



**STATEMENTS
FOR
BORSA ISTANBUL
SUSTAINABILITY INDEX
DATA REQUIREMENTS**

AYDEM RENEWABLES

STATEMENTS FOR BORSA ISTANBUL SUSTAINABILITY INDEX DATA REQUIREMENTS

This document has been published for responding specific ESG data requirements of Borsa İstanbul Sustainability Index, which are not already published in corporate ESG disclosure tools. At the time of preparation of this report, all information contained herein and related documents are believed to be accurate and have been disclosed in good faith, relying on reliable sources. However, the data disclosed in this document is not independently audited for the purpose of this report and Aydem Renewables (AYDEM YENİLENEBİLİR ENERJİ AŞ) makes no representation, warranty, or commitment regarding this information. Accordingly, Aydem Renewables, its affiliates, board members, consultants, or employees shall not be held responsible for any loss or damage suffered directly or indirectly by any person resulting from any information or communication transmitted within the scope of this report or arising from or in connection with the information contained or not contained in this report.

Our company has prepared its 2023 Integrated Annual Report in compliance with the Turkish Sustainability Reporting Standards (TSRS) and European Sustainability Reporting Standards (ESRS), which are aligned with TCFD. The company has conducted a double materiality assessment in compliance with TCFD and ESRS. The results of this assessment have been shared in the 2023 Integrated Annual Report.

A. SOCIAL SUSTAINABILITY INFORMATION

Diversity and Inclusion

- **Aydem Renewables ensures equal opportunity and inclusivity through various actions and behaviors such as;**
 - › Webinars, focus group studies, online learning tools and different programs in all group companies; raising awareness on equality, diversity and inclusion,
 - › Carrying out communication activities within the scope of the “Equality at Home and Work” program,
 - › In order to prevent gender inequality in the number of employees, equal numbers of male and female candidates are selected for the talent pools, taking into account gender equality,
 - › Increasing the awareness of the evaluators and conducting special studies for the candidates,
 - › Evaluation of work areas with an inclusive perspective, realizing solutions that will meet the special needs of different genders
 - › Ensuring that no personnel classified as child labor is employed at any stage of our activities and child labor is not employed in the contracts made with our suppliers,
 - › Establishing fair training and support processes in order to ensure equality among our employees and encouraging our employees to participate in these trainings,
 - › Trying to close the related position gap in career opportunities created within our organization by firstly sharing it with our employees who create value within our own organization through internal announcement channels,
 - › Conducting the recruitment processes in a transparent manner with a gender-neutral CV approach and an impartial perspective that does not allow discrimination, in the recruitment processes where the first contact is made,
 - › Ensuring that all our employees benefit from remuneration, performance evaluation and career opportunities at an equal level and with equal rights,
 - › Sharing all developments regarding our equal opportunity plans with our stakeholders through internal and external communication channels,
 - › Adaptation of the employees who have just started working at Aydem Renewables Company to the institution and the job is facilitated with the support of our volunteer employees from the ‘Buddy Application Procedure’.

- **For Gender Equality in Aydem Renewables:**
 - › Recruitment of more than 20 female trainees given within the scope of ESG,
 - › Positive discrimination for women in recruitment,
 - › Targets determined to increase the total training hours of women, which are among the targets of the Human Resources Department,
 - › Webinars and awareness trainings given within the scope of “Equal Life”,
 - › Supporting women’s participation in the workforce and improving the gender balance in the Company’s decision-making mechanisms and encouraging women in the Company’s Board of Directors and senior management,
 - › Evaluating working areas with an inclusive perspective within the scope of Gender Equality in Physical Conditions and Legal Practices, implementing solutions that will meet the special needs of different genders,

- › Effectively managing the maternity leave and post-maternity leave processes and implementing practices that facilitate the return to work by considering the rights of the employees,
- › Providing and supporting the right to 6 months of unpaid leave, ISKUR-supported “part work” and remote working opportunities, firstly after the maternity leave, for the employees who have just given birth,
- › All of the principles of supporting women’s participation in the workforce and equal opportunities for men and women are included in our human resources policies and procedures and are guaranteed by our Human Rights Policy.
- › Gender pay gap is 0%
- › As part of our UN Global Compact commitment, we are implementing new practices to increase the number of our female employees. Additionally, the company has set a target to employ 100 young women by 2026. Furthermore, as part of the Human Dimension in its 2021 Performance Management System, the company has established a goal to increase women’s employment by 5%. This ratio is and will continue to be monitored through KPIs. Through these efforts, we aim to provide young female professionals with the opportunity to gain field experience and become acquainted with the working environment of our company while also achieving long-term employment targets.

● **Work-Life Balance in Aydem:**

- › We started to conduct needs analyzes for our employees in order to adapt to the changing conditions as of the pandemic period.
- › Within the scope of the “Equality at Home and Work” program, we organize solutions, programs and awareness activities that support equal life at home, in order to achieve an equal life at work, in order to realize communication activities.
- › In addition to the health insurances necessary to protect the physical health of our employees, we also try to encourage sports and a healthy life for our employees by obtaining special prices with gym agreements.
- › With Aydem Renewables, we aimed to catch up with the new world working order, reach optimum efficiency, and thus increase our competitiveness, by taking advantage of the opportunities brought by digitalization with our new working models that we developed together with the pandemic. While transforming into a more dynamic and innovative organization with our employees, we have continued our claim to lead the future of our industry. We have developed an innovative way of doing business in which we maintain team spirit, agility and leadership in hybrid, remote and field work, by saying #EnergyforUs in the new working models we have developed with the motto.

● **Employee Development and Employee Satisfaction**

At Aydem Renewables, we offer our employees a working environment where they can develop their skills and productivity, progress in their careers, and feel happy and healthy. In order to grow together and achieve our goals, we organize appropriate talent management programs, career plans and comprehensive trainings for our employees. Through our Training Policy, we aim to ensure that our employees work more efficiently during their employment in the company and add value to our employees in appropriate areas, in line with the company’s goals and objectives. We make all kinds of investments to determine the training needs to be implemented, to plan and implement training activities. We plan trainings in line with the needs of our employees on technical, professional development and personal development in accordance with their fields.

We also benefit from the opportunities brought by digitalization in the preparation of our training programs, in which we follow global and sectoral developments. With our Success Factors Education module, which is one of our digital transformation steps, a cloud-based system has been created where we can manage our education processes through a single platform. In this way, we can implement and follow our training processes more systematically.

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

We have a performance management system defining the KPIs for each employee and principles impacting promotions and bonuses. These KPIs include financial/non-financial metrics and cover sustainability issues. Implementation of Hybrid Projects developed to manage the risk of climate change is among the KPIs. The realization of KPIs directly impacts remuneration, which ends up with a monetary reward. These issues are followed by the Board Level Committee. In addition to the incentive evaluation system monitoring the progress of KPIs annually, there is also a platform, Fikir Hattı (Project Proposals), where employees from all levels participate to share their ideas for creating added value. With this project, employees can directly communicate through projects that will enhance investment, sustainable business development, efficiency, and financial benefits. Projects communicated by employees and accepted through Fikir Hattı are rewarded with monetary rewards of 2% of the project profit.

Workforce Health and Safety

Providing Health and Safety (H&S) training to suppliers is among our requirements. We regularly check the documentation provided by suppliers to verify that these trainings have been conducted.

All of our Occupational Health and Safety activities are carried out and periodically audited by the Health Safety Environment-OHS Unit and OSGB employees. In addition, all our businesses are regularly audited by the Life Safety and Environment Committee.

Product Responsibility

Information Privacy and Cyber Security

Developing digital transformation practices require some measures to be taken regarding data security and privacy in line with service responsibility. As Aydem Renewables, we work meticulously for the reliability of our operations against cyber risks. With a focus on information security and cyber security, we support our existing IT system with an uninterrupted infrastructure and ensure business continuity. In this direction, both global technologies are constantly followed; and manage our systems with the most up-to-date security and infrastructure solutions. As in all our business processes, we move forward by including our internal and external stakeholders in all innovations in the direction of Information Technologies.

We follow the processes related to ensuring the security of information systems and keeping personal data and confidential information secure, in accordance with our policies and standards that we have established in accordance with our ISO 27001 Information Security Management System certificate. We have an Information Security Management System (ISMS) and Information Security Policy in accordance with ISO 27001 Standard in order to ensure that all critical company information is protected in a manageable and manageable manner. With the compliance with the Presidency Digital Transformation Office (CB-DDO), EMRA and CMB regulations, Turkish Personal Data Protection Law (PDPL) and 27001 ISMS, an IT management is carried out in accordance with the legislation, and we continue to develop all our business strategies in accordance with the rules, in particular the CMB and EMRA to which we are subject. In this context, business continuity and information security issues are examined by both internal and independent external audits.

Our Information Technologies Management, which continues its activities under the Information Technologies organization and located in our head office, continues its efforts to ensure that our operations continue in the most efficient, effective and state-of-the-art technology. With the studies carried out before the KVK Board, which we have established within our company, we ensure that the current regulations announced by the PDPL are followed, compliance with the administrative and technical regulations, and new decisions and sanctions are shared with the relevant business units to raise awareness. In addition to the control, monitoring, testing and improvement works carried out continuously under Information Technologies, we back up all critical systems at the Disaster Recovery Center. In this way, we can keep the average Up-Time rate of our critical systems above 99% and ensure the continuity of our IT services. In addition, we insure our company against cyberattacks with cyber risks insurance, and implement new projects by following up-to-date technologies.

With the applications we use such as end-to-end threat detection EDR management, network detection NDR management, MDM management for corporate application security of mobile devices for the management of corporate applications from corporate devices, and remote access security applications, we increase our security with necessary system and hardware updates, and increase our security with our DLP system. We continue our efforts to ensure the security of both data and personal data.

We comply with all legal regulations and contracts regarding information security and digitalization processes, and regularly organize trainings for our employees in order to raise awareness of information security.

In order to raise awareness about cyber-attacks, we conduct phishing tests for our employees and organize special trainings for those who fail. Thanks to the digital transformation projects and trainings of our business processes that we started in 2020, we were able to continue our business continuity and information security in pandemic or possible disaster processes.

As a renewable energy company, an important part of our product responsibility processes is energy service continuity and customer transaction information security. For this reason, we attach great importance to auditing and monitoring to ensure information security and cybersecurity. In this context, we take following measures to maintain.

- **Penetration Testing:** We regularly have penetration tests carried out to test our systems and data against cyber-attacks. We do these tests to identify security vulnerabilities in systems and, if any, to close them.
- **24/7 Security Operations Center (SOC) Service:** We take a 24/7 Security Operations Center (SOC) service. This service allows us to monitor systems and data continuously and to respond quickly to any security threats that are detected.
- **Network Detection and Response (NDR) Service:** We also take Network Detection and Response (NDR) service. This service allows us to monitor our network traffic continuously and to be informed when any abnormal activity is detected. We review this information with our security experts and take the necessary measures.

Quality

As Aydem Renewables, we adopt a Total Quality Management (TQM) approach across all our operations to ensure the most efficient use of domestic and renewable resources in line with our vision and mission. To achieve this, we have implemented an internal quality management framework that incorporates principles of continuous improvement, lean management, and process optimization.

This framework is designed to support robust internal quality control by integrating structured methodologies such as Six Sigma and lean manufacturing practices. It enables us to systematically identify and eliminate inefficiencies, enhance process reliability, and improve overall performance across our production facilities.

In addition to process optimization, our framework includes Good Manufacturing Practices (GMP), where applicable, and emphasizes the development of a culture of quality through ongoing employee training and stakeholder engagement. This ensures that quality is embedded in every aspect of our operations, from planning to execution.

While our operations are certified under internationally recognized standards such as ISO 9001, these certifications serve as benchmarks for compliance and are complemented by our internally developed systems, which go beyond standard requirements to ensure continuous improvement and operational excellence.

This holistic approach demonstrates our commitment to maintaining a high standard of quality management and operational integrity while supporting the efficient and sustainable production of renewable energy.

Customer Satisfaction

As an energy company, Aydem Renewables' main clients are the public energy market operations authorities, namely EXIST, Energy Exchange Istanbul or Turkish Electricity Transmission Corporation. As a highly regulated industry, service conditions in energy generation sector are defined by Energy Markets Regulatory Authority (EMRA) of Turkey as well as aforementioned companies. These entities strictly monitor quality of service and submit their grievances to EMRA if any dissatisfactory case arises. Thus, grievance mechanism is the only tool for monitoring level of customer satisfaction.

Memberships and Collaborations

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

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

B. ENVIRONMENTAL SUSTAINABILITY INFORMATION

Aydem Renewables conducted a detailed TCFD (Task Force on Climate-related Financial Disclosures) analysis based on 2023 data. This analysis included the evaluation of the Business Impact of Climate Scenario Analysis. The comprehensive results of this study will be disclosed in the 2024 Integrated Activity Report.

Turkish Sustainability Reporting Standard (TSRS) has been developed through collaboration between the Public Oversight, Accounting and Auditing Standards Authority (KGK) and the Turkish Integrated Reporting Association (ERTA). These sustainability standards are critical for our environmental commitments and transition plans. TSRS enhances transparency, accuracy, and comparability in sustainability reporting, allowing us to report our environmental impacts, dependencies, risks, and opportunities in a consistent manner. This alignment helps us conform to both national and international best practices. Our active participation in the development of TSRS reinforces our commitment to integrating environmental sustainability into all aspects of our operations. By contributing to this collaborative process, we help shape environmental standards while working closely with ERTA and KGK. This partnership ensures that our sustainability practices remain compliant with evolving regulations and strengthens our ability to effectively manage our environmental performance. We assess the success of our participation through key indicators, including how effectively our feedback is integrated into the TSRS development process and the impact of our contributions on the quality of the standards. Additionally, we evaluate our contributions through interactions with stakeholders and the feedback received. This process enables us to measure our success in enhancing the reliability and effectiveness of environmental reporting standards.

In 2023, approximately 3.86 M TL was spent on R&D studies including environmental R&D studies.

Water

- **To Measure Process Water Quality:**

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

- **For Wastewater Management:**

Wastewater management in all HEPP, WPP, GPP and SPP facilities in Aydem Renewables is provided through septic tanks, and it is given to the contracted local treatment system by drawing periodically. There is no discharge to natural receiving environments, and the wastewater generated is stored and periodically transferred to wastewater plants.

- **Water Management Targets:**

- › Calculation and verification of water footprints in all our power plants,
- › In addition, water consumption was also monitored for activities other than energy generation processes. Our total water consumption in 2023 decreased by 15% compared to 2022.

Energy

- As Aydem Renewables, we do not engage in any energy production activities based on fossil fuels. Therefore, we do not have an additional policy specifically addressing fossil fuel divestment. Our focus remains on reducing our emissions related to capital goods, aligning with our commitment to sustainability. To achieve this reduction, we aim to prioritize suppliers who consume less energy during their processes, utilize renewable energy rather than fossil fuels in production, and produce fixed assets and raw materials in line with this vision. Furthermore, we plan to select machinery and equipment that generate fewer emissions during production in our procurement processes.
- Aydem Renewables focuses solely on electricity generation. The grid transmission aspect is not directly related to our operations and does not represent data that can be accurately or fully measured in connection with our activities. For this reason, such data is not measured separately.
- Turkey's largest 100% renewable energy private sector company, Aydem Renewables Inc, began its renewable energy generation journey in 1995 under the umbrella of Aydem Energy. In 1997, the company realized Turkey's first private hydroelectric power plant project in Denizli. Today, Aydem Renewables Inc is Turkey's largest private sector company in terms of installed capacity, generating energy entirely from 100% renewable energy sources. Aydem Renewables generates all its energy from renewable sources and does not engage in any production, consumption, or related activities involving non-renewable resources such as coal., oil, gas, CCGT, biomass. In addition, Aydem Renewables does not currently generate energy from nuclear energy sources.

- **Energy Use (KWh):**

Consumption of purchased or acquired electricity:

MWh from renewable sources: 0

MWh from non-renewable sources: 6,346.97

MWh from indirect energy: 8,972.17

- We meet our internal energy needs through our renewable energy production. During periods when production is not sufficient, we purchase energy externally to cover the deficit.
- Aydem Renewables is a company exclusively focused on renewable energy production. Its operations do not involve clinker production, and therefore, no emissions related to this activity are generated.

Emissions

- Aydem Renewables' total greenhouse gas emissions (Scope 1-2-3) for 2023 decreased by 6% compared to 2022. The Company's Scope 1-2 greenhouse gas emissions also decreased by 6% compared to 2022.
- According to our SBTi targets, Aydem Renewables has committed to reducing its absolute Scope 1 and Scope 2 greenhouse gas emissions by 51% and its absolute Scope 3 emissions from capital goods by 30% by 2032, based on the 2022 baseline. Additionally, as part of its net-zero target, the company aims to achieve net-zero greenhouse gas emissions across its entire value chain by 2040. This target can be achieved with an annual reduction of approximately 5%.
- As Aydem Renewables, we promise to, develop and implement applications that will improve our energy consumption level to continue our business activities, use our energy more efficiently by constantly monitoring our energy consumption, to publish our KPIs every year in our sustainability report. We calculate, verify and track carbon emissions resulting from our business activities, and publish our KPIs every year in order to fight climate change,
- As we are pure play renewable energy generation company, we do not have any power plant fueled by coal, oil & gas, and combined cycles. We do not have any recordable pollutant emission sources such as NOx, SOx, PM or VOC.

- No carbon emissions originating from cement were recorded.
- GHG Emission Consolidation Method Approach: Since we can more easily obtain information in areas where we have operational control in the calculation of Scope 1-2 emissions, it would be correct to say that we have operational control. The emission calculation is based on the GHG Protocol. In Scope 3 calculations, in addition to the parts we have operational control, emission calculations are also made for franchise dealers. In the collection of other environmental data (waste, water, etc. data), areas where we have operational control are included in their entirety.
- As Aydem Renewables, we decided that it would be appropriate to decrease our emissions related to capital goods in order to reduce our scope 3 emissions. In order to achieve this reduction, we aim to prefer the suppliers that consume less energy during their processes, prioritize the use of renewable energy rather than fossil fuel during their production, and produce fixed assets and raw materials in this vision in the selection of suppliers. We will make purchases from these selected suppliers. Additionally, we aim to choose machinery and equipment that cause less emissions during the production phase in our purchasing processes, accordingly.

- **Emission and Renewable Energy Certificate Trading:**

Climate change and environmental problems are at the top of the global risks with increasing importance. We, too, are trying to fulfill our responsibilities in the fight against climate change. In this direction, since 2011, we continue to work with determination to provide electricity to our customers who aim to increase investment in renewable resources, reduce or neutralize their emissions. In addition, we ensure that our customers use clean energy with the 100% renewable energy we produce, and we offer emission reduction certificates and renewable energy certificates to voluntary carbon markets within the scope of carbon trading.

- **GHG Emissions (Tons CO2e)**

Greenhouse gases covered by target

- Methane (CH4)
- Nitrous oxide (N2O)
- Carbon dioxide (CO2)
- Perfluorocarbons (PFCs)
- Hydrofluorocarbons (HFCs)
- Sulphur hexafluoride (SF6)
- Nitrogen trifluoride (NF3)

Total flaring gas value (Tons CO2e): 10,603.59

● **Other Combustion Data:**

Gross Scope 1 CO2 emissions (metric tons CO2) : 826.59

Gross Scope 1 methane emissions (metric tons CH4): 1.27

Gross Scope 1 SF6 emissions (metric tons SF6): 0

Total gross Scope 1 emissions (metric tons CO2e): 863.94

- Main source of our Scope 1 emission is associated on the diesel/gasoline consumption made to meet the daily needs of the power plant or head-quarters employees. This type of emission includes emissions from our company and leased fleet. Total gross Scope 1 GHG emissions includes also N₂O.

● **Greenhouse Gas Emissions According to The GHG Protocol;**

Scope 1 GHG Emissions: 1,802.51 tCO₂e

Scope 2 GHG Emissions: 2,617.49 tCO₂e

*The emissions from this category are calculated by location-based approach: 2,617.49 tCO₂e

*The emissions from this category are calculated by marked-based approach: 2,617.49 tCO₂e

☒ Scope 3 GHG Emissions: 66,028.25 tCO₂e

GWP Values Reference

GHG	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Biogenic CO ₂
Unit	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e
Scope 1	874.42	1.33	36.17	5.15	-	885.44	-	-
Scope 2	2,606.07	1.27	10.16	-	-	-	-	-
Scope 3	65,510.80	13.20	504.02	-	-	-	-	-

● **Scope 3 Greenhouse Gas Emission Details (2023) according to the GHG Protocol:**

GWP Values Reference

GHG	CO ₂		CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Biogenic CO ₂
Unit	tCO ₂ e		tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e
Category 1	Purchased goods and services	480.23	0.09	3.71	-	-	-	-	-
Category 2	Capital goods	60,575.82	11.84	467.74	-	-	-	-	-
Category 3	Fuel- and energy-related activities	2,387.00	0.92	15.15	-	-	-	-	-
Category 4	Upstream transportation and distribution	1,143.63	0.22	8.83	-	-	-	-	-
Category 5	Waste generated in operations	452.13	0.09	3.73	-	-	-	-	-
Category 6	Business travel	55.14	0.01	0.39	-	-	-	-	-
Category 7	Employee commuting	416.85	0.01	4.46	-	-	-	-	-
Category 8	Upstream leased assets	-	-	-	-	-	-	-	-
Category 9	Downstream transportation and distribution	-	-	-	-	-	-	-	-
Category 10	Processing of sold products	-	-	-	-	-	-	-	-
Category 11	Use of sold products	-	-	-	-	-	-	-	-
Category 12	End-of-life treatment of sold products	-	-	-	-	-	-	-	-
Category 13	Downstream leased assets	-	-	-	-	-	-	-	-
Category 14	Franchises	-	-	-	-	-	-	-	-
Category 15	Investments	-	-	-	-	-	-	-	-

Greenhouse Gas Emission per Production in 2023: 0.03 tons CO₂ /MWh*

* the mentioned value refers to the greenhouse gas emissions per MWh of electricity produced.

● **Fleet fuel**

Fleet fuel consumption: 150.66 g/km

Total fleet's CO₂ equivalent emissions per passenger kilometer: 50.22 CO₂/pkm**

**the average passenger number per fleet is assumed as 3.

Environmental Products

The company generates energy from renewable sources. Its activities do not include the production or distribution of genetically modified organisms (GMOs) or seeds., hybrid vehicles, organic products,

Aydem Renewables does not claim to produce, source or distribute wood or forest products that are labeled (e.g., Forest Stewardship Council (FSC)).

The company generates energy from renewable sources. Since it does not produce any physical products, it has no initiatives related to the sustainable packaging of products. The company generates energy from renewable sources and does not produce any physical products as a result of its activities. All products consumed for energy generation and personnel needs are delivered to recycling centers. The total generated waste and recycled waste amounts are reported annually with our Sustainability /Integrated Annual Reports Revenue from the sale of IREC certificates, which is an Environmental Product, is 5%.

General Environmental Practices

- The company does not have any activities that cause noise pollution; therefore, no R&D work specific to this matter has been conducted.
- The business plans created regarding environmental management are implemented by the business units of the company. The management, coordination and performance monitoring of these studies is carried out by managers of the Sustainability, OHS, Environment and IMS Directorate.
- During the reporting period, there was no penalty for non-compliance with legal regulations regarding climate and environment.
- No significant toxic chemicals used in the operations.
- Aydem Renewables supports its activities by considering associations and initiatives of which it is a member, as business partners, as well as its activities. In this context, Sustainable Development Association, Sustainable Production and Consumption Association (SÜT-D), United Nations Global Compact (UNGC), International Science-Based Goals Initiative (SBTi), Green Hydrogen Association, Turkish Wind Energy Association (TÜREB) are the business partner organizations supported.
- The strategic management plans of the company are formed by evaluating the risks and opportunities arising from climate change and environmental issues through the studies carried out at the level of the Board of Directors, especially the Sustainability, Environment, Occupational Health and Safety Committee and the Early Detection of Risk Committee. In these processes, modern risk-opportunity assessment tools such as stress tests and scenario analysis are used. Identified risks and opportunities are evaluated not only in terms of operational but also in terms of financial effects. For example, while drought and hydrological variability are considered as the main climate risk that can affect the company, the return on investment of low-carbon energy generation technologies is considered as the main opportunity. The structural and financial details of the company's climate risk and opportunity portfolio are published openly to all our stakeholders within the scope of the Carbon Disclosure Project.
- Aydem Renewables provides sustainability trainings to its suppliers on various ESG subjects. In 2023, a total of 2,068 person*hours of ESG related trainings provided to suppliers.

Supply Chain

In the Supplier Evaluation System, the environment, sustainability, occupational safety and business ethics criteria are taken into consideration; We do not work with suppliers that have harmful effects on the environment in terms of management systems and quality, activities and practices, product qualities, do not manage their effects, and do not observe social sustainability criteria. We present the Supplier Evaluation Procedure, which we have created by transforming these principles into objective criteria, on our website for the information of our stakeholders.

By classifying suppliers in line with our values and in line with our standards, we evaluate our suppliers regarding our sustainability strategy and expectations; In this way, we create the most accurate supplier pool.

With the Supplier Preliminary Evaluation Form planned on the SAP system for service procurement, we evaluate our suppliers in terms of environment, sustainability, technical and financial aspects. material etc. In purchases, we manage our purchasing process by being selected from the approved supplier list in accordance with the supplier evaluation procedure. If the ESG provisions are not complied with within the scope of the contract, the contract is terminated.

We also attach importance to the energy efficiency of the products purchased within the scope of the ISO 50001 Energy Management System. In all our contracts with our suppliers, we include clauses that require acting in accordance with our OHS policy, ethical values and our principles regarding environmental issues, and we share the information that actions contrary to the specified items will be subject to penalties.

During the process, we contact our suppliers at regular intervals, listen to the opinions of our stakeholders within the scope of our material issues, business conduct, targets and performance, and try to understand their expectations; We try to meet these expectations with the investment, transformation and development decisions we take. In this context, we make all our purchases within the framework of the principle of transparency and trust, and within this scope, we aim to initiate our e-tender studies to make our process even more reliable.

C. GOVERNANCE INFORMATION

CSR Strategy

- In Aydem Renewables, different governance bodies have been established in order to carry out sustainability management at strategic and operational levels. In this context, the Sustainability, Environment, Occupational Health and Safety Committee is responsible for the strategic management of environmental, social and corporate governance issues at the level of the Board of Directors. The Sustainability Working Group, formed with the participation of 18 managers from various company units, is responsible for the operational management of sustainability issues.
- Aydem Sustainability Reports are published in compliance with GRI Guidelines reflecting 100% of the company's operations.

Stakeholder Engagement

The expectations of all our stakeholders we work with are among our priorities. In this direction, it attaches great importance to stakeholder participation; We include your opinions and suggestions in our decision-making and activity processes. We use various channels to share opinions and suggestions with our stakeholders in a healthy way.

STAKEHOLDER GROUP/COMMUNICATION METHOD AND FREQUENCY

EMPLOYEES: Idea Line (continuous), Enport Intranet Platform (continuous), Enbulten monthly online communication magazine (monthly), Social events (continuous), Management meetings (continuous), Employee trainings (continuous), Project group meetings (continuous), IKON application (continuous)

SHAREHOLDERS AND INVESTORS: Board of Directors meetings (continuous), Committee meetings (every 3 months), Investor relations website (continuous), General Assembly Meetings (annually), E-mail, telephone and meetings (Continuous),

HOLDING AND GROUP COMPANIES: Board of Directors meetings (continuous), General Assembly Meetings (annual)

PUBLIC ORGANIZATIONS AND LOCAL GOVERNMENTS: Sustainability Report (annual), Annual Report (annual), Online and face-to-face meetings (continuous)

SUPPLIERS AND SUBCONTRACTORS: Sustainability Report (annual), E-mail, phone and interviews (continuous), E-procurement (continuous)

BANK AND FINANCE INSTITUTIONS: Online and face-to-face meetings (continuous), Congresses (continuous), Reporting (instant)

UNIVERSITY AND RESEARCH INSTITUTIONS AND CONSULTANTS: Online and face-to-face meetings (continuous), Congresses (continuous)

INDEPENDENT AUDIT AND RATING ORGANIZATIONS: Online and face-to-face meetings (continuous), Congresses (continuous), Reporting (instant)

UNIONS, NON-GOVERNMENTAL ORGANIZATIONS AND SECTOR ASSOCIATIONS: Sustainability Report (annual), Annual Report (annual), Online and face-to-face meetings (continuous)

COMMUNITY: Meetings and face-to-face meetings (instant), Projects (instant)

MEDIA: Sustainability Report (annual), Annual Report (annual), Press releases (continuous), Press conferences and face-to-face meetings (instant), Sectoral meetings and congresses (continuous)

INTERNATIONAL ORGANIZATIONS: Projects (instant)

CLIENTS: Projects (instant)

Management

Aydem Renewables is not an UNPRI or Equator Principles signatory.

- **Remuneration and Fringe Benefits:**

At Aydem Renewables, we carefully adhere to our Human Resources Policy regarding compensation processes and operate with an equal and competitive understanding. In this area, we work with a global and independent compensation consultant, examining the current realities of the labor market, to manage our processes with a fair and completely performance-based compensation system. This ensures that our employees feel secure in a work environment where there is no discrimination based on gender, language, religion, race, sect, belief, nationality, marital status or similar reasons.

The Compensation Policy, along with the CEO and the senior management and executive team, establishes the principles to be followed in the compensation of all other employees. A competitive compensation policy is adopted that will motivate employees, attract new talent, and ensure their retention within the Company, particularly for top-level and key managerial roles. Furthermore, a performance-based compensation method is followed for all executives and employees, including top-level executives. In this regard, blue-collar and white-collar employees are given targets based on their tasks, responsibilities, and competencies, and a performance-based bonus payment is made based on the annual evaluations. While the performance-based bonus payment differs according to employee category, it covers social, environmental, and governance issues, particularly Occupational Health and Safety, in addition to financial performance indicators. During the evaluation process, factors such as fundamental competencies and technical knowledge depth are taken into consideration.

- **Remuneration Arrangements in Corporate Climate Change Activities:**

Aydem Renewables applies employee incentives company-wide based on the achievement of corporate, management, and personal targets. The achievement of KPIs, which are directly effective in remuneration, are evaluated annually. The incentive procedure is under the supervision of the Corporate Governance Committee (BoD Level). The rate of bonus rewarded to employees are determined according to the score range (starting from 5 to 1 in descending order). For instance, if the performance score of a C-level position is 5, they rewarded with the bonus - 600% of the salary maximum; but if the performance score is 4.8, the maximum monetary payment is decreased by 96%.

- **Written Consent Requirements**

The amounts of the remaining fortresses in the Turkish Commercial Code are kept in written form. In this case, the provision of law does not need to be re-arranged. Article 367 of Turkish Commercial Code defines the situations and limitations of delegation of authority.