictability and stability of our cash flow, natural hedge and high collection opportunity provided by the dollar-based tariff support mechanism, the support provided by our geographical differentiation and high technical knowledge to the sustainability of our activities, the government policies supporting the generation and use of renewable energy, our level of compliance with the CMB Corporate Governance Principles brought by the status of a publicly traded company as well as the positive effects of the high importance attributed to the Environment, Social and Governance criteria on our financial structure, which have been confirmed by an independent rating institution.

Regarding to our pioneering role in renewable energy generation in our country, we actively benefit from legal regulations and incentives that support clean energy, and we immediately evaluate the opportunities offered by these regulations. In this context; As an indicator of our foresighted and accurate investments we made in the past; 82% of our total net generation amount from renewable energy sources in 2020 was subjected to the "Feed in Tariff Mechanism", which is the most important incentive program in our country, which is created to encourage rapid growth in renewable energy generation and offers a 10-year, dollar-indexed purchase guarantee and thus, we achieved 89% of our revenues in 2020 with a fixed price indexed to the dollar, which corresponds to approximately 2 times the average spot electricity market price.

According to the remaining weighted average **Feed in Tariff utilization period** of our power plants in our current portfolio, for approximately **5 years in the future**, we will be moving forward by keeping in our portfolio our USD-indexed fixed-tariff power plants, which are determined well above the average spot electricity market price. This structure, as an indicator of our financial discipline, enables us to eliminate exchange rate and collection risks and lead us to **new investments**.



Similar to the investments we made in the past, whose added value are highly pleasing today; we believe that there is a **great opportunity** for us to achieve positive results in the short and medium term, with the **new incentive mechanism** established in our country in 2020 with the aim of supporting **hybrid power plants** that generate from renewable energy sources. With this mechanism, which allows companies to establish a new generation facility on the sites of their existing facilities and to benefit from the capacity in the license of the existing facilities of this new generation facility, we aim to benefit from more than one renewable energy source in a single power plant, to eliminate the negative effects that may arise from the risks of climate change, and to significantly increase our efficiency, total net generation and revenues.



### Risk Category

Employment Practices, Safety, Business Continuity and Environmental Risks and Opportunities

#### Risk Description

We divide our physical risks into acute physical and chronic physical. We define acute physical climate risks as risks that may arise from severe weather events such as floods, heat waves and heavy rains. Since energy generation from renewable energy sources relies heavily on favorable meteorological conditions (including appropriate amounts of water and wind), it poses an operational risk as extreme weather variability can result in potential unavailability of assets and infrastructure, interruption of service, as well as physical and financial risk.

We define chronic physical risks as more gradual but structural changes in the medium and long term in climatic conditions such as changes in wind regimes, decrease in precipitation, changes in precipitation patterns, temperature deviations, water availability in the fields.

### Risk and Opportunity Management

We manage acute physical risks by performing probabilistic analysis, qualitative and technical reviews during the design and construction phases, as well as prior to the investment phase. By following weather monitoring activities, we develop strategies, create preventive measures and prepare action plans to reduce the risks associated with changes in climate patterns and their overall financial consequences.

We take chronic physical risks into account in our annual risk assessments and continually monitor and analyze their impact and consequences to ensure that risk assessments related to chronic climate change are managed appropriately. Some of the most important strategic decisions taken to reduce physical risks and take advantage of opportunities related to physical variables are the diversification of power plant types (wind, solar and hydro) and the geographies in which we operate. With these decisions, we try to minimize the risks related to climate change, including financial impacts. For each power plant, we carry out specialized studies and scenarios supported by our own experiences as well as experts. We plan and implement preventive and periodic control, improvement and rehabilitation studies specific to the climatic conditions of each work site.

We regularly perform structural, hydraulic, geological and topographic checks at our power plants, and we prepare and implement our action plans.

We are constantly reviewing, monitoring and examining wind data at our power plants with our technical teams.



In addition, we know that the new incentive mechanism, which was established in our country in 2020 to support **hybrid power plants** that generate from renewable energy sources, **is a great opportunity** to achieve positive results in the short and medium term. With this mechanism, which allows companies to establish a new generation facility on the sites of their existing facilities and to benefit from the capacity in the license of the existing facilities of this new generation facility, we aim to benefit from more than one renewable energy source in a single power plant, to eliminate the negative effects that may arise from the risks of climate change, and to significantly increase our efficiency, total net generation and revenues.



## MESSAGE FROM RISK MANAGEMENT GROUP DIRECTOR

The COVID-19 pandemic, which entered our lives in March 2020, has led to the change of many paradigms in business life, social life and private life of individuals and caused crisis management mechanisms to settle naturally in the center of our lives, with the effect of survival instinct, in all areas of life with a comprehensive and integrated crisis management perspective. In this process; our robust crisis management framework, our comprehensive business continuity plans that we have prepared and implemented, our agile organizational structure that adapts quickly to changes and transformations in our processes, as well as our success in early detection of financial and non-financial risks and the rapid actions we took in the COVID-19 pandemic crisis helped us to **successfully manage this challenge**.

During the pandemic process, where we have once again experienced how critical proactive approaches are for risk management as the whole world, we are proud that our group company has outperformed its goals despite the pandemic, regarding to our approach of **risk management**, which recognizes the risk management process as a part of our corporate culture and way of doing business.

According to the Global Risks Report<sup>1</sup>, published by the World Economic Forum in Geneva, Switzerland in January 2021; environmental risks ranked at the top of the risk rankings in terms of both probability and impact, similar to 2020. According to the Global Risks Report, which has warned the world about the dangers of a pandemic for the last 15 years; In 2020, we, as the whole world, have experienced the consequences of ignoring and not preparing for long-term risks. The COVID-19 pandemic has not only claimed millions of lives around the world, but has also deepened long-standing health, economic and digital inequalities around the world. As the Risk Management Group Directorate, **we closely monitor our global, national, sectoral and company-based risks and opportunities**, including their **Environmental, Social, Governance**, financial and non-financial effects that may affect the realization of our strategic, operational and financial goals, and we are working towards taking the necessary actions in the most effective way by using risk management standards and methodologies.

Through the Early Detection of Risk Committee, we work effectively and in an integrated manner, with the members of our Company's Board of Directors, and we effectively implement the Risk Management framework in all our productivity-enhancing, strengthening and rehabilitation investments that we make in compliance with Corporate Governance Principles, strategic, environmental and with the motto of "Investing in Our Business". We monitor risks and opportunities and ensure that they are managed by evaluating their impact on all **our stakeholders, employees, society and the environment**, in addition to their financial impacts.

In April 2021, we successfully completed our public offering journey, which is one of the turning point of our Group Company. Under the supervision of our risk management perspective, along with the financial effects of our risks, we closely monitor non-financial effects, including reputational

effects, and ensure that our risk management mechanisms are run in the most effective way with the awareness of being a public company.

With the awareness of the responsibility of generating our country's Clean Energy, we take on a leading role in the fight against climate change. We evaluate environmental impacts in our investment decision processes and ensure that the criteria of efficient use of resources are taken into account in investment decisions within the scope of combating climate change.

With our hybrid power plant investment plans, while increasing our efficiency, we aim to further support the clean energy transformation and sustainable development of our country and the world.

We aim to integrate our sustainability perspective, which we have integrated into our decision processes and activities, into our entire value chain, and we work to ensure that the perspectives of combating climate change and responsible production and consumption are adopted not only by our company, but also by all our internal and external stakeholders.

We strive to bring the best to life with our **"Always Going Forward"** sustainability approach. In our 2020 Sustainability Report, which is our second sustainability report, we fulfill the requirements of the EU Directive on Disclosure of Non-Financial Information (2014/95/EU) by presenting to all our stakeholders our commitments in the Environmental, Social and Governance fields and our contributions to the Sustainable Development Goals in the most transparent way. We are proud of taking a step that further strengthens our sustainability perspective, and we know that we are on the right track with the positive feedback we receive from all our national and international stakeholders. Herein, we are proud of the successful results that we have achieved, and which are compatible with the **Environmental, Social and Governance** principles that our Group Company has adopted and integrated into its decision processes.

In line with our "always going forward for the environment" perspective, we act in accordance with and even beyond legal requirements regarding our environmental responsibilities at every stage and in every field, and we prepare CDP Climate Change and Water Security Reports. As a result of the Carbon Disclosure Project and the improvement efforts we made while calculating our carbon footprint, we managed to reduce our total emission rate. Based on 2020, we aim to reduce our emissions by **30% in 2025, 65% in 2035 and to reach our carbon neutral goal by 2050**. Regarding to the clean energy we generate as a part of our core business, we take a leading role in the fight against climate change and we continue to generate the **"Clean Energy of the Future"**.

Best Regards,

**SENEM RENA**

Aydem Energy,  
Risk Management Group Director



<sup>1</sup> The Global Risks Report 2021: <https://www.marsh.com/us/insights/research/global-risks-report-2021.html>

## Our Successful Fight Against the COVID-19 Pandemic and Our Transition to New Normal

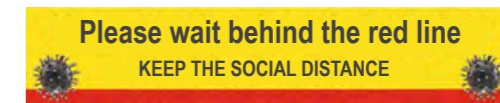
The COVID-19 pandemic, which has shaken the world at its core and is defined as "global pandemic", has caused us to live days out of ordinary as of the beginning of 2020. We manage this process in the most effect way through the measures we have taken and practices we have implemented during the pandemic, with the awareness that this crisis causes impacts and risks on our country, society and employees.

We have continued our operations knowing that we are one of the most important actors of Renewable Energy sector -which has a strategical importance for the world and our country- and with a responsibility to ensure non-stop sustainability of our generation, and we have taken many additional measures by putting the health and safety of our employees and partners at the forefront. We have been following up the briefings and instructions of both national and global institutions as from the start of global pandemic and we take and implement all the necessary measures against COVID-19 as part of the instructions of the Republic of Turkey, Ministry of Health and the relevant institutions.

The rate of positive cases remained under the country average through the implementation of 14 rules defined by the Republic of Turkey, Ministry of Health, the training we have provided to raise awareness among our employees, partners and contractors, physical measures we took at our locations, and the general in-site controls performed by our Occupational Health and Safety teams at the locations and sites. **On the other hand, there was no case resulting with death or with severe course of the disease due to the COVID-19 pandemic within our Company.**

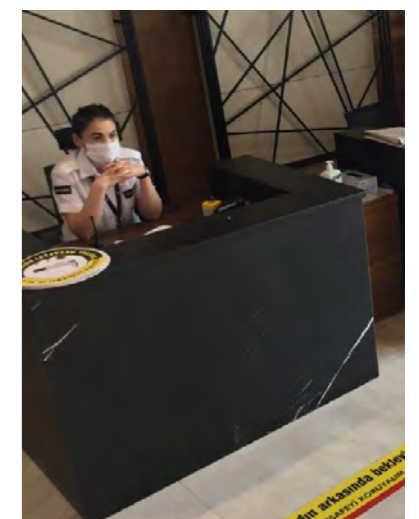
During the pandemic,

- Crisis Management Team has conducted assessments through regular (daily, weekly) meetings and monitored the process of the pandemic.
- As part of the Risk Management activities, Scenario-Based Business Continuity Plan (COVID-19 Scenario Study), Emergency Action and Business Recovery Plans were prepared and commissioned.
- Within the scope of the evaluation of financial risks, Financial Stress Tests (demand forecasting, price forecasting, consumption forecasting, cash flow) were performed.
- Government Support Packages were evaluated and used.
- Continuous communication was maintained with the official authorities (Governorship, EMRA, Ministry of Energy, Syndicates, Provincial Directorate of Health, Local Law Enforcement Officers).
- Coordination with the contractors, from whom service is received, was maintained on a continuous basis.



- Remoting model was initiated right after the official number of case was announced (as of 16.03.2020) in our country.
- Our employees in the risk group (65 years and above, with chronic disease) as well as the pregnant and nursing mothers were taken into the scope of remoting model.
- Regarding the measures to be taken and the ways of protection as part of the COVID-19 pandemic, distant training were provided to our white collar employees; while On-the-job (Toolbox) Training were provided by paying regard to the social distance and hygiene rules to the blue collar employees in charge at the sites.
- Disposable materials were started to be used at all locations.
- All locations were disinfected periodically.
- Masks, gloves and disinfectants in sufficient amount were supplied to the employees at the Headquarters and power plants.
- Company vehicles were disinfected periodically.

- All international travels were suspended. It was ensured that the employees who returned from overseas journey did not go to work until completing the 14-day quarantine period as from their the date of return from abroad. All domestic travels were subject to the approval of the General Manager.
- All employees traveling as part of their job were subject to PCR test at the end of their travel.
- Health scans of the employees were performed over 'Health Statement Form' by way of regular online questionnaires.
- It was ensured that the employees were able to take leave in the event that their spouse, child or themselves fell sick.
- Employees who consulted to the workplace health unit on suspicion of the disease were referred to the university hospital.
- Daily contact chain study was carried out.
- Labor offices, cafeterias and employee services were rearranged according to the social distance rules.



- Lunch boxes were distributed at the power plants.
- Food stocks were prepared at all power plants considering the possibility of quarantine.
- Dormitories were disinfected and made ready to use considering the possibility of quarantine.
- Quarantine was implemented at the power plants when required.
- It was ensured that there were thermal camera/contact-free thermometers at the offices/power plants. Fever of the employees and visitors were measured regularly.
- Protective clothing (TYVEK overalls and eyeglasses) were supplied for the health professionals to use when necessary at our power plants.
- Awareness training on protection methods were provided to all employees by the workplace doctor. Informative brochures were hung on the noticeboards. Informative images related to the hygiene measures were published at the digital platforms.

- Suppliers/visitors were not accepted to the workplaces as far as possible.
- Accepted cargos and invoices were kept in the cargo room for 1 day and then delivered to the employees.
- Guidance was provided for implementing all immediate action measures towards all subcontractor company employees.

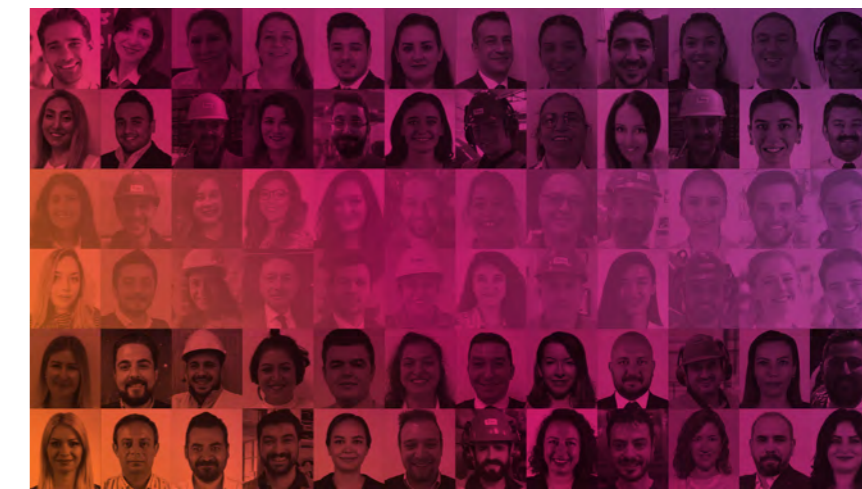
- **COVID-19 Employee Support Line** was established to receive the suggestions of our employees, understand their needs and implement the favorable solutions.
- **'Online Doctor (Medical) Consultation'** service in many branches including the psychological support for the employees was included in their health insurance.
- Coverage of PCR tests were included in **Private Health Insurance** Policies of the employees.

We know that completing the radical transformation in the information technologies infrastructures before the COVID-19 pandemic enabled us to change our business manner quickly with the start of the pandemic, switch to the new working conditions accompanied by the pandemic as from the first week when the first case was detected in our country. When we experienced how critical the **proactive approaches** in terms of **risk management** once again as the whole world,

**we achieved our company performance beyond our goals despite the pandemic in 2020.**

Through the fact that we consider risk management as a part of our company culture and business manner; performing the management of strategic, financial and operational risks correctly, our agile crisis management, and the awareness of our employees and their full compliance with the rules.

**One of the issues we emphasize with the sustainability report -alongside our successful crisis management during the COVID-19 process- is the similarities between the COVID-19 pandemic and the climate change as well as the opportunities arising from these similarities. Climate change crisis** has already shown and will continue to show its impact increasingly in the long view, and **it will impact the whole world without exception just as the COVID-19 pandemic** did. One of the most sensitive similarities is the requirements of countries and institutions to have rapid action and agile crisis management capability in order to successfully manage both crises. **At this point, we hope that we will achieve a success similar to our effective struggle and management against COVID-19, in relation to the climate change crisis, which we are prepared for and support the struggle against it due to the nature of our work.**



# Sustainability

We continue to contribute the sustainable growth of our country and prepare a better for environment, society and next generations by generating renewable energy.

Our Sustainability Journey:  
Always Going Forward

# Our Sustainability Journey: Always Going Forward



## Getting Started: Our Development-Focused Sustainability Approach

### Our Comprehensive Sustainability Strategy

We continue to help our country growth in a sustainable manner and to **aim for a better future for the environment, society and future generations.**

As a **leading renewable energy company**, Aydem Renewables is aware of its role in the clean energy transition of Turkey as well as the whole world. We respect the requirements of our business in

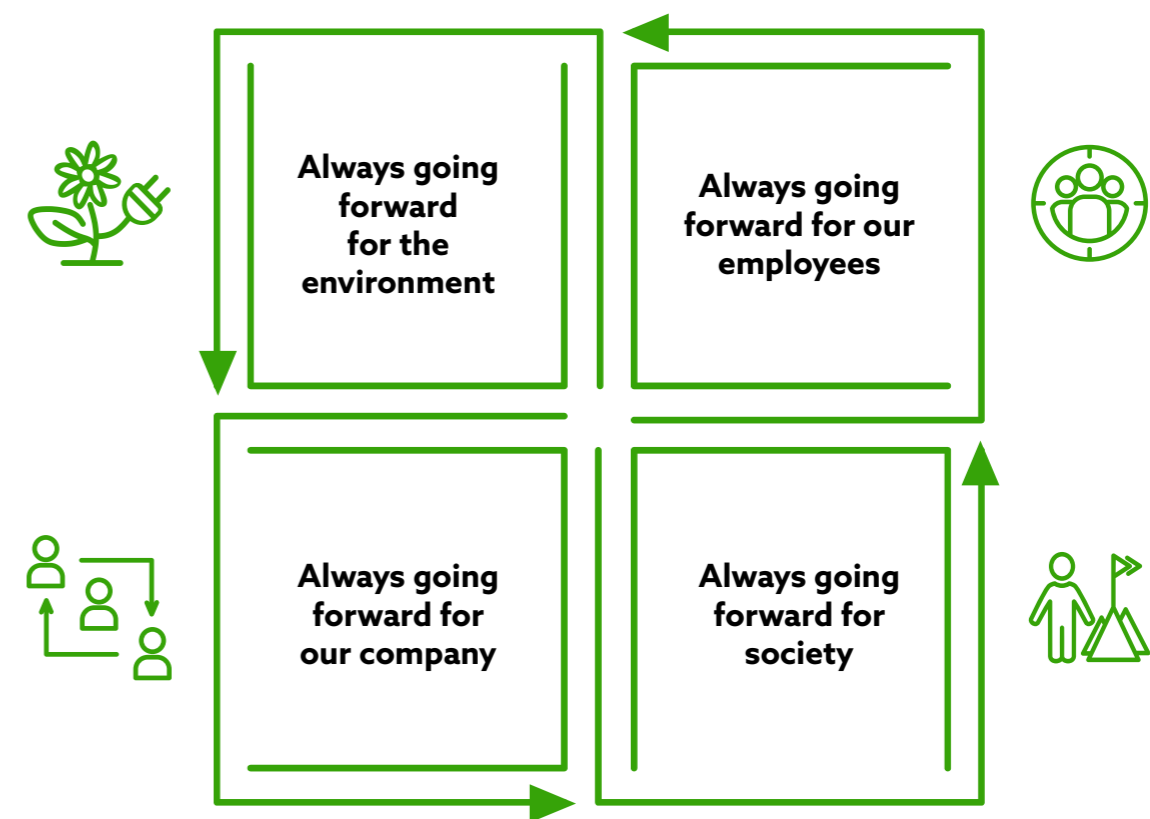
order to be successful in the long run, continue generating renewable energy without interruption by increasing our installed capacity, believe in the necessity that we must **create value for our stakeholders and society** and adopt an approach which takes notice of the obligations arising from global standards as well as the sustainability of natural resources, the environment and the needs of future generations.

This year, we are developing our "Respect for Life" sustainability strategy, which we created last year, which consists of 3 stages, namely Environmental, Social and Business Life, by taking it further on the same foundations.

As necessitated by our existence and our business, we contribute to our stakeholders' fight against climate change and help Turkey to **go forward** and progress with regard to this subject, through the renewable energy we generate.

As part of our motto, which says "Always going forward for the **environment**", we lead the clean energy transition and invest in the environment without ever neglecting our environmental performance and responsibility.

We know that our **employees** are among our greatest values and most important stakeholders. In line with our respect for working environment, we aim to **go forward** for our employees, and soar high by constantly improving our working environment, paying attention to what our employees have to say, providing safe and healthy working spaces to them and maintaining high-performance and constant development.



We keep working relentlessly so that the performance of our company is sustainable in all respects. In order to go forward for **our Company**, while turning into an innovative, future-focused and digital Aydem Renewables, we also support the energy supply of our country as a result of our efficient energy generation.

We generate and endeavor for **Society**. By stating that "we support sustainable development", we acknowledge the importance of our business, especially in an era where the risk of climate change increases each day, in order to ensure that the current and future generations can exploit fairly the opportunities of development. In this path, we aim to continue increasing social awareness and working as well as investing for the public in an effort to **go forward** and improve both ourselves and our society.

## We are a signatory to the United Nations Global Compact (UNGC).



İdris Küpeli

Aydem Renewables  
Chairman of the Executive Board



"We are pleased to take an important step that will reinforce our identity as a human-oriented institution that effectively implements international management standards in all business processes, creates value for its stakeholders, and enriches its ecosystem. Of course, ensuring sustainable growth in every field is our most important responsibility, both as an institution and as a sector. In this process, our priority is to be a company that respects human rights, complies with high working standards and is sensitive to environmental sensitivities.

With this signature, we promised that we would abide by these '10 principles' determined by the United Nations. Due to our responsibility towards all the stakeholders we touch, we are proud to be a part of the Global Compact, which includes 10 universally accepted principles."



In order to reinforce our commitment to sustainability-based issues, we took a very important step in 2020 and became a signatory to the **United Nations Global Compact (UNGC)**, the world's most comprehensive sustainability platform that proposes universal principles that will shape the future of the business world. By signing to UNGC, we are committed to complying with 10 principles in the field of human rights, labor standards, environment and anti-corruption.

**Being a signatory of UNGC with the signature of our General Manager and the direct support of our Chairman of the Executive BoD has been another indicator of the fact that sustainability is embraced from the top management.**

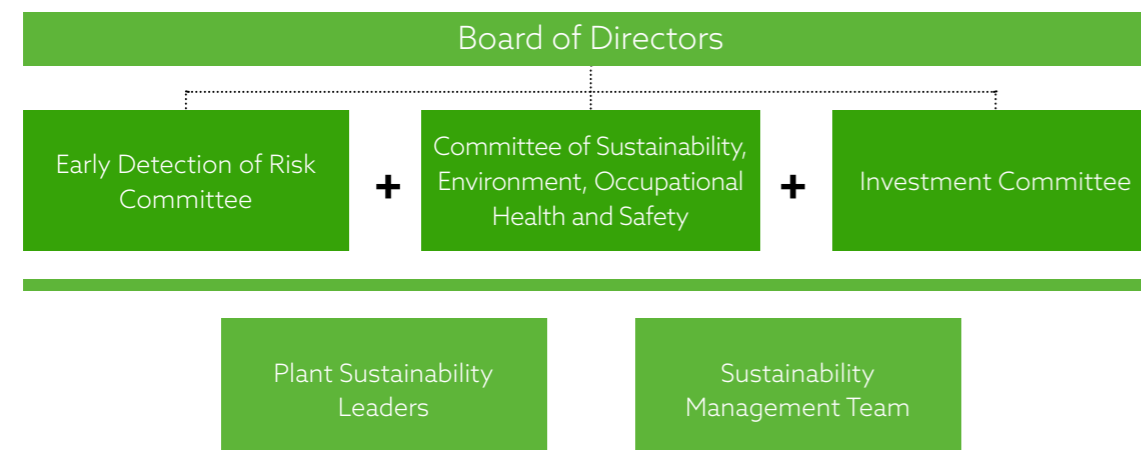


## Our Robust Sustainability Governance

Placed within the scope of our corporate governance system and handled from different aspects by the committees under our Board, our sustainability governance is an indication of the integrated governance network of our Company. Through of Early Detection of Risk Committee, we follow and manage all the risks, including the ones related to sustainability and climate change, paying regard to the financial dimension as well as the non-financial dimension, such as the relevant impact on our employees, stakeholders, society and the environment. Through our Investment Committee, we make the most appropriate and efficient decisions for our renewable energy investments by considering the environmental, social and governance criteria for our investment-related assessments. Due to the nature of our business, we contribute to the fight against climate change and our approach of sustainability with every investment we make. In addition, through the Committee of Sustainability, Environment, Occupational Health and Safety, which is a part of our forceful corporate governance, we deal put our operations related to sustainability as well as other issues regarding related our value chain on our agenda discuss them thoroughly.

Through the Committee of Sustainability, Environment, Occupational Health and Safety, we ensure that the culture of sustainability, occupational health and safety is developed for all the employees and entities of the Company and that a behaviour-based safety approach is developed and proactively embraced, for instance, in environment regulations and activities. Moreover, we inform the Investment Committee, the Early Detection of Risk Committee and the Board of Directors with regard to preventive/remedial measures for the application of sustainability principles through the Committee as well as opportunities and activity results.

**We coordinate all sustainability-focused matters regarding power plants and operations through the Plant Sustainability Leaders and the colleagues within the Sustainability Management Team, in addition to the committees under the Board of Directors.**





## Process: Sustainability Materiality Analysis and Stakeholder Governance

### Sustainability Materiality Analysis Process and Output GRI 102-44, GRI 102-47, GRI 102-49

As part of our sustainability approach of **"always going forward"**, one of our biggest efforts has been the external environment analysis as well as the materiality analysis which concerns both internal and external stakeholders. For the purpose of determining sustainability issues and updating our strategies and goals accordingly, we receive feedback from our key stakeholders as part of our survey conducted every two years, thus ensuring that our future plans are created with our stakeholders. We plan to conduct our stakeholder opinion survey again in 2021.

In the Sustainability Workshop held last year with the top management, we reviewed sustainability issues, analyzed potential sustainability topics and the impact of different stakeholders on the sustainability performance and determined the prioritized groups of stakeholders. By sharing the identified sustainability issues with internal and external stakeholders via an online survey, we performed an analysis to understand which issues affect the sustainability performance of Aydem Renewables, thereby having the highest priority. The participants of the survey included 118 employees and 29 different groups of stakeholders, and the results were reviewed by our Top Management.

**Thus, the issues regarding the sustainability performance of Aydem Renewables were determined under 2 categories: issues of highest materiality and issues of high materiality.**

We improved our materiality analysis performed last year in detail while preparing our first sustainability report by adding some further considerations.

**This year we developed the report by considering the global and industrial trends of 2020 in line with the Materiality Map developed by the Sustainability Accounting Standards Board (SASB).**

**As a result of our improvements, we understood once again the importance of our prioritized subject of Occupational Health and Safety, as shown by the current COVID-19 pandemic; therefore, we underlined again the precidency of Occupational Health and Safety for ourselves and the external world. In addition, with our update, we reemphasized the precidency of Energy Supply and Innovation for our business manner as well as efficiency and robust crisis management, being aware of the gravity of our efforts for combatting climate change, the effects of which become more prominent each day.**



















GRI 102-44, GRI 102-47, GRI 102-49



## GRI 102-44, GRI 102-47, GRI 102-49

Our Sustainability Approach	Strategic Goal	Materiality	Relevant SDG
Always going forward for <b>our employees</b>	Acknowledging that our employees are among the most important values of our Company, we provide them with a working space which makes them feel safe, protects their health, supports their constant development and never exposes them to discrimination. We listen to the concerns of our employees and improve ourselves in this respect, paying attention to their needs.	Occupational Health and Safety	  
		Ethics and Transparency	 
		Equality and Inclusiveness	  
		Talent and Career Management	  
		Employee Satisfaction and Engagement	  
Always going forward for the <b>environment</b>	As a core substance of our business, we lead the fight against climate change, through the clean energy we generate. During our business-as-usual, we try to get maximum efficiency while consuming resources and energy at minimum, to manage our waste in a way to avoid environmental pollution and to protect bio-diversity. By focusing on combatting climate change, we maintain and increase our 100% renewable energy generation. We materialize our vision with new investments for hybrid projects, new power plant projects and capacity increases.	Climate Change	  
		Emission Management	  
		Energy Management	  
		Waste Management	 
		Water Consumption and Management	 
		Bio-diversity	 

## GRI 102-44, GRI 102-47, GRI 102-49

Our Sustainability Approach	Strategic Goal	Materiality	Relevant SDG
Always going forward for <b>our company</b>	We aim to follow and apply the innovative developments in our industry by maintaining our financial discipline and keeping our financial performance at the highest level. It is our goal to manage our financial and non-financial risks in the best possible manner and supply renewable energy in line with needs.	Economic Performance	
		Risk Management	    
		Corporate Management	
		Innovation	 
		Information Security	
		Productive Renewable Energy Supply	
Always going forward for <b>society</b>	Since our establishment, we have always supported sustainable development in an effort to be a positive drive for our society with the help of our entire value chain.	Social Responsibility	  
		Contribution to Local Economy and Employment	
		Sustainability in Supply Chain	 
		Customer Satisfaction	

## Stakeholder Governance GRI 102-40, GRI 102-42, GRI 102-43

Opinions of our stakeholders constitute the basis of our materiality analysis as well as the strategies and goals of our Company. With this approach, we communicate with our stakeholders regularly, listen to their views with regard to our business, goals and performance and try to understand their expectations. More importantly, we want to meet those expectations with our decisions concerning investments, transformation and improvement. Through the valuable contributions of the Government Relations Group Director of Aydem Energy Group, assigned in 2021, we are strengthening our integrated and powerful communication network with our stakeholders.

We define the key stakeholders as people and organizations which are affected by our current and future activities and performance while having an impact on the performance of the company with their acts and decisions. Last year, in the "Sustainability Workshop" held with the top management, we prioritized and classified all the stakeholders from the beginning to the end of our value chain, based on the area and degree of their influence.



We are in a constant and transparent dialogue with our stakeholders, listening to and considering each and every feedback coming from them. Thus, we create value for them in line with their expectations.

Consumers

Suppliers

Investors

Local  
Communities

Society

Syndicates

Educational  
InstitutionsNon-  
Governmental  
Organizations

Authorities

Employees

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



#### Turkish Industry and Business Association (TÜSİAD) Round Tables participated

- Digital Turkey Round Table
- Economy & Finance Round Table
- Energy & Environment Round Table
- Entrepreneurship and Youth Round Table
- Development Policies Round Table
- Social Policies Round Table
- Investment Environment Round Table

#### The Association of Turkish Electricity Industry (TESAB) Working Groups participated

- Social Sustainability Working Group
- Climate Change and Decarbonisation Working Group
- Financial Regulations Working Group
- Environmental Protection Working Group
- Earthquake Task Force Working Group

"As AKUT Search and Rescue Association, we organized long-term training and seminars with Aydem Renewables to be ready for possible disasters and emergencies and to fulfill its social responsibilities. We have provided trainings for our employees to respond to disasters and emergencies. We also held seminars on the dangers and disasters of the geographical regions they live in, in order to raise awareness of the society in the geographical regions where the company operates and to make them more resilient against disasters and emergencies. Our aim is to contribute to make both Aydem Renewables and our country a resilient society against disasters and emergencies."

**RECEP ŞALCI**  
Head of AKUT Turkey

As a result of our past cooperation and collaboration with non-governmental organizations (NGOs), we have collected a series of success stories with our stakeholders. Through our project to minimize bird deaths by painting the turbine wings in a different colour, we were granted the "**Low Carbon Hero**" award by the Sustainable Production and Consumption Association. Through the public and NGOs, we contribute to many projects for regions where our headquarters and power plants are located. With our "Renewable Energy Bus" project, carried

out in cooperation with Denizli Directorate of National Education, we led an exemplary project whose implementation resulted in a school which generated its own power. As necessitated by the nature of our business, we constantly communicate with state institutions and organizations, which are among our most important stakeholders. We regularly contact and discuss with EPDK, Ministry of Environment and Urbanisation, Ministry of Forestry, Ministry of Energy, DSI as well as the Municipalities of the cities where our businesses are located.



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

We choose our stakeholders based on their ability to benefit from our operations and relationships and on their capacity to adapt to our business goals. We prioritize open communication and, therefore, try to remain in contact with internal & external stakeholders as much as possible while also building new communication channels.

As part of our effort to prioritize stakeholders, based on corporate values and business ethics, we determine different communication methods and platforms for each stakeholder group, thus ensuring constant communication. We are in a constant dialogue with all of our main stakeholders via different platforms. Our main groups of stakeholders, communication platforms and communication frequency are shown in the table on the side.

Stakeholder	Stakeholder Communication Platform	Communication Frequency
Analysts	Meetings, conferences, Investor Relations website	Continuous
Holding to which the Company is affiliated and other companies affiliated with the Holding	Board meetings, meetings	Continuous
Press	Press releases, press conferences, interviews, sectoral meetings, congresses	Depending on the company agenda
Employees	Idea Line, EnPort Intranet platform, EnBulletin monthly online communication magazine, social events, management meetings, OHI Project Group meetings, mailings	Continuous
Audit and Consulting Firms	Meetings, reports, presentation files	Continuous
Rating and Valuation Agencies	Meetings, conferences	Continuous
Financial Institutions	Meetings, congresses, reports	Continuous
Shareholders	Board meetings, committee meetings, Investor relations website	Continuous
Public Agencies, Local Authorities, Regulatory Agencies and Sectoral Associations	Meetings, congresses, face-to-face meetings	Continuous
Competitors	Sectoral meetings	Continuous
Labour Unions	Meetings, face-to-face meetings	Continuous
Suppliers	Projects	Continuous
Chambers of Commerce/ Professions, NGOs, Associations	Meetings, congresses, face-to-face meetings	Continuous
International Organizations	Projects	Depending on the project scope
Universities	Projects	Depending on the project scope
Investors	Meetings, investor presentations, Investor Relations website	Continuous



## Conclusion: Our Contribution to Sustainable Development Goals

While setting our goals of “always going forward” in connection with our corporate strategy as part of our sense of sustainability, we also take the Sustainable Development Goals (SDG) of the United Nations as the basis. We make as many contributions as possible to the SDGs, created by the United Nations in 2015 and comprised of 17 goals, and encourage ourselves to “always go forward” in this area. In connection with our sustainability approach, activities, vision and goals, we take SDGs that we contribute directly or indirectly to all our sustainability activities as guidance. We know that in order to realize SDGs that bring together many goals such as increasing global welfare, ensuring inclusive economic growth and the transition to clean energy, eliminating inequalities in every sense, protecting the ecosystem and resources; it is of great importance to implement activities that serve purposes such as the transition to a low-carbon economy, combating climate change, conscious-production consumption, and protecting our planet. We, too, act with awareness of Aydem Renewables' responsibility, both in terms of our business conduct and our vision, in order to achieve our goals.

When we matched our activities with the SDGs in the light of the works we conducted within this scope, we saw that we directly contribute to SDG 7- Affordable and Clean Energy, SDG 8- Decent Work and Economic Growth, SDG 9 - Industry, Innovation and Infrastructure and SDG 13 - Climate Action. As we explain throughout our report, we also make indirect contributions to many SDGs. We indirectly contribute to SDG 4 - Quality Education with the support and scholarship programs we provide to educational institutions, SDG 5 - Gender Equality with our approach of human resources supporting gender equality, SDG 10 - Reduced Inequalities, SDG 6 - Clean Water and Sanitation with our practices especially in HPPs , SDG 12 - Responsible Consumption and Production with our “Zero Waste” projects, and SDG 17 - Partnerships to Achieve the Goal with our cooperation with both public and private sector.



**What We Do?**

- We contribute to the completion of free, equitable and high quality secondary education for girls and boys for the future of our country with the Aydem Science High School, of which we have built.
- We carry out internship programs with Istanbul Technical University, METU, Pamukkale University, Kütahya Dumlupınar University to gain qualified workforce, develop undergraduate students and gain experience in business life.
- We contribute to the education of university students by organizing scholarship programs with Istanbul Technical University Alumni Association and Kütahya Dumlupınar University.
- We give importance to educating our employees from the core in our Head Office and Operations. We fulfill undergraduate interns recruitment, and we aim to increase the number of interns each year.
- We aim to employ 100 young women intern by 2026.
- 16 interns were recruited within our Company In 2020. We aim to increase the number of interns recruitment in 2021 by 57%.
- We create a more qualified workforce with the trainings that we provide to our employees, newly recruited colleagues and our suppliers. We gave 10,173 hours of training to a total of 539 employees.
- In the future, we will continue to create career opportunities, we will give occupational health and safety trainings to all employees and we will continue to act in line with our "Equal Life" approach.

**What We Do?**

- We organized many trainings, seminars, practices and awareness activities within the Company to support gender equality with our approach "Aydem Equal Life". We increased our rate of female executives at the senior and middle level by 5.5% compared to 2019 with our perspective aiming to increase the number of our female employees.
- In 2021, we assigned 2 female members to our Board of Directors
- In 2021, with our "Aydem Equal Life" project plan, with our policies to improve career journey, work-life balance, awareness activities, work areas and physical conditions, we aim to achieve a strong global reputation, strong employer, employee satisfaction, strong brand and financial benefit with our procedures and processes.
- We have Great Place to Work® Certificate.
- We support our female employees by offering part-time work, 6 months of unpaid leave and remote working opportunities for employees who have just given birth.
- We apply the Korn Ferry Wage System in our company and in this direction, we reinforce our stance against gender-based wage discrimination among employees as per our Human Resources policies.
- We commit to providing equal opportunities throughout the employee lifecycle, creating a healthy and respectful working environment, increasing the number of female employees in the energy sector and supporting the empowerment of women.

**What We Do?**

- With the careful and efficient use of water, we generate energy without polluting all the resources we take, and with our generation model that uses natural resources, we release the water used in HPPs back to its source.
- We had the pleasure of owning the power plants that were deemed worthy of the "Zero Waste Certificate" by the Ministry of Environment and Urbanization for all our power plants.
- We commit to reducing our water consumption, excluding water consumption related to energy generation, improving our water use in all power plants and recycling them in the most efficient way, and minimizing the wastes generated as a result of our activities.

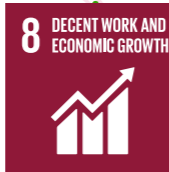
**What We Do?**

- We continue to work today and for a better future with our diverse and different clean energy generating assets from hydroelectricity to wind energy, from geothermal to biogas, and our innovative approach focused on people and the environment.
- We meet the electricity needs of more than 1 million people with our annual energy generation with our 25 power plants, all of which are made from renewable energy.
- In the short and long term, we will continue to generate purely renewable energy by increasing our installed capacity.
- We will continue to invest in renewable energy with our planned projects of hybrid power plants, new power plants ready for construction and installed capacity increase in wind plants.
- We aim to increase our installed capacity from 1,020 MW to 2,000 MW in the future.
- We aim to cooperate with retail energy companies to orient consumers towards renewable energy.



### What We Do?

- We contribute to the economic growth of our country with the activities performed with our 567 employees.
- Even during the COVID-19 period, we made a positive contribution to our country's workforce by recruiting 39 new employees without terminating any of our employees.
- We reduced our lost time injury frequency rate by 189% in 2020 compared to 2019 with the safe and healthy working environment including our own employees and also our third-party subcontractors.
- We contribute to decent work and economic growth with our 15 disabled employees.
- We have Great Place to Work® Certificate.
- We will contribute to economic growth by creating new employment opportunities for the society, together with our workforce need for our processes within the scope of the innovative project and after the project with the technology support.



### What We Do?

- We act with the awareness of investment in renewable energy that it is an active way to interact with future generations and encourages low carbon emissions in energy generation and consumption. While we support green and clean energy with our generation and growth goals, we also set challenging goals for ourselves in order to minimize the carbon footprint of our Company.
- As Turkey's largest pure-play renewable energy generation company, we are aware of the importance and significant contribution of our employees in reaching these days with our human and environment-oriented generation model. We continue to increase our high performance in the field of occupational health and safety with our inclusive human resources approach and practices and investments we make by considering employee health and safety in order to provide a safe working environment.
- We are focusing on our sustainability journey with the Sustainability Report which we will publish for the second time this year.
- We inform our suppliers on ESG (Environmental, Social, Governance) criteria, encourage them on ESG processes and guide them so that purchasing processes are in accordance with ESG criterias.
- We will apply our ESG framework to all investment decisions and business activities.



### What We Do?

- We increase our power plant availability rate with all the rehabilitation and reinforcement investment that we performed in order to increase efficiency and reduce costs in our power plants. We make a significant contribution to quality increase and efficiency in our business processes with digital applications by increasing our investment in information technologies every year. We aim to increase our energy generation with our innovative hybrid projects that will increase our installed capacity by using our existing land and grid connections.
- We aim to increase our installed capacity by 58 MW with our investment in 2 HPPs, which are currently under construction with generation license, and to strengthen our portfolio with an additional capacity project of 103 MW for our Uşak WPP project. In this way, we will continue to grow innovatively by increasing our capacity and efficiency.
- We applied for a license change for additional hybrid resource installation up to 592.48 MWm with the transition to the new hybrid power plant model.
- We have contributed to technologies and industrial processes with our realized availability rates (99.4% in our WPPs and 99.6% in HPPs) by supporting the infrastructure and reinforcement industries to be developed in a sustainable way by increasing the more efficient use of resources and by adopting cleaner and more environmentally.
- It is one of our most important priorities to return the resources we use in the generation process to their natural resources without being damaged, with our "Environmentally Friendly" generation model.
- We will continue to support our approach of responsible consumption and production by developing this model with our planned hybrid and new power plant investments.



### What We Do?

- With our 25 renewable energy power plants, spread throughout Turkey and 1,020 MW installed capacity we have reached an annual average of energy generation of 3,155 GWh<sup>1</sup> today.
- We meet the electricity needs of more than 1 million people by our annual energy generation with our 25 power plants in Turkey from all renewable energy.
- We inform suppliers on ESG criterion, encourage them on ESG processes and guide them so that purchasing processes are in accordance with ESG criterias.
- We contribute effectively to the fight against climate change with our renewable energy generation, our goal of increasing our installed capacity from 1,020 MW to 2,000 MW in 5 years, and the precautions that we take to minimize our greenhouse gas.
- We will always continue to fight against climate change by continuing to generate purely clean and renewable energy.
- Our emission was decreased by 25 % in 2020 compared to 2019.
- We performed environmental projects with our investments of 2.1 M TL in 2020.
- We commit to reducing our Scope 1 and 2 emissions intensity each year.
- Based on 2020, we set emission reduction goals of 30% for 2025 and 65% for 2035 across the Company.
- We commit to achieving the carbon neutral goal by 2050



<sup>1</sup> Run-rate generation. Run-rate Generation for a given period, (i) historical hydrology data (excluding one-time stoppages) for HPPs and (ii) combination of previous years performance (excluding one-time stoppages) and long-term historical wind data for WPPs calculates the average annual energy generation potential on the basis of each power plant, to be taken into account. Run-rate Generation data is calculated by considering the unique characteristics of each power plant (for example, the months when HPPs in irrigation dams go into decline are taken into account).

### What We Do?



- We aim to increase our renewable energy generation and efficiency in our existing power plants with new hybrid and additional installed capacity projects that will increase the installed capacity of our existing power plants.
- We conduct power plant and project based Environmental Impact Assessment and Eco-system analysis and manage the environmental risks accordingly.
- In our HPPs, we have fish passage or elevator applications in line with our principle of respect for natural life.



- We follow the bird migration path in WPPs. We were awarded the Low Carbon Hero award by turning the turbine blades purple to prevent WPP Turbines bird death.
- In the future, we will create biodiversity management plans for sensitive areas and all new developments and we will conduct environmental risk assessments.

### What We Do?

- We once again reinforced our contribution to the goals by signing the United Nations Global Compact. With our collaborations with non-governmental organizations, public institutions and organizations, we increase our contribution to renewable energy supply, sustainable development and the future generations to live in safety.
- We ensure that our employees participate in associations such as TÜSİAD, TESAB, Generators Association (EÜD), Denizli Chamber of Commerce, Denizli Chamber of Industry.
- We actively engage and support local communities on all relevant environmental, social and governance (ESG) issues and consider their wishes and expectations in their decision-making processes.
- We support the government and regulatory institutions in order to spread and advance the approach of sustainability.
- We participate and, where appropriate, lead industry dialogue and best practice programs on environmental, social, governance (ESG) practice, decarbonisation, climate change law and reporting.
- We are committed to taking an active role in the activities of Non-Governmental Organizations (NGOs), increasing the number of members of NGOs and establishing social cooperation with them.



## Our Sustainability Principles and Commitments

We improve and develop our commitments in line with our sustainability approach of “Always Going Forward”. In this scope, we reveal our principles and make commitments in many stages of our business model, from investment decisions to operations, from our governance structure to our decision-making mechanism.

### PRINCIPLES



Compliance of all activities, strategies and new investment decisions with our approach of sustainability



Ensure a safe and happy work environment with an approach of human resources that does not break with human rights and ethical values.



Transparent communication and collaboration with all stakeholders on sustainability issues



Invest in technology and solutions to support the renewable energy generation and consumption  
Zero investment in fossil energy sources



Achieve the zero carbon goal with our activities by 2050



Have the best practices and standards in our environmental management in line with our principle of respect for the environment



Support the development of the local economy by supporting local communities



Provide a safe and healthy work environment for our employees and business partners



Protect equality of opportunity and respect for human rights with an approach of human resources based on ethical principles



Integrate the responsible consumption approach into all our activities

### OUR COMMITMENTS

To make evaluations by considering both power plant and project-based environmental, social and governance (ESG) criteria within the scope of combating climate change, to determine ESG risks within the framework of sustainability, to monitor and manage periodically  
To ensure the direct integration of our sustainability approach into investment decisions and all our commercial activities

To continue our operations in an ethical and transparent manner  
To establish an honest and transparent Company culture in accordance with international standards and local laws and regulations  
To show zero tolerance for corruption and unethical behavior  
To establish and maintain a robust corporate governance structure.  
To monitor our ESG performance annually in line with investor expectations and to inform investors through reports/disclosures on ESG issues that may seriously affect investors' investment decisions

To work actively with local communities in the regions of operation  
To support the government and various organizations for the development of sustainability approach  
To inform and promote Sustainability manner to all stakeholders, including suppliers, throughout the value and supply chain  
To take an active role in the activities of Non-Governmental Organizations and cooperating with them  
To publish our sustainability report transparently every year and to fulfill the requirements of the EU Directive on Disclosure of Non-Financial Information (2014/95/EU)

To continue to generate purely green and renewable energy by continuing to supply safe and sustainable renewable energy  
To realize environmentally friendly investments by considering our environment in all of our investments  
To collaborate with various organizations and stakeholders to encourage consumers to use renewable energy  
To double up our installed capacity with hybrid power plant investment and other investments

To reduce our Scope 1 and Scope 2 emissions on a yearly basis  
Compared to 2020, to reduce our emission intensity per generation by 30% by 2025  
Compared to 2020, to reduce our emission intensity per generation by 65% by 2035  
To be carbon neutral by 2050 in line with these goals

To comply with best environmental practice principles and standards  
To adopt a circular economy approach that minimizes our waste by recycling in the most effective way  
To develop our control environment in order to manage our water usage at all power plants  
To conduct power plant and project based Environmental Impact Assessment analysis and follow up periodically  
To establish respectful biodiversity management plans in sensitive areas while preserving natural life

To provide job opportunities to both support the local economy and develop recruitment  
To minimize negative impacts with awareness of the social impact on the communities interacting  
To cooperate with Non-Governmental Organizations in the social field  
To consider the wishes and expectations of stakeholders in all our decision processes, including our investment decisions

To avoid all kinds of practices that threaten employee health and safety  
To take occupational health and safety measures beyond international standards and local laws and regulations  
To continue Occupational Health and Safety trainings  
To continue to operate in accordance with our human-oriented approach as always

To provide equal opportunity to all our employees throughout their working lives.  
To create a safe, healthy and respectful working environment that is egalitarian, diversified and opposes all discrimination  
To advocate human rights in all our activities through our supply chain  
To increase the number of women working in the energy sector  
To support women workers and all women so that they have equal opportunities

To consider the social and environmental impacts of potential investments in order to ensure that new investment decisions match our sustainability approach  
To reduce carbon emissions  
To reduce our water consumption, excluding water consumption related to energy generation  
To realize recycling in the most efficient way and to minimize the wastes resulting from our activities



## Sustainability Practices in Our Value Chain

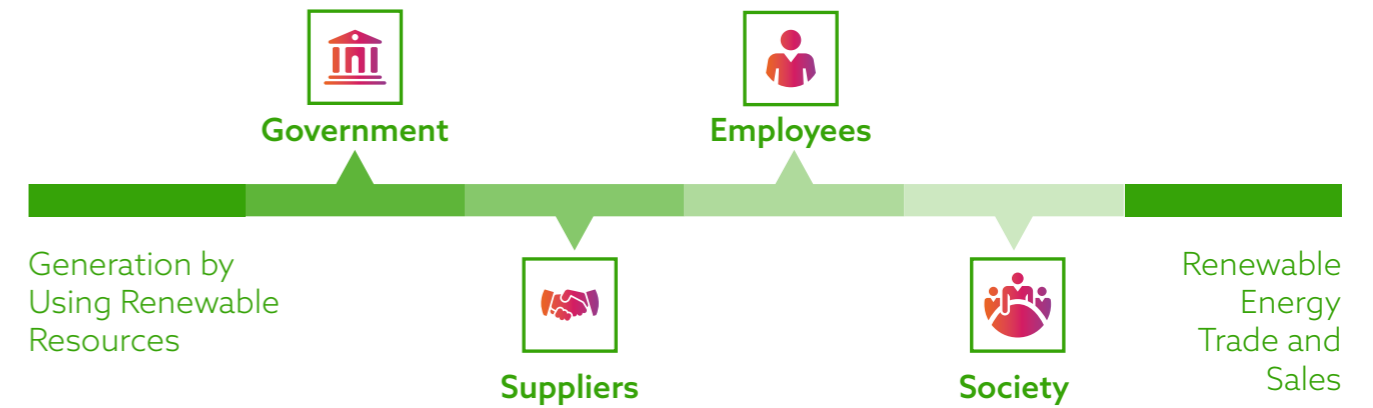
Within the scope of our sustainability motto **"Always going forward"**, we take care that our sustainability approach and goals cover the entire value chain, and we strive to raise the awareness of all our stakeholders in our value chain.

We define our value chain as "all activities that create value from the generation process to the energy sales phase". We have integrated our **"always going forward"** sustainability motto as environmental protection, social development and economic development criteria into every stage of our value chain. All the processes we define in our value chain are focused on the principle of ethics and transparency; We take care to reflect the awareness we have created regarding our material issues to our value chain and stakeholders by collecting them under the titles of Generation from Renewable Resources, Government, Suppliers, Employees, Society, Renewable Energy Trade and Sales. **Generation from Renewable Resources** covers all of our energy generation processes, our robust corporate management, innovative approach, use of new technologies, high availability and sensitivity in all environmental management processes constitute the first link of our value chain.

**Our relations with our government** extend from the establishment phase of our power plants, to our licensing processes, from incentive mechanisms to the legal standards and regulations that we are obliged to comply with. By taking advantage of incentives including Feed in Tariff and continuing our activities in compliance with all our legal obligations, we conduct our relations with the government with sensitivity and care.

**Our suppliers** stand out as one of the important parts of our value chain due to their role in our activities. We give importance to the development of our suppliers in cooperation processes within the framework of sustainability management, inform them about our sustainability and working principles, and expect them to comply with our procedures and policies that we have established with a focus on sustainability.

We care about **our employees** working in a healthy and safe environment, under appropriate working conditions, within the framework of equality principles. In this direction, we add value to our employees with the investments we make for the safety and health of our employees and the trainings we provide.



We care about all segments of the **society** that we interact with and influence in our fields of activity, and we work to add value to the society. With the theme of Respect for Social Life, as Aydem Renewables, we contribute to local employment in the regions where we operate, at the same time we support the development of local people with social projects, and we take care to benefit the sensitive masses of the society with our Corporate Social Responsibility projects.

Since 2017, we have invested approximately 7.5 million TL in 8 different social responsibility projects aimed at education, environment, health and the development of the people of the region, benefiting more than 6,500 people. In 2020, on behalf of our country struggling with the COVID-19 epidemic, we provided 3 million TL of aid in the "We are Self Sufficient" campaign. We provided aid of 3 million TL.



### Our Corporate Social Responsibility Projects



In cooperation with Denizli Directorate of National Education, a school project that generates its own energy has been carried out.



In line with the importance that we give to the "Environment and Social Management Plan" and our approach of corporate social responsibility, we donated to the Gölyaka Social Assistance and Solidarity Foundation to provide food aid to 70 families.



We met printer and library needs of Adana Köprücük Primary School.



We donated books to 300 students studying and preparing for the exam in Tokat Reşadiye, where Akıncı HPP placed in.



We signed an "Educational Support Protocol" with Kütahya Dumlupınar University. With the signed protocol, students studying at vocational school; Supports such as scholarship, internship and post-graduate employment will be given.



In line with our approach of corporate social responsibility, we supported the improvement of the quality of services provided to the citizens living in the district in need, by donating to the "Adana-Kozan District Development and Beautification Services Association".



By donating to the Narlı District Governorate, we contributed to the establishment of the children's playground.



We provided support to the aid campaign organized by the district governorate in Gölyaka, where our Düzce Aksu Hydroelectric Power Plant operates.

## Sustainability in Our Supply Chain

We manage our activities in accordance with the local legislation and regulations, as well as the requirements of international standards, without compromising the ethical rules in our activities. We take our responsibilities seriously, carry out our activities with respect to human rights, the environment and society, as well as ethical principles and legal requirements, and we take care to provide our employees with appropriate working conditions.

We manage our activities in accordance with the local legislation and regulations, as well as the requirements of international standards, without compromising the ethical rules in our activities. We take our responsibilities seriously, carry out our activities with respect to human rights, the environment and society, as well as ethical principles and legal requirements, and we take care to provide our employees with appropriate working conditions.



All contracts with our suppliers contain articles that require compliance with our OHS policy, ethical values and our principles regarding environmental issues, and it is stated in our contracts that actions contrary to the specified articles will be subject to penalties.

Environment and OHS policy and the sustainability criteria in our supply chain in the future, we aim to keep our suppliers informed about our sustainability strategy and expectations, and to continue to effectively manage the sustainability risks in our sphere of influence by continuing the supplier audits we carry out taking into account the ESG criteria.

**We hold all our suppliers responsible for our Company's code of conduct, Environmental and OHS policies and procedures.**

Our Purchasing Department and our business units responsible for the management of the process regarding the purchased service are responsible for the management of the supply chain and the feedback to be given to the suppliers. For all types purchasing services provided by suppliers, at least 2 members of the responsible business unit and the Purchasing Unit fill out a questionnaire, and a supplier evaluation score is given on the basis of company and service. Supplier evaluation reports are monitored via the SAP system. The approved supplier list, which is prepared according to supplier evaluation reports, is published within the Company.

**To all contractor and supplier company employees, before starting; we share the importance we give to the quality and sustainability of our supply chain with all our contractors and suppliers, by providing orientation trainings and training on the basic workplace hazards, risks, precautions and rules.**



# Efficiency

As a result of all the investments we make, we support the clean energy transformation and sustainable development of our country and the world, while increasing our efficiency.

We Create Value for Our  
Stakeholders with High  
Efficiency and Clean Energy



# We Create Value for Our Stakeholders with High Efficiency and Clean Energy

## Continuous Investment in Renewable Energy



We are making many growth-oriented investments on this path, which we set out with the vision of "Always going forward". We aim to increase our renewable energy generation day by day with different strategies, from our acquisition and merger goals to our hybrid investment projects and privatization opportunities.

### We aim to increase our generation with our hybrid power plant projects...

In order to increase our energy generation at our power plants, we plan to implement our hybrid projects by taking advantage of the opportunities offered by the legal regulations in our country. Thus, we will be generating energy by using more than one energy source in the same power plant using the same grid infrastructure (with wind and solar source in the same area, with water and wind source at the same time, and with water and solar source in the same area). In this way, we will diversify our generation resources and increase our capacity utilization rate and efficiency.



We are in the process of changing the license for the installation of auxiliary sources up to an additional 592.48 MW to our current power plants. Together with our additional hybrid SPP facilities that we plan to install at some of our power plants, we will ensure the continuity of our energy generation and generation from the SPP facilities to be established when our existing power plants are not producing. In this context, we anticipate increasing the capacity utilization rates of our power plants. We plan to obtain the necessary permits for our hybrid generation activities in the from third quarter of 2021. We



aim to commission the 236.35 MWm (40%) capacity by the end of 2021 and the remaining 356.13 MWm (60%) capacity by the end of 2022.

### Our hydroelectric power plants that are currently under construction...

We have the generation licenses of Armağan HPP with an installed capacity of 34 MW and Yağmur HPP with an installed capacity of 24 MW, the construction of which has completed a significant part of its investment expenditures.

### We follow merger and acquisition opportunities...

We closely follow merger and acquisition opportunities in the fragmented renewable energy sector, and aim to take advantage of these opportunities. In this context, we follow up and analyze the power plants, which are within the body of the Electricity Generation Corporation (EÜAŞ) and whose operations will be transferred for 49 years with privatization, and the power plants for sale belonging to private companies.

### We are increasing our capacity in wind power plants...



With the Turkish Energy Market Regulatory Authority's (EMRA) announcement of the possibility of additional capacity allocation for WPPs recently, we started our work in this area as well. We are planning to take advantage of this opportunity for our Uşak WPP power plant. We aim to complete the licensing process for our 53 MW capacity increase, which has already been approved by TEİAŞ, in September 2021. Afterwards, we are planning another 50 MW capacity increase. With the complete implementation of the project; We aim to provide a total of 103 MW of additional generation capacity at Uşak WPP.



**İdris Küpeli**

Aydem Renewables, Chairman of the Executive Board



"We aim to minimize the impact of seasonal conditions with hybrid power plants, where we can generate energy from the SPP when the rain is low and from the HEPP when the sun is low. For this, we plan to allocate 100 million dollars in 2020 and in the coming years. By realizing our goals, we will continue to do our part for a more balanced and sustainable world, and to **generate** the **clean energy** of our country, by doubling our installed capacity of 1,020 MW with our 25 power plants in the field of Renewable Energy, exceeding 2,000 MW capacity in 5 years."



## Modern Generation Portfolio and High Efficiency

With our portfolio consisting of 25 power plants and an installed capacity of over 1 GW, we are Turkey's largest pure-play renewable energy generation company in terms of installed capacity, operating only in the field of renewable energy generation. We generate clean energy with our diversified portfolio with HPP, GPP, RES and LFGs, and our young and modern power plants. As it spreads to different geographical regions of Turkey, it consists of very modern and young power plants. 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 39 years**, while these values are 6 years and **37 years**, respectively, for our wind power plants.

The young nature of our company's power plants makes it possible to operate our power plants without requiring significant investment in the short and medium term, such as general maintenance/repair and re-powering.



The remaining license periods of our power plants are quite long and are approximately 40 years.

The fact that Aydem Renewables has a large and diverse portfolio makes a significant contribution to stable cash flow, reduction of balancing costs, operational know-how and increase in profitability.



We generate clean energy with our young and modern power plants.



### Ömer Muhsin Çandar

Aydem Renewables  
HPP Operations Manager

In our world where our natural resources are rapidly decreasing, we are aware that continuing our activities with the goal of efficiency in every field is the guarantee of a beautiful future. In this context, we created a total of 24.4 million TL added value in 2020 by implementing many innovation and R&D projects in order to use all of our resources more efficiently. We will continue to implement our projects.



### Volkan Sert

Aydem Renewables  
RES, JES and LFG Operations Manager

With wind energy, which is a natural, renewable, clean and endless power, we have increased our energy generation efficiency with the dynamic action interventions of our competent maintenance team, correct work planning, renewed equipment and continuous monitoring and improvement studies at our wind power plants that offer sustainable solutions to global warming.

We will continue to increase our efficiency in our power plants and to generate clean energy for a sustainable world.

### We are investing in reinforcement and efficiency in our power plants...

With the increase in our availability rate, despite the decrease in wind speed in 2020, our energy generation at our Söke and Yalova wind power plants increased by 7.3% compared to the previous year, regarding to the improvement efforts.




In 2020, our power plants showed a superior performance in the field of efficiency, our availability rate, which is one of the most important indicators of energy generation efficiency and represents the rate of the time the power plant is ready to generate energy, to the maximum time that the relevant power plant can theoretically generate energy,

**our availability rate was 99.6% in our HPPs and 99.4% in our WPPs.**

Periodic maintenance works carried out by our maintenance and repair teams, who are experts in their fields, benefiting from high technology and quality, have prevented possible malfunctions and extended the life of the equipment.



**Despite the decrease in wind speed in 2020, our energy generation at our Söke and Yalova wind power plants increased by 7.3% compared to the previous year regarding to our improvement efforts we made.**

	2019				2020				Change (%)	
	Söke WPP		Yalova WPP		Söke WPP		Yalova WPP		Söke WPP	Yalova WPP
 <b>Wind Speed</b>	7.11	m/sec	5.61	m/sec	7.06	m/sec	5.54	m/sec	-0.70%	-1.20%
 <b>Generation</b>	151	GWh	137	GWh	159	GWh	150	GWh	5.30%	9.50%
 <b>Availability Rate</b>	99.51	%	97.41	%	99.73	%	99	%	0.22%	1.59%

## Our Completed Efficiency Projects



### Dereli HPP

#### Unit-1 and 2 Turbine Modernization Project

A comprehensive maintenance work was carried out by modernizing the turbines in our power plant units. A full modernization operation was carried out in order to prevent deterioration of the impeller, labyrinth and wear rings in our units.



**Annual Income Expectation:**  
Approximately 2.5 Million TL



### Toros HPP

#### Cooling Water Project

In order to cool the units in our power plant, in addition to the existing system, the water in the stream passing through the power plant area is taken into the cooling system.



**Annual Income Expectation:**  
Approximately 300 Thousand TL

#### Grid Cleaning Machine Project

In our power plant, it has been ensured that the grid blockage is prevented.



**Annual Income Expectation:**  
Approximately 2.7 Million TL

#### Toros HPP Conduit Cover Project

In order to facilitate the cleaning of the lake area in our power plant, the conduit cover has been activated and a transportation bridge has been made from the socket structure to the conduit structure. Thus, an increase in useful water accumulation has been achieved.



**Annual Income Expectation:**  
Approximately 500 Thousand TL



### Akıncı HPP

#### Dolusavak Spillway Transmission Canal Project

With the spillway transmission canal project that we completed at our power plant, we increased the power plant efficiency and strengthened the canal security.



**Annual Income Expectation:**  
Approximately 1 Million TL

#### Kuyruksuyu Canal Adjustment Project

Regarding to the Kuyruksuyu canal arrangement project we have completed at our power plant, we have equated the thalweg elevations of the stream bed with the project elevation levels.



**Annual Income Expectation:**  
Approximately 4 Million TL



### Mentaş HPP

#### Grid Cleaning Machine Project

In our power plant, it has been ensured that the grid blockage is prevented.



**Annual Income Expectation:**  
Approximately 160 Thousand TL

## Environmentally Friendly and Value Chain Sensitive Generation

**As Turkey's leading renewable energy company, Aydem Renewables, our relationship with the environment is a responsibility at the core of our nature, beyond legal requirement.**

We know that climate change has now turned into a crisis. As a result of the increasing population and the high amount of non-renewable energy consumption, we are now facing a loss of balance in meteorology and climate, which is witnessed in the degree of environmental pollution, the damage to bio-diversity with the shrinkage of natural habitats as well as extreme weather events and irregular rain cycles. The successful management of climate crisis requires us to take effective and immediate action, especially through generating renewable energy and increasing energy efficiency. Aydem Renewables, as Turkey's largest pure-play renewable energy generation company that only operates in renewable energy generation in terms of installed capacity, thus contributing to the sustainable growth of the country and taking into account the needs of the environment and the future generations as part of the fight against the climate crisis.



### Our Environment-Friendly Generation Model

We carry out all our activities and investments within the framework of our Environmental Policy, which prioritizes the protection of natural resources and the reduction of environmental impact. All the tools we have developed within the scope of our Environmental Policy and in line with the goal of managing the environmental impact; are based on the principle of protecting the environment and biodiversity, using responsible resources, developing environmentally friendly business processes, and making investment programs according to environmental impact assessments. At the same time, we continue to act with our investments that we have made and aim to make, and our generation models that serve new, efficient and sustainable development.

We provide direct support to many of the United Nations' Sustainable Development Goals with our investment opportunities and plans, which are an indicator of our existence and vision. While we pursue our growth opportunities by developing and diversifying our generation model in the short and long term, we invest in our business and support the clean energy transformation and sustainable development of our country and the world. By saying accessible and clean energy for everyone, the purpose of SDG 7- Affordable and Clean Energy; By investing in innovative and environmentally friendly generation models, SDG 9-Industry, Innovation and Infrastructure and SDG 12-Responsible Consumption and Production purpose;



By continuing our 100% renewable energy generation and aiming to double our generation capacity, it supports the realization of SDG 13-Climate Action, We are constantly working to leave a more livable world to future generations.

Our Environmental Management is carried out by the Sustainability, Environment, Occupational Health and Safety Committee affiliated to the Board of Directors. Sustainability, OHS, Environment and IMS Manager, Environmental Relations Manager, Environmental Relations Specialist, Process Owners, Process Officers, Power Plant Supervisors, Administrative Affairs Officers and all our employees are responsible for environmental management. We inform all our employees who have this responsibility about the duties and procedures they must follow. In addition, we communicate all the procedures and policies prepared with an environmental focus to our employees through our intranet, and we keep our employees informed of internal developments and try to increase internal awareness by constantly arranging trainings on these procedures and policies.

In order to behave respectfully and responsibly to the environment in all our activities, we measure and monitor our environmental impact at every stage, from investment decisions to the operation of our existing power plants, and by taking the necessary precautions, we try to continuously improve our environmental performance and reduce the harmful effects of our activities on the environment. At every stage and in every field, we act in compliance with and even beyond the legal requirements regarding our environmental responsibilities, we make voluntary carbon trading, CDP Climate Change and Water Security Reports, and we develop projects to reduce our environmental impact and present all information about our relationship with nature in a transparent manner to our stakeholders.

**While all of our power plants have ISO 14001 Environmental Management Standards certificate, they are operated within the framework of the principle of "Respect for Nature" in line with these standards.**



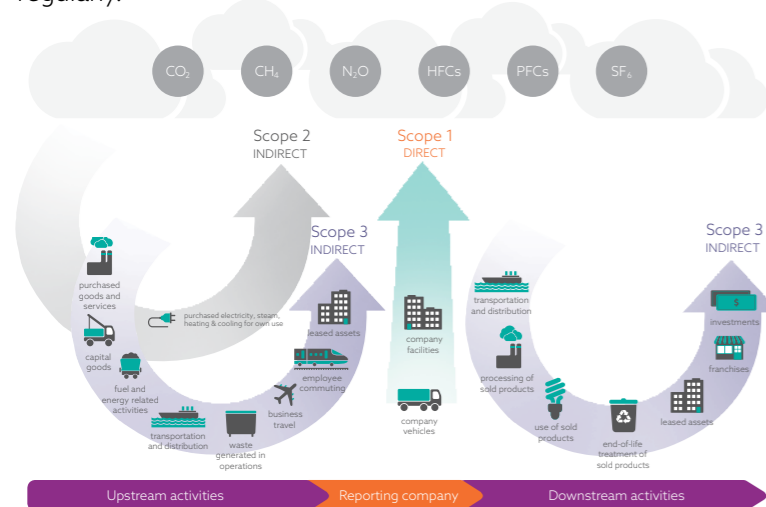


## Emission Management



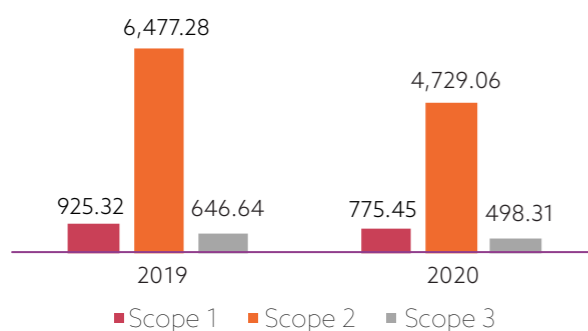
For the fight against climate change, we pay strict attention that all greenhouse gas emissions in the Company's operations are reported **transparently**, observed with **reliable** methodologies, and managed **correctly**.

As a company that has managed to integrating climate change awareness and environmental consciousness in our corporate culture, we conduct our Emission Management beyond legal requirements, and monitor our emissions arising from our operations and value chain in connection with our energy consumptions. We develop emission reduction projects through our emission management mechanism, which we operate regularly.



We continuously improve ourselves to reduce Scope 1 - Direct Emissions, Scope 2 - Indirect Energy Emissions and Scope 3 - Other Indirect Emissions. With the awareness that reduction cannot be realized without accurate measurements, we calculated our emission data in the most efficient and transparent manner, and the collection of our energy data was carried out with an independent consultant. Based on the year 2020, the greenhouse gas emission rate change table has been shared.

Greenhouse Gas Emissions



We think that an intensity calculation based on our electricity generation is as important as our energy consumption for our emission management. Within this scope, we reduced our emission intensity per generation by 20% compared to 2019 through the reduction in our total emission despite the limited decline in our energy generation level.

We owe the emission reduction we achieved in 2020 to some of the projects and practices we implemented during the year. Based on the calculations, by identifying the areas where we can reduce our emissions; we have developed various projects, including the LED lighting conversion project, the optimization of the use of air conditioners and heaters, and the establishment of a vehicle tracking system. In order to realize these projects, we made an investment of **2.1 million TL** in 2020 and took an important step towards realizing our medium and long-term goals on our carbon footprint. In addition to all these, we provided **1,774** man/hours of training in many areas from carbon, water footprint to waste in order to raise the environmental awareness of our employees and to convey our environmentally sensitive generation approach.

We reduced our total emission, which was **8,049.24** tons of CO<sub>2</sub> in 2019, to **6,002.80** tons of CO<sub>2</sub> in 2020. Through the reductions of 16%, 27% and 23%, respectively, in all of our Scope 1, Scope 2 and Scope 3 emissions, we were able to reduce our total emissions by 25% compared to 2019.



We responded to the Carbon Disclosure Project (CDP- Carbon Disclosure Project), which we first participated in in 2019, on both Climate Change and Water Security in 2020. As a result of the Carbon Disclosure Project and the improvement work we have done while calculating our carbon footprint, we have set goals that we consider 2020 as the base year.

Emission Amount per Electricity Generation (ton CO <sub>2</sub> -e/MWh)	2018	2019	2020
Electricity Generation (GWh)	2,075	2,803	2,638
Total Emission (tone CO <sub>2</sub> )	8,376.03	8,049.24	6,002.80
Emission per Generation	0.0040	0.0029	0.0023

Since our emissions and energy consumption are directly related to our energy generation process, which is our only activity, we have set our goals based on our Scope 1 and Scope 2 emissions and generation intensity. While determining these goals, we used the sectoral goal tool of Science Based Goal, taking care to be compatible with science-based goals. Thus, as a renewable energy generator, we are aware of our responsibility for the emission reduction of the outside world. Since 2011, we continue to work with determination to provide carbon neutral electricity to our customers who aim to increase investment in renewable sources, reduce or neutralize their emissions. As we ensure that our customers use clean energy; as part of carbon trading, we protect our identity as a company that fights against climate change by offering emission reduction certificates to voluntary carbon markets and obtaining renewable energy origin certificates.

In this direction, we continue our efforts for **Carbon Emission Reduction Certification Monitoring (VCS & GS) and Green Energy Certification (IREC)** at all our power plants within the Company at full speed. As of April 2021, we put the certificate, which corresponds to **more than 6 million MWh** of electricity in total, into service. **89%** of the prepared certificates were created within the scope of VCS, and **11%** within the scope of IREC.



In the line with our goals, we aim to become carbon neutral in 2050.

- We aim to reduce our emission intensity per generation by 30% in 2025.
- We aim to reduce our emission intensity per generation by 65% in 2035.



**2 power plants with Gold Standard**



**15 power plants with Renewable Energy Certificate of Origin (IREC)**



**8 power plants with Voluntary Carbon Standard (VCS)**

## Waste Management



**Waste Management** In the face of the waste problem, which has become one of the global problems due to rapid population growth and increasing industrialization, as an indicator of our **always forward approach for the environment**, we manage our waste management in accordance with the current legislation, international standards, OHS and Environmental Policies and carry out our activities with the **Zero Waste** approach.

In order to minimize our impact on the environment, we separate the wastes generated as a result of our activities according to their types, regularly measure and monitor their amounts. We take our measures to prevent, reduce and recover the waste generated as a result of our activities at the source, and we **constantly update and develop our Waste Management Policy in accordance with the relevant national legislation, including the ISO 14001 Environmental Management System.**

As Aydem Renewables, we classify the wastes under three headings as hazardous wastes, non-hazardous wastes and scrap wastes. There is no process-based waste generation in our operation processes, and the wastes generated are generated during maintenance work.

**We ensure that the resulting wastes are reintroduced to the economy with a circular economy approach without harming the environment and/or are recycled or disposed of in accordance with legal procedures.**

**The reason for the increase in our waste amount this year is our effective maintenance and repair works. Despite the increase in our waste amount, in 2020, we recycled all of our waste under appropriate conditions in line with our Zero Waste policy.**



All hazardous or non-hazardous wastes in solid and liquid form are separated at their source within the scope of regulations, collected in the temporary waste storage area and then sent to licensed recycling or disposal facilities. All hazardous or non-hazardous wastes in solid and liquid form are separated at their source within the scope of regulations, collected in the temporary waste storage area and then sent to licensed recycling/recycling or disposal facilities. Domestic wastes, on the other hand, are thrown into garbage containers placed in designated areas in power plants.

Recycled Waste Amount by Type (ton)	2018	2019	2020
Hazardous Waste	33	26	50
<b>Recycling Rate (%)</b>	<b>100</b>	<b>100</b>	<b>100</b>
Non-Hazardous Waste	1	2	6
<b>Recycling Rate (%)</b>	<b>100</b>	<b>100</b>	<b>100</b>
Scrap Waste	488	1,508	800
<b>Recycling Rate (%)</b>	<b>100</b>	<b>100</b>	<b>100</b>

**In line with our Zero Waste goals, our total Scrap Waste amount has been reduced by 47% in 2020 compared to 2019.**

We have **zero waste certificates** in all our power plants, and within this framework, we generate renewable energy by managing our wastes.



With 1,943 kilograms of recycled paper, we saved 33 trees from being cut down,



With 1,828 kilograms of recycled plastics, we saved on approximately 4 thousand liters of petroleum,



With 706 kilograms of glass and 310 tons of metal, we saved on approximately 405 tons of metal raw materials in total,



We contributed to the recycling of a total of 256 kg of valuable waste,



Through the waste we recycled and recovered,

- We saved approximately 215,000 kwh of energy, equivalent to the monthly electricity need of 930 households,
- We saved on 940 m3 storage area,
- We prevented a greenhouse gas emission of 29,814 kilograms, equivalent to the clean air by 300 trees.



Within the scope of our 2025 and 2035 goals, we plan to use our resources more efficiently and to increase our performance in order to prevent and reduce wastes arising from our operations, in line with our Zero Waste approach in our businesses and head office and in this direction, we commit to regularly monitoring our waste amount and developing projects to reduce it.

## Water Management



In line with our approach that considers the sustainability of natural resources, the environment and the needs of future generations through renewable energy generation, we carry out our activities without compromising our responsible water management approach. In today's conditions, where clean and fresh water resources are depleted and industrial and domestic water consumption is constantly increasing, we take care to monitor our water consumption and develop projects for the efficient use of water.

Population growth, urbanization, the increase in water demand in all sectors, especially agriculture and industry, and the increasingly unstable precipitation due to climate change threaten water resources, which are one of the most important resources for the continuity of life on our planet. In addition to the continuity of life, Since it is an indispensable part of our hydroelectric energy generation processes, water management has both an existential and strategic importance for Aydem Renewables in order to protect the amount and quality of water in the world.



## In our hydroelectric power plants:



The water taken from the natural source to generate energy is released back to the nature without any loss after its energy is taken. The water used as cooling water and turbinéd water is left behind without being polluted after completing its duties within the scope of generation with the open cycle system, and cleanliness indicators are regularly monitored in accordance with environmental legislation. The follow-up of our process water usage amount is done by power plant-based measurements. In this context, 9,803,521,564 m<sup>3</sup> of water was used in 2020 and the same amount of water was left back to nature without being polluted.

At the beginning of 2021, Downstream Water Rights Reports were prepared for Adıgüzel HPP and Kemer HPP within the scope of the Regulation on the Procedures and Principles for Signing a Water Usage Rights Agreement for Generating in the Electricity Market and their approvals were obtained.

**We invest in R&D and innovative technologies in order to protect the rapidly depleting water resources due to their strategic and vital importance, and we constantly improve our water policies for a reliable and effective management.**



**Within the scope of our 2025 and 2035 goals, we also aim to reduce our water consumption. In this scope,**

- We plan to save water with automatic battery solutions and
- to use the water from nature with our rain water collection project.

We follow the laws and regulations on water management with a high level of importance, and we provide water management by considering the geographical and demographic characteristics of all regions in which we operate, in all operational processes from the installation stage of our power plants. Apart from our water use in our generation processes, we also closely monitor our drinking and other water consumption for the daily use of our employees at our power plants. Regardless of the source of the water used, we obtain permits from the relevant authorities for all solutions and perform internal and external audits to ensure proper operation. We improved our processes by working with an independent consultant to monitor our water consumption. **As a result of our studies in this context, we determined our water consumption in 2020 as 17,806 m<sup>3</sup> and our drinking water consumption as 225 m<sup>3</sup>. Regarding to our performance this year, we reduced our drinking water amount, which was 32,395 m<sup>3</sup> in 2019, by 44%.**

Water Consumption (m <sup>3</sup> )	2020
Mains Water	6,903
Ground Water	10,783
Surface Water	120
Drinking water	225
Total	18,030

Before starting our activities and at regular intervals thereafter, we examine the status of the water resources, water stress, drinking water and wastewater quality of the geography we are located in, and take actions regarding the identified remedial issues.

After determining our consumption amounts, risks and opportunities related to water resources, we plan to carry out studies to reduce our water footprint as the next step, thereby increasing both our efficiency and our sensitivity to the issue. We aim to realize projects in order to ensure the efficient use of water, one of our valuable resources, and to raise awareness among all our stakeholders, especially our employees.



## Our Wastewater Management



In order to protect the water resources in all our operational regions, in addition to water use, we manage wastewater based on the relevant standards to be complied with and periodically control it.

Waste water management in our HPP, WPP, GPP and biogas facilities within our company is provided through septic tanks. According to the provisions of the regulation regarding the pits to be built in the places where the construction of the sewerage is not possible, "Domestic waste water of the construction sites and businesses with a population below 84 people is collected in the impermeable septic tank to be built". In this direction, as Aydem Renewables, we make an agreement with the nearest municipality in the region where our power plants are located, and direct the domestic waste water we collect in the septic tank to the waste water facilities by means of vacuum trucks.



## Conservation of Biodiversity



Our sustainability approach envisages protecting the needs of future generations, not only of humanity, but also of our friends in nature. Within the scope of our Environmental Policy, we take all necessary measures to protect the existing flora and fauna in all our activities and comply with all relevant legal regulations.

In order to protect biodiversity, we make evaluations according to the geographical conditions in the regions where all our renewable energy power plants are located, we take care to reduce the potential impacts of our activities on natural life by identifying the flora and fauna that need to be protected and the relevant measures. While making our investment plans, we evaluate our impact on all living species in the region where we will operate and reflect this evaluation in our decision-making mechanisms. We constantly review our environmental risks since the investment and installation process of power plants, and take measures to reduce our environmental impact. In this context, we carry out biodiversity research, monitoring and protection programs, mammalogy and ornithology research, afforestation and planting activities in order to measure, monitor, evaluate and reduce environmental impacts.

Major completed and ongoing projects within the scope of protecting biodiversity are as follows:

- **Fish Passes and Fish Elevator Applications:** We ensure the continuity and sustainability of aquatic life with fish passage applications in all our hydroelectric power plants that need to be deployed within our company. In our high-elevation Gökteş hydroelectric power plant, we ensure the continuity of life of the fish in the stream through the fish elevator.
- **Purple Turbine Applications in Uşak and Yalova Wind Power Plants:** As an indicator of our sensitivity to biodiversity, we started a study to prevent bird deaths in wind turbines as the first company in Turkey to realize a project in this field. Within the scope of this study, we found that bats and birds that want to eat insects follow them and hit the turbines. In the studies conducted by C.V Long & J.A Flint & P.A. Lepper investigating the cause of bird deaths in wind power plants, it was determined that the color that attracts insects the most is white, and the color that attracts the least is grey. We painted the Uşak and Yalova WPP Turbines purple, which is the second color that attracts the attention of insects the least, according to the same research, considering that the grey color will have difficulties in the vision of aircraft such as airplanes and helicopters in cloudy weather.
- **Ornithological and Mammological Monitoring Report studies:** Although none of our carefully selected power plant locations are on the migration route, we monitor bird migration routes at WPP power plants and carry out ornithology report studies for power plants. For our Uşak Wind Power Plant, in order to determine its effect on bird species living in the region or migrating and mammal species living in the area, we carried out our bi-annual Ornithological and Mammological Monitoring Report studies, which started in the Spring of 2020 to be submitted to the General Directorate of Nature Conservation and National Parks of the Republic of Turkey Ministry of Agriculture and Forestry, in the Spring Migration Period in 2021, between 26<sup>th</sup>-31<sup>st</sup> of March 2021. We aim to share our Ornithological and Mammological Monitoring Report in our next sustainability report.



- **Fish passes;** are the passages made for the fishes living in the rivers. Fishways allow and help fishes to pass from the downstream side to the upstream side, in order to maintain their natural life by overcoming the man-made structural obstacles such as dams and regulators.
- **Fish elevators;** are the systems that mechanically contain the fish population and transport it from the downstream to the upstream where the crest elevation is high, in order to replace the fishways and not affect the natural fish life.



## Our Information Technologies Management and Applications

As an extension of the Technology Age we live in, digitalization, information technologies and information security are a priority issue focused on by both internal and external stakeholders, as Aydem Renewables, we integrate Information Technologies into all our business processes in order to ensure the effectiveness of our activities within the scope of our innovation value and innovation-oriented strategies. With the awareness that innovation and digitalization are one of the important elements of ensuring our "sustainability and sustainability" in the long term, we continuously and uninterruptedly invest in these areas.

**Our company has a certificate of ISO 27001  
Information Security Management System.**

The primary objective of our Information Technologies Management is to ensure the effectiveness and efficiency of the functioning of our business processes and activities by providing effective, efficient and innovative information technologies. For this purpose, the IT organization in our head office is responsible for ensuring effective IT management, developing and implementing all necessary plans and strategies in line with our Company's strategies and objectives. An ERP system SAP, which is known as the system that supports the relevant processes in the market most effectively that enables our company to carry out activities such as human resources, finance, accounting, purchasing, incidental maintenance, to make accurate, effective and fast corporate resource planning, and to use resources such as labor force, machinery and materials efficiently are being used.

We organize many trainings in order to increase the knowledge and awareness of our employees on all these issues. In this context, unit managers were provided with Data Loss/Leakage Prevention Training and information security training against phishing attacks for employees who were not successful in the phishing attack tests conducted within the scope of information security awareness studies. In addition, information e-mails were sent to all our employees within the scope of information security awareness.

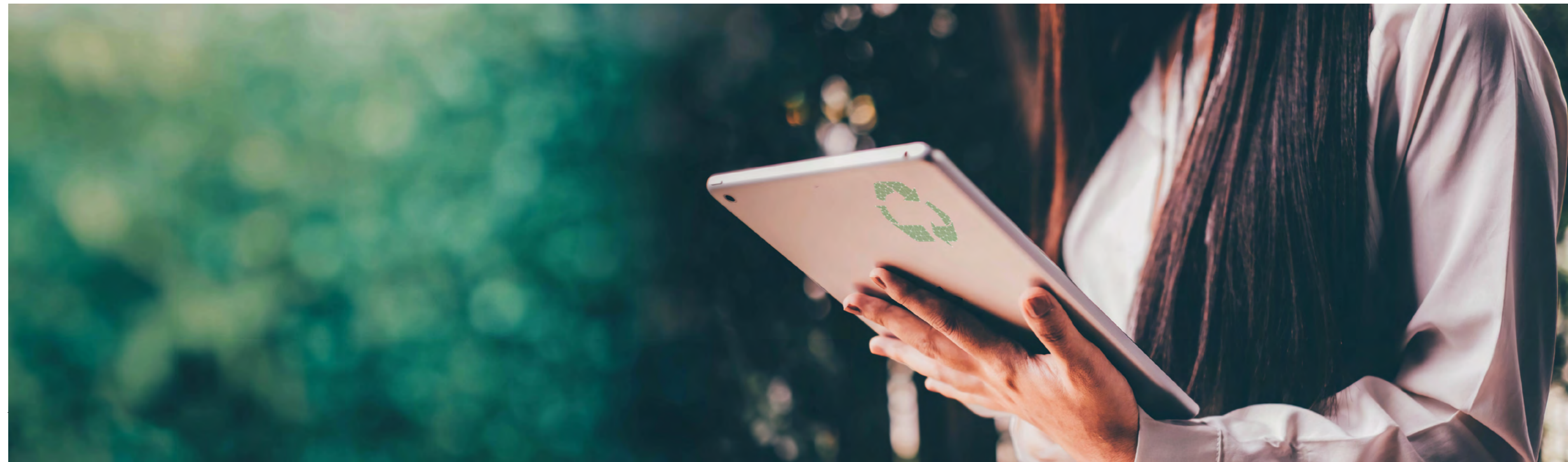
Through the many digital investment projects we completed in 2020, we made a significant contribution to raising the level of quality and efficiency in our business processes. We have benefited greatly from the advantages of the radical transformation in our information technology infrastructure, which was initiated before the pandemic, during the pandemic period. The fact that we have completed the radical transformation in information technology infrastructures before the COVID-19 outbreak, We know that it has enabled us to rapidly change the way we do business due to the onset of the pandemic, and to transition to the new working conditions brought by the pandemic as of the first week of the case in our country.



## Our digital investments in 2020

Renewable Energy Maintenance, Repair and Workforce Project (SAP PM)	All land maintenance processes have been digitized.
Mobile Device Management System Project	Continuous communication and transportation processes have been realized by enabling our corporate applications to run from corporate devices.
Digital Workflow (eBA) System Project	Signature and approval times have been shortened, and they have been able to use time more effectively by making maintenance and workforce planning more effective.
Quality Governance System Digital Transformation Project	It has contributed to efficiency in many areas such as working in global standards and saving time.

Disaster Recovery Center – Data Loss Prevention System Project	All systems and data supporting the critical processes of our company are backed up instantly and completely.
Digitalization of Human Resources Processes Project	Through to the projects we completed before the pandemic period, we provided safe working environments for our employees with an infrastructure that easily adapts to the home-office working period.
System Integration Projects	Through the faster resolution of financial processes with digital transformation projects, we have contributed to productivity by saving time and work motivation for our employees.
Projects to Increase Cyber Security Measures	By strengthening the security in online systems, our company's processes were ensured to continue uninterrupted.



# Human First

When we say "Human First", we consider the health and safety of every employee of Aydem Renewables and all our stakeholders as our first priority.

The Health and Safety  
of our Employees is Our  
Priority

## We Provide a Healthy and Safe Work Environment to Our Employees

Within the framework of our approach of respect for business life, we consider the protection of the health of all our employees and the creation of a reliable work environment as priority issues. With this approach; We offer a safe, healthy and motivating work environment to all our employees. We are constantly improving ourselves to minimize work accidents, related lost days, occupational diseases and possible losses. We are working to ensure the Occupational Health and Safety (OHS) culture and a safe working environment with the participation of everyone and the support of all senior management in all fields of activity. As Aydem Renewables, our sensitivity to occupational health and safety in the challenging conditions of the pandemic has enabled us to pass this period in a healthy and successful way. Our successful performance within the scope of occupational health and safety is an indicator of this situation.

**In 2020, the total number of accidents in the entire company, in 25 locations,**

- Decreased by 42% compared to the previous year, from 12 to 7.
- There was only 1 lost day accident in 2020.



- Lost time injury frequency rate (LTIFR), which was 2.7 in 2019, decreased to 0.82 in 2020.
- The total number of lost days as a result of work accidents decreased by 185% in 2020 compared to 2019 and realized as 27 days.
- As part of the activities of the Life Safety and Environment Committee, 85 Behavior-Oriented Inspections (ODİT) and 85 Monthly Planned Safety Inspections (APEK) were conducted in 2020.
- There has been no case of fatal or severe illness in our company due to the COVID-19 pandemic.



- Within our company, the "5 Minutes-R5 Controls Application for My Risks" was continued **The number of R5 Checks was 26% above its annual goal.**



**Fatih Peker,**  
Aydem Renewables, Sustainability,  
OHS, Environment and IMS Manager

"Our company, which has adopted the approach of "No job is so important and urgent that it endanger the life safety of our employees"; Within the framework of the proactive approach model, it ensures continuous improvement and development by taking measures to minimize the possible harmful consequences of dangerous events that may occur during our activities.

It is our most important priority to ensure the continuity of the OHS culture that we have created as a result of the unconditional support given by our company management to OHS practices and the sensitivity of our employees to these practices".

Within the scope of our OHS practices, we always go one step further and improve ourselves. We implement a systematic OHS management with our 3 OHS experts, 1 of which is a department manager, within our company. In addition, within the scope of our workplaces and businesses, we receive time-based services from 10 OHS specialists, 11 workplace physicians and 8 other health personnel, who are employees of 6 different Joint Health and Safety Units. We have OHS, Environment and Social Responsibles at all businesses and Head Office locations.

We are advancing this entire system in an integrated manner through our existing OHS Committee. Our employees submit their requests to the Committee meetings through our employee representatives and the decisions taken by the Committee are shared with our employees. We follow up the suggestions of our employees in this field with the "Opinion Suggestion Form". We consider employee

suggestions as agenda items at OHS Committee Meetings and take the necessary actions.

At the same time, dangerous situations/behaviors and corrective actions detected by our employees in the field and reported with the "Near miss, Dangerous Situation/Behavior Form" are recorded and monitored periodically through the QDMS Action module.

In addition to our successful performance, 2020 has been a turning point for us with the steps we have taken within the scope of Occupational Health and Safety and process management. In line with our goal of "Excellence in Occupational Health and Safety" and "Zero Accident" in all locations within our Company in 2020, we have completed ISO 45001:2018 Occupational Health and Safety Management System certificates and integrated the standards into all our processes.



## We Raise Awareness of Our Employees to Ensure Employee Health

The health and safety of our employees is one of our highest priority focus. In this field, we develop and train both ourselves and our employees in order to constantly improve them. We know that the measures and practices we take make sense when they are implemented and fully embraced by our employees. At this point, through the trainings that we provide to our employees on Occupational Health and Safety, we establish a relationship between the practices we carry out and the compliance process of our employees, and we raise our employees' awareness of Occupational Health and Safety effectively.

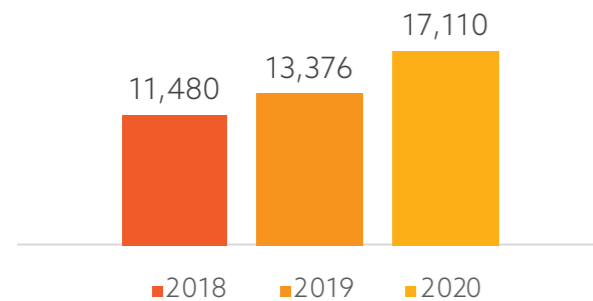
Every year, we expand our training scope and increase our training hours per person. In this context, a total of **17,110 hours for our employees in 2020; We provided 30.18 hours of OHS training per person.** Thus, we managed to **increase our total OHS training hours by 49% and our training hours per person by 45% compared to 2018.**

Especially during the pandemic, we conducted 24.3% of the trainings we provided online so that the health and safety of our employees would not be threatened.

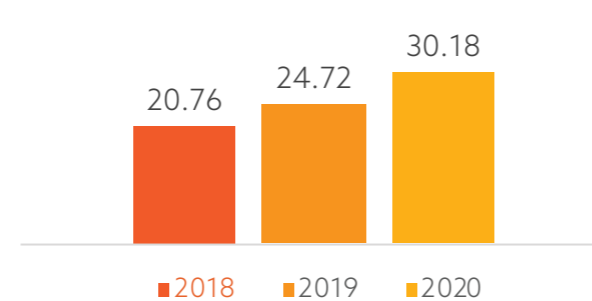


## We Improve Our Performance with Our OHS Investments

Total OHS Training Hours Given to Employees



OHS Training Hours Per Person Given to Employees



In addition to the mandatory trainings we give to all our employees within the framework of national legislation, we provide Fire Safety, Emergency and Working at Height trainings at certain periods to all our businesses. We are aware of the risk experienced by all our maintenance team employees in all our wind power plants and we make every effort to minimize this risk. We ensure that all our employees in our wind power plants receive Working at Height Training from organizations that have the necessary accreditation in accordance with the Global Wind Organization (GWO) standards.



We ensure that our contractor company employees complete our Occupational Health and Safety trainings, and we provide them with training in this field. In 2020, we provided **952 man\*hour** Occupational Health and Safety training to our stakeholders working as contractors in our business locations. When we say **"Human First"**, we consider the health and safety of every employee of Aydem Renewables and all our stakeholders as our first priority.

We expect our contractor companies and company employees to complete their Occupational Health and Safety trainings regularly and completely in accordance with the agreement/contract requirements and legal legislation requirements, with the same sensitivity, and to fully comply with the procedures prepared according to the nature of the work to be done based on the signed protocols.



In this way, which we started with the approach of "Human First", our practices that we have implemented in the past, our investments that we completed in 2020 and that we plan for the future, ensure that our performance in this field is carried forward day by day.

Through all the field investments for security purposes within the company, we managed to realize our lost time injury frequency rate well below the sector.

As an indicator of our "Human First" and "Always Going Forward" approach, we invested 5.5 Million TL in OHS in 2020.



### Fire Safety, Detection and First Responder Investments

In order to ensure the safety of our business locations and employees in possible fires, improvement and rehabilitation studies of hydrant systems are constantly carried out in parallel with technological developments. Within the scope of fire safety, periodic controls of hydrant systems, fire detection systems and YSCs in power plants are provided.

In order to increase the awareness of our employees on fire safety, fire intervention and emergency trainings are given regularly in all our power plants and at our headquarters.



**In 2020, we achieved our goals by completing our periodic controls and training program in accordance with our plans.**



### Field Investments for Security Purposes

Risk assessments, field controls and audits regarding physical and employee safety are carried out periodically at all locations of our company. Based on these studies, studies on the necessary measures are considered as priority projects.



**In 2020, we achieved our goals by completing our periodic controls in accordance with our plans.**

In this context, improvement and renewal of the Occupational Health and Safety warning signs in our facilities are carried out. We have periodically completed the safety tests of power tools (PAT Test) and the periodic controls of the work equipment in the power plants.

We carried out occupational hygiene measurements and environmental measurements.

We have renewed our company vehicles with safer and modern vehicles. We have established a vehicle tracking system in our 70 company vehicles. Along with vehicle tracking systems, we have adapted to speed limits within the scope of Company employees.

## Occupational Health and Safety in Our Supply Chain

The health and safety of not only our own employees but also our subcontractors is of great importance to us.

We select our suppliers by taking into account the criteria related to OHS policies and strategies, and in this sense, within the scope of 2 critical services where Occupational Health and Safety practices are of great importance, we continue to cooperate with Vestas and Desecure companies, where we have not encountered any work accident in the last 3 years.

We constantly measure and monitor the OHS and Environmental performances of our contractor companies in accordance with the performance criteria in our Contractor OHS procedure.

In addition, we sign Occupational Health and Safety contracts with all our subcontractors and raise their awareness as much as possible. It was ensured that 92 contractors, from whom our company received service, signed the Occupational Health and Safety contract completely. Any contractor who does not sign or implement the commitment is not allowed to enter the Company/Power Plants under any circumstances.



### Investments in the Digitization of OHS Processes

Hazardous Situations/Behaviors identified during Occupational Health and Safety site visits were started to be followed up in the QDMS system Action Module. It is aimed to manage all of the OHS processes by supporting the digital system infrastructure until the end of 2021.



### EKED (Tag-Lock-Secure-Try) Investment Project

In our 6 locations in Dalaman Region, in order to reset the dangerous energy on the machinery and equipment during periodical maintenance, incidental maintenance and controls and to protect our employees from possible work accidents,

we have activated the EKED application.



We aim to complete the EKED application in all our power plants by the end of 2021.



### Security Measures in Our HPP Operations

In accordance with the Environmental Protection, Security and Warning Systems (ÇEVKOGUS) Guide in Energy Purpose Facilities published by the General Directorate of State Hydraulic Works (DSI), necessary security measures are taken at our 20 HPPs.



ÇEVKOGUS field applications have been completed in 19 HPP operations, and ÇEVKOGUS field studies are continuing in 1 operation. It is expected to be completed in 2021.



### Personal Protective Equipment (PPE) and Equipment Investments

Personal protective equipment suitable for the nature of the job is constantly researched and supplied. In this context, it was ensured that all our employees are provided with the necessary occupational safety equipment. In this context, personal protective equipment was delivered to all our employees in return for embezzlement reports.

# Fair and Equalitarian

We have a human resources approach that values our employees and always advocates open communication, observing equality and transparency.

We Grow by Valuing  
Our Employees

# We Have a Human Resources Approach that Listens to Its Employees

**As Turkey's largest pure-play renewable energy generation company, we work together with our 567 employees to take Aydem Renewables to a higher level. We create value for our employees with our approach that is fair, supports our employees, is safe and takes responsibility for their employees.**

**With the awareness that our employees are our most important stakeholder, we adopt an approach that considers high performance and continuous development by offering them a safe, healthy and motivating work environment.**

We are aware that the architects of our successful Company performance are happy employees who adopt the workplace where they work.

In this direction, we develop and implement measurable, transparent and fair Human Resources Strategies, which will increase the contribution of our employees in achieving our business goals, reveal their potential, and ensure their peace and happiness in business life.

We develop many projects within the scope of our Human Resources Strategy, which consists of 5 main headings, and offer them to our employees.



In 2021, with our "Aydem Equal Life" project plan, with our policies, procedures and processes to improve career journey, work-life balance, awareness studies, work areas and physical conditions, we aim to achieve a strong global reputation, strong employer brand, employee satisfaction, strong brand and financial benefit.

- Mentor-Mentee Program
- Managers On The Field
- Leader Meetings
- I'm Listening to You Meetings
- Idea Line

- Monthly Satisfaction Survey
- Stories from us
- Our Impact on Each Other
- Family Gatherings
- Request and Complaint Boxes

- Welcome Package
- Aydem Buddy
- We are Together on Important Days
- Discount Agreements with External Stakeholders



- Achievement Awards
- Performance Management
- Aydem Academy
- Promotion, Transfer and Rotation
- Development with Feedback

- Enport Application
- Social Aydem
- Our Managers' Doors Are Open
- "I'm Listening to you" Meetings
- Stories from us
- Managers Handbook

- Employee Opinion Survey
- "I'm Listening to you" Meetings
- Health Examinations
- Aydem Academy
- Free Friday



With our approach of human resources management; with the awareness of the energy supply security responsibility imposed by the energy sector, we aim to create innovative employees and teams that adhere to ethical values, are sensitive to the environment, create value, and aim for the best and most efficient.

We always improve ourselves and take our human resources strategy one step further with new projects that we design and implement according to the expectations of our employees. In 2020, we have achieved many new practices and achievements in this direction.



Implementation of initiatives within the scope of Cultural Transformation

Digitization or development of modules on recruitment, performance processes, employee assignment, promotion, assignment movements and training within the scope of HR Digital transformation



Transition to an independently assessed wage system

Conducting Organizational Health Index (OHI) surveys and Employee Opinion Surveys within the scope of employee opinion



Regulation and improvement of fringe benefits in power plants (meal card application)

Implementation of the Mentor-Mentee program



Implementation of Aydem Buddy application

Expanding the scope of Health Insurance application



**Sultan Piltan,**  
Aydem Renewables,  
Human Resources Manager

"As Aydem Renewables Family; we are walking with determined steps in this journey, where we brighten our future with innovative and open-to-development practices on the basis of trust, keeping the team spirit alive. We are happy to have the privilege of working with our friends who add energy to our energy."

## Aydem Renewables is in Turkey's Best Employers List!



We are proud of our achievements as a result of our Human Resources practices and all the work we carry out.



**In line with our goal of being the number 1 employer brand in the energy sector, we have successfully achieved our goal of being included in Turkey's Best Employers List by initiating our project with the Great Place to Work® (GPTW) Turkey office this year.**

The certification system of **Great Place to Work®**, with its experience of more than 30 years, with a culture of high trust with 100 million employees in more than 60 countries around the world; is based on the fact that companies with a score above 65% in the +500 Employee Category in the Trust Index employee survey qualify for the Great Place To Work® Certification. **With our 97% participation rate, as a result of the survey, we showed a performance above the expectations of the certification system; as 1 of the 4 companies, which have 500-2000 employees, the highest score in Turkey with 82 points in the Trust Index survey, we were entitled to receive the Great Place To Work® Certification.**

We know that this success we have achieved through all our employees is a team effort, and we make our energy from this success sustainable by transferring our energy to nature with the memory forest we created by planting a sapling for each of our employees.



**İdris Küpeli**

Aydem Renewables,  
Chairman of the Executive Board

"I am proud of the fact that the works we carry out by always focusing on the human being are described as "the best" by both you and independent organizations, especially in this process where needs are differentiated under pandemic conditions and the culture of trust gains even more importance. Behind this success lies an important teamwork."



**Great  
Place  
To  
Work®**



## We Care About Employee Satisfaction

We believe that the most important way to provide an efficient and value-creating work environment for our employees is to listen to our employees and get their feedback. In addition to our Great Place to Work® certification, we periodically organize Employee Satisfaction and Organizational Health Index (OHI) surveys to measure the satisfaction of our employees.

Through to the system developed by McKinsey, we establish the connection between performance and employee health, measure the organizational factors that affect performance and make comparisons according to the sector. In this way, a simple but powerful roadmap is provided to improve corporate health performance as a Company. In order to represent the employees in the projects to be carried out within the scope of the improvement initiatives, which we determined as a result of the survey studies we conducted, we form teams and complete the projects by ensuring the participation of the employees of different departments.



**Through the added value provided by the projects we carry out, we increased our Organizational Health Index (OHI) score from 62 points in 2019 to 80 points in 2020, despite the COVID-19 pandemic. As a result, we are happy to achieve this success beyond our goals.**

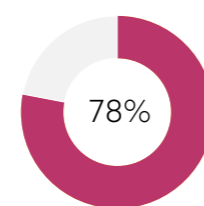


**In the following periods, we aim to maintain the satisfaction level of our employees and to go beyond our goals and achieve new successes with our employees.**

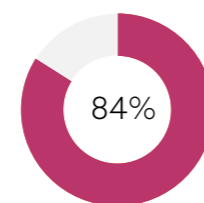
With these projects, we increase the satisfaction of our employees and ensure that the turnover rate of the employee is low, thus supporting the provision of business continuity. In this context, we consider the fact that our employee turnover rate was 1.11% in 2020 as an indicator of the satisfaction of our employees and we are pleased.



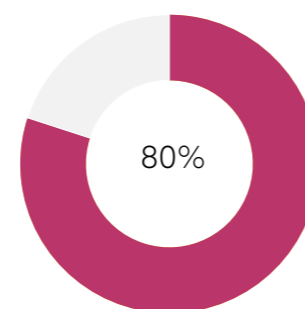
Blue Collar - OHI



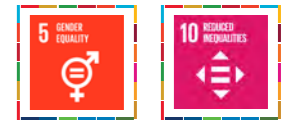
White Collar - OHI



Overall OHI Results



## We Prioritize Equal Opportunity and Employee Development



### Equal Opportunity and Prevention of Discrimination

As Aydem Renewables, we consider it one of our highest priorities to prevent all forms of discrimination in our entire value chain, in order to create an equalitarian, fair and transparent workplace for our employees. We are constantly improving ourselves with the policies, practices and programs we have developed in this direction, and we listen to our employees and try to respond to their needs.

We believe that the productivity of employees increases in an environment where equality and diversity are respected, and that working teams formed with diversity improve the way they do business with different perspectives and support making the right decisions. We act in accordance with our equal opportunity and non-discrimination approach in our interaction with our employees, which starts with the recruitment process, and

in all our human resources processes such as promotion, performance evaluation, transfer, leave, wage and training rights. As a company that always respects equality, we always pursue an equalitarian approach without discrimination based on language, religion, race, creed, nationality, marital status or gender. Without including these differences in our decision-making processes in the decisions we make about our employees at every stage; we create an equalitarian, prudent, reliable and fair working environment.

On the basis of our equal opportunity and prevention of discrimination approach, there is no discrimination based on language, religion, race, creed, belief, gender, nationality, marital status, age and similar reasons.



As we have stated in the policies and practices that form the basis of our company's governance structure; In all our business processes, we see it as our basic principle that no discrimination based on language, religion, race, creed, belief, gender, nationality, marital status, age, etc. is allowed to our employees; We are working with the awareness that our top management is committed to the sensitivity of equality in our company.

With our female employee ratio increasing every year, we care about the presence of our female employees in every field within the company, especially in the areas of decision-making and governance. We have increased the rate of female employees, both at the middle and senior management level, and in our total number of employees.

**In 2020, the rate of female employees in senior and middle management increased by 5.5% compared to the previous year and reached 14.5%. In line with the goals we have set for ourselves in this area, we continue our activities to support women's employment.**

**At the same time, we are proud of having increased the rate of women at the top level of our management model with our 2 female members in our Board of Directors.**

In addition to our goal of increasing the representation of our female employees in every field, within the scope of gender equality, which is one of the most prominent issues when it comes to equality and prevention of discrimination, we also manage the maternity leave and post-maternity leave processes in the most effective way, which is one of the most important issues in this field. We protect the rights of our employees during and after maternity leave, which is one of their natural rights, and we implement practices that make it easier for them to return to work. We offer our employees who have just given birth, first of all, 6 months of unpaid leave after maternity leave, half-time work supported by Turkish Employment Organization (İŞKUR), and remote working opportunities.

	2018	2019	2020
Number of employees Benefiting from Maternity/ Parental Leave	1	6	5
Number of employees returning to work after the end of the maternity leave	1	6	5

Through our practices, all 5 of our employees who took maternity leave during the year, as in previous years, returned to their working life. Providing the same conditions to our employees in the future, ensuring that our female employees continue their business life without any barriers is among our primary goals.

We show our clear stance against all kinds of discrimination through our policies, practices and the clear stance of our Board of Directors in this area. We try to prevent all kinds of discrimination-related incidents in our business environment, and if our employees have notifications, we evaluate and resolve them in the most accurate way. Within the scope of discrimination, we actively run our Ethics Committee and implement our disciplinary processes in the most effective way in response to any violation or neglect. **As a result of our management mechanism and clear stance in this area, we proudly say that there has not been any discrimination case filed by our employees or third parties this year, and there has been no lawsuit filed against our Company on the grounds of discrimination.**

We are initiating the "Lactation Room Project" in order to support all our female employees in their business life, to make their return to work more comfortable and most importantly to ensure that female employees feed their children with breast milk for the longest period of time they can when they become mothers.



## Aydem Equal Life Journey

The 5th Sustainable Development Goal (UNDP) among the Sustainable Development Goals (UNDP) determined by the United Nations to ensure that we have a future is **"Gender Equality"**. At the end of 2019, one of the project groups initiated with the aim of **"Providing Justice and Qualification"** in the titles determined according to the Organizational Health Index (OHI) study conducted in our company was the **"Aydem Equal Life"** initiative. We continued the initiative projects we started with the full support of our Chairman of the Board of Directors and our Human Rights Policy in 2020 and 2021 as well. With the initiative projects we carry out within the scope of **"Aydem Equal Life"**; by getting down to the root causes of possible problems stemming from gender inequality and aiming to produce transformative and remedial solutions; we have realized many projects in order to recognize and realize the gender-related barriers that women and men experience, and to take positive steps in our Equal Life Journey with remedial or corrective actions.

At the beginning of 2021, we held our first seminars in this context and formed our working group within the scope of the **"Equal Life Initiative"**. At the same time, we have prepared an action plan for the first half of 2021 within this framework. In the light of our action plan, we started to take our steps quickly in the first six months of 2021 with webinars, training activities, surveys we will organize to understand the expectations of our employees, maternity leave, post-military applications, support programs we planned for mothers and fathers, and competency-based assessment development programs.

Within the framework of the Aydem Equal Life Plan, we ensure equality of opportunity and prevention of discrimination with our practices, policies, procedures and processes in 4 different concepts, consisting of **Awareness Studies, Career Journey, Work-Life Balance** and **Work Spaces and Physical Conditions**.

### Awareness Studies

Raising awareness on equality, diversity and inclusion through webinars, focus group studies, online learning tools and different programs in all group companies

### Career Journey

In order to prevent gender inequality in the number of employees, equal number of male and female candidates are selected for the talent pools, taking into account gender equality, raising the awareness of the evaluators and conducting special studies for the candidates

### Work Life Balance

Work-Life Balance Conducting needs analysis of employees regarding the completely changed conditions due to the Pandemic. Conducting communication activities within the scope of the "Equality at Home and Work" program

### Working Areas and Physical Conditions

Evaluation of work areas from the perspective of inclusiveness. Implementation of solutions that will meet the special needs of different genders



We adopt the approach of justice and equality in every field, and we take our steps for Equal Life, being aware of the importance of gender equality for a sustainable world.

We are taking firm steps forward in our Aydem Renewables journey, which we started with the aim of strengthening the concept of gender equality in all layers of our society, starting within our company and throughout our society.



# Equal Life

**All our energy is for equality**

## Aydem Equal Life Ambassadors

In order to internalize the **"Equal Life"** vision within our company; **"Aydem Equal Life Ambassadors"** will be selected among our employees with voluntary participation. Our Equal Life Ambassadors after completing their **Equal Life Educator** training; By providing training to all our company employees through Aydem Academy, they will support the adoption of the **"Equal Life"** perspective within the company.



## We Are Adding New Members to Our Competent Staff

Despite going through the difficult COVID-19 pandemic process all over the world and in our country, as Aydem Renewables, we continued our generation without slowing down and continued to add new members to our family in this process by adapting to the process as quickly as possible.

In 2020, by including 39 of our colleagues in our competent staff, we contributed to increasing the employment level and economic growth of our country.

In addition to orientation and induction trainings for our newly recruited colleagues in 2020, meanwhile, the company recruited guides from among our employees, and within the scope of this application, which we called the "Buddy Application", support was provided for our new employees to adapt.

We have achieved our company goals by fully completing the orientation and onboarding trainings for all our colleagues, both Blue Collar and White Collar, who have just started working in 2020.

Our Newly Started Employees	White Collar	Blue Collar
Number of Newly Started Employees	22	17
Number of Individuals Receiving Orientation Training	22	17
Training Hour Per Personnel	7.5	45



We continue to cooperate with Turkish Employment Organization for the vacant positions, interviews are conducted with the applicants through Turkish Employment Organization, and suitable candidates who meet the required qualifications are evaluated.



## We Evaluate Performance of Our Employees Fairly

We believe that the fair and qualification based evaluation of our employees is directly related to employee performance and company loyalty. As part of our approach of equal opportunities and prevention of discrimination, we work with a transparent and fair performance management and reward system. In the light of our Human Resources Policy, which supports this approach, we also act meticulously in our remuneration processes and proceed with an equalitarian approach. We work with a global and independent compensation consultant in this area, and we manage our processes with our fair and completely performance analysis-based compensation system. In this way, we ensure that our employees are not discriminated against due to gender, language, religion, race, creed, belief, nationality, marital status and similar reasons, and we offer a working environment in which our employees will feel safe.

We act in a transparent manner with our perspective that does not allow discrimination in the recruitment processes, where we make our first contact with our employees. We start the process with our recruitment announcements published on our company's website; We complete our recruitment steps by evaluating our candidates with talent, experience and potential performance measurement criteria. Throughout their careers in Aydem Renewables, our employees are progressing with an equalitarian and reassuring structure that motivates them in their career planning and promotion processes; we consider aspects such as performance, core competencies and depth of technical knowledge. We aim to measure and evaluate the performance of our employees in an objective and effective manner in order to determine to what extent they contribute to the corporate goals and how these goals are achieved.

In this context, we evaluate our employees with a Collaborative, supportive and guiding Performance Management System.

**In 2020, we included all our employees who should be included in the Performance Management System, and we increased the number of employees whose performance was evaluated by 1.5 times compared to the previous year.**



With our approach of gender equality, we provide undifferentiated side benefits to our male and female employees in the same position. We ensure that all our employees benefit from our fringe benefits, including performance bonus, private health insurance, productivity-enhancing project awards, achievement awards, position-based vehicle, telephone, laptop support, meal card support, gifts on New Year's Eve and special days, seniority awards, marriage and birth awards, in an equitable manner.



### Side Benefits We Provide to Our Employees

Performance premium	Mobile phone and laptop support	Gifts on new year's eve and special days	Maternity leave (Father and Mother)
Vehicle support based on their positions	Meal card support	Private health insurance	Position based fuel support
Aid package (Ramadan, Food, Marriage, Birth, Death, etc.)	Seniority incentive bonus	Project awards and achievement awards	Special permissions (compassionate leave, death leave, etc.)

Continuing our cooperation with Acibadem Bupa this year, as last year;

- Complementary Health Insurance for our 94 employees,
- Personal Accident Insurance for our 449 employees,
- Private Health Insurance for our 58 employees and 38 family members,
- We made life insurance policies for 58 of our employees.



### Awards We Give to Our Employees in 2020

#### Achievement Awards

In accordance with our company's business values, the determination and awarding of success awards are evaluated by the Success Awards Committee. In this context, to our employees,

- Distinctive Awards: Occupational Health and Safety Achievement Award, Environmental Achievement Award, Process Improvement Achievement Award,
- Achievement Award in Social and Cultural Activities,
- Achievement Award in Sports Activities is being given.

#### Seniority Awards

In 2020 Seniority awards were given;

- To our 39 employees with 20 or more years of seniority,
- To our 56 employees with 15 years or more seniority,
- To our 86 employees with 10 or more years of seniority,
- To 154 employees with 5 or more years of seniority.

#### Marriage and birth awards

In 2020;

In order to show that we are with them, we gave gold gifts to 10 of our employees who got married and to our employees who gave birth to 20 children

## We Support Employee Development

With the awareness that our employees are our most important power in achieving our success and sustainability goals, by creating a corporate culture that encourages both our Company and our employees to achieve their goals in line with our **Human Orientation** value; we give importance to the development of our employees, invest in talents and offer a motivating work environment to our employees.

As a part of the energy sector, which is constantly renewing itself and constantly developing in terms of regulation, consumer demand and investor expectation, we follow the changes and trends in the energy world. In order to successfully adapt to this rapid transformation in the sector, we make many investments in order to develop our employees.

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 carefully monitor the effectiveness of determining the training needs

to be implemented, planning and implementing training activities, keeping all training records and training evaluation principles. With the awareness that each of our employees is a talent; we plan trainings in line with the needs of our employees on technical, professional development and personal development. By bringing the Success Factors Education module, one of the steps of digital transformation, live, we created a cloud-based system where you can manage our education processes through a single platform. Thus, we manage the functions that should be in the end-to-end training processes and ensure that the right training is given to our employees in line with our company strategy.

We continuously invest in human resources by offering innovative training and applications to our employees, and we create the future's business environment together with our employees, as we generate the energy of the future.

## Aydem Academy

Under the umbrella of Aydem Academy, we accelerated digital projects with the effect of the pandemic and with the online trainings we provide, we supported the development of our employees. In addition, by accelerating the training of technical employees by the Vocational Qualifications Authority, ensuring that they are more technically equipped and getting certificates; we continue to increase the quality of the workforce. We give importance to the completion of the orientation trainings of our newly recruited employees. In 2020, all our newly recruited white-collar employees will receive 7.5 hours per person on their employment; We provided 45 hours of orientation training per person to our newly recruited blue-collar employees upon their employment.

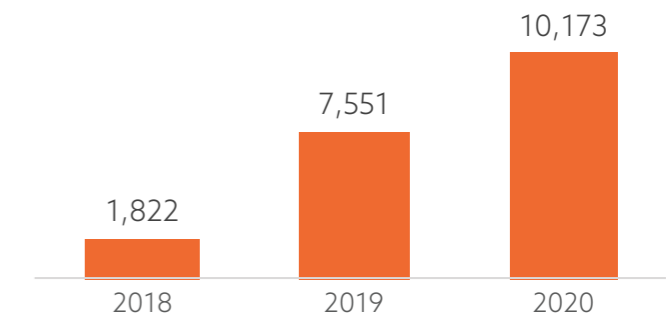
White Collar	Training Hours per person
Female	7.5 hours
Male	7.5 hours

Orientation Training	The Number of New Employees	Number of People Who Have Taken Orientation	The Training Hours per Person
Blue Collar	17	17	45 hours

Every year, we increase the training period we give to our employees in order to support their talent development. In 2020, **we achieved an increase of 61% compared to the previous year by increasing our total number of employees receiving training to 539, and by increasing our total training hours to 10,173 by 35%.**



### Training Hour Given to Employees



In addition to our own employees, we also carry out many projects in order to recruit new talents and reward successful students. With the internship programs we provide, we give importance to educating our employees from the core in our Head Office and Operations. In this direction, for the development of undergraduate students and gaining experience in business life; We run internship programs with Istanbul Technical University (ITU), Middle East Technical University (METU), Pamukkale University, Kütahya Dumlupınar University.

We employed 16 interns within our Company in 2020, and we aim to increase the number of interns employed by 57% in 2021. In addition, **we aim to employ 100 young women by 2026, in line with the goal of "Empowering Woman and Girls" within the scope of Gender Equality**, Article 5 of the 17 Sustainable Development Goals (UNDP) determined by the United Nations. Within the scope of this goal, a total of 6 young women interns were employed in 2020 and 2021, and 8 more young women interns will be employed until the end of the summer of 2021. Thus, we will continue to contribute to increasing the ratio of female employees in the Energy Sector.



In order to contribute to the career journey and self-development of successful students, we organize scholarship programs with Istanbul Technical University Alumni Association and Kütahya Dumlupınar University and support the education of university students.

### We are proud of the achievements of Aydem Science High School.

- A total of 204 participants from 53 countries participated in the 9th European Girls' Mathematical Olympics (EGMO). In the 2020 European Mathematics Olympiad, Aydem Science High School student Zeynep Taşevli achieved an important success and received the Silver Medal.
- Denizli Aydem Science High School student Zeynep Taşevli, who also represents Denizli in Turkey TÜBİTAK Girls' National Team, received the 'Silver Medal', the 2nd place in the 2020 European Girls' Mathematics Olympiad, from TÜBİTAK President Prof. Dr. Hasan Mandal.



We know that the investments we make in our talents differentiate us and move us forward, and we act with the awareness of the importance of having qualified human resources. Therefore, we create opportunities for both personal and professional development of our employees.

## Mentor-Mentee Project

We believe that it is an important instructive practice for our employees to benefit from each other's experiences. In this context, we started the Aydem LED (Leadership Interaction Transformation) **Mentor Mentee Project**, considering that our competent and experienced leaders working within our Company will contribute greatly to all our employees. We aim to ensure that our experienced managers share their knowledge, working style and thinking methods with people working outside their fields of expertise and transfer their leadership skills to them. **5 Mentees benefited from this program, which we started in 2020, and we continue to work to increase the number of Mentees in the future.**

## Transformation Journeys Application

We are taking place as Aydem Renewables within the scope of **Transformation Journeys** Applications started within Aydem Energy. Through this program, we aim for our managers to convey their transformation journeys to our employees and to transfer ideas and experiences within our group companies. **In 2020, 2 of our executives from our company participated in these interviews.**

## Our Code of Ethics and Our Anti-Bribery and Anti-Corruption Perspective

**Within the framework of our sustainability priorities and our corporate responsibility approach, we create a workplace that respects ethical principles, as all our stakeholders expect from us, and we fight to prevent bribery and corruption from occurring.**

We publish our Code of Ethics, which is in compliance with the best practices in the world, Turkish legislation and legal order, which every employee must comply with, regardless of the scope and nature of their duties, through the Document Management System, which is accessible to everyone. Through our rules, we apply many procedures and policies, from preventing bribery and corruption to ensuring equal opportunity, from ensuring internal confidentiality to protecting personal information of customers.

We manage all ethical and ethical issues within the framework of the "Ethical Rules and Working Principles" that we have published. Thus, with the Code of Ethics and Working Principles, we define the company and all third parties acting on behalf of the company and the rules that employees must comply with, employee rights, as well as company ethical evaluation and basic principles. Through to the "Ethics Line" we have created within this framework, we collect questions and notifications from our internal and external stakeholders on matters related to our Company. We collect notifications from our ethics line, which can be reached at

**etik@aydemyenilenebilir.com.tr** or **0 (850) 575 0 575** and we evaluate these notifications through the Ethics Committee. We resolve the notifications and complaints as a result of the evaluations we carry out meticulously. When deemed necessary, we ensure that all necessary actions are taken, from ethical review to criminal sanction requiring disciplinary investigation.

We do not tolerate the fight against bribery and corruption, which is one of the most important issues in this area, and we proceed in line with strict rules in this area within the Company. Universal legal rules, which are the responsibility of our Board of Directors, Ethics Committee and Disciplinary Committee, Human Resources Department, Internal Audit Unit, Managers and Employees, We have been effectively implementing our "Anti-Bribery and Anti-Corruption Policy" in compliance with the laws and regulations, ethical and professional principles within the scope of bribery and corruption for a long time.

**There is no major issue within the scope of the Ethical Disclosures made in 2020.**

# Appendix



## Our Memberships and Collaborations

World Energy Council Turkish  
National Committee

Turkish Industry and Business  
Association (TÜSİAD)

Turkey Energy Council

Generators Association  
(EÜD)

Turkey Energy Foundation

The Association of Turkish  
Electricity Industry (TESAB)

AKUT

Sustainable Production and  
Consumption Association  
(SPCA)

UN Global Compact

Ministry of Interior Disaster  
and Emergency Management  
Presidency (AFAD)

Denizli Chamber of  
Commerce

Denizli Gazeteciler Cemiyeti

Denizli Genç İş İnsanları  
Derneği (DEĞİAD)

Denizli Chamber  
of Industry

Denizli Sanayici ve İş adamları  
Derneği (DESIAD)

Denizli Bar Association

## Environmental Performance Indicators

### 1. Energy Consumption

Energy Consumption	2018	2019	2020
Natural Gas (GJ)	681.92	469.52	768.55
Diesel - Generator (lt)	9,035.71	18,878.24	16,451.86
Diesel - Company Vehicles and Operational Vehicles (lt)	250,350.11	249,298.59	192,812.61
Diesel - For heating (lt)	0	0	1,265.17
Gasoline - Company Vehicles and Operational Vehicles (lt)	76	13,528.32	13,064.35
Gasoline - Generator (lt)	20	20	70.80
Gasoline - For heating (lt)	0	0	409.71
LPG (kg)	216	120	1,622

### 2. Electricity Consumption

Electricity Consumption	2018	2019	2020
Electricity (kWh)	8,282,422.76	8,913,662.48	11,100,725.78
Electricity (GJ)	29,825.07	32,098.17	39,973.80

### 3. Electricity Generation

Electricity Generation (GWh)	2018	2019	2020
Electricity Generation from Renewable Sources	2,075	2,803	2,638

### 4. Greenhouse Gas Emissions

Greenhouse Gas Emissions (ton CO <sub>2</sub> e)	2018	2019	2020
Scope 1	1,045.14	925.32	775.45
Scope 2	6,526.35	6,477.28	4,729.06
Scope 1 + 2	7,571.49	7,402.60	5,504.51
Scope 3*	804.54	646.64	498.31
Total Emissions	8,376.03	8,049.24	6,002.82
Emission Intensity (ton CO <sub>2</sub> -e/MWh) (Total Emissions / Electricity Generation)	0.0040	0.0029	0.0023

\*Scope 3 covers emissions goods and services purchased (food, beverage, paper cup, plastic plate, paper etc.), fuel and energy-related activities (energy transmission), waste from operations (hazardous, non-hazardous, scrap waste), business travel (transportation by plane) and employee services.

## 5. Water Consumption

Water Consumption (m3)	2018	2019	2020
Headquarter	6,004.8	4,210.8	3,338
Power Plants	24,193	28,184	14,693

## 6. Waste

Waste (ton)	2018	2019	2020
Hazardous Waste	33	26	50
Recycling Rate (%)	100	100	100
Non-hazardous Waste	1	2	6
Recycling Rate (%)	100	100	100
Scrap	488	1,508	800
Recycling Rate (%)	100	100	100
Paper Consumption*	0.36	0.8	1.26

\*The reason for the increase of paper consumption is due to the use of disposable paper derivative products during the pandemic period.

## Social Performance Indicators

### 1. Employee Demographics

Number of Employees	2018	2019	2020
Women	49	46	50
Men	626	523	517
<b>Total</b>	675	569	567

Third Party Employees*	2018	2019	2020
<b>Total</b>	157	121	186

\* Indicates the number of employees within the scope of outsourced service.

Number of Employees by gender and levels	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
Senior Management	0	1	0	5	0	4
Medium Management	8	31	5	45	8	43
Non-Administrative White Collar	37	69	36	47	37	59
Operational Level	4	525	5	426	5	411
<b>Total</b>	49	626	46	523	50	517

Number of employees by years	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
Number of employees worked between 0-5 years	32	285	25	202	22	169
Number of employees worked between 5-10 years	11	180	17	161	20	171
Number of employees worked above 10 years	6	161	4	160	8	177
<b>Total</b>	49	626	46	523	50	517

Employee turnover rate	2018		2019		2020	
	%	Number	%	Number	%	Number
Headquarter	5.64	23	6	26	1.3	6
Power Plants	2.74	69	1.7	30	0.9	17

Number of new hires	2018	2019	2020
Employment of white-collars	27	28	22
Employment of blue-collars	95	46	17
<b>Total</b>	122	74	39

Number of disabled employees	2018		2019		2020	
	Women	Men	Women	Men	Women	Men
<b>Total</b> number of disabled employees	0	16	0	15	0	15

Number of Maternity Leaves	2018	2019	2020
Number of employees on Maternity Leave	1	6	5
Number of employees returning to work after Maternity Leave	1	6	5

## Social Performance Indicators

### 2. Trainings Given to Employees

Employee Trainings	2018		2019		2020	
	Number of Trainees	Total training hours	Number of Trainees	Total training hours	Number of Trainees	Total training hours
Women	17	168	40	1,451	45	826
Men	56	1,654	295	6,100	494	9,347
<b>Total</b>	73	1,822	335	7,552	539	10,173

Total OHS Training Hours Provided to Employees	2018	2019	2020
Online Training Hours	-	-	4,162
Total Hours of Training	11,480	13,376	17,110
Annual Average Hours of Training per Employee	20.76	24.72	30.18

### 3. Occupational Health and Safety

OHS - Company Employees	2018	2019	2020
Number of lost time injuries	12	6	1
Number of total recordable injuries	33	12	7
TRIFR - Ratio of total recordable injury frequency	11.5	5.4	5.7
LTIFR - Lost time injury frequency rate	4.2	2.7	0.8
The goal of lost time injury frequency rate	None	3.3	2.3

OHS - Third-party Employees	2018		2019		2020	
	Vestas	Desecure Security	Vestas	Desecure Security	Vestas	Desecure Security
Number of Third Party Work Accidents	0	0	0	0	0	0
Frequency Rate of Third Party Work Accidents	0	0	0	0	0	0
Lost time due to Third Party Work Accidents (hour)	0	0	0	0	0	0

\*No work accident has occurred in the last 3 years in any of our permanent contractors from whom we receive power plant, maintenance, repair and security services.

## Economic Performance Indicators

### 1. Generation Data

Name of the Power Plant	Type	Net Generation (Gwh)	
		2019	2020
Bereket I-II	HES	11	10
Feslek	HES	12	9
Dalaman	HES	105	75
Gökyar	HES	30	20
Mentaş	HES	133	101
Koyulhisar	HES	183	177
Toros	HES	241	231
Aksu	HES	89	82
Kemer	HES	92	57
Adıgüzel	HES	52	29
Çırakdamı	HES	119	100
Dereli	HES	119	99
Akıncı	HES	449	362
Göktaş	HES	756	845
Söke	RES	151	157
Uşak	RES	120	131
Yalova	RES	137	150
Kızıldere	Jeotermal	-	-
Kumkısık	Biyogaz	4	3
<b>Total</b>		2,803	2,638

### 2. Selected Financial Indicators

Financial Indicators (K TL)	2018	2019	2020
Current Assets	500,166	305,681	325,318
Non-current Assets	8,754,676	9,936,736	12,145,381
Short-term liabilities	1,266,239	850,125	907,467
Long-term liabilities	6,233,677	4,971,866	5,670,380
Total Equity	1,754,926	4,420,426	5,892,852

Financial Indicators	2019
Gross Profit (MTL)	758
Gross Profit Margin	63%
EBITDA (MTL)	1,052
EBITDA Margin	88%

Financial Indicators	2020
Gross Profit (MTL)	767
Gross Profit Margin	57%
EBITDA (MTL)	1,039
EBITDA Margin	78%

## GRI Indicators

GRI Standard	Indicators	Page Numbers, Direct References and/or Answers	Page Number(s)	Omissions
GRI 101: Foundation 2016	It does not contain indicators			
GRI 102: General Disclosures 2016	Organizational Profile			
	102-1	About the report	8-9	
	102-2	Aydem Renewables with its building blocks	18-29	
	102-3	About the report	8-9	
	102-4	About the report	20-21	
	102-5	Our Robust Corporate Governance Approach	32-49	
	102-6	Aydem Renewables with its building blocks	18-29	
	102-7	Aydem Renewables with its building blocks	18-29	
	102-8	We Have a Human Resources Approach that Listens to Its Employees	130-134	
	102-9	Sustainability in our Supply Chain	94	
	102-10	Sustainability in our Value Chain	92-93	
		Sustainability in our Supply Chain	94	
	102-11	Our Robust Corporate Governance Approach	32-49	
		Our Risk Perception and Reliable Management	54-63	
	102-12	Our Comprehensive Sustainability Strategy	70-73	
		Our Memberships and Collaborations	148	
	102-13	Our Comprehensive Sustainability Strategy	70-73	
		Our Memberships and Collaborations	148	
	Strategy			
	102-14	Our Robust Corporate Governance Approach	32-49	
		Efficient Sustainability Governance	74-75	
	102-15	Our Risk Perception and Reliable Risk Management	54-63	
	Ethics and Integrity			
	102-16	Our Robust Corporate Governance Approach	32-49	
	102-17	Our Robust Corporate Governance Approach	32-49	

GRI Standard	Indicators	Page Numbers, Direct References and/or Answers	Page Number(s)	Omissions
GRI 102: General Disclosures 2016	Governance			
	102-18	Our Robust Corporate Governance Approach	32-49	
		Our Code of Ethics and Our Anti-Bribery and Anti-Corruption Perspective	145	
	102-19	Our Robust Corporate Governance Approach	32-49	
		Our Robust Sustainability Governance	74-75	
	102-20	Our Robust Corporate Governance Approach	32-49	
		Our Robust Sustainability Governance	74-75	
	102-21	Our Robust Corporate Governance Approach	32-49	
		Our Robust Sustainability Governance	74-75	
	102-22	Our Robust Corporate Governance Approach	32-49	
	102-23	Our Robust Corporate Governance Approach	32-49	
	102-24	Our Robust Corporate Governance Approach	32-49	
	102-25	Our Robust Corporate Governance Approach	32-49	
	102-26	Our Robust Corporate Governance Approach	32-49	
		Our Robust Sustainability Governance	74-75	
	102-27	Our Robust Corporate Governance Approach	32-49	
		Our Robust Sustainability Governance	74-75	
	102-28	Our Robust Corporate Governance Approach	32-49	
	102-29	Our Robust Sustainability Governance	74-75	
	102-30	Our Risk Perception and Reliable Risk Management	54-63	
	102-31	Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	102-32	Our Comprehensive Sustainability Strategy	70-73	
		Our Robust Sustainability Governance	74-75	
	102-33	Our Robust Corporate Governance Approach	32-49	
		Our Robust Sustainability Governance	74-75	
	102-34	Our Robust Corporate Governance Approach	32-49	
		Our Robust Sustainability Governance	74-75	
	102-35	Our Robust Corporate Governance Approach	32-49	
	102-36	Our Robust Corporate Governance Approach	32-49	
	102-37	Our Robust Corporate Governance Approach	32-49	
	102-38	Our Robust Corporate Governance Approach	32-49	
		Our Stakeholder Governance	80-82	
	102-39	Our Robust Corporate Governance Approach	32-49	

## GRI Indicators

GRI Standard	Indicators	Page Numbers, Direct References and/or Answers	Page Number(s)	Omissions
Stakeholder Engagement				
GRI 102: General Disclosures 2016	102-40	Our Stakeholder Governance	80-82	
	102-41	On September 2, 2019, we signed a collective agreement with Tes-İş union to be valid between March 1, 2019 and December 31, 2020. The collective bargaining agreement regulates the employment terms and conditions of employees in Kemer and Adıgüzel HPPs, including salary increases, probationary periods, working hours, overtime wages, holidays and severance pay.  Our collective bargaining agreement gives blue-collar workers more rights Turkish labor laws and regulations.		
	102-42	Our Stakeholder Governance	80-82	
	102-43	Our Stakeholder Governance	80-82	
	102-44	Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	Report Profile			
	102-45	About the report	8-9	
	102-46	About the report	8-9	
	102-47	Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	102-48	There has not been any readjustment during the reporting period.		
	102-49	About the report	8-9	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	102-50	About the report	8-9	
	102-51	The previous Sustainability Report has been issued in February 2021.		
	102-52	The company reports once in a year.		
	102-53	About the report	8-9	
	102-54	About the report	8-9	
	102-55	GRI Indicators	154-165	
	102-56	The Company has had limited assurance for Scope 1,2 and 3 greenhouse gas emissions.		

GRI Standard	Indicators	Page Numbers, Direct References and/or Answers	Page Number(s)	Omissions
GRI 200: Economic Standards 2016				
Economic Performance				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
GRI 201: Economic Performance 2016	103-3	Our Robust Sustainability Governance	74-75	
	201-1	Our Economic Performance and Opportunities	51-53	
	201-2	Our Economic Performance and Opportunities	51-53	
		Our Risk Perception and Reliable Risk Management	54-63	
	201-3	We Have a Human Resources Approach that Listens to Its Employees	130-134	
Market Presence	201-4	Our Economic Performance and Opportunities	51-53	
	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
GRI 103: Management Approach 2016	103-3	Our Robust Sustainability Governance	74-75	
	202-1	Our Robust Corporate Governance Approach	32-49	
		We prioritize equal opportunities and development of employees	135-141	
	202-2	We Have a Human Resources Approach that Listens to Its Employees	130-134	
Indirect Economic Impacts				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
GRI 203: Indirect Economic Impacts 2016	103-3	Our Robust Sustainability Governance	74-75	
	203-1	Continuous Investment to Renewable Energy	98-99	
	203-2	Our Economic Performance and Opportunities	51-53	
GRI 203: Indirect Economic Impacts 2016		Continuous Investment to Renewable Energy	98-99	
		Continuous Investment to Renewable Energy	98-99	

## GRI Indicators

GRI Standard	Indicators	Page Numbers, Direct References and/or Answers	Page Number(s)	Omissions
Procurement Practices				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 204: Procurement Practices 2016	204-1	Sustainability in our Supply Chain	94	
Anti-corruption				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Robust Sustainability Governance	66	
	103-3	Robust Sustainability Governance	66	
GRI 205: Procurement Practices 2016	205-1	Our Code of Ethics and Our Anti-Bribery and Anti-Corruption Perspective	145	
	205-2	Our Code of Ethics and Our Anti-Bribery and Anti-Corruption Perspective	145	
	205-3	No reported corruption cases were detected during the reporting period.		
Anti-competitive Behavior				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 206: Anti-Corruption 2016	206-1	During the reporting period, no lawsuits were filed regarding anti-competitive behavior, trust or monopoly activities.		
GRI 300: Environmental Standards 2016				
Materials				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 301: Materials 2016	301-1	Environmentally Friendly and Value Chain Sensitive Generation	104-105	
	301-2	Environmentally Friendly and Value Chain Sensitive Generation	104-105	
	301-3	Environmentally Friendly and Value Chain Sensitive Generation	104-105	

GRI Standard	Indicators	Page Numbers, Direct References and/or Answers	Page Number(s)	Omissions
Energy				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 302: Energy 2016	302-1	Energy Management	106-107	
	302-2	Energy Management	106-107	
	302-3	Energy Management	106-107	
	302-4	Energy Management	106-107	
	302-5	Energy Management	106-107	
Water				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 303: Water 2016	303-1	Water Management	112-114	
	303-2	Water Management	112-114	
	303-3	Water Management	112-114	
Biodiversity				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 304: Biodiversity 2016	304-1	Conservation of Biodiversity	114-115	
	304-2	Conservation of Biodiversity	114-115	
	304-3	Conservation of Biodiversity	114-115	
	304-4	Conservation of Biodiversity	114-115	

## GRI Indicators

GRI Standard	Indicators	Page Numbers, Direct References and/or Answers	Page Number(s)	Omissions
Emissions				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 305: Emissions 2016	305-1	Emission Management	108-109	
	305-2	Emission Management	108-109	
	305-3	Emission Management	108-109	
	305-4	Emission Management	108-109	
	305-5	Emission Management	108-109	
	305-6			Since we do not directly cause the release of substances that damage the ozone layer through our activities, no reporting has been made in this context
	305-7			Since we do not cause direct release of substances such as NOx
				SOx and other emission providers through our activities, no reporting has been made in this context.
Effluents and Waste				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 306: Effluents and Waste 2016	306-1	Waste Management	110-111	
	306-2	Waste Management	110-111	
	306-3	Waste Management	110-111	
	306-4	Waste Management	110-111	
	306-5	Our Wastewater Management	114	

GRI Standard	Indicators	Page Numbers, Direct References and/or Answers	Page Number(s)	Omissions
Environmental Compliance				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 307: Environmental Compliance 2016	307-1	Environmentally Friendly and Value Chain Sensitive Generation	104-105	
Supplier Environmental Assessment				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 308: Supplier Environmental Assessment 2016	308-1	Sustainability in our Supply Chain	94	
	308-2	Sustainability in our Supply Chain	94	
GRI 400: Social Standards				
Employment				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 401: Employment 2016	401-1	We Are Adding New Members to Our Competent Staff	139	
	401-2	We Have a Human Resources Approach that Listens to Its Employees	130-134	
	401-3	Social Performance Indicators	151-152	
		Equal Opportunity and Prevention of Discrimination	135-138	
Labor/Management Relations				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 402: Labor/ Management Relations 2016	402-1	We Have a Human Resources Approach that Listens to Its Employees	130-134	

## GRI Indicators

GRI Standard	Indicators	Page Numbers, Direct References and/or Answers	Page Number(s)	Omissions
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 403: Occupational Health and Safety 2016	403-1	We Provide a Healthy and Safe Work Environment to Our Employees	122-124	
	403-2	We Provide a Healthy and Safe Work Environment to Our Employees	122-124	
	403-3	We Provide a Healthy and Safe Work Environment to Our Employees	122-124	
	403-4	We Provide a Healthy and Safe Work Environment to Our Employees	122-124	
Training and Education				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 404: Training and Education 2016	404-1	We Support Employee Development	142-144	
		Social Performance Indicators	151-152	
	404-2	We Support Employee Development	142-144	
	404-3	We Support Employee Development	142-144	
Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
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GRI 405: Diversity and Equal Opportunity 2016	405-1	Equal Opportunity and Prevention of Discrimination	135-138	
	405-2	Equal Opportunity and Prevention of Discrimination	135-138	
Non-discrimination				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 406: Non-discrimination 2016	406-1	Equal Opportunity and Prevention of Discrimination	135-138	

GRI Standard	Indicators	Page Numbers, Direct References and/or Answers	Page Number(s)	Omissions
Freedom of Association and Collective Bargaining				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	On September 2, 2019, we signed a collective agreement with Tes-iş union to be valid between March 1, 2019 and December 31, 2020. The collective bargaining agreement regulates the employment terms and conditions of employees in Kemer and Adıgüzel HPPs, including salary increases, probationary periods, working hours, overtime wages, holidays and severance pay.		
Child Labor				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 408: Child Labor 2016	408-1	Equal Opportunities and Non-discrimination		
Forced and Compulsory Labor				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 409 Forced and Compulsory Labor 2016	409-1	Equal Opportunities and Non-discrimination		
Security Practices				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 410: Security Practices 2016	410-1	Equal Opportunity and Prevention of Discrimination	135-138	

## GRI Indicators

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Right of Indigenous People				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 411: Right of Indigenous People 2016	411-1	Our Stakeholder Governance	80-82	
Human Rights Assessment				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 412: Human Rights Assessment 2016	412-1	We Have a Human Resources Approach that Listens to Its Employees	130-134	
	412-2	We Have a Human Resources Approach that Listens to Its Employees	130-134	
	412-3	We Have a Human Resources Approach that Listens to Its Employees	130-134	
Local Communities				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 413: Local Communities 2016	413-1	Our Stakeholder Governance	80-82	
	413-2	Our Stakeholder Governance	80-82	
Supplier Social Assessment				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 414: Supplier Social Assessment 2016	414-1	Sustainability in our Supply Chain	94	

GRI Standard	Indicators	Page Numbers, Direct References and/or Answers	Page Number(s)	Omissions
Public Policy				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 415: Public Policy 2016	415-1	Our Stakeholder Governance		
Customer Privacy				
GRI 103: Management Approach 2016	103-1	Our Comprehensive Sustainability Strategy	70-73	
		Sustainability Materiality Analysis and Stakeholder Governance	76-79	
	103-2	Our Robust Sustainability Governance	74-75	
	103-3	Our Robust Sustainability Governance	74-75	
GRI 418: Customer Privacy 2016	418-1	Our Information Technologies Management and Applications	116-119	

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