



AKFEN RENEWABLE ENERGY

SUSTAINABILITY REPORT

2023





www.akfenren.com.tr



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INTRODUCTION

- ABOUT THE REPORT
- LETTER FROM THE GENERAL MANAGER



About the Report

We contribute to the country's economy with our diversified 12 hydroelectric, 8 of which are licensed and 27 of which are unlicensed 35 solar power plant and 6 wind power plants, in the regions with the most productive natural resources in Türkiye. Our portfolio, consisting of domestic and renewable energy resources, has a total installed capacity of 699 MW with 53 plants. We continue our work with our team of 230 people, aiming for environmentally sensitive and sustainable energy production.

As Akfen Renewable Energy, we have been sharing annual surveillance reports with all our stakeholders since 2016, where environmental and social issues are assessed in accordance with the performance standards of the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD) within the framework of investment contracts. We are pleased to share the Environmental, Social and Corporate Governance (ESG) performance evaluations of our activities and the work we have carried out in line with the United Nations (UN) Sustainable Development Goals with our stakeholders through **our first sustainability report**.

The information in the report covers our activities between January 1, 2023 and December 31, 2023 and has been prepared in accordance with the GRI Standards published by the Global Reporting Initiative (GRI).

Our sustainability report will be published annually in the following periods. Our sustainability priorities, which we determined by evaluating the opinions of our internal and external stakeholders, form the basis of our report on our activities. In order to follow the trends, information and comparisons regarding previous years are included in the report.

Our report also includes our activities within the scope of the United Nations Global Compact (UNGC) and Women's Empowerment Principles (WEPs) principles, which Akfen Holding signed on July 2, 2002, in order to contribute to the formation of a common culture in the business world within the framework of universal principles.

During the reporting period for Akfen Renewable Energy operations, verification was carried out within the scope of ISO 14064-1 Standard on the Guidelines and Specifications for the Calculation and Reporting of Greenhouse Gas Emissions and Removals at the Organization Level.

You can access our Sustainability Report on the **Akfen Renewable Energy website**.

You can share your opinions and suggestions about the report with us by sending them to **info@akfenren.com.tr**.



Letter From the General Manager



Having entered the sector for the first time in 2005, Akfen Renewable Energy currently has a portfolio of 699 megawatts (MW) of installed power, consisting of 348.9 MW of wind, 228.7 MW of hydraulic and 121.4 MW of solar power plants.

Akfen Renewable Energy, which has a balanced portfolio, is one of the leading renewable energy production companies in Türkiye. The company is also among the youngest companies among its competitors in this size. Another feature that distinguishes Akfen Renewable Energy from its competitors is its geographical diversity. Fluctuations in production, which is the most important element in renewable energy, are minimized thanks to the power plants in different regions.

Akfen Renewable Energy, while its portfolio was mostly composed of hydropower plants until 2018, has since

gained a structure that makes serious investments first in solar power plants and then in wind power plants. With the investments made after 2018, 445 MW of installed power has been added to the portfolio.

Corporate governance, transparency and strategic partnerships have always been important in Akfen Group. Akfen Renewable Energy has continued this mission by partnering with the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC) until recently. In January 2023, the company's shares were bought back from these two institutions, and a decision was made to go public in order to continue transparency and corporate governance principles. By going public, Akfen Renewable Energy also wanted to use the advantage of always having extra credibility in the eyes of creditors and suppliers.

The size of our public offering in March 2023 was 180 million dollars. The sale of 340.4 million liras (33.5%) of the paid capital of 1.016 billion liras was successfully completed. The Akfen Renewable Energy public offering, which was recorded as one of the largest public offerings in recent history, was successfully completed. The company's shares have been traded on BIST since March 16.

The production portfolio being domestic resources contributes to the reduction of the country's current deficit. The public has taken the right steps by first providing incentives for production with domestic materials after the Renewable Energy Resources Support Mechanism (YEKDEM) in order to reduce external dependency in energy. According to calculations, Türkiye uses only 10% of its wind and solar potential. If we can approach 100%, our external dependency in energy will almost be eliminated.

In addition, Türkiye, which is an importer country in energy technology, is taking the first steps to become a country that produces turbines and technology, which is among the positive developments for the future.

If we look to the near future; there are important developments in the world energy market. Storage has started in renewable energy as in natural gas and oil. This development is a development that will change the energy sector. Another development is hydrogen and 100% renewable and carbon-free green ammonia technology. The Russia-Ukraine war has accelerated the technological investments in hydrogen energy of Western countries experiencing difficulties in energy supply. As a 100% renewable energy source, investments for hydrogen and green ammonia; energy storage, electricity generation, emission-free fuel and fertilizer in maritime transportation are increasing rapidly. As Akfen Renewable Energy, we have a project investment of nearly 500 megawatts in 2023 and beyond. Our investment plans can be summarized as hybrid SPP, WPP capacity increase, storage facility investment.

In order of importance; first in line are hybrid solar power plants. The target with hybrid projects, which can be summarized as building solar power plants next to existing wind power plants, is to provide a capacity increase of approximately 90 MW. Second in line is to provide an additional capacity of approximately 100 MW by expanding wind power plants. Third in line are storage investments and wind and solar power plants to be built next to them. Here, our target is to provide a storage and installed power increase of 285 MW.

We closely follow the developments and technological innovations in the world and in Türkiye and evaluate investment opportunities. Finally, we look for opportunities in the nearby geography. Our criteria, mainly wind and solar, are; We are closely interested in projects with strong legal infrastructure, where money can be earned in strong currencies and project financing can be done.

As Akfen Renewable Energy, our goal is to grow with investments that will contribute to the Türkiye economy and leave a clean country with zero emissions to future generations.

Kind regards
Mustafa Kemal Güngör
Akfen Renewable Energy
General Manager



ABOUT AKFEN RENEWABLE ENERGY

- OPERATION MAP
- MILESTONES
- SHAREHOLDER STRUCTURE
- HIGHLIGHTS OF 2023



We continue our electricity production process, which we started by commissioning our first hydroelectric power plant in 2009, in Turkiye, where the highest energy demand increase is realized among the countries of the Organization for Economic Co-operation and Development (OECD).

We are contributing to the country's economy through its modernized power plants, most of which have been launched in the last 5 years in the regions with the best natural resources of Turkiye.

After the restructuring completed at the beginning of 2016, our company's energy portfolio has attracted the attention of international investors. An important partnership was signed with EBRD and IFC in June 2016. The investment made by the two institutions has been the largest capital investment made in the Turkiye energy sector to date. In January 2023, Akfen Holding acquired EBRD and IFC's stake in Akfen Renewable Energy and became the sole owner of the company. After the initial public offering in March 2023, the publicly offered company shares (33.5% of the total capital) started to be traded in Borsa Istanbul as of 16.03.2023.

Our portfolio consists of energy generation from renewable resources and wholesale electricity trade. Akfen Wholesale serves as a distribution channel for directing the production realized by the power plants of Akfen Renewable Energy to the wholesale market. It also provides protection against volatility in wholesale energy sales prices in case the purchase price guarantee is not used.

We approach renewable energy projects with a strong focus on cost control from development and licensing to construction and operation. We aim for sustainable energy solutions by effectively managing our projects with a lean and efficient organizational structure.

We aim to expand our company portfolio, which consists of energy production from renewable sources and wholesale electricity sales, through capacity increases, hybrid investments and electricity storage investments.

We continue our investments to increase our installed capacity of 699 MW, consisting of our HPP, SPP and WPP operations, to 1200 MW.

MISSION



We aim to create a sustainable production platform, in which corporate investors also partake, in order to develop renewable energy capacity, to diversify energy projects in accordance with the global standards, and to create long-term value for the society and our stakeholders.

VISION



We aim to promote clean energy production by creating a balanced renewable energy portfolio with the potential to produce energy regularly in every field of the energy sector, to increase energy efficiency by making investments through strong strategic partnerships and to be one of the most important players in the energy sector.

CORPORATE VALUES



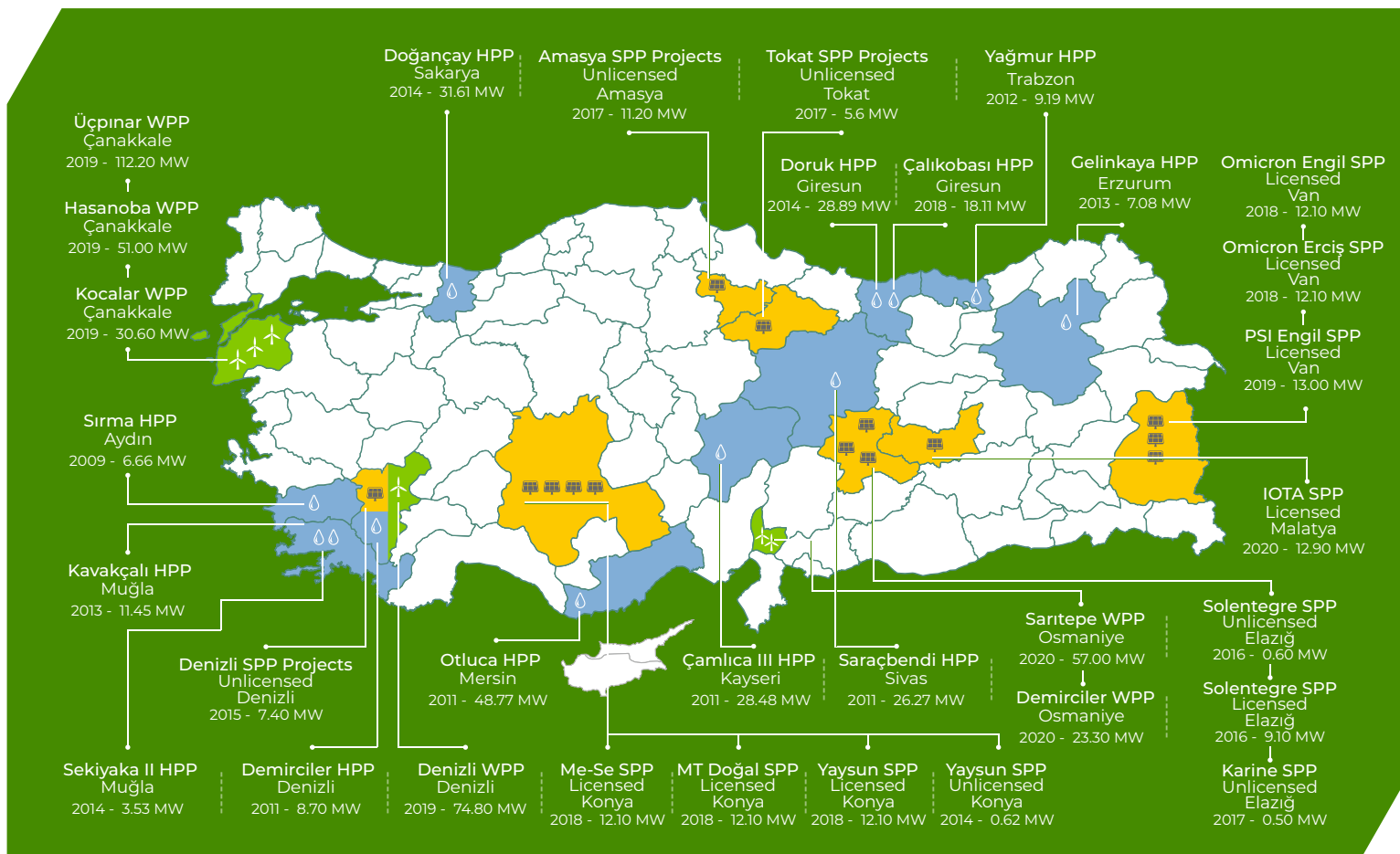
We aim to contribute at the highest level with our corporate citizen identity to our country's economy that targets to become a critical player in the global economy through our entrepreneurship that constitutes the building blocks of our corporate culture, our investment expertise and our ability to be a reliable partner in business development.

- All tasks are important; all employees are valuable.
- We are dynamic and enterprising.
- Honesty is the symbol of our quality.
- Our investments are both material and spiritual.
- We walk on the path with no footsteps.
- We take ownership of our work; we learn every day.
- Our identity is our reputation.

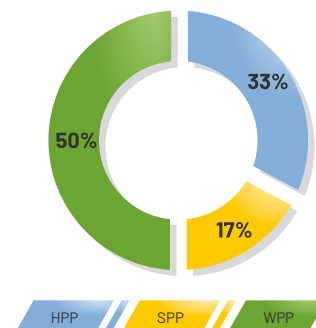




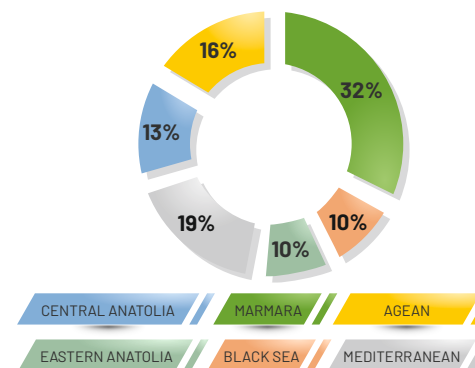
Operation Map



Capacity Distribution According to Power Plant Type



Regional Installed Capacity Distribution





HPP

SPP

WPP

As Akfen Renewable Energy, we aim to reduce our country's energy dependency with our total installed capacity of 699 MW by using renewable energy sources. We our processes with a vision that not only produces clean energy, but also protects our environment in every sense, directs the transformation in the energy sector and Turkiye together with clean energy.

Our Hydroelectricity Power Plants

Total Installed Capacity
228.70 MW
12 HPP

Our power plants established on rivers such as Sakarya, Kızılırmak and Çoruh rivers and their branches offer a balanced production opportunity against possible seasonal changes.

While the amount of energy we produced from our hydroelectric power plants in 2022 was 549,500.00 MWh, in 2023, due to seasonal variations, especially the decrease in precipitation, this amount decreased by 10.87% to 489,727.85 MWh.

Our power plants are equipped with the latest technology and modern equipment. Our head office and operation employees continue their work in line with the goal of achieving the highest efficiency by complying with planned maintenance-repair and renewal procedures.

Our Solar Power Plants

Total Installed Capacity
121.40 MW
8 LICENSED SPP
27 UNLICENSED SPP

Our solar power plants, established in the regions with the most advantageous radiation conditions in Turkiye, are designed with the latest technology. Our plants, which have high efficiency and fully automated systems, utilize solar energy in the most effective way. Our plants, especially located in Konya and Van provinces, benefit from the long sunlight periods and intensity in these regions at the maximum level. Our Solentegre Solar Power Plant in Elazığ has made history as the first Licensed Solar Power Plant established in Turkiye.

The amount of energy we obtain from our solar power plants in 2023 has reached 195,512.40 MWh, an increase of 1.61% from 192,400.00 MWh.

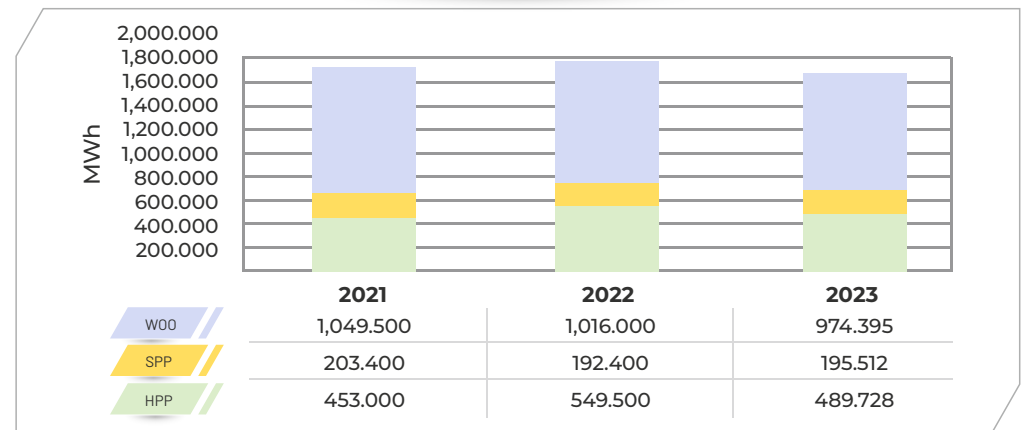
Our Wind Power Plants

Total Installed Capacity
348.90 MW
6 WPP

In 2019, we put our first wind power plants into operation in order to strengthen our presence in the energy sector. With this step, we took our goal of contributing to Turkiye's energy transformation one step further.

Maintenance and repair contracts are in force with Siemens Gamesa in our Üçpınar, Kocalar, Hasanoba and Denizli WPP operations, and with GE Turkiye and GE Wind in our Demirciler and Sarıtepe WPP operations, and there is a 97% availability guarantee.

Electricity Production (MWh)





Milestones

2005

– Licenses for hydroelectric power plants were obtained.

2007

– HPP I, a 100% subsidiary of Akfen, was established.

2009

– Sırma HPP (6.7 MW), Akfen's first hydroelectric power plant project was launched.

2010

– The shares of Enbatı Company, a 100% subsidiary of Akfen, which will operate the Piriçlık hydroelectric power plant in Karabük within the scope of HPP II portfolio with a capacity of 22.5 MW, were sold.

2014

– Doğançay HPP (31.6 MW), Doruk HPP (28.9 MW), Sekiyaka II HPP (3.5 MW) and Yaysun (Unlicensed) SPP (0.6 MW) projects were launched.

2013

– Production started at Kavakçalı HPP (11.4 MW) and Gelinkaya HPP (7.1 MW) projects.
– Akfen Holding's remaining 60% shares in Karasular were sold to Aquila Capital Wasserkraft Invest GmbH and Aquila Hydropower Invest Investitions GmbH & Co KG.

2012

– Demirciler HPP (8.7 MW) and Yağmur HPP (9.2 MW) was commissioned.
– A share transfer agreement was signed for the acquisition of the shares of H.H.K. Enerji Elektrik Üretim A.Ş. and Kurtal Elektrik Üretim A.Ş. by HPP III.

2011

– Akfen Wholesale was established.
– Otluca HPP (48.8 MW), Çamlıca III HPP (28.5 MW) and Saraçbendi HPP (26.3 MW) projects started commercial energy generation.

2015

– A decision was made to expand the portfolio by making purchases in solar and thermal energy. In this context, a 29.75 percent share purchase was made in Akfen Thermal, and the merger process with Karine Energy, which has investments in solar energy, was initiated.
– An agreement was signed with the European Bank for Reconstruction and Development (EBRD) to become a shareholder in Akfen Renewable Energy.
– Denizli SPP Projects (total 7.42 MW) became operational.
– Sekiyaka II HPP 2 (1.09 MW) project with an installed power capacity of 1.12 MW has been put into operation.

2016

– The title of Akfenhes became Akfen Renewable Energy Inc..
– Akfen Holding became a partner within the scope of the agreements signed with EBRD (European Bank for Reconstruction and Development) and IFC (International Finance Corporation).
– Solentegre SPP (9.6 MW) became operational. This project was the first licensed SPP project launched in Türkiye.



2017

– Çalıkobası I HPP (9.2 MW), Amasya SPP (11.2 MW), Tokat SPP (5.6 MW) and Karine SPP (0.56MW) projects were launched.

2018

– Çalıkobası II HPP (8.9 MW), Omicron Engil 208 SPP (12.1 MW), Omicron Erciş SPP (12.1 MW), Yaysun (Licensed) SPP (12.1 MW), MT Doğal SPP (12.1 MW), and Me-Se SPP (12.1 MW) projects were launched.

2019

– Üçpınar WPP (112.2 MW), Denizli WPP (74.8 MW), Hasanoba WPP (51.0 MW), Kocalar WPP (30.06 MW), PSI Engil 207 SPP (13.0 MW), and Çiçekli HPP (7.0 MW) projects were launched.

2021

– Due to the flood in Artvin, Çiçekli HPP was severely damaged and all of its activities Çiçekli HPP were suspended.
– An application was made to EMRA for an additional capacity expansion of 92.48 MWe regarding WPPs in operation. The required permits for all the projects applied for were obtained and the licensed capacity was increased to 92.48 MWe.

2020

– Akfen added Sarıtepe WPP (57.7 MW) and Demirciler WPP (23.3 MW) in Osmaniye, with a total installed capacity of 80.3 MW, to its portfolio by completing the purchase transaction.
– İota Fırıncı SPP (13.0 MW) project became operational.
– As a result of the capital increase transaction of Akfen Renewable Energy completed on February 17, 2020, Akfen Holding share became 66.91%, EBRD's share became 17.10% and IFC's share became 15.99%.

2022

– A Share Transfer Agreement was signed stating that the EBRD and IFC will transfer all of their shares in the Company's capital to Akfen Holding.
– As of 28.12.2022, all of the shares of Kurtal, which operates Cicekli HPP, were transferred to an unrelated third party by Akfen Renewables.

2023

– EBRD and IFC transferred all of their shares in the Company's capital to Akfen Holding and withdrew from the partnership, and Akfen Holding became the sole shareholder of the Company.
– 33.5% of Akfen Renewable Energy has been offered to the public. The company's shares have been traded on Borsa Istanbul under the code "AKFYE" since March 16.

Shareholder Structure

With the share transfer in January 2023, Akfen Holding became the 100% owner of the company, with the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC) purchasing all shares in Akfen Renewable Energy.

As Akfen Group, in line with our vision of achieving high profits and adopting the principle of creating predictable cash flow, we decided to move forward with a different perspective towards our growth targets and in March 2023, 33.5% of the total capital was offered to the public, creating the opportunity to share our company values with a wide audience.

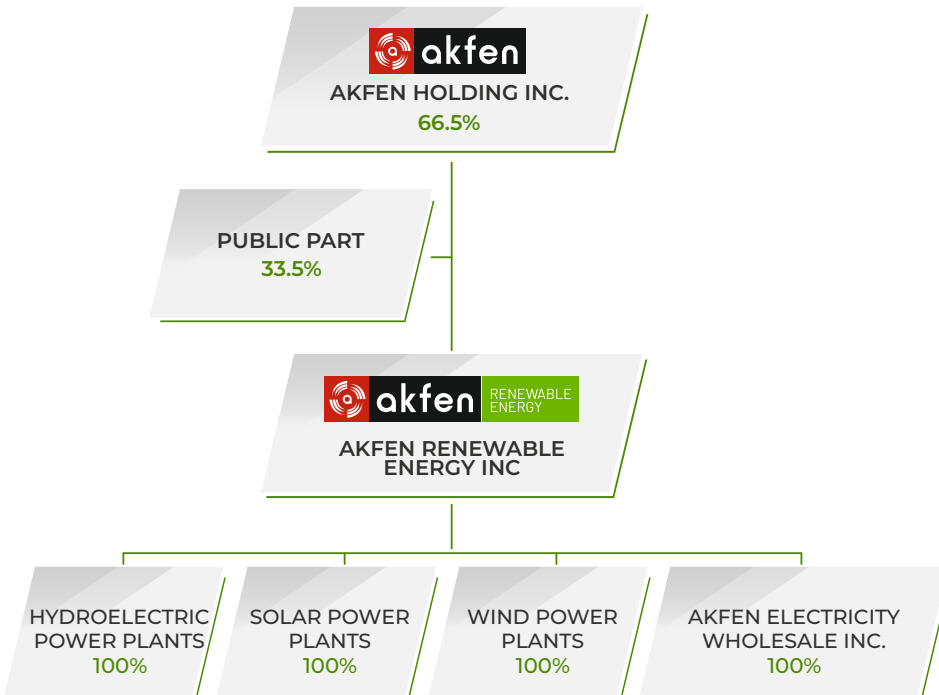
Following the public offering in March 2023, Akfen Renewable Energy's shares began trading on Borsa Istanbul under the code AKFYE as of March 16, 2023.

Akfen Electricity Wholesale Inc., which operates power plants producing energy from renewable sources and wholesale electricity sales, is 100% owned by Akfen Renewable Energy.

TRADE NAME	SHARE IN CAPITAL (TL)	SHARE IN CAPITAL (%)
AKFEN HOLDING INCORPORATED	675,661,244	66.5
OTHERS	340,370,703	33.5
TOTAL	1,016,031,947	100

As Akfen Renewable Energy, we have 45 subsidiaries operating hydroelectric, solar and wind power plants. Our company owns 100% of the remaining companies except for two of them (Me-Se- 80%, Solentegre- 90%).

With all of these partnerships, we continue to promote the use of renewable energy sources and work for a sustainable future.



Highlights of 2023

STRONG PUBLIC OFFERING

In March 2023,
we made our initial public
offering of 3.3 billion liras.

3.3
Billion
TL



SELLING CARBON EMISSION REDUCTION CREDITS

Our company has sold the carbon emission reduction credits of wind power plants Hasanoba WPP, Kocalar WPP, Üçpınar WPP and Denizli WPP for the years 2021-2026 to the UK-based EOS Climate&Energy company. In addition to the main source of income our company obtains by generating electricity from renewable energy sources; a total of approximately 8.6 million dollars of additional income will be provided.



LOCAL EQUITY CAPITAL MARKETS DEAL AWARD OF THE YEAR

Our company has been awarded the "Local Equity Capital Markets Deal of the Year" in the category of the "The Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye Awards 2023," which is considered one of the respected awards in capital markets and finance sectors on November 15, 2023. The award in the category of "Local Equity Capital Markets Deal Award of the Year", which is considered one of the prestigious awards of the capital markets and finance sector, symbolizes Türkiye's rise in the renewable energy sector in recent years as well as its effectiveness in financial markets.

CARBON DISCLOSURE PROJECT (CDP)

We participated in the Carbon Disclosure Project (CDP) Climate Change program for the first time. In the climate change program, which we evaluated for the first time in 2023, we received a "B Management Level" rating, two levels above the global average "C Awareness" rating.



SUSTAINABLE BUSINESS AWARDS 2023

Our project "Rural Education Seminars" was deemed worthy of an award in the "Sustainability Communication-Women's Empowerment" category at the Sustainable Business Awards 2023 event organized by the Sustainability Academy.



AKFEN RENEWABLE ENERGY INVESTMENTS

- WPP CAPACITY INCREASES
- HYBRID SPP INVESTMENTS
- ELECTRICITY STORAGE INVESTMENTS

Our country has given great importance to renewable energy sources, especially in recent years, and has made serious investments in this area. These efforts aim to increase energy independence, reduce environmental impacts, and create an energy sector based on sustainable energy sources. This has helped Türkiye diversify its energy sector and focus more on sustainable energy sources. Increasing investments in renewable energy in the energy sector contributes to the country's energy independence and sustainability goals. In 2023, the share of renewable energy in our country's total installed electricity capacity increased to 55%.

As Akfen Renewable Energy, we are committed to continuing our activities using renewable energy sources. We are aware that sustainable practices and innovations are of great importance in order to combat climate change and create a sustainable energy ecosystem. In this context, we adopt sustainability as a basic principle in order to increase our impact in the energy sector and we are determinedly progressing towards developing innovative solutions. Because we are responsible for providing environmentally friendly solutions that are suitable for the energy needs of not only today but also future generations.

We contribute to clean energy production by using renewable resources such as hydroelectric, solar and wind energy in our portfolio. In this context, our energy investments continue and we comply with current legal regulations and environmental standards while carrying out our activities. At the same time, we follow technological developments by focusing on the effective and balanced use of natural resources and attempt to produce innovative solutions in this field.

We aim to achieve high availability rates for our operating power plants. In line with this goal, we provide high quality turbines and panels to our power plants and at the same time, we use the most efficient systems by following technological developments. Our experienced staff, who have been operating continuously since the installation of the power plants, and the maintenance work carried out by leading companies in the sector ensure that production continues uninterrupted and high efficiency rates are achieved.

Our company's investment strategy is based on focusing on sustainable energy projects and adopting an approach of being environmentally, economically and socially sensitive. We continue our efforts to continue to be one of the largest renewable energy portfolios in Türkiye with our investments.

The investment projects we are developing will come into effect in the coming years and will provide a series of environmental, social and economic contributions. With these investments, we will strengthen the long-term sustainability of our company. In this process, we continue to increase the added value we provide to society and the environment, not only financially, but also by focusing on projects that comply with environmental and sustainable development goals.

We aim to expand our company portfolio, which consists of energy production from renewable sources and wholesale electricity sales trade, with **WPP capacity increases, hybrid SPP and electricity storage investments**. Within the framework of our ongoing investment processes; We plan to **increase our installed capacity with 92.4 MW WPP capacity increase, 94.8 MW hybrid SPP and 285 MW electricity storage investments**



WPP Capacity Increases



Articles foreseeing capacity increase in renewable energy sources were added to the Electricity Market License Regulation by being published in the Official Gazette on 23.08.2019. In the plants licensed as Akfen Renewable, an electrical and mechanical capacity increase was applied for in total 19 turbine points and 92.4 MW within the scope of 5 WPP (Denizli WPP, Kocalar WPP, Hasanoba WPP, Üçpınar WPP and Saritepe WPP).

Number of WPP applied for capacity increase

5

Amount of capacity increase

92.4 MW

Production licenses for capacity increase for the relevant projects have been obtained from EMRA; as of the reporting date, energy analysis studies for wind capacity increase projects have reached the final stage and tender negotiations with turbine manufacturers have been initiated.

In capacity increase projects, it is anticipated that **the annual maximum production amount will be 382,148,900 kWh** in total. In this context, **the annual electricity needs of approximately 76,430 houses** will be met.

Hybrid SPP Investments

The articles stipulating the application for license and pre-license stages for combined renewable electricity production facilities in renewable energy sources were added to the Electricity Market License Regulation by being published in the Official Gazette on 08.03.2020.

Number of Hybrid SPP applied

5

Amount of capacity increase

94.8 MW

As Akfen Renewable Energy, an auxiliary resource (hybrid SPP) application has been made for 6 WPP (Denizli WPP, Kocalar WPP, Hasanoba WPP, Üçpınar WPP, Saritepe WPP and Demirciler WPP) and 1 HPP (Doğançay HPP). The total planned hybrid investment is 94.8 MW. Our applications were deemed appropriate by TEİAŞ and EMRA and the capacity we requested was recorded in our licenses.

The investment process for our 86 MW hybrid SPP projects has been initiated, contracts for the turnkey construction work of the projects have been signed and the construction process has begun.

In hybrid SPP projects, it is anticipated that **the annual maximum production amount will be 226,246,250 kWh**. In this context, **the electricity needs of approximately 45,250 houses will be met annually**.



Electricity Storage Investments

Akfen Renewable Energy has made the necessary applications to the EMRA by taking advantage of the changes made in 2021 and 2022 in order to encourage renewable energy investments in the electricity market legislation. Within the scope of independent electricity storage facility applications, our company's applications for a total of 375 MW independent storage facility were deemed appropriate by the EMRA.

Storage facility application
Pre-license Application

5
Facility

285
MW



In accordance with the right granted to the storage facility within the scope of Article 17 of the Electricity Market License Regulation, preliminary license applications were made for a total of 285 MW capacity of SPP and WPP. In this context;

Çanakkale Üçpınar Storage Production Facility;
Storage (50 MW) + Production WPP (50 MW)

Erzurum Storage Production Facility;
Storage (30 MWe) + Production SPP (30 MW)

Amasya Storage Production Facility;
Storage (30 MWe) + Production WPP (30 MW)

Aydın Storage Production Facility;
Storage (30 MWe) + Production WPP (30 MW)

Osmaniye Sarıtepe Storage Production Facility;
Storage (95 MWe) + Production WPP (95 MW)

Van Storage Production Facility;
Storage (50 MWe) + Production SPP (50 MW)

total 285 MWe Storage + 285 MW Production pre-licenses have been received from EPDK. Pre-license processes of all our storage production facility applications have been completed. Necessary technical and financial studies regarding storage production facilities have been initiated.

It is anticipated that the annual maximum production amount in storage electricity production projects will be 876,203,300 kWh. In this context, **the electricity needs of approximately 175,240 homes will be met annually.**



It is anticipated that the planned WPP capacity increases, hybrid SPP and electricity storage investments will meet the annual electricity needs of a total of 296,920 houses. With the commissioning of these projects, electricity obtained from sustainable energy sources will make a significant contribution to the energy needs of a large population.





CORPORATE GOVERNANCE

- BOARD OF DIRECTORS
- BOARD OF DIRECTORS COMMITTEES
- CORPORATE MANAGEMENT POLICIES
- RISK MANAGEMENT
- ETHICAL PRINCIPLES AND COMPLIANCE
- QUALITY MANAGEMENT

Board Of Directors



The highest governance body in our company's corporate governance practices is the Akfen Renewable Energy Board of Directors. The board of directors focuses on protecting the company's interests, creating long-term strategies, managing risks, evaluating financial performance and maintaining the company's reputation, based on basic principles such as transparency, accountability and protecting the interests of shareholders.

The formation and election of the Board of Directors in our company is carried out in accordance with the Corporate Governance Principles. Our board of directors consists of 5 people in total, including 1 chairman, 1 vice chairman of the board, 1 board member and 2 independent board members with strong resumes. There is 1 general manager and 3 deputy general managers who are affiliated with the board of directors.

During the reporting period, 4 Board of Directors meetings were held with full participation.

The members of the board of directors are elected by the general assembly and the members whose election period has expired can be re-elected if they are discharged by the general assembly. The members of the board of directors can be changed at any time upon the request of the general assembly. The board of directors' meetings are held with the participation of more than half of the members and the decisions are taken by the majority of the members attending the meeting. If the votes are equal, the voting right of the Chairman of the Board of Directors is counted as two. The board of directors serves for a minimum of one and a maximum of three years from the date of election. In addition, legal entities can be appointed as members of the board of directors.

With the decision numbered 2023/09 dated 25.01.2023 of our Board of Directors, the Audit Committee, the Early Detection of Risk Committee and the Corporate Management Committee were established. One of our independent members on the board of directors serves as the Chairman of the Audit Committee and the Corporate Governance Committee, while the other independent member serves as the Chairman of the Early Detection of Risk Committee.

BOARD STRUCTURE	NUMBER of MEMBERS	PERCENTAGE of MEMBERS (%)
Number of Members	5	100%
Number of Male Members	4	80%
Number of Female Members	1	20%
Number of Members Under 30 Years of Age	0	0
Number of Members Between 30-50 Years of Age	2	40%
Number of Members Over 50 Years of Age	3	60%
Number of Executive Members	2	40%
Number of Independent Members	2	40%



HAMDİ AKIN

Chairman of the Board of Directors

Hamdi Akın was born in 1954. He graduated from Gazi University, Department of Mechanical Engineering. In 1976 he founded Akfen Holding, whose main activity area is to invest in, manage and coordinate partnerships and subsidiaries active in infrastructure and superstructure construction, port management, marine transportation, water distribution and waste water services, energy and real estate sectors. In addition to serving as the Chairman of the Board of Directors at Akfen Holding, he is also the Chairman of Board at Akfen Renewable Energy (Akfen Yenilenebilir Enerji A.Ş.) and Akfen REIT (Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.), and Member of the Board MIP (Mersin International Port). In 1997, he founded the TAV brand to build and operate Türkiye's first high capacity airport in the aviation sector, one of the hardest sectors of the world, and he managed the company as Chairman of Board until 2017.

In addition to his private entrepreneurship, Mr. Akın realized projects in infrastructure, energy and investment in scope of privatization efforts. He also carried his dynamism and hard work in business to volunteer efforts and non-governmental organizations as a Manager and founder of many societies, foundations, chambers of commerce.

He has served as Vice President of Fenerbahçe Sports Club (2000-2002), MESS-Metal Industrialists' Union President of Ankara Regional Representatives Council (1992-2004), President of TÜGİAD-Young Business People Association of Türkiye(1998-2000), Board Member of TİSK-Turkish Confederation of Employers' Associations (1995-2001), Board Member of TÜSİAD- Turkish Industry & Business Association President of Information Society and New Technologies Commission (2008-2009) and Board Member of Turkish Marine Environment Protection Association/TURMEPA (2011-2018).

Hamdi Akın is a founder of the Contemporary Türkiye Studies Chair at the London School of Economics. He is also the Founding Member and Honorary President of the Türkiye Human Resources Education and Health Foundation (TİKAV), founded in 1999 to provide Türkiye with well-trained human resources. He is also member of the Board of Trustees at Support and Education Foundation for Basketball and Board Member of Bodrum Promotion Foundation (BOTAV).



SELİM AKIN

Vice Chairman of the Board of Directors

Selim Akın, graduated from Surrey University, Business Administration Department in the United Kingdom, and after coming back to Türkiye Mr. Akın started his professional career in the Akfen Holding Accounting Department and later served in the Project Development and Finance Departments.

The main projects in which he participated are the privatization and financing of Vehicle Inspection Stations, the privatization and financing of Mersin Port and Akfen Holding's public offering and bond issue. Besides his Chairman of the Board of Directors role at Akfen Construction and Tourism Inc. and İstanbul Fast Ferries (İDO), Mr. Akın also serves as the Vice Chairman of the Board of Directors and CEO at Akfen Holding and its various subsidiaries.

Mr. Akın is a member of TÜSİAD, Turkish Tourism Investors Association (TTYD), Young Business People Association of Türkiye (TÜGİAD) and Turkish Contractors Association (TMB) Supervisory Board. He has also been serving as DEİK representative since 2018.



PELİN AKIN ÖZALP

Board of Directors Member

After graduating from Surrey University, UK, in 2010, Pelin Akın Özalp started her career in the Deutsche Bank. Following her return to Türkiye, she attended the MT Program of TAV Airports Holdings. Later moving on to the parent company, she has been serving as a Board Member in Akfen Holding as of 2012.

She is an active member of the Board of Trustees and the Board of Directors at TİKAV (Turkish Human Resources Education and Health Foundation) and Vice President of the Duke of Edinburgh's International Award-Türkiye National Committee.

Pelin Akın Özalp, who was in the YPO network between 2013 and 2020, has also been the Chair of the Advisory Board of the Contemporary Türkiye Research Chair established at the London School of Economics (LSE) since 2010.

She has been serving in DEİK (Foreign Economic Relations Board) as a Board Member in British Business Council. She is also a Board Member of Turkish Tourism Investors Association (TTYD), Turkish Business Women's Association (TİKAD Turkish Marine Environment Protection Association (TURMEPA), and American Turkish Society (ATS) Boards and in Steering Committee Member of Inclusive Capitalism at the moment. Previously, her experience entails different Board Memberships in various networks such as Association of Family Businesses (TAİDER) and Türkiye Union of Chambers and Commodity Exchanges (TOBB) Young Entrepreneurs Advisory Councils, Women on Board Association Türkiye of Directors (WOB Türkiye). She was elected as the youngest deputy board member in TUSIAD in 2014.

Pelin Akın Özalp, currently serving as Board Member of Akfen Holding, and Board of Directors Member of Akfen Renewable Energy, Akfen REIT, İstanbul Sea Buses (İDO) and Travelex.

HASAN KÖKTAŞ

Independent Member of the Board

Hasan Köktaş was born in 1963 in Trabzon. In 1988, he graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Public Administration. He started his career at Türkiye İş Bankası. He worked in Family Finance between 1990-1994 in various positions, and served as a member of the Board of Directors at Vakıfbank between 1996-1997 and as the General Manager of Belko between 1994 and 1999. Between 2003 and 2008, he served as the Vice President of the Privatization Administration of Türkiye. He also served as Deputy Chairman of the Board of Directors of Erdemir between 2004 and 2006, and Chairman and Vice Chairman of the Board of Directors of Türkiye Petrol Rafinerileri A.Ş. (TÜPRAŞ) between 2003 and 2008.

During his career in the Privatization Administration, he took part in the privatization and public offering of Türkiye's largest companies such as Tüpraş, Erdemir, Halkbank, Esgaz, Bursagaz and also harbors and mining companies. Hasan Köktaş worked as the Vice President of Privatization Administration in charge of oil, natural gas and electricity sectors, and served as the Chairman of Energy Market Regulatory Board (EMRA) between 2008 and 2014. Hasan Köktaş, who has been serving as the Chairman of the Board of Directors and Chairman of the Board of Trustees of the Turkish Energy Foundation (TENVA) since 2014, has been a Member of the Board of Directors of Aydem Energy Holding since 2017 and Chairman of Board of Directors of ACC Energy Investment & Consultancy Co since 2019. Köktaş has training certificates in various fields and participated in many national and international meetings on energy. Hasan Köktaş speaks English; he is married and has 3 children.

YUSUF TÜLEK

Independent Member of the Board

Born in 1962 in Denizli, Yusuf Tülek graduated from Karadeniz Technical University Mechanical Engineering in 1983 and started to work as an engineer at the Turkish Electricity Authority Zonguldak Çatalağzı Thermal Power Plant. He worked as the Deputy Manager of 1200 MW Trakya Natural Gas Power Plant between 1986-1994. Afterwards, he worked as the Project and Power Site Manager at Çukurova Elektrik A.Ş. between 1994-1996, Assistant General Manager at Rumeli Holding A.Ş. between 1996-1998, Energy Projects Coordinator at Asna Holding A.Ş. between 1998-2000, Consultant at McD Consulting Office between 2000-2001, and Energy Project Supervisor at Esnida Ltd. between 2001-2003. Yusuf Tülek served as the Board Member and Assistant General Manager of Türkiye Elektrik Ticaret Taahhüt A.Ş. (TETAŞ) between 2003 and 2004, and he was appointed to the EMRA Board with the Appointment Decision published in the Official Gazette of 3 January 2004, and he worked as an EMRA Board Member until 2010. He has been serving as the Founder Shareholder of TB Enerji Yatırım Danışmanlık Ltd since 2012, and he is an Independent Board Member at Lokman Hekim Engürüsağ A.Ş. since 2021.

Board of Directors Committees

In accordance with the Communiqué on Corporate Governance (II-17.1) of the Capital Markets Board of Türkiye (“CMB”) and the Corporate Governance Principles set out in the current Communiqué on Corporate Governance, 3 committees were established, namely the Audit Committee, the Early Detection of Risk Committee and the Corporate Management Committee, with the Board of Directors decision numbered 2023/09 dated 25.01.2023.

Audit Committee

The purpose of the audit committee is to monitor the company's accounting system, public disclosure of financial information, independent auditing, and the operation and effectiveness of the company's internal control and internal audit system. The committee monitors the company's financial processes and internal control mechanisms. It monitors issues such as the selection of the independent auditing organization, preparation of contracts, and management of the audit process. It also undertakes responsibilities such as reviewing complaints, evaluating financial statements, and presenting suggestions to the board of directors.

The committee consists of a chairman and a member, both of whom are independent board members.

Early Detection of Risk Committee

The purpose of the Early Detection of Risk Committee is to identify risks that may endanger the existence, development and continuity of the company early, to take necessary precautions regarding the identified risks and to manage the risk. The Committee identifies and evaluates all risks that may threaten the existence of the company. It supervises processes such as the establishment and annual review of risk management systems. It informs the Board of Directors about risks and makes necessary warnings. It also works for the adoption and implementation of risk management policies.

The committee consists of a chairperson and two members, one of whom is a non-executive board member.



Corporate Management Committee

The purpose of the Corporate Management Committee is to determine whether the corporate management principles are implemented in the company, if not, the reason for this and the conflicts of interest that arise due to failure to fully comply with these principles, to make recommendations to the board of directors to improve corporate management practices and to monitor the work of the investor relations department. The Committee monitors the implementation of corporate management principles and makes recommendations for improvement. It also monitors the work of the investor relations department and provides information to the board of directors. It creates a transparent system for determining suitable candidates and evaluating them according to independence criteria during the nomination process. The structure and effectiveness of the board of directors are regularly evaluated and suggestions for development are presented. The Committee also has responsibilities for determining remuneration policies and taking into account long-term goals in the remuneration of managers.

The committee consists of a chairperson and three members, one of whom is a non-executive board member.

All committee members are determined by the board of directors and announced on the Public Disclosure Platform.

The total number of committee meetings held in 2023 is 8. The meeting results were recorded in the minutes and the decisions taken were presented to the board of directors.

COMMITTEE	NUMBER OF MEETINGS
AUDIT COMMITTEE	5
EARLY DETECTION OF RISK COMMITTEE	1
CORPORATE MANAGEMENT COMMITTEE	2

Corporate Governance Policies

Corporate governance policies have been an important element in determining the duties and responsibilities of our company's management bodies, decision-making processes, risk management, transparency and accountability principles. The Board of Directors has determined **the Remuneration, Information Disclosure, Dividend Distribution and Donation and Aid Policies** with its decision numbered 2023/10 dated 25.01.2023. The policies have been prepared in accordance with the CMB's Communiqué on Corporate Governance (II-17.1) and have been announced to all stakeholders, especially shareholders, through **our website**. At the General Assembly Meeting dated December 7, 2023, the Dividend Distribution and Donation and Aid Policies, which were presented to the shareholders for their opinions and evaluations, were approved and information was provided about the Remuneration Policy. In addition, upon receiving the approval of the Board of Directors on November 5, 2023, the Employee Compensation Policy and Diversity and Inclusion Policy were created and published on our **website**.

Remuneration Policy

The purpose of the remuneration policy is to determine the remuneration principles of the board of directors and executives with administrative responsibility, taking into account the long-term goals of the company. Within the framework of the remuneration policy, the board of directors determines the remuneration of both the board members and the executives with administrative responsibility by conducting self-criticism and performance evaluation for these individuals. While the remuneration of executives with administrative responsibility is determined by the board of directors' decision, the remuneration to be paid to the board members is determined by the general assembly's decision. Care is taken to ensure that the remuneration to be paid to the independent board members is at a level that will protect the independence of the member, and within the framework of the Corporate Governance Principles, dividends, share options or payment plans based on the company's performance cannot be used.

Information Disclosure Policy

The purpose of the information disclosure policy is to provide active, effective and transparent communication by simultaneously sharing all kinds of information that does not constitute a trade secret with all stakeholders, including shareholders, investors, employees, customers and relevant authorities in a complete, fair, accurate, timely, understandable, low-cost and easily accessible manner. The company implements this policy in accordance with the regulations it is subject to and the provisions of its articles of association. Information is provided through the financial statements, independent auditor reports and declarations, annual reports, periodically entered into the PDP (Public Disclosure Platform) by the company, through the company website, special situation disclosure forms, announcements and notices made through the Turkish Trade Registry Gazette and daily newspapers, and through communication tools such as telephone, e-mail and fax. The information disclosure policy includes the principles regarding presentations and reports disclosed in information meetings or press conferences, measures

taken to ensure confidentiality until special situations are disclosed to the public, the principles for monitoring news and rumors about the company in the press and media or on websites and making statements regarding these, the principles used in determining the persons with administrative responsibility and the principles for disclosing future evaluations.

Dividend Distribution Policy

The purpose of the dividend distribution policy is to determine the company's dividend distribution principles and to enable shareholders to foresee the distribution procedures and principles of the company's future profits. The Board of Directors is authorized and responsible for monitoring, supervising, developing and making necessary updates to the company's dividend distribution policy. In principle, as long as the relevant regulations and financial possibilities allow, a number of factors are taken into consideration for dividend distribution, including but not limited to market expectations, long-term company strategy, capital needs of the company's affiliates and subsidiaries, investment and financing policies, profitability and cash position, indebtedness status, changes and developments in the relevant legislation, national and global economic conditions.

Donation and Aid Policy

The purpose of the donation and aid policy is to determine the company's donation and aid principles. The upper limit of the donation to be made is determined by the general assembly. Donations and aids that will lead to a departure from the principle of protecting the rights of the company's shareholders are avoided. However, within the framework of the understanding of social responsibility, in accordance with the provisions of the capital market legislation and the company's policies and practices, donations and aids deemed appropriate by the Board of Directors can be made in a way that does not disrupt the company's purpose and subject. Donations and aids can be made in cash or in kind to any legal or real person. The amount of all donations and aids made during the relevant period, their beneficiaries and policy changes are informed to the partners with a separate agenda item at the general assembly meeting.



Risk Management

As Akfen Renewable Energy, our aim in corporate risk management is to create an environment where risks are defined, measured and the most appropriate responses are given to these risks with the most effective and efficient techniques.

Our approach to the corporate risk management process includes; evaluating opportunities as well as threats, placing activities that will ensure that risks related to the decision area are also taken into consideration in our decision-making processes as a standard, creating a dynamic structure for a successful corporate risk and opportunity management program, analyzing and defining the capacities to reduce, transfer, accept or avoid risk, ensuring that these definitions are compatible with strategic goals and risk appetites, determining all important risks, prioritizing them, reconciling them with strategic and operational goals and evaluating them.

Our Corporate Risk and Opportunity Management Principles

- Risk and opportunity management is the responsibility of everyone at Akfen Renewable Energy, from senior management to employees in departments and units.
- Risk and opportunity assessments are carried out regularly, at least once a year. Risk assessments of risky projects, activities, tasks and operational areas are carried out more frequently.
- The corporate risk and opportunity management program is integrated into key processes such as strategic planning, business planning and operations management to ensure that risks and opportunities are taken into account in decision-making stages.
- Our enterprise risk management is subject to continuous improvement to reflect industry best practices and the needs of the company.
- Policies and procedures in other areas are aligned with risk management.

Our Roles and Responsibilities in Corporate Risk and Opportunity Management

Corporate risk and opportunity management is of strategic importance to our company and our roles and responsibilities in this area are determined with a layered approach. The Board of Directors plays a critical role in the approval of corporate risk management policies and the determination of risk appetite. It also has the authority to decide on risk and opportunity authorities and the distribution of management resources.

The Early Detection of Risk Committee is responsible for determining corporate risk and opportunity management strategies and ensuring that they are consistent with operational obligations. It is also responsible for making recommendations on risk policies and limits and submitting regular reports to the Board of Directors.

Risk officers determined by the company are responsible for implementing improvement actions to reduce risks by participating in annual risk and opportunity assessments and continuously monitoring current risks and opportunities. In this process, they act in accordance with the authority given to them by the general managers.

The Risk Management Unit organizes and operates risks in accordance with the methodology approved by the board of directors, organizes training on risk and opportunity management throughout the company and provides reporting. In addition, it supports decision makers with data flow and reports by continuously improving risk and opportunity techniques.

Our Internal Audit processes independently verify the effectiveness of internal control systems, risk and opportunity management programs, and the integrity of risk models. These verification processes play a critical role in ensuring transparency and accuracy of operation.


During the reporting period, risk assessment studies were carried out by holding regular meetings with all our unit managers, including the identification and analysis of risks on an activity basis, the definition of control activities related to risks, and the determination of the necessary risk improvement suggestions. A SWOT analysis study was carried out with the participation of our General Manager and Deputy General Managers. Our company's strategic risks (corporate risks) were evaluated with SWOT analysis. The study was a guide in identifying strategic risks and significant results were obtained.

Our company's ability to not only be resilient to risks but also to adapt to environmental changes and make the best use of opportunities will enable us to build a sustainable future. We are aware that we can protect our assets and values in the long term by effectively managing all risks. Our risk management is integrated into all activities and strategic planning. We operate the risk management mechanism in all our decision-making processes and consider risks and opportunities holistically.



Risks and Opportunities

The table below evaluates the risks and opportunities related to our strategic management processes.

RISK/OPPORTUNITY MAIN CATEGORY	SUB-CATEGORY DESCRIPTION	PRECAUTIONS AND CONTROLS
	Risks such as global warming, water scarcity, fire, flood, storm etc. due to climate change.	<ul style="list-style-type: none"> · As of 2022, the carbon footprint calculations of all our businesses are carried out in accordance with the ISO 14064-1: 2018 Corporate Carbon Footprint Standard and verified by an independent organization. In addition, we are working on various studies on energy efficiency to reduce our carbon footprint in this process. · We prefer environmentally friendly and sustainable energy sources in our investment processes. · We take climate risks into consideration in the evaluation and location selection processes of new investments. · Emergency response plans have been created for all our operations and regular drills are carried out against emergencies. · Insurance policies against natural disasters are prepared for all our operations and ongoing investment projects and their validity is checked. · We plan to conduct studies to determine water management strategies through impact assessments on water resources.
	Risk of biodiversity loss and ecosystem degradation.	<ul style="list-style-type: none"> · Project impacts are minimized by conducting environmental impact assessments. · Biodiversity monitoring programs have been established and are regularly evaluated. Ornithological monitoring and carcass counting studies are carried out in our WPP projects. · Landscaping and rehabilitation works are carried out in harmony with ecosystems.
	Clean energy production and low carbon footprint opportunity	<ul style="list-style-type: none"> · Our entire income comes from renewable energy production and we do not have any other field of activity. · Not adding coal capacity to our portfolio and creating portfolio capacity from environmentally friendly 100% renewable energy sources. · In order to contribute to the combating against climate change, we continue our work by focusing on clean energy production with low carbon emissions compared to fossil fuels.
	Risks arising from waste management.	<ul style="list-style-type: none"> · In order to ensure that waste is managed in an environmentally friendly manner, waste management plans have been created for each operation, covering the reduction of waste production, promotion of recycling and correct disposal of waste. · We have received the Zero Waste Certificate for all our HPP, SPP and WPP operations and our Center Office in 2021. Within the scope of our zero waste practices, we analyze waste sources, take measures to reduce waste and optimize recycling processes. · Hazardous and non-hazardous wastes are stored and disposed of safely in all our operations. · We implement and develop various waste reduction strategies. · All our operations are subject to mandatory Hazardous Materials and Hazardous Waste Compulsory Liability Insurance every year. · All our employees are trained on waste management and zero waste and awareness is raised.

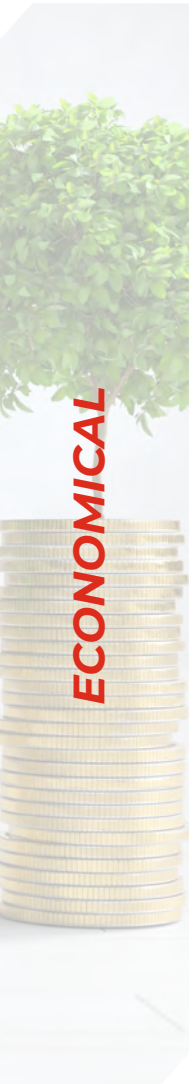


RISK/OPPORTUNITY MAIN CATEGORY	SUB-CATEGORY DESCRIPTION	PRECAUTIONS AND CONTROLS
SOCIAL	Risks from community interaction and participation.	<ul style="list-style-type: none"> · Our projects are monitored for compliance with applicable legal regulations and ethical standards. Thus, we ensure the sustainability of our projects' relationships with communities. · Social impact assessment studies are conducted within the scope of the projects and potential problems are determined in advance. · We ensure that communities are constantly informed by creating transparent communication strategies. · We provide opportunities regarding the potential of projects to create local employment.
	Human rights violations: workers' rights, rights of local communities, etc.	<ul style="list-style-type: none"> · Akfen Holding signed the United Nations Global Compact on July 2, 2002, in order to contribute to the formation of a common culture in the business world within the framework of universal principles. The Global Compact requires participating companies to work in close cooperation with the United Nations by determining 10 principles on human rights, labor standards, environment and combating corruption. In this context, we accept the relevant principles as a guide. · Our "Diversity and Inclusion" and "Human Resources" policies have been prepared in order to develop a work culture that supports diversity and inclusiveness. · We have commitments regarding human rights included in the Environmental and Social Action Plans of our projects. These commitments are checked every year by an impartial monitoring mechanism and 3rd party audits.
	Opportunities for potential social impact.	<ul style="list-style-type: none"> · Beyond focusing on energy production, we have the advantage of collaborating with communities to achieve social sustainability goals and contribute to social development. · Employment of people in the invested region is ensured. · Various training programs are organized with NGOs to raise awareness among local communities. · We contribute to social infrastructure improvements in the locations where our projects are located. · These situations increase the community's ownership of our investments and increase social impact.
	Health and safety risks: Work accidents, health problems.	<ul style="list-style-type: none"> · Occupational Health and Safety policy and procedure are regularly reviewed and updated. · Internal and external audits are carried out to continuously evaluate compliance with the ISO 45001 Occupational Health and Safety standard and to identify improvement opportunities. In this context, we plan to increase our Occupational Health and Safety performance. · Periodic health surveillance of all our employees is carried out. · Occupational Health and Safety training is regularly provided to all our employees. · Risk Assessments and Emergency Action Plans of all our businesses are available and kept up to date.
	Risks arising from working conditions and workload: overwork, stress, ergonomic problems, etc.	<ul style="list-style-type: none"> · The Human Resources policy is regularly reviewed to balance the workload. · Stress Management Instructions are implemented to identify, eliminate and prevent the causes of stress among our employees. · "Employee Stress Level Determination Survey" and "Employee Satisfaction Survey" are applied to all our employees once a year, and "Employee Workwear Evaluation Survey" is applied twice a year. · We carry out studies on continuous improvement of working conditions by making ergonomic evaluations.



RISK/OPPORTUNITY MAIN CATEGORY	SUB-CATEGORY DESCRIPTION	PRECAUTIONS AND CONTROLS
<p style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; color: red; font-size: 2em;">OPERATIONAL</p>	<p>Facility Failures: risks due to equipment failures, energy production losses.</p>	<ul style="list-style-type: none"> · Periodic maintenance and repairs are carried out for all equipment in the operations. · Our employees are trained on equipment use, maintenance and emergency response. · Effective communication and collaboration is ensured between our operations and equipment manufacturers and maintenance service providers. · Quality assurance and auditing processes ensure that equipment and systems comply with established standards. · We monitor and control operational processes using automation systems.
	<p>Data security: risks from information leaks, cyber-attacks.</p>	<ul style="list-style-type: none"> · We continue our work for a strong cybersecurity strategy. · The ISO 27001 Information Security standard allows for the effective assessment of our information security risks and the implementation of appropriate controls against these risks. · By complying with the ISO 27001 Information Security standard, we reduce the potential costs caused by data breaches and cyber attacks. · We aim to measure and reduce data security breaches throughout the company.
	<p>Supply chain risks: material supply, supplier issues, etc.</p>	<ul style="list-style-type: none"> · We implement the Supply Chain Management procedure, which explains the standards and basic principles observed in our relations with our suppliers. · We maintain alternative supplier relations and adopt diversification policies. · We evaluate the risks on the supply chain and continue our work to manage them effectively. · We monitor and evaluate our supply chain performance. · We aim to keep the usage rate of local suppliers and local employment constant.
	<p>Investment opportunity in innovative technologies.</p>	<ul style="list-style-type: none"> · By focusing on innovative technologies, we have the opportunity to be a pioneer in the sector and gain competitive advantage. · Innovative energy storage solutions are being pursued to store and use more effectively the energy obtained from variable energy sources such as wind and sun. In this context, various energy storage technologies are focused on. · We cooperate with technology leaders abroad and evaluate the latest technologies. We aim to implement our projects more efficiently by strengthening our technological infrastructure.
	<p>Energy transmission and distribution problems: energy losses, operational risks in transmission lines.</p>	<ul style="list-style-type: none"> · Cooperation is made with regulatory authorities and local energy companies in the processes of connecting to the transmission and distribution network. · Business continuity plans are being developed against possible interruptions that may affect energy production and distribution processes. · Investments are being developed for energy storage systems that will be used for storing the energy produced and for electricity consumption in cases of instability. This can create a buffer against grid connection problems.



RISK/OPPORTUNITY MAIN CATEGORY	SUB-CATEGORY DESCRIPTION	PRECAUTIONS AND CONTROLS
 <p>ECONOMICAL</p>	Market risks such as fluctuations in energy prices, changes in demand, etc.	<ul style="list-style-type: none"> · We have a management team that follows the developments in the energy market and adapts quickly. · We regularly conduct market research and analysis to anticipate trends and future changes in energy markets. · We establish various partnerships to quickly adapt to regulatory changes in the energy sector.
	Risks in obtaining funding for future investments and acquisitions.	<ul style="list-style-type: none"> · Studies for future investments and acquisitions are ongoing. · Risk distribution is achieved by diversifying the investment portfolio with capacity increases, hybrid projects and electricity storage investments. · Strategic partnerships and collaborations are evaluated in their investments. · Policies and regulations in the energy sector are followed meticulously. · Traditional bank loans, private equity, risk (venture) capital, green bonds and other alternative financing sources are also being considered.
	Opportunities for increasing renewable energy demand.	<ul style="list-style-type: none"> · Several countries are encouraging the use of renewable energy to achieve global climate goals such as the Paris Agreement. This situation offers expansion and growth opportunities with various incentives and supports. As Akfen Renewable Energy, we aim to expand our portfolio by continuing to produce electricity from environmentally friendly and sustainable energy sources. · Increasing demand for renewable energy will also contribute to energy security and independence.
	Opportunities for incentives and regulations.	<ul style="list-style-type: none"> · Various financial advantages such as low-interest loans, tax breaks, grant programs and capital contributions are provided to encourage investment in renewable energy projects. These incentives and regulations enable our company to gain competitive advantage, finance projects and support sustainable growth.



Ethical Principles and Compliance

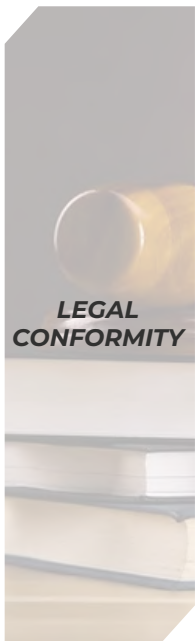
Compliance with legal and ethical principles forms the basis of a sustainable and reliable business model. Work culture includes issues such as compliance with ethical principles covering values in business processes and relations with stakeholders, fair business practices, respect for human and employee rights, environmental sustainability, occupational health and safety and social responsibility.

We are in constant interaction with different individual and corporate groups including employees, subcontractors, banks, competitors, media, and official institutions. We maintain our business relationships with all stakeholders in a respectful, ethical and legal manner. We are aware that compliance with legal and ethical principles is also critical to protecting the reputation of our company and fulfilling our responsibilities to our stakeholders.

Akfen Renewable Energy's ethical codes provide guidance for managers, employees and other stakeholders and help the company maintain its ethical standards. The board of directors, senior managers and all employees are expected to act in accordance with ethical principles. Legal and ethical regulations are complied with in all activity processes.

ETHICAL CODES

GENERAL PRINCIPLES



LEGAL CONFORMITY

Respecting Equal Opportunity:

We recognize and value religious, structural and cultural differences of the stakeholders we interact with.

Respecting Intellectual Property:

We act in accordance with the all laws and regulations on the protection of the intellectual properties of persons and corporations.

Giving and Receiving Gifts:

Exchanges of gift are carried out honestly and recorded in a way that does not violate company principles and policies, does not harm reputation, and does not constitute a legal crime.

Corruption, Bribery and Borrowing:

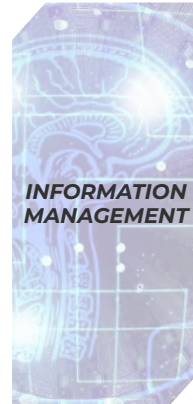
Company employees do not accept, give or offer bribes under any circumstances. No special privileges are requested from subcontractors, suppliers, consultants, competitors or customers. We fight against all kinds of corruption, including bribery and discrimination, within the scope of Article 10 of the Global Compact on corruption.

Anti-Competitive Measures:

We establish transparent communication with public authorities and maintain the level of communication in accordance with the fair competition laws of the relevant country. We maintain the same ethical, transparent and fair approach in relations with our competitors and avoid any behavior that may be anti-competitive.

ETHICAL CODES

GENERAL PRINCIPLES



INFORMATION MANAGEMENT

Information Privacy:

In order to protect the confidential and non-public information of the company, it is used only for the company's fields of activity and process improvements within the framework permitted by legal regulations, and its use for personal interests is avoided. Company information obtained due to the field of activity or operations for which it is responsible is not shared with persons inside or outside the company without valid and legal permissions.

Information Safety:

Aware of the importance and necessity of protecting information integrity and information accessibility; company records are stored in accordance with legal regulations and protected against unauthorized access

Social Media:

Being aware of the role and potential of social media in today's world of interaction; making statements and expressing opinions on behalf of the company on virtual platforms without the knowledge/approval of company spokespeople is avoided.

ETHICAL CODES

GENERAL PRINCIPLES



CONFLICT OF INTEREST

Conflict of Interest:

Situations where individual interests may conflict with the interests of the company or related individuals and institutions are observed and prevented.

Working Free-lance Outside The Corporation:

No official or private, permanent or temporary, paid or unpaid position other than the company's duty is accepted without the company's knowledge and approval. No work or consultancy is provided in another institution or organization.

ETHICAL CODES

GENERAL PRINCIPLES



RESPONSIBLE WORK APPROACH

Human Rights:

Fundamental human rights set forth by the United Nations Global Compact are supported. Our company operates as the first Holding to sign the contract. We accept the 6 articles of the Global Compact regarding human rights and labor standards as a guide.

Principle 1. Businesses should support and respect the declared human rights.

Principle 2. They should not abuse these rights in any way.

Principle 3. Businesses should allow and support workers' rights to collective bargaining and association.

Principle 4. The practice of forced labor should be ended.

Principle 5. All child labor should be ended.

Principle 6. Discrimination among workers and the workforce should be ended.

ETHICAL CODES

GENERAL PRINCIPLES

RESPONSIBLE
WORK
APPROACH**Environmental Interaction:**

We aim to live in an environmentally sustainable world and leave a healthy, clean and livable world to future generations; for this purpose, we attach importance to using high standard practices within the framework of relevant legal legislation and regulations in our activities. We accept the environmental articles of the Global Compact as a guide.

Principle 7. Businesses should take precautions for the environment in advance and show the necessary sensitivity and struggle.

Principle 8. They should support all kinds of activities and formations that will increase environmental responsibility.

Principle 9. They should support all applications that will help the spread and development of environmentally friendly technologies.

Social Contribution:

With the awareness of corporate social responsibility, we carry out activities that will contribute to the development of society through foundations and supported associations in order to provide quality human resources to the society.

Accuracy in Financial and Commercial Records:

We record and report all information regarding our company activities accurately, consistently and completely. We present legally regulated, current and valid information about Akfen to the public and other official institutions on time.

Utilization of Akfen's Resources:

We always protect the company's resources; machines, equipment, fixed assets and vehicles; we prevent them from being misused, damaged, wasted and lent, rented or sold to others. In addition; personal use of communication and transportation facilities provided within the framework of the authorities and responsibilities required by the positions is avoided.

ETHICAL CODES

GENERAL PRINCIPLES

SAFE WORKING
ENVIRONMENT**Violence in the Workplace:**

Any situation where employees are abused, subjected to non-physical violence such as pressure or threats, and where their safety and health are put at risk is considered as an element of violence. We do not tolerate any behavior or action that includes harassment, threats or physical violence in any form; when faced with such a situation, the necessary legal process is initiated.

Health and Safety:

We attach importance to creating a healthy, safe and secure working environment. We take utmost care to comply with health and safety issues in all activities in the company, businesses and construction sites, and take all kinds of precautions. We follow the regulations and developments related to work safety, and avoid negligence.



Important tools such as policies, internal and external audits, trainings and violation reporting mechanisms are used to ensure compliance with ethical principles. Care has been taken to ensure that all policies, procedures and instructions of our company are prepared in accordance with the law, in a transparent manner and in compliance with ethical standards. Issues related to human resources, talent development, risk management, security, competition analysis, market research, environmental and regulatory changes are evaluated and, if necessary, policies, procedures and instructions are revised.

Our policies on permission, discipline, conflict of interest, unionization and collective bargaining rights, corruption, discrimination, equal employment opportunities, working conditions and rights, job security, layoffs, wages and fringe benefits, training and development, confidentiality and security, complaint and violation mechanism, business ethics and rules of conduct, and termination process are included in the content of the Human Resources Procedure.



During the reporting period, a total of 284 employee*hours of “Ethical Principles” training was organized within the scope of the Akfen Renewable Energy training program in order to understand and adopt ethical behavior.



Within the scope of the violation reporting mechanism that enables our employees and stakeholders to report non-compliances, we implement the suggestion-complaint mechanism and the ethics line that we put into effect in 2022. We have established a comprehensive communication line covering employees and stakeholders with the suggestion-complaint mechanism and ethics line. As detailed in our Switchboard Communication Instruction, our employees and stakeholders can convey their suggestion-complaints, in addition to the ethics line, through our corporate [website](#), and also through the suggestion-complaint boxes we place in all fields and nearby settlements, and directly to our Public Relations and Corporate Sustainability Manager, whose information is shared with communication posters, by reaching his/her mobile phone.

Situations where violations and dilemmas regarding Ethical Principles occur are evaluated and resolved within our Ethics Board. The Ethics Board operates directly under the Corporate Governance Committee. The Ethics Board is chaired by our Deputy General Manager Responsible for Legal Affairs.

The Ethics Board members consist of the Internal Audit Manager and the Human Resources Department. The Ethics Board works in accordance with the principle of confidentiality, independent of the hierarchical structure within the company's organizational structure during the examination of a possible situation. It resolves the incidents as soon as possible and informs the parties and the Senior Management.

Our company is committed to creating a sustainable business culture by acting with the principle of commitment to ethical values and transparency. Ethical management has become a fundamental part of our business process and our approaches to this issue are available on our [website](#).

We have no reported cases of behavior against laws and ethical principles in 2023.



Ethical Line

By implementing the ethical line in 2022, we announced this important step on our corporate **website** and also announced it to all our employees and stakeholders. With the ethical line, we ensure that our employees, stakeholders, subcontractors, suppliers and their subcontractors report unethical behavior, abuse and any kind of non-conformity regarding our company to an independent organization without any worries.

An ethical line mechanism is implemented that minimizes losses and abuses within our head office and businesses, protects the corporate identity of our company and makes the lives of our employees facilitating.

Unethical issues can be reporting through the following communication channels.

- By calling **444 Ethics (3845)**,
- By sending an e-mail to **akfenyenilenebilirenerji@etikhat.com.tr**,
- By sending a message from the website **www.etikhat.com.tr**,
- By sending a message to the WhatsApp line **0 552 Ethic (3845) 000**,
- By sending a text message to **0 552 Ethic (3845) 000**.

CATEGORIES OF ETHIC

SUBJECT OF UNETHICAL BEHAVIOR

- Dispute or Disagreement
- Insulting or Swearing
- Mocking or Humiliating
- Gossiping
- Lie
- Slander
- Discrimination

ABUSE AND OTHER CRITICAL SUBJECTS

- Abuse of Trust (Abuse of Security)
- Use of Company Resources for Personal Benefits
- Embezzlement of Company Resources
- Waste of Company Resources
- Internal Theft
- External Theft
- Deceit, Fraud and Scam

- Favoritism (Giving Favorites)
- Emotional Relationships That Disrupt the Work Environment
- Staying Silent and Ignoring Inappropriate Behavior
- Money Exchange Between Superior and Subordinate
- Making Political etc. Propaganda
- Psychological Harassment (Mobbing)
- Sexual Harassment
- Threats or Blackmail
- Physical Violence or Fighting
- Alcohol or Drug Use
- Unfair Dismissal
- Unfair Practice Regarding Working Order
- Other Unethical Behavior Issues
- Personal Interest Relationship with the Supplier
- Tender Rigging
- Debt Exchange with Supplier
- Acceptance of Luxury Gifts etc. from Supplier
- Bribe
- Violation of Company Rules
- Information Leakage etc. Information Security Violation
- Violation of the Application of the Personal Data Protection Law
- Breach That Puts the Company in Legal Difficulty
- Violation that Endangers Occupational Health and Safety
- Violation that Endangers Life and Property
- Violation that Damages Brand and Reputation
- Other Critical Risk Issue

Notifications received through the Ethical Line are compiled by a third-party legal entity and reported to the Ethical Line Board. The reports are evaluated by the Ethical Line Board. The results of the reports are evaluated within the framework of the necessary legal methods and ethical rules.

In 2023, 1 notification was made to the Ethical Line. This notification was sent to us by our subcontractor employee and its content is related to employee rights. By sending the notification to our subcontractor company, it was managed effectively, strengthening the company's ethical culture, ensuring legal compliance and encouraging employees to work in a safe environment.

Quality Management

As Akfen Renewable Energy, we have established the Integrated Quality Management System (IQMS) with a management approach that aims to combine and coordinate quality management, energy management, environmental and social responsibility and occupational health and safety processes. We undertake the following by complying with national and international legislation regarding the Integrated Management System and adopting a quality-oriented approach at every stage of our activities.

- We will fully fulfill the requirements of the management system standards we have declared,
- We will do our best to achieve company and unit goals in a team spirit,
- We will ensure that our employees perform their duties in a safe and healthy environment,
- We will ensure the establishment of human and employee rights,
- We will use our energy, global and corporate resources efficiently,
- We will continuously improve our service and system performance,
- Take a preventive rather than corrective approach; we will try to detect and eliminate potential problems before they occur,
- In all our employees; we will establish education, high level communication and team spirit,
- We will create and maintain a reliable company identity that meets the needs and expectations,
- We will cooperate with our suppliers based on control at all levels.
- We will create and protect an exemplary corporate identity that is respectful and beneficial to the society, our employees and the environment,
- We will not hinder competition, on the contrary, we will encourage it,
- We will act transparently, taking into account the principles of privacy and security,
- We will declare our stance on environmental protection, occupational health and safety, efficiency in energy and global resource use, human resources, social responsibility, information security, protection of personal data by publishing special policies, and we will ensure that our policies are acted on at all levels.
- We will declare our ethical rules and ensure that these rules are followed at all levels.
- We will be an exemplary institution in every aspect of our sector.

We fulfill our commitment to keeping the Integrated Quality Management System (IQMS) up-to-date in a multifaceted and systematic manner. In this context, we manage our projects and investments meticulously, constantly review processes and focus on improvement opportunities. Acting with the vision of adopting global best practices, we carry out various studies in order to align our business processes with these standards. These efforts include following a systematic strategy to increase efficiency in our business processes, effectively manage risks and continuously strengthen customer satisfaction. In our efforts to internalize the Integrated Quality Management System and keep it up-to-date, we aim not only to strengthen our own sustainability but also to reach a leading position in the sector.

Integrated Quality Management System



Within the scope of the Integrated Quality Management System,

**ISO 9001:2015 Quality Management System,
ISO 14001:2015 Environmental Management System,
ISO 45001:2018 Occupational Health and Safety Management System,
ISO 50001:2018 Energy Management System,
ISO 27001:2013 Information Security Management System and
ISO 26000:2020 Social Responsibility Management System Standards**

are applied in order to ensure high-level standards in the fields of quality, occupational health and safety, environment, energy management and information security in all of our businesses. Our entire portfolio is certified according to the specified Integrated Quality Management System standards.



The management system has been certified as a result of the audit program carried out by the CISQ Federation, one of the international certification bodies, and ICIM Spa, a member of IQNet. This certification process includes a comprehensive review carried out to assess and promote the compliance of the quality management system with world standards. In addition, we ensure uninterrupted document continuity with regular interim audits carried out every year. These systematic audits play an important role in maintaining the effectiveness and suitability of our management process, encouraging continuous improvement and ensuring that the documents are up-to-date and valid.

MANAGEMENT SYSTEM	CERTIFICATION DATE	LAST INTERIM AUDIT DATE	UPDATE OF CERTIFICATE DATE	ACCREDITING AGENCY
EN ISO 9001:2015 QUALITY MANAGEMENT SYSTEM	25.01.2017	03.04.2023-08.04.2023	28.09.2023	ACCREDIA L'ENTE ITALIANO DI ACCREDITAMENTO ICM CISO I-Net
EN ISO 14001:2015 ENVIRONMENTAL MANAGEMENT SYSTEM	25.01.2017	03.04.2023-08.04.2023	28.09.2023	ACCREDIA L'ENTE ITALIANO DI ACCREDITAMENTO ICM CISO I-Net
EN ISO 45001:2018 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM	01.02.2017	03.04.2023-08.04.2023	28.09.2023	ACCREDIA L'ENTE ITALIANO DI ACCREDITAMENTO ICM CISO I-Net
EN ISO 50001:2018 ENERGY MANAGEMENT SYSTEM	01.02.2017	03.04.2023-08.04.2023	22.09.2023	ACCREDIA L'ENTE ITALIANO DI ACCREDITAMENTO ICM CISO I-Net
EN ISO 27001:2013 INFORMATION SECURITY MANAGEMENT SYSTEM	26.01.2022	17.04.2023	15.05.2023	TURKULUS TCS
EN ISO 26000:2020 SOCIAL RESPONSIBILITY MANAGEMENT SYSTEM	23.11.2022	25.11.2023	23.11.2023	TUV AUSTRIA TURK

Management Systems Documents

Our management system documents include a comprehensive set of documentation created to regulate organizational processes, standards and policies. These documents have been developed in accordance with the performance standards of the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD) and in accordance with ISO standards and are updated periodically. While IFC and EBRD standards determine the highest standards in financial and corporate management, ISO standards include globally accepted principles in critical areas such as quality, environment, occupational health and safety, energy management and information security.

This set of documents provides guidance for organizing processes within the company, evaluating performance and focusing on continuous improvement. In this way, we ensure that our business

processes are managed in a transparent and effective manner in accordance with international standards. The documentation emphasizes our company's commitment to quality standards and supports the achievement of our continuous improvement goals by providing a transparent and understandable framework for our employees, stakeholders and interested parties. Our integrated management system contributes to our company's long-term sustainability vision by supporting the effective implementation of policies and procedures developed in accordance with sustainability principles. Our policies, approved at the Board level, are published on our [website](#).

Policies

- POL-01** Quality Policy
- POL-02** Environment Policy
- POL-03** Occupational Health and Safety Policy
- POL-04** Energy Efficiency Policy
- POL-05** Social Responsibility Policy
- POL-06** Common Denominator Activities for the Public Benefit Policy
- POL-07** Purchasing Policy
- POL-08** Human Resources Policy
- POL-09** Information Security Policy

System Infrastructures Used

We use various system infrastructures to increase the effectiveness of the Integrated Quality Management System. We actively use the Integrated Enterprise Resource Planning (ERP) system called SAP (Systems, Applications, and Products in Data Processing) to manage our operations and control business processes in an integrated manner. The ERP system covers processes such as financial reporting, budget management, supply chain management, inventory management, purchasing transactions, and management and monitoring of project-based work. We use SAP FI/CO to optimize human resources processes such as personnel management, leave requests, and payrolls. The PiK Online interface is actively used in the human resources management system for personnel management, payroll management, leave and time management, performance, and competence.

We use the "Paperwork" system to support operations and organize document management and business processes more effectively. Paperwork is a platform focused on document management and workflows and plays an important role in the company's digital transformation process. The system allows documents to be created, edited, shared and tracked electronically.

In our subcontractor-operated SPP operations, Google Drive, a cloud-based system, is used for document management and collaboration. This system helps businesses to store, categorize, share and collaborate on their documents in an organized manner. Microsoft Teams platform, which has a wide range of features that serve a number of different needs, is used to optimize collaboration, communication and business processes between teams and employees. It is actively used in communication and meetings, document storage and sharing, task management, training and information sharing, integrated analytics and reporting processes. Within the scope of Integrated Management Systems, QDMS software has been supplied in order to track the document infrastructure more effectively. With this software, we aim to strengthen governance with systematic reporting by defining the control activities of the document infrastructure such as risk inventories, procedures, instructions, forms, etc. that we have previously prepared.

We plan to procure QDMS software to track the document infrastructure more effectively within the scope of Integrated Management Systems. With this software, we aim to strengthen governance with systematic reporting by defining the control activities of the document infrastructure such as risk inventories, procedures, instructions, forms, etc. that we have previously prepared.



System Infrastructures

SAP		Finance Management Human Resources Management Materials Management Production Planning Project Management
SAP Fiori		Human Resources Management
Paperwork		Document Management Workflows & Work Processes Security and Access Controls Digital Formation Planning Automatic Reporting
PIK Online		Human Resources Management
Google Drive		SPP Operations Document Management Digital Formation Automatic Reporting
Microsoft Teams		Communications and Meetings Document Storage and Sharing Task Management Training and Information Sharing Integrated Analytics and Reporting Team Collaboration

System infrastructures increase the effectiveness of the Integrated Quality Management System by supporting key elements such as document management, monitoring of business processes, collaboration and communication. These tools help us adopt an integrated approach to ensure compliance with quality standards, increase efficiency and encourage continuous improvement.



OUR SUSTAINABILITY APPROACH

- OUR SUSTAINABILITY MANAGEMENT STRUCTURE
- OUR SUSTAINABILITY STRATEGY
- OUR SUSTAINABILITY PRIORITIES
- OUR SUSTAINABILITY GOALS
- STAKEHOLDER PARTICIPATION

As Akfen Renewable Energy, our sustainability vision is shaped by focusing on minimizing environmental impacts in the energy sector, using natural resources efficiently and acting with social responsibility awareness.

While implementing renewable energy projects, we aim to leave a clean, reliable and sustainable energy future for future generations by bringing together economic, ecological and social dimensions. We aim to create a business culture that is fully compliant with Environmental, Social and Governance principles by constantly renewing our sustainability development and to maximize sustainability standards not only in current projects but also in terms of future investments and operations. In this context, we continue our efforts to stand out as a leading organization in the sector with strong sustainability strategies.

We follow a comprehensive strategy to ensure sustainability governance. By adopting the principle of transparency and accountability, we have been sharing annual monitoring reports evaluating environmental and social issues in accordance with the performance standards of the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD) with all our stakeholders since 2016. We contribute to the integration of sustainability culture into our business processes with training and awareness programs organized for our employees. Emphasizing ethical values strengthens the bond between business ethics and sustainability, while stakeholder engagement plays an important role in shaping our processes.



A total of 3.972 employee* hours of training were organized within the scope of Akfen Renewable Energy Environmental, Social and Governance (ESG) training program.



Akfen Holding signed the United Nations Global Compact on July 2, 2002, with the aim of contributing to the formation of a common culture in the business world within the framework of universal principles. With this signature, it became the first holding company in Türkiye to sign the Global Compact.

The current ten principles included in the Global Compact cover the areas of human rights, working conditions, environment and combating corruption. Adopting this contract has strengthened our company's commitments in the field of sustainability, allowing us to take important steps in the areas of respect for human rights, fair working conditions, environmentally friendly practices and transparent governance. In this context, our progress in sustainability is developing stronger and more effectively, coherent with the principles of the Global Compact.

We share our compliance with the Global Compact with the public through the annual surveillance reports we published between 2016 and 2022, and our first Sustainability Report for 2023.

In addition, Akfen Holding became the first Holding to sign the United Nations Women's Empowerment Principles (WEPs) in order to strengthen its commitments on gender equality and women's employment. These principles include seven basic principles developed to support gender equality and women's empowerment in the business world. The adoption of the principles emphasizes our company's determination to provide equal opportunities for female employees, encourage women's leadership and combat gender inequality. We will continue to take important steps in the field of social responsibility within our sustainability vision.

Akfen Renewable Energy Board Chairman Hamdi Akin and Board Member Pelin Akin Özalp support HeForShe, a global solidarity movement for gender equality that began under the leadership of the United Nations Women's Unit. With this support, we emphasize the commitment of our company's senior management to gender equality and strengthen the company's efforts in the field of sustainability and social responsibility with their participation in the HeForShe movement. Our sensitivity to women's empowerment and equality in the business world continues sensitively.

In 2021, we achieved the highest **grade of A1** with an overall score of 67 in the sustainability report prepared by Vigeo Eiris, which was established under the umbrella of the international rating agency Moody's to inform asset managers and investors. The A1 grade we received reflects a successful sustainability performance based on environmental, social, governance, operational efficiency, legal security, human capital and reputation criteria. The Vigeo Eiris report emphasized that our energy production, which is provided entirely from renewable sources, contributes to the sustainable development goals of the United Nations on affordable and clean energy, sustainable consumption and production, and climate action.

In 2022, we participated in the Environmental, Social and Governance (ESG) performance assessment of the international rating agency Moody's. We achieved a total of **70 overall score** in the Environmental and Social Governance report prepared by Moody's. With this score, we ranked **first among** all companies in the electricity sector in the world and all markets in the European/Asian market. According to the report, as Akfen Renewable Energy, **we entered the top 30** in all sectors in the world market. We are proud of this success and continue our work with determination.

Complying with the goals set by the international community on climate change is also among our company's priority goals. In 2023, we participated in the Carbon Disclosure Project (CDP) Climate Change program for the first time. We received a "B Management Level" rating in the Climate Change program, two levels above the global average "C Awareness" rating. This program has allowed us to evaluate our company's environmental performance and develop strategies for a more sustainable energy future.



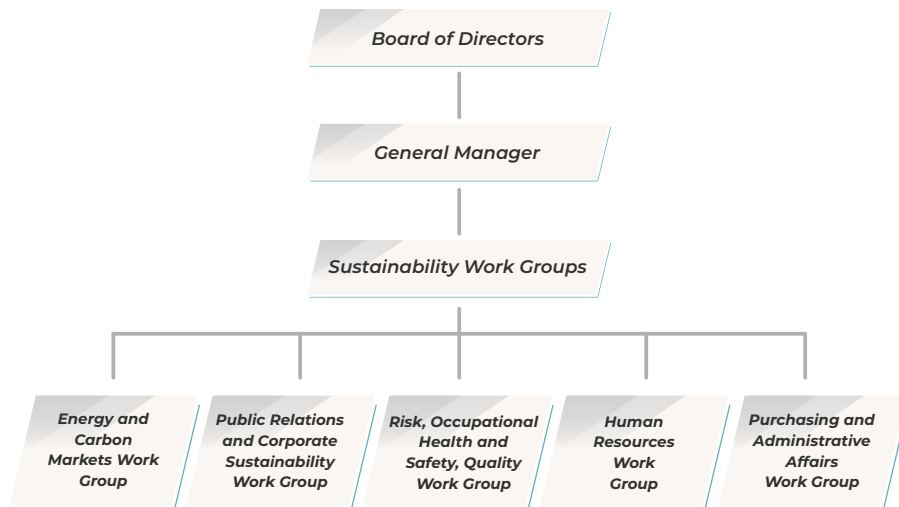
As Akfen Renewable Energy, we have adopted the goal of operating with a vision compatible with the European Green Deal and the Paris Agreement. The main goals of our green growth strategy include increasing our renewable energy investments and reducing our emissions to the lowest level by evaluating scenario analyses in order to contribute to the goals of the Paris Climate Change Agreement.



Our Sustainability Management Structure

As Akfen Renewable Energy, we continue our work to play a strong role in the field of sustainability and achieve our future goals. In 2022, the sustainability management structure was updated and the Akfen Sustainability Committee, affiliated to the Akfen Holding Board of Directors, was established. This committee is responsible for improving and monitoring the sustainability performance of Akfen Holding and its subsidiaries; the work carried out is reported directly to the Akfen Holding Board of Directors. In the last quarter of 2022, 4 different subcommittees were established to work to increase Akfen's sustainability performance and achieve future sustainability goals; and to develop studies on management, planet, human, society and investment issues. Our employees with various areas of expertise from Akfen Renewable Energy also actively participate in these subcommittees.

Our sustainability working groups play a role in our company's sustainability work. These groups consist of Energy and Carbon Markets, Public Relations and Corporate Sustainability, Risk, Occupational Health, Safety and Quality, Human Resources and Purchasing and Administrative Affairs groups. This structure offers a strategic approach that aims to increase our company's current sustainability performance and achieve the determined sustainability goals.



Our sustainability working groups, within the scope of the company's Environmental, Social and Corporate Governance (ESG) performance,

- Evaluate and coordinate the priority issues that should be focused on sustainability,
- Discuss the sustainability strategy, short, medium and long-term goals, roadmaps and policies,
- Assess risks and opportunities,
- Provide the necessary follow-up to achieve sustainability goals,
- Evaluate environmental, social and economic impacts,
- Develop sustainability strategies.

Sustainability working groups come together in meetings usually held once every three months within the framework of Environmental, Social and Corporate Governance (ESG) performance and present their work to the General Manager. All decisions taken are approved by the General Manager. In the Board of Directors meetings, the work during the year is shared and direct interaction is established with the Board of Directors. In these meetings, action plans and policies are also evaluated. The fact that the management follows and supports strategic steps is one of the strong aspects that positively affects our company's sustainability performance. The policies and action plans discussed in the meetings are renewed when necessary and published on the Akfen Renewable Energy website after being approved by the Board of Directors. This process supports our aim to inform our stakeholders and build trust by transparently sharing our company's sustainability efforts.



Our Sustainability Strategy

Our sustainability strategy is based on the aim of minimizing our company's environmental, social and economic impacts, creating positive change and achieving long-term sustainability goals. This strategy includes collaborating with our stakeholders, environmental impact analyses, renewable energy projects, social responsibility initiatives, green financing and effective management transparency. These elements form the cornerstones of our sustainability journey.

Stakeholder Engagement And Collaboration

We actively consult with our stakeholders in the development of our sustainability strategy, involving local communities, employees, suppliers and other stakeholders in this process. This participation brings together different perspectives, ensuring in a more comprehensive and effective strategy.

Environmental and Social Impact Analysis

We conduct environmental and social impact analyses to assess the environmental and social impacts of our activities. These analyses play an important role in understanding the environmental and social sustainability impacts of our projects and adopting best practices.

Renewable Energy Projects

We focus on clean and renewable energy projects. Using environmentally friendly sources such as hydropower, solar and wind energy to generate energy helps the company reduce its environmental impact and support the transition to sustainable energy. Renewable energy sources help our company achieve its sustainability goals while minimizing the negative impact on the environment.

Social Responsibility Project

As a company, we attach importance to social responsibility projects and aim to have a positive impact on local communities and the region. Projects that contribute to education, health, employment and the local economy are part of our company's social sustainability efforts.

Green Finance and Investments

We focus on green financing and investment instruments to support our sustainability strategy and finance green projects. This allows our company to invest more in sustainable projects and align our financial performance with sustainability.

Management Transparency and Reporting

In order to monitor our sustainability performance and provide transparent information to our stakeholders, we regularly publish Environmental, Social and Corporate Governance (ESG) reports. These reports aim to share with our stakeholders the progress of our company in achieving its sustainability goals and the impact of our sustainability efforts.





Our Sustainability Priorities

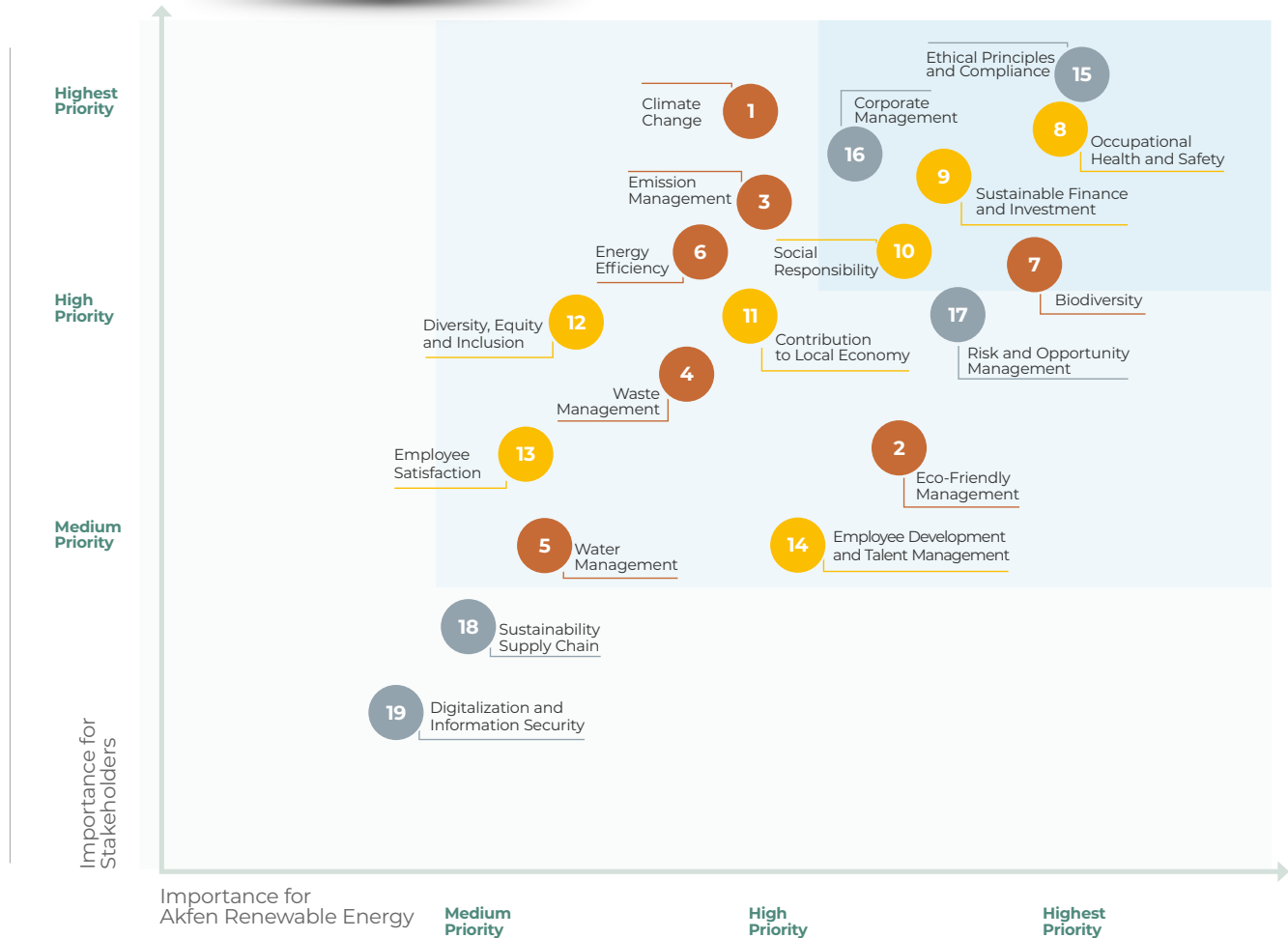
In order to adopt a more effective and holistic approach in the field of sustainability, we determined our sustainability priorities by evaluating environmental, social, governance and economic impacts, taking into account the valuable opinions of our stakeholders.

The following issues were evaluated by our sustainability working groups regarding the determination of sustainability priorities.

- Impact of the United Nations Sustainable Development Goals on the sector,
- Analyses to understand global changes and risks in the energy sector,
- Following current scientific and sectoral developments on issues such as climate change, energy efficiency, environmental impacts and social responsibility,
- Environmental, social and economic impacts of business processes and operations.

Our sustainability working groups has identified 19 potential sustainability issues that may have strategic importance to guide the company in fulfilling its social responsibilities, reducing its environmental impacts and achieving an economically sustainable performance. Taking into account the work we have done in 2023 and the views of our stakeholders, a Sustainability Priorities Matrix has been created that includes 19 different sustainability issues in environmental, social and governance categories.

Prioritization Matrix



ENVIRONMENTAL PRIORITIES

- Climate Change
- Eco-Friendly Management
- Emission Management
- Waste Management
- Water Management
- Energy Efficiency
- Biodiversity



SOCIAL PRIORITIES

- Occupational Health and Safety
- Sustainable Finance and Investment
- Social Responsibility
- Contribution to Local Economy
- Diversity, Equity and Inclusion
- Employee Satisfaction
- Employee Development and Talent Management



GOVERNANCE PRIORITIES

- Ethical Principles and Compliance
- Corporate Management
- Risk and Opportunity Management
- Sustainability Supply Chain
- Digitalization and Information Security



Our Sustainability Goals

Strategical Focus Area

Goals

<p>Complete Compliance with Global Sustainability Approach</p>	<p>Ensuring compliance with global goals The role of ESG in Senior Management performance management Conducting ESG Risk and Opportunity Analysis Ensuring continuity in our Integrated Management System certifications until 2030</p>
<p>Inclusion and Diversity in Management</p>	<p>The ratio of women in management positions in our head office is at least 25%. Increasing the ratio of women in management positions</p>
<p>Creating a Sustainable Supply System</p>	<p>Integrating ESG elements into supplier selection and evaluation criteria Spreading ethical business approach to the ecosystem</p>
<p>Complete Adaptation Against to Climate Change</p>	<p>Not adding coal capacity to our portfolio and generating 100% of our portfolio capacity from renewable energy Conducting research and planning for sustainable energy production investments Avoiding activities within the boundaries of natural world heritage Supporting a climate action project Protection of biodiversity in the regions where activities are carried out Reducing greenhouse gas emissions</p>
<p>Reducing Environmental Impact</p>	<p>Reducing plastic waste Protection of water in the regions where activity is carried out</p>
<p>Increasing Employee Loyalty</p>	<p>Talent and performance management Fringe benefits</p>
<p>Occupational Health and Safety</p>	<p>Ensuring central management of Occupational Health and Safety processes</p>
<p>Digitalization</p>	<p>Digitalization of at least 2 processes in the name of Akfen Digitalization studies Measuring data security breaches across the company and reducing them by at least 10%</p>
<p>Social Investments</p>	<p>Implementing at least one Corporate Social Responsibility (CSR) project every year Keeping the usage rate of local suppliers and local employment constant</p>



Stakeholder Participation

As Akfen Renewable Energy, we manage our business processes and activities in an open and respectful manner, and share these efforts with our stakeholders through a number of communication channels. At every stage of our business processes, we prioritize the active participation of our stakeholders. We establish healthy communication with all our stakeholders in our value chain and pay careful attention to their feedback.

In order to achieve strategic goals, we carry out our business processes together with all relevant stakeholder groups, being aware of the effective participation of our stakeholders, and shape our activities in line with our ethical values. In this process, we prioritize the expectations of our stakeholders and evaluate their opinions, and use various communication channels effectively to increase their participation in decision-making and activities. With this approach, we continue to be in constant interaction with our stakeholders by creating a healthy cooperation environment.

Stakeholders	Communication Channels	Frequency of Communication
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Shareholders And Investors	Board of Directors Meeting	Four times a year
	General Assembly Meetings	Once a year
	Investor Presentations and Teleconferences	Continually
	E-mail and KAP Statements and Reports	Continually
	Investor Relations Unit	Continually
Employees	Online and Face to Face Meetings	Continually
	Video Conference - Webinars	Continually
	Training and Development Programs	Continually
	Employee Surveys	Once a year
	Social Events	Four times a year
	Email and Social Media Channels	Continually
State Institutions and Organizations	Online and Face to Face Meetings	Continually
	Website	Continually
	Sustainability Report	Once a year
	Monitoring Report	Four times a year

Suppliers and Subcontractor	Contracts and Agreements	Once a year
	Online and Face to Face Meetings	Continually
	Email and Phone	Continually
Customers	Online and Face to Face Meetings	Continually
	Customer Feedback System	Continually
	Customer Portal	Continually
	Email and Social Media Channels	Continually
Financial Institutions	Online and Face to Face Meetings	Continually
	Investor Presentations and Teleconferences	Continually
	Investor Relations Unit	Continually
	Financial Reporting and Disclosure	Continually
Ratings Bureaus	Online and Face to Face Meetings	Continually
	Website, Email, Social Media Channels	Continually
Local Communities	Public Participation Meetings	In EIA Processes
	Face to Face Meetings and Teleconferences	Continually
	Website, Email, Social Media Channels	Continually
	Information Brochures, Posters	Once a year
Non-Governmental Organizations	Online and Face to Face Meetings	Continually
	Website, Email, Social Media Channels	Continually
Media	Online and Face to Face Meetings	Continually
	Press Releases, Website, Social Media Channels	Continually
Audit and Consulting Companies	Online and Face to Face Meetings	Continually
	Website, Email	Continually

As a company, we communicate with our stakeholders through regular meetings and interviews. Since 2020, we have been conducting an “Employee Satisfaction Survey” once a year for all our employees in order to understand and evaluate their experiences, expectations and satisfaction levels regarding the work environment. This annual survey helps us identify areas of improvement within the company and determine focal points to increase employee satisfaction. We determine our priority issues by taking into account the opinions of our internal and external stakeholders, shape our work and strive to carry out a transparent communication process. You can access our 2023 Prioritization Matrix [here](#).

We implement a suggestion-complaint mechanism and an ethical line, which we launched in 2022, within the scope of the violation reporting mechanism that enables our employees and stakeholders to report non-compliance.

Our employees always forward their suggestions, complaints and requests to their immediate superiors and act in accordance with the company's hierarchical structure.

Complaints and suggestions can be submitted, with or without a name, to the suggestion-complaint boxes established in the work areas, in printed form or via the **complaint module** of our corporate website. Our employees and stakeholders can use the complaint module directly to quickly submit their suggestions and complaints to the head office. The form data in question is automatically listed and forwarded to the Human Resources Manager and Management Representative.

We have created a transparent and fair process for collecting employee suggestions and complaints in accordance with the rules. In this process, we provide regular information and training within the scope of the Akfen Renewable Energy training program in order to raise awareness among our employees.


























We constantly update and develop our communication channels so that our employees can communicate their opinions more effectively and improve their workplace experiences.



Memberships and Collaborations

Our company, through its managers and employees, actively participates in the boards and working groups of various non-governmental organizations and associations (TWEA, TİKAD, TURMEPA, WOB Türkiye, TÜYİD, etc.). In this context, we cooperate with these organizations that play an important role in order to contribute to the development of the sector. In addition, in 2023, our company expressed its opinion on the Draft Regulation on the Operation of Carbon Markets of the Energy Market Regulatory Authority of the Republic of Türkiye (EMRA).

	United Nations Global Compact (UNGC)		United Nations Women's Empowerment Principles (WEPs)
	The Business and Sustainable Development Council (BCSD Türkiye)		Türkiye Wind Energy Association (TWEA)
	Turkish Industry & Business Association (TÜSİAD)		Turkish Business Confederation (TÜRKONFED)
	Corporate Governance Association of Türkiye (TKYD)		Young Business People Association of Türkiye (TÜGİAD)
	International Solar Energy Society Türkiye (GÜNDER)		Solar Energy Investors Association (GÜYAD)
	Turkish Solar Energy Industry Association (GENSED)		Solar Energy Investors Association (GÜYAD)
	Energy Traders Association (ETD)		Electrical Producers Association (EÜD)
	International Investors Association (YASED)		Investor Relations Association (TÜYİD)
	Women on Board Association Türkiye (WOB Türkiye)		Turkish Business Women Association (TİKAD)
	Solarbaba		Turkish Family Business Association (TAİDER)
	Turkish Quality Association (KalDer)		Turkish Human Resources Management Association (PERYÖN)
	World Economic Forum - Global Shapers Community		Young Presidents Organization (YPO)
	Yuvam Dünya Association		Türkiye Human Resources Education and Health Foundation (TİKAV)
	Turkish Marine Environment Protection Association (TURMEPA)		Tüm Atık ve Çevre Yönetimi Association (TAYÇED)



ENVIRONMENTAL PERFORMANCE

- CLIMATE CHANGE
- ENERGY EFFICIENCY AND MANAGEMENT
- GREENHOUSE GAS MANAGEMENT
- EMISSION TRADE
- WASTE MANAGEMENT
- WATER MANAGEMENT
- BIODIVERSITY

Climate Change

Our company uses renewable energy sources to meet the energy needs of society by following an environmentally friendly strategy; in this context, climate change and environmental issues are adopted as the main focal points of our business culture.

We have created a comprehensive organizational structure to ensure effective responsibility sharing in the areas of climate change and the environment. In this context, we have strengthened the cooperation and responsibility network among the hierarchical staff starting from the Board of Directors to the company's top executives.

Our company's commitment to climate change and environmental issues is strengthened by spreading from the Board of Directors to all management levels. This ensures that an effective environmental management approach is adopted at every stage from our decision-making processes to field applications.

The coordination and performance monitoring of all work carried out within the framework of Environmental, Social and Corporate Governance (ESG) performance is effectively provided by the managers among the members of the Sustainability Working Group.

As a company, we operate in accordance with international standards on climate and environmental issues. In this context, all our facilities have ISO 14001 Environmental Management System, ISO 50001 Energy Management System and ISO 9001 Quality Management System certifications. Document continuity is ensured uninterruptedly with regular interim audits carried out every year.

We continue to monitor climate and environmental impacts in all of our operations in a broader scope than legal requirements. We have been transparently sharing the results of this process with all our stakeholders through our Annual Monitoring Reports, which we have been publishing since 2016.

It integrates climate and environmental performance with corporate success and evaluates it in an integrated manner with employee suggestion systems. The Board of Directors closely monitors the effective implementation of sustainability strategies and targets determined within the company. In this context, sustainability-oriented targets are given priority in the annual individual targets of senior management employees and these targets are evaluated with performance indicators. In accordance with the Reward and Penalty System Directive, employees who contribute to sustainability efforts are rewarded. This approach has been adopted as a strategy that aims to strengthen sustainability awareness within the company. In this way, an effective culture is created to increase the motivation of employees to achieve sustainability targets and to encourage cooperation.



Complying with the targets set by the international community on climate change is also among our company's priority goals. In 2023, we participated in the Carbon Disclosure Project (CDP) Climate Change program for the first time. We received a "B Management Level" rating in the Climate Change program, two levels above the global average "C Awareness" score. This program has enabled us to evaluate our company's environmental performance and develop strategies for a more sustainable energy future.

The main goals of our green growth strategy include increasing our renewable energy investments and minimizing our emissions by evaluating scenario analyses to contribute to the goals of the Paris Climate Change Agreement.

Starting from 2022, all our operations' carbon footprint calculations will be carried out in accordance with the ISO 14064-1: 2018 Corporate Carbon Footprint Standard and verified by an independent organization.



We aim to increase our current installed capacity to 1200 MW with our renewable energy investments by the end of 2027. This sustainable growth plan will also make a positive contribution to the fight against climate change. Our increasing renewable energy capacity is designed to play an effective role in the fight against climate change with low carbon emissions and environmentally friendly energy production. In this context, our 2027 target not only reinforces our leadership in the energy sector, but also strengthens our commitments in the field of environmental sustainability.



During the reporting period, we made an environmental investment expenditure of 10.5 million TL to support our environmental sustainability goals.



During the reporting process, we did not encounter any penal sanctions arising from non-compliance with environmental legal regulations. As Akfen Renewable Energy, we continue our operations by complying with environmental legal requirements.



Energy Efficiency and Management

As Akfen Renewable Energy, we adopt various strategies and practices to ensure energy management and efficiency in all our facilities. Details on the processes of ensuring energy management and efficiency are explained below.

Not adding fossil fuels to our portfolio and building our current portfolio from 100% renewable energy represents our strong commitment to our energy efficiency and sustainability goals. This strategy reflects our commitment not only to using clean energy but also to managing energy resources more effectively and efficiently.

In all our businesses, we are implementing the ISO 50001 Energy Management Standard effectively to comply with international standards in energy management and making continuous improvements. In addition, energy audits are carried out at regular intervals. In 2023, these audits were carried out in all our businesses in order to effectively analyze energy use and determine improvement potentials. In this way, we aim to increase our energy efficiency and use our resources more effectively. By fulfilling the requirements of the ISO 50001 standard, we constantly monitor our energy performance and evaluate improvement opportunities.

In 2023, we met **70.2%** of our total electricity consumption from renewable energy sources.

Our total electricity consumption from the grid decreased by **4.6%** in 2023.



As Akfen Renewable Energy, we implement various projects in our businesses to save energy and reduce environmental impact. According to our Purchasing Procedure, we prefer products with high energy efficiency. We use smart technologies in lighting systems, automation and air conditioning systems for energy efficiency in our offices.

We closely follow the developments in energy production technologies and integrate the latest, efficient technologies into our operations. We increase efficiency day by day with the revision and regular maintenance-repair works we carry out in our power plants.

In all our HPP facilities, we have integrated Grid Cleaning Machines in order to optimize our production processes and increase energy efficiency. The cleaning process minimizes production losses by increasing production efficiency, ensures operational safety and extends the life of the equipment. In this way, we try to both reduce environmental impact and increase our operational efficiency by minimizing production losses.

We plan to positively affect our energy efficiency by providing flexibility to our employees and optimizing the use of office space and equipment with the hybrid working model.

We provide regular training on energy efficiency every year to increase our employees' awareness of energy saving and to help them contribute to efficient energy use.



In 2023, a total of **284 employee*hours** of “Energy Efficiency” training was organized within the scope of the Akfen Renewable Energy training program.



In 2022, a remote-control system was developed by our employee at Doruk HPP for the control of generators in the loading pool and regulator. Thanks to this project, 73,000.00 kWh of electricity was saved in 2022, while the savings increased to 200,750.00 kWh in 2023. In 2024, a similar remote-control system is planned to be implemented for other generators in the field. In this way, we aim to expand the scope of electricity savings and efficiency increases.

With the remote-control system developed by our employee at Doruk HPP for controlling the generators in the loading pool and regulator, **200,750.00 kWh** of electricity was saved.

Greenhouse Gas Management



As Akfen Renewable Energy, we continue to fight the climate crisis and maintain our determination to create a positive impact for the climate through our sustainable energy solutions.

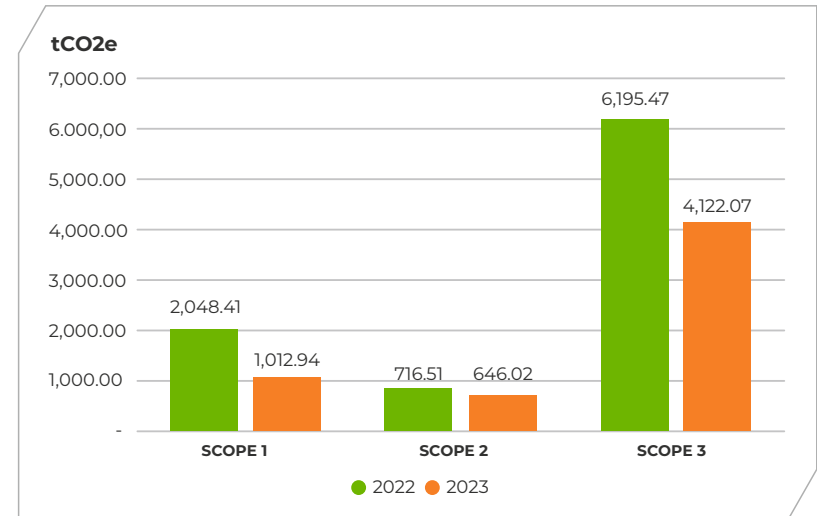
Since 2022, as part of our efforts to understand our environmental impact and determine our sustainability goals, we have been calculating direct and indirect emissions from our business operations in accordance with the ISO 14064-1: 2018 Corporate Carbon Footprint Standard and GHG (Greenhouse Gases) protocol. In this process, we evaluate our environmental performance and carry out studies on our environmental responsibilities, supporting our goal of continuous improvement. Thanks to the ISO 14064-1: 2018 Corporate Carbon Footprint Standard and GHG protocol, we systematically monitor and report our emissions and develop effective strategies to achieve our sustainability goals.

The European Union (EU) announced the European Green Deal on December 11, 2019, and set forth its goal of becoming the first climate-neutral continent by 2050, and announced that it would reduce greenhouse gas emissions by 50-55% compared to 1990 levels by 2030. In addition, Türkiye ratified the Paris Agreement, an important international agreement that requires countries to fulfill their commitments to limit the global temperature increase to 1,5 degrees and reduce greenhouse gas emissions to zero, on October 5, 2021. Countries that ratify this agreement must take concrete steps to reduce greenhouse gas emissions to zero by 2050 and keep the temperature increase under control. In this context, Türkiye has declared its net zero emissions target for 2053. In parallel with this target.

We calculate our carbon footprint by taking 2022 as the base year. When selecting the greenhouse gas emission and removal factors used in the calculations, first Tier 3 - Sectoral, then National - Tier 1 and when national resources are not sufficient, international factors Tier 1 were used.

GREENHOUSE GAS EMISSIONS*	2022 YEAR EMISSION (tCO _{2e})	2023 YEAR EMISSION (tCO _{2e})
SCOPE 1	2,048.41	1,012.94
SCOPE 2	716.51	646.02
SCOPE 3	6,195.47	4,122.07
TOTAL EMISSION (tCO_{2e})	8,960.39	5,781.03

*You can find the subcategories of our Scope 1, 2 and 3 emissions [here](#).



Our total greenhouse gas emissions in 2023 have decreased by 35.5% compared to the previous year. A carbon reduction of 3,179.36 tons of CO_{2e} is equivalent to the amount of carbon that 3,179 trees will absorb during their

We reduced our carbon footprint intensity, which was recorded as 0.005098 tons CO_{2e}/MWh in 2022, to 0.003483 CO_{2e}/MWh in 2023 with a 31.7% reduction.

Emission Trade

As Akfen Renewable Energy, we have been continuing our operations with the determination to invest in renewable resources in order to play an important role in combating climate change since our establishment.

As part of our environmental sustainability, with our goal of reducing and neutralizing emissions, we provide our customers with clean energy with our 100% renewable energy sources and offer emission reduction certificates within the scope of voluntary carbon trading.

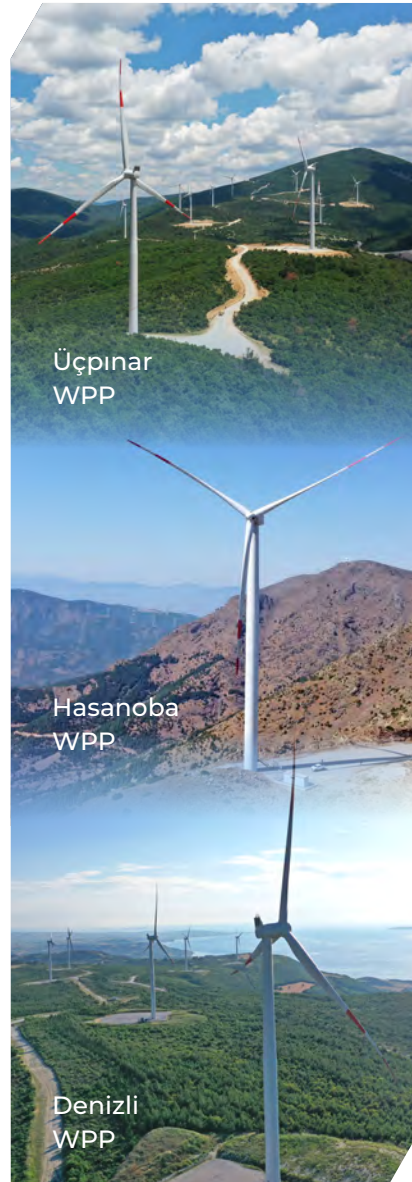
Our renewable energy power plants, where emission reduction certification studies are successfully carried out, have carbon emission reduction certificates such as Verified Carbon Standard (VCS) and Gold Standard. These certificates, which are of great importance on a global scale in the transition process to a low-carbon economy, were given to the power plants by international organizations (Verra, Gold Standard) with the approval of independent auditors.

In 2023, the carbon emission reduction credits of Hasanoba WPP, Kocalar WPP, Üçpınar WPP and Denizli WPP for the years 2021-2026 were sold to the UK-based EOS Climate&Energy company. Pursuant to the relevant agreement, by selling both the ready-to-sell (spot) and the ready-to-sell (forward term until 2027) credits; In addition to the main source of income obtained by our Company by generating electricity from renewable energy sources; a total of approximately 8.6 million dollars of additional income will be provided. By increasing the carbon credit sales, we have realized so far to 11.8 million dollars, we have signed an important transaction in line with the goals of environmental sustainability and contributing to the economy.

The income obtained from carbon credit sales transactions is evaluated within the scope of our environmental sustainability-focused energy projects and also provides resources for the expansion of our company's activities in the field of renewable energy.



Our company sold carbon credits totaling
126.4 million TL in 2023.



Üçpınar WPP

Hasanoba WPP

Denizli WPP

GOLD STANDART (GS)

8
POWER PLANTS

- / Gelinkaya HPP
- / Kavakçalı HPP
- / Yağmur HPP
- / Sekiyaka HPP
- / Demirciler HPP
- / Solentegre SPP
- / Saritepe WPP
- / Demirciler WPP

Gold Standard®

VERIFIED CARBON STANDARD (VCS)

17
POWER PLANTS

- / Sırma HPP
- / Otluca HPP
- / Saraçbendi HPP
- / Çamlıca III HPP
- / Doğançay HPP
- / Doruk HPP
- / Kocalar WPP
- / Üçpınar WPP
- / Hasanoba WPP
- / Denizli WPP
- / Denizli SPP
- / İota SPP
- / Yaysun SPP
- / Me-Se SPP
- / Mt Doğal SPP
- / Psi SPP
- / Omicron SPP



GLOBAL CARBON COUNCIL (GCC)

3
POWER PLANTS

- / Çalıkobası HPP
- / Amasya SPP
- / Omicron SPP



Waste Management



As a company, we adopt a waste management strategy that aims to reduce our environmental impact and minimize waste generation in every location we operate. This strategy includes the principle of prevention at source, which is the most effective step in the waste management hierarchy, and our efforts to raise awareness among our employees.

As Akfen Renewable Energy, we not only focus on waste reduction, but also implement a sustainable waste management approach by bringing waste into the circular economy.

We strengthen our waste management with internal and external audits regarding the ISO 14001 Environmental Management System within the scope of our Integrated Management System.

We determine the codes and hazard characteristics of all wastes generated in our power plants. We can store our hazardous and non-hazardous wastes in temporary storage areas available in all our power plants for a maximum of 6 months for hazardous wastes and 1 year for non-hazardous wastes, as specified in the Waste Management Regulation. We store our wastes in temporary waste storage areas and ensure safe and orderly management of wastes. We carry out waste collection, transportation and disposal processes in a coordinated manner with the strategic cooperation we have established with the municipality and licensed waste management companies for the effective disposal of wastes.

Industrial Waste Management Plans approved by the Provincial Directorates of Environment, Urbanization and Climate Change are in effect for all our power plants. These plans cover the details of issues such as reducing waste at source, recycling, disposal and transportation. In addition, we have mandatory Hazardous Materials and Hazardous Waste Compulsory Liability Insurances for all our power plants every year.

We make waste declarations for all our power plants through the Integrated Environmental Information System (IEIS) - Waste Management Application. The declarations contain detailed information about the types, quantities and processing methods of waste and help determine environmental impacts.

In 2021, we received the Zero Waste Certificate for all our HPP, SPP and WPP operations and our Head Office. Within the scope of our zero waste applications, we analyze waste sources, take measures to reduce waste and optimize recycling processes.

Following the Zero Waste Certificate we received for our power plants and head office, we have implemented various systems and applications to strengthen environmental sustainability and optimize waste management. In this context, an effective waste separation and collection system has been established to separate and collect waste at source. At the same time, digital document management applications have been implemented to reduce paper consumption and encourage digitalization.

We organize training programs to raise awareness among our employees about waste management and zero waste. These trainings are carried out to share the best practices in waste management and to encourage each individual to contribute to the zero-waste goal. We care about all our employees being sensitive about this issue and taking the necessary steps regarding waste management.



In 2023, a total of 568 employee*hours of "Waste Management" and "Zero Waste" training was organized within the scope of the Akfen Renewable Energy training program.



In 2023, our hazardous waste amount decreased by 36% and our non-hazardous waste amount decreased by 12.5% compared to the previous year.

WASTE AMOUNTS (tons)	2022	2023
Non-Hazardous Waste	4.63	4.05
Hazardous Waste	19.11	12.22
TOTAL WASTE AMOUNTS (tons)	23.74	16.27

Water Management

As Akfen Renewable Energy, we continue to work on various strategies to ensure effective and sustainable management of water resources and to minimize our environmental impact.

We plan to conduct studies to determine water management strategies through impact assessments on water resources.

Since we do not need process water during our operations, we do not use industrial water and thus do not discharge industrial wastewater. We focus on efficient and economical use of water at every stage of our operations and take various measures to minimize water consumption. In order to focus on efficient use of water in our plants, we prefer irrigation systems that are suitable for local climate and water consumption characteristics. These systems minimize water loss and optimize irrigation needs by directing water directly to the root zones of plants.

We ensure the supply of healthy and reliable drinking water by meeting the drinking water needs of our power plant employees through purchasing services from private companies. The need for utility water within the power plant is met by using transport water or well water.

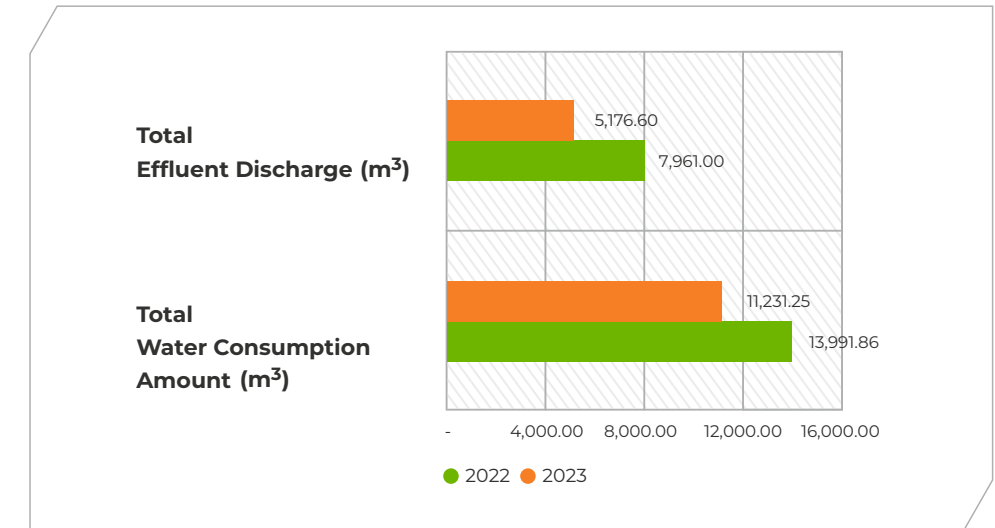
In order to strengthen our water supply processes, we periodically request water analyses from producers for drinking water and domestic water, and we follow these analysis reports meticulously. We do not allow water use in our power plants before the water analysis report is submitted. We are determined to fully fulfill our environmental and social responsibilities by ensuring the quality of our water resources.

In order to manage the domestic wastewater generated as a result of the use of our employees, leak-proof septic tank systems are used in all our plants. When the filling rate of the domestic wastewater accumulated in these tanks reaches 80%, we ensure the disposal of the wastewater by withdrawing it through municipality or private sewage tanker companies and discharging it to the wastewater treatment plant. We meticulously keep records regarding wastewater disposal in our plants. In this way, we dispose of our wastewater appropriately without harming the environment.



Within the scope of our activities in 2023, a total of 11,231.25 m³ of water was consumed. As a result of this water consumption, 5,176.60 m³ of wastewater was discharged.

	2022	2023
Total Water Consumption Amount (m³)	13,991.86	11,231.25
Total Effluent Discharge (m³)	7,961.00	5,176.60



In 2023, a total of 3.06 billion cubic meters of water was used for energy production and this water was released back to nature without harming it. Our water consumption per production is 0.01 m³/MWh.

We continue our work by focusing on managing water resources effectively, efficiently and sustainably in our power plant operations.

Biodiversity

As Akfen Renewable Energy, we focus on protecting biodiversity by establishing our projects in natural habitats. In this direction, we create comprehensive ecosystem inventories in order to understand the biodiversity of the environment in detail during the planning process of our projects. These inventories include plant species, animal populations, endemic species under special protection and habitats in the areas where our projects are located.

During the construction and operation phases of our projects, flora and fauna monitoring studies are carried out primarily to understand the ecosystems on site. At the same time, we carry out special studies for Environmental and Social Impact Assessment processes in order to understand the ecosystem more effectively and to evaluate the environmental impacts of our projects. In this context, we prepare "Ecosystem Assessment Reports" in the locations where the projects are located. These reports enable us to determine in advance the possible impacts of our projects in terms of biodiversity and to implement protection strategies more effectively.

During the positioning phase of our projects, we carefully plan to ensure minimal impact on sensitive ecosystems and biodiversity-rich areas. Within this framework, we focus on minimizing the impact of our projects on these areas by determining areas that need to be protected, such as wetlands, habitats and endemic vegetation. With this approach, our aim to protect the natural balance plays a key role in the sustainability and environmental harmony of our projects.

We determine the mitigation measures to be taken regarding biodiversity during the construction and operation phases of our projects and fulfill the Biodiversity Control Instruction, which includes monitoring processes that specify responsibilities.

We meticulously implement our work to protect biodiversity in accordance with the biodiversity steps within the scope of the United Nations Sustainable Development Goals and the IFC-PS 6 and EBRD-PR 6 performance standards. In 2019, a BAP (Biological Action Plan) was prepared by Golder Associates Inc. for our Denizli WPP, Üçpınar WPP, Kocalar WPP and Hasanoba WPP projects, and detailed strategies were determined within the scope of biodiversity management and protection of the projects.

Between 2019 and 2023, we meticulously carried out monitoring studies of local and migratory birds and bat populations in our 4 project areas in line with the opinions of the General Directorate of Nature Conservation and National Parks. These monitoring studies were carried out regularly in order to understand the bird populations and migration routes in the areas where our projects are located. These studies are meticulously carried out in the field by our permanent observer and ornithologists of our consulting company. In addition, carcass counts are carried out at certain periods to determine the environmental impacts of the installed turbines and to protect wildlife.

In the observations made between August 1st and November 15th in our Hasanoba WPP site, 4 large-winged soaring bird species were detected among the species in the IUCN Red List that need protection. These bird species are in the categories of *Circus macrourus* (Pallid Harrier)-NT, *Clanga clanga* (Greater Spotted Eagle)-VU, *Pelecanus crispus* (Dalmatian Pelican)-NT, *Aquila heliaca* (Eastern Imperial Eagle)-VU. The other species detected are in the category of LC (Least Concern-Low Concern).

In the observations made between August 1 and November 15 in our Üçpınar WPP site, 4 large-winged soaring and 3 passerine bird species were identified among the species in the IUCN Red List that need protection. These bird species were determined as *Circus macrourus* (Pallid Harrier)-NT, *Clanga clanga* (Greater Spotted Eagle)-VU, *Pelecanus crispus* (Dalmatian Pelican)-NT, *Aquila heliaca* (Eastern Imperial Eagle)-VU, *Lanius senator* (Woodchat Shrike)-NT, *Alectoris chukar* (Chukar Partridge)-NT, *Turdus iliacus* (Redwing)-NT and *Streptopelia turtur* (European Turtle dove)-VU. As a result, a total of 8 species are in the protection category in Üçpınar WPP site. Of these species, 5 species are in the NT (Near Threatened) and 3 species are in the VU (Vulnerable) category.



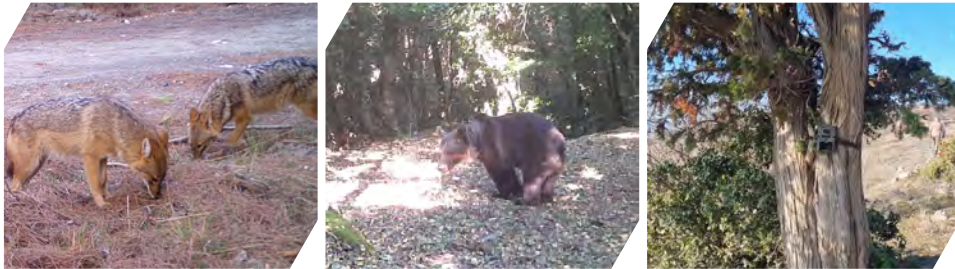
Falco Vespertinus



Curruca Cantillans

During the reporting period, it was observed that there were no species in the VU (Vulnerable) and EN (Endangered) categories determined by the IUCN Red List in the monitoring studies carried out in our other project areas.

We also carry out photo trap studies in WPP project areas in order to evaluate the environmental impacts of the activities of our power plants established in natural habitats and to understand the existence and behavior of mammals in this process.



In our HPP projects, we implement a meticulous detection and evaluation process specifically for regulators and fishways. All fishways exhibit high standard operating performance. In regulators, the life waters released by the flow observation stations are regularly checked. The functionality of these flow observation stations has been examined in detail and no inappropriate situation has been encountered. Fishways and flow observation stations in power plants have been inspected and these inspections have been reported in detail. As a result of the inspections, it has been determined that fishways and flow observation stations have appropriate working conditions. In this context, we effectively implement the water management and ecosystem protection strategies of our projects in line with the goal of preserving the natural balance.

In our power plants where water is delivered to the power plant via channel structures, there are special transition structures so that the transmission channels do not block the fauna passage. These transition structures allow wild animals to move freely between both sides to meet their water and food needs. This application aims to protect the ecosystems in the project area and to manage biodiversity in a sustainable manner. These transition structures designed for wild animals are integrated into the channel structures specifically and allow creatures following their migration routes using the waterway to move smoothly. In this way, it is easier for wild animals in the region where the project operates to access water and food sources without being deprived of their natural habitats. Transition structures aim to minimize the potential impacts of the projects on the ecosystem and to protect the environmental balance, thus contributing to the sustainable continuation of natural life.

Within the scope of Çamlıca III HPP project, fish catching, transportation and release activities were carried out in June and October 2023. Fish catching, transportation and release processes were carefully planned and implemented in order to protect the ecosystem balance in the water resources of the project.

As a company, we carry out various trainings and awareness-raising activities in order to increase awareness about biodiversity and encourage our employees to participate in efforts to monitor and protect natural life.



In this context, a digital biodiversity notification link has been created in order to concretely monitor whether animals and plants are separated from their main habitats after the power plants are put into operation. Employees can make biodiversity notifications via the online link as part of the environmental social training they receive. This application facilitates biodiversity monitoring processes, enabling employees to directly participate and be more effectively involved in efforts to protect the natural balance.



In 2023, a total of “284 employee*hours” of “Biodiversity” training was organized within the scope of the Akfen Renewable Energy training program.



As a company, we do not only see biodiversity as a protection task, but we also continue to work to fulfill our responsibility to protect natural ecosystems at the highest level, in line with our vision of ensuring that our energy projects exist in harmony with nature.

Rehabilitation Studies

As Akfen Renewable Energy, we have been supporting clean and sustainable energy production for 15 years, while at the same time developing our work on this path with environmental awareness. In this context, while supporting domestic energy production without resource consumption with minimum impact on the environment in all our power plants, we carry out sustainable energy policies in every sense by carrying out rehabilitation and afforestation works that support natural life in the regions where they are located. Starting from the project development stage, all kinds of environmental protection and development plans are carried out in the construction and post-construction periods. We support the country's economy by creating environments compatible with nature with regional and local landscaping works in existing power plants with additional rehabilitation works after construction.

We have implemented landscaping and rehabilitation works in all our power plants. In this context, not only in our power plants, but also in project locations by working in partnership with the Regional Forestry Directorates, we have contributed to regional afforestation with the financial support we have provided. In addition to the rental fees paid within the scope of the forest permit, afforestation fees are paid to the authorized administrations and the afforestation works carried out by the General Directorate of Forestry throughout our country are financed.

In line with our goal of protecting biodiversity and nature, we do not adopt a production-oriented approach by taking the risk of giving up some of our projects; at the same time, we ensure that all stakeholders benefit fairly from the cyclical ecosystem by taking into account sensitivity and delicacy. By not developing or building any projects in natural protected areas, cultural protected areas and sensitive regions, we carry out detailed research and examinations with our expert staff in business development processes.

As Akfen Renewable Energy, we have carried out **1,500.000** afforestation works with the vision of protecting natural life and have given a significant breath to the environment.

At the same time, concrete support has been provided to projects aimed at increasing biodiversity by providing financing for **2,500.000** afforestation.

We not only focused on afforestation projects, but also enriched the environmental aesthetics with the landscaping and visual impact improvement works we carried out on an area of **500,000 m²**.



After the construction period, we attach great importance to landscaping and rehabilitation works in our project locations. In this context, we aim to increase the landscaping and rehabilitation works we have carried out on an area of 500,000 m² to date by 100,000 m² in our current plans to 600,000 m². The landscaping and rehabilitation work we carry out regularly every year in order to contribute to the renewal of nature are aimed at protecting green areas and revitalizing nature in a devoted manner.

We carry out regular work every year within the scope of our landscape repair plans in order to protect the natural balance and enrich our project areas in terms of ecosystem. We plan to carry out our **100,000 m² Landscape and Rehabilitation project** work in 2024 in the season with suitable climatic conditions.

Within the framework of our Company's Donation and Aid Policy, in order to contribute to the reforestation of the region after the forest fires that broke out in Çanakkale in 2023 and within the scope of the establishment of the **"Akfen 100th Year Memorial Forest" with 100 thousand trees in Çanakkale in memory of the 100th anniversary of the Republic of Türkiye**, we will contribute 20 thousand trees to the social responsibility project in question. This project not only protects natural life but also aims to leave a green legacy for future generations. In the project we carry out in cooperation with the Çanakkale Forestry Regional Directorate, we are taking on a leading role in reducing the effects of forest fires and effectively combating the climate crisis. In this meaningful project, we contribute to the health of nature and future generations, while demonstrating our commitment to sustainability by exhibiting an example of social solidarity. The prominent effects of our project will be as follows;

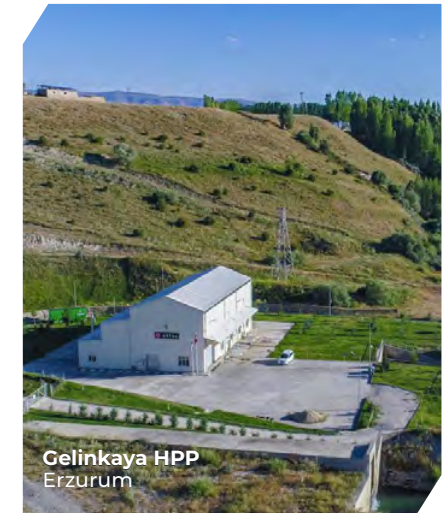
- We will strengthen the natural habitat by increasing our forest land assets by 1,000.000 m².
- We will make a significant contribution to our environment by producing 3,000 tons of oxygen per year.
- We will support environmental silence by reducing noise pollution by 20-30 decibels.
- We will have a positive effect on the atmosphere by having the amount of carbon absorbed be equivalent to the carbon emitted by a vehicle traveling 10,000.000 km.
- We will produce enough oxygen to meet the oxygen needs of 5,000 people per year.
- We will be reducing surface runoff by 20 times and landslides by 350 times by reduce the effects of the climate crisis.
- We will contribute to the enrichment of natural life, create new homes for the fauna inventory and support the transfer of endemic plant species to new vegetations.



Otluca HPP
Mersin



Sirma HPP
Aydın



Gelinkaya HPP
Erzurum



OUR EMPLOYEES

- HUMAN RESOURCES MANAGEMENT
- DIVERSITY, EQUITY AND INCLUSION
- EMPLOYEE SATISFACTION
- EMPLOYEE DEVELOPMENT AND TALENT MANAGEMENT
- OCCUPATIONAL HEALTH AND SAFETY

Human Resources Management

Our company aims to reveal the potential of its employees by providing a fair and transparent working environment. In this context, we believe that each of our employees adds value to the future of our company and we strive to ensure that they see this value. High performance, development focus and commitment to our main corporate policies constitute our basic principles. In this way, we aim to achieve sustainable success by creating a committed, happy, productive and healthy workforce. As Akfen Renewable Energy, we work with determination to provide sustainable solutions to the energy needs of the future and we believe that we are successful in achieving this goal together with our 230-person strong team.

As Akfen Renewable Energy, we respect and support international human rights principles such as the United Nations Universal Declaration of Human Rights and the International Labor Organization (ILO) Declaration of Fundamental Business Principles and Rights. Our corporate policy reflects our commitment to respect, protect and support human rights based on these universal principles.

- We have an impartial and fair attitude towards our employees and stakeholders. We evaluate and embrace everyone equally, without discrimination on any subject such as religion, language, race, gender, age or political views.
- We carry out studies to prevent situations that are contrary to our ethical principles.
- We offer a working environment that values the safety and health of our employees. In this context, we continue our business processes by respecting their right to life, providing fair wages, flexible working hours and training for personal professional development.
- We do not allow any modern slavery elements such as child labor, forced labor and human trafficking, and we monitor and follow up on such human rights violations in our business processes.
- We respect the unionization and collective bargaining rights of our employees and contractor employees.
- When interacting with the communities in which we operate, we adopt an approach that respects human rights and establish decent communication. In this context, we implement practices that support sustainable development.
- We ensure data security by protecting the personal rights of our employees and stakeholders. We keep information security standards at the highest level by making continuous developments and updates.

As a company, we adopt a working environment based on human rights principles by protecting the material and moral rights of our contractor and subcontractor employees as well as our team members who work together on the basis of love, respect and tolerance. With this understanding, which we see as the basic criterion for sustainable success, we attach importance to collaborations where corporate values and ethical principles are shared. Our Human Resources Policy, created within this scope, adopts an approach that protects employee rights. Our Human Resources Management carries out Human Resources practices by constantly reviewing and developing them according to the dynamic conditions of the day, in accordance with the strategic goals and plans of the company.



Our Human Resources Working Group meets with the senior management at certain periods and shares Human Resources practices and process details.

Main Functions of Our Human Resources Management

Organizational Development

For sustainable success and innovation, our company's human resources, business processes and job descriptions are structured and systematically reviewed in line with needs. We carry out various studies to make sustainable, improve and expand our target and competency-oriented human resources systems that support a high-performance culture and encourage continuous development.

Selection And Placement

Various studies are carried out to bring and retain human resources that add value to Akfen Renewable Energy, are sensitive to the environment, society and people, are innovative and open to change, flexible, entrepreneurial, dynamic, fast and aim to constantly improve themselves. In this context, the competencies sought are determined together with the formation of the staff and careful selections are made in order to attract the most suitable workforce for the positions within the company.

Training Management

At Akfen Renewable Energy, continuous education is considered as the cornerstone of sustainable values and is considered as an important building block of the corporate culture. In this context, various educational environments are created in order to increase the qualifications of the workforce and develop intellectual capital. In addition to the accumulation within the company, a training program is implemented that includes orientation and task-based training, as well as social skills and technical training with internal and external stakeholders who are experts in their fields. Training programs are handled in a process that includes the participation of employees and are reviewed every year according to demands and needs.

Performance Management

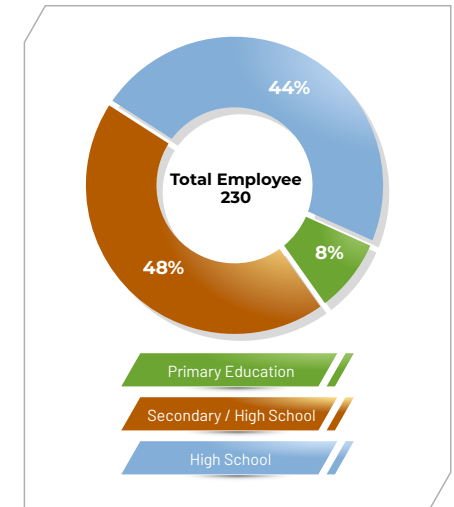
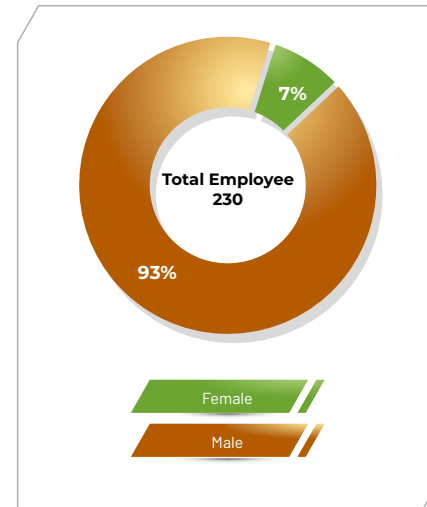
In order to realize the career planning of value-creating human resources, to reward them and to determine the aspects open to development, a performance evaluation system is being created that includes individual, functional and managerial competency stages where success is evaluated based on measurable criteria. While expectations from employees are presented concretely, development programs that support employees' career paths are determined in line with the feedback from managers.

Career Management

We provide horizontal and vertical promotion opportunities within the company or among affiliated partnerships in order to provide our employees with individual development opportunities while meeting corporate needs. We also contribute to the development of employees' competencies with job enrichment practices.

Employee Profile

Our company's employee profile includes a human resource that is open to change and development, has high motivation for success, believes in teamwork and has team spirit, manages resources and time effectively, and also has a sense of social responsibility.



Diversity, Equity and Inclusion

As Akfen Renewable Energy, in addition to determining our business strategies within the framework of sustainability principles, we attach great importance to managing our work environment in a fair, equitable and inclusive manner. We value the talents and experiences of all our employees equally and respect differences. This is not only an ethical approach, but also an element that increases our business performance and innovation capacity. Ensuring that our employees do not experience any discrimination or negative treatment is not only a business policy of our company, but also a cultural commitment. We regularly review our human resources processes and focus on supporting equal opportunities. We manage our business processes in a fair and transparent manner in order to develop the potential of each of our employees to the maximum extent. We place the principles of diversity and inclusiveness at the core of our operations; in this way, we provide effective support with the training and awareness programs we organize to strengthen the culture of working together among our employees.

As a reflection of our commitment to global human rights, we place diversity, equity and inclusion among the fundamental principles of our code of ethics. No discrimination is permitted in employment opportunities or practices based on race, color, religion, gender, gender identity, sexual orientation, national origin, age, veteran or military status, marital status, pregnancy status, disability, genetic information or any other characteristic protected by applicable law. Our Diversity and Inclusion Policy focuses on certain fundamental principles and highlights our efforts to achieve the following goals:

- To provide equal professional opportunities for everyone, regardless of their background, age, marital status, race or religious belief.
- Strengthening cooperation by creating a team of individuals who respect our society.
- Aiming to keep the occupational safety awareness of all our employees at a high level and to update it continuously.
- To strengthen the understanding of protecting global resources and sustainability by creating environmental awareness among our employees.
- To contribute to the overall social development by touching the society through our employees.

We encourage all our employees to report any incidents of discrimination or unethical behavior via the Ethical Line. Thanks to this important platform, our Ethics Board quickly evaluates the reports made in accordance with our ethical processes, and we take the necessary measures to address potential violations and prevent them from recurring. There has been no incident of discrimination in our company in 2023.



As Akfen Renewable Energy, we attach importance to being in constant communication with our employees.

As Akfen Renewable Energy, we attach importance to being in constant communication with our employees. In this context, we meticulously evaluate the requests and feedback we receive through various communication channels such as request and suggestion forms, surveys, social events, management meetings, group meetings, face-to-face interviews, telephone and e-mail. Taking into account the feedback received during the reporting period, we put into effect a series of strategies aimed at increasing the motivation of our employees. In this context, we appreciate the efforts of our employees with programs that reward successful performance and contributions. At the same time, we organize trainings to support an equal working environment within the company.

We offer special social opportunities to our employees not only in their business life but also in their social life. We support our employees with special social opportunities and fringe benefits provided by our company. We adopt an approach that allows our employees to balance their private lives with their work.

In order to encourage our employees to comply with legal requirements and internal management standards, the Reward and Penalty System Instruction is implemented. This instruction determines the reward and discipline rules to increase employee compliance. In this way, business continuity and efficiency are ensured, while workplace safety and performance standards are also maintained.



Gender Equity

Akfen has become **the first Holding to sign the United Nations Women's Empowerment Principles (WEPs)** on gender equality and women's employment. By adopting these principles, we emphasize our determination to provide equal opportunities for women employees, encourage women's leadership and combat gender inequality.

Our Chairman of the Board Hamdi Akin and our Board Member Pelin Akin Özalp support **HeForShe**, a global solidarity movement for gender equality that began under the leadership of the United Nations Women's Unit. In every field we operate, we take on a role as a gender equality advocate under the leadership of our Board members. We believe that this equality environment we create by providing equal opportunities to our female and male employees will increase creativity and contribute to the company's sustainable growth goals.

Employee Satisfaction

As Akfen Renewable Energy, we adopt an approach that aims to increase the happiness, job satisfaction and general well-being of our employees. In order to create a strong workplace culture, we develop strategies that support effective communication among employees and ensure transparency with regularly shared information. The interaction experienced within the company is shaped on the basis of diversity and equity principles, and we work to create an atmosphere that encourages the participation and self-expression of each employee.

We offer various training programs and development opportunities for our employees to develop their skills and advance their careers.

We enable our employees to effectively balance their work and private lives with flexible working models and workplace health programs. We have adopted flexible working models that allow tasks that include computer-based work to be performed during working hours without coming to the office, by adapting to the new working norms that have emerged after the pandemic.

Feedback and evaluation processes are shaped within the framework of the company's performance management, and fair and individual performance evaluations are provided. Feedback from our employees contributes to the company's focus on improvement and meeting the expectations of employees.

Our company, which adopts the principle of diversity and inclusion, supports employees from various cultures by implementing these policies and creates an inclusive workplace culture. This approach ensures strong employee satisfaction.

Since 2020, we have been conducting an "Employee Satisfaction Survey" once a year to all our employees in order to understand and evaluate their experiences, expectations and satisfaction levels regarding their jobs. This annual survey helps us identify areas of improvement within the company and determine focus points to increase employee satisfaction.

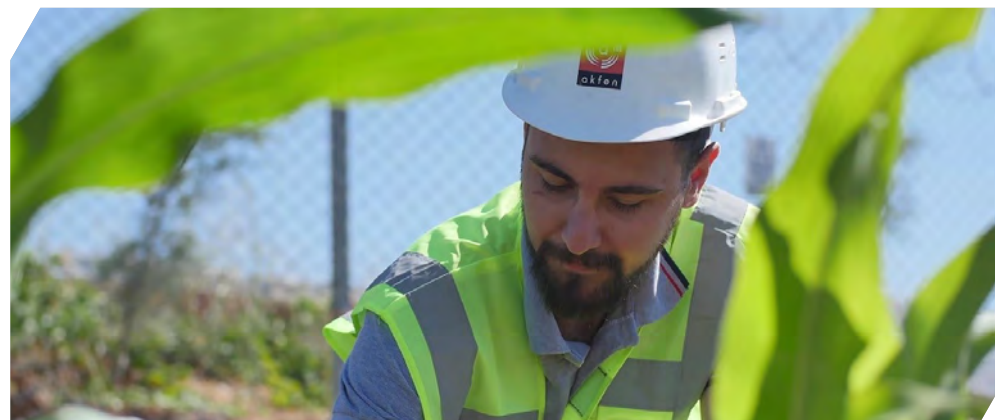
Remuneration and Benefits

In line with our Human Resources Policy, we approach the compensation processes with great care. By adopting an equal and fair approach not only in the employment process but also in the working period, we aim to provide equal wages and opportunities to our employees within the scope of their duties, authorities and work performance.

For a competitive and fair compensation system, we constantly examine the current realities of the market and manage our processes based on this data.

Our Remuneration Policy determines the remuneration principles of the board of directors and executives with administrative responsibility. We adopt an effective remuneration strategy that will influence executives in senior and critical positions, encourage employees, attract new talents to our company and ensure that employees remain within the company.

As Akfen Renewable Energy, the advantages we provide to our employees do not only include a fixed and performance-based compensation model, but also include various side benefits to support our employees in balancing their work and private lives. Depending on the positions of our employees; company vehicle, road support, fuel support, mobile phone, laptop, flexible working model, Akfen House, private health insurance, private life insurance, individual retirement, performance bonus, bonuses and various side benefits are offered.



Employee Development and Talent Management

As Akfen Renewable Energy, we see the qualifications and continuous development approach of our employees as an important element in the basis of our sustainable success and stability. In line with our goal of preserving our company culture, we care about creating new job opportunities by focusing on the career development of our employees.

Strengthening the commitment of each employee to work and increasing their corporate knowledge constitute one of the core values of our company. In this context, we support our employees to maximize their potential by providing them with continuous learning and development opportunities. In line with the core values of our company, we offer various training and development opportunities to contribute to the professional development of our employees and to ensure that they demonstrate their talents in the best way possible.

In order to contribute to the careers of our employees, we provide easy access to the necessary tools and resources. We are making plans to provide access to various professional and personal development training programs that each of our employees can access. We plan to reshape this training program so that all our employees can benefit from these opportunities equally in 2024. With these steps, we want to support our employees to enrich their careers and maximize their potential.



In 2023, Akfen Renewable Energy organized **3,972 employee*hours of training within the scope of the Environmental, Social and Governance (ESG) training program and 6,752 employee*hours of training within the scope of OHS. The average training hour per employee is 37.8 hours.**



An organizational structure has been established within the company to ensure that current duties are carried out in an orderly manner, and the work processes and job descriptions of the positions have been determined. We subject our employees with appropriate qualifications for positions in the holding and group companies to a fair and equitable evaluation system. During this evaluation process, we contribute to the career development of our employees by offering horizontal and vertical promotion opportunities. We support the career journeys of our employees with internal candidate evaluation, and strengthen their commitment within the organization.

The performance evaluation process in our company is managed via the PiK Online interface. The performance evaluation system includes goal setting and competency evaluation steps. In each performance period, the goals to be evaluated are determined by the employee within the time period specified in the performance management system application calendar and approved by the relevant manager. As Akfen Holding, we are progressing with the Balance Score Card methodology in our performance management system. With this methodology, we aim to focus on the organization in a holistic sense, determine organizational goals and provide strategic feedback. In the BSC method, the business strategy is built on 5 main perspectives/dimensions. The relevant dimensions are: Holding Strategic Fixed Targets, Financial, Customer and Investments, Business Processes, Organizational Capacity. The goals must be specific, measurable, achievable, realistic, and time-limited (SMART).

We measure the level of employees meeting the expected competencies through competency assessment. Competencies are determined according to the employee hierarchical level. In each competency dimension under the competency headings, each behavior indicator is evaluated on a 5-point scale. The final score effect of the target and competency score weights has been determined according to the employee hierarchical level. Performance score success scales are determined as: exceptionally successful, very successful, successful, below expectations, and needs improvement. The evaluation results are used in premium payment, training and development, promotion decisions, and the operation of the warning process. These approaches increase the productivity of employees by creating a highly motivated working environment.

The number of our employees subject to performance and career development evaluation in 2023 is 230.



Occupational Health and Safety

In terms of occupational health and safety, we accept the Universal Declaration of Human Rights, International Labor Organization (ILO) agreements, United Nations Global Compact, United Nations Global Goals for Sustainable Development, and the guiding principles of the Organization for Economic Cooperation and Development (OECD) for multinational companies as references. By adopting these international standards and principles, our company is committed to adopting an ethical and sustainable approach in the field of occupational health and safety. In this context, we focus on continuous improvement in order to protect the safety and health of our employees, to provide a safe environment in the workplace and to fulfill our social responsibilities to society.

Our head office and all our plants have ISO 45001:2018 Occupational Health and Safety Management System certification. In this context, we adopt a meticulous approach to effectively identify potential hazards in the work environment and reduce the risks arising from these hazards.

We actively implement the Occupational Health and Safety policy in all businesses in order to protect the safety and health of our employees and to prevent work accidents and occupational diseases. Our occupational health and safety policy not only meets certain standards but also forms the basis of our daily business practices.

In terms of workplace hazard classes, all our power plants are in the “Very Hazardous” class. In this context, occupational health and safety practices are carried out meticulously and are effectively provided in all power plants through Joint Health and Safety Unit (JHSU) companies. We meticulously implement occupational health and safety standards with routine inspections organized every month by our own Occupational Health and Safety expert. In addition, field inspections are carried out once a year by our 3rd Party consultant company in all our power plants for controlled monitoring of the process and monthly documentation follow-ups are carried out. These steps allow us to continuously monitor the effectiveness of the measures taken to protect the safety and health of our employees.



During the reporting period, we spent 7.3 million TL in the field of occupational health and safety.



We are implementing an Occupational Health and Safety program to prevent potential work accidents within the company and to continuously strengthen occupational health and safety. One of the basic elements of this program is various training programs regularly organized for employees. In this context, with risk assessment trainings, our employees have the opportunity to recognize potential risks in their work areas and learn how to take precautions against these risks. With trainings organized on topics such as emergency, first aid, electrical safety, defensive and advanced driving techniques, fire prevention and intervention, our employees have the skills to effectively intervene in any negative situation. Working at heights in wind turbines and working in electric high current facilities (EKAT) are organized in accordance with the Global Wind Turbines Organization (GWO) standards. In addition to strengthening the professional skills of employees, these trainings are an important tool for increasing their awareness of occupational health and safety issues. Our company aims to ensure that its employees gain safe working habits and strengthen the occupational health and safety culture through these trainings.



With the effect of the training programs, we have been carrying out since 2020, we aim to increase the awareness of our employees on Environmental and Occupational Health and Safety issues and organize an Environmental and Occupational Health and Safety competition every year. We organize this program to increase environmental awareness, encourage success in occupational health and safety issues and reward the participation of our employees. Awards are presented to our successful employees.

During the reporting period, in addition to the basic Occupational Health and Safety training provided by the Joint Health and Safety Unit (OSGB), additional training was organized by our Occupational Health and Safety expert and our third-party consultant firm. In addition, with the awareness trainings organized during this process, our employees are becoming aware of occupational health and safety issues and gaining safe working habits



During the reporting period, we provided 5,488 employee*hours of training to our company employees and 1,264 employee*hours to contractor company employees, totaling 6,752 employee*hours of training within the scope of Occupational Health and Safety issues.



During the reporting period, lighting, thermal, ambient and noise exposure measurements were carried out comprehensively in our head office and all our plants. The data obtained were used to assess compliance with occupational health and safety standards, determine the conditions to which employees are exposed and take the necessary corrective measures. In this context, the necessary corrective measures are implemented based on the measurement results and the conditions to which employees are exposed are optimized.

All relevant work is monitored and managed by our Risk, Occupational Health, Safety and Quality Working Group.



In the last 5 years, our employees who have been on operational duties have not encountered any work accidents that caused loss of days thanks to the meticulously implemented high-level safety measures. In addition, none of our employees have been diagnosed with an occupational disease. This success is a reflection of our company's safety-focused culture and continuous improvement efforts.



In 2023, there were no lost days, occupational diseases, fatal work accidents or work accidents among both company employees and contractor employees. We increased our success in the safety of our employees by reducing the accident frequency rate within the company from 0.54 to 0.39. In the same period, we managed to reduce this rate from 0.77 to 0 for contractor employees. This was achieved by effectively implementing occupational health and safety measures and successfully protecting employee safety. You can access our occupational health and safety indicators [here](#).





ENERGY SUPPLY SECURITY

- SUSTAINABLE FINANCE AND INVESTMENT
- SUPPLY CHAIN MANAGEMENT
- DIGITALIZATION AND INFORMATION SECURITY

Sustainable Finance and Investment

With the partnership of EBRD and IFC, we realized the largest international direct investment (FDI) in the Turkish energy sector in 2016 and had the opportunity to diversify our investments in the energy sector. Our portfolio, which was mostly HPP before 2016, reached 12 HPP, 14 SPP and 6 WPP with the support of our partners after 2016, and reached one of the most important renewable energy portfolios in Türkiye with an installed capacity of 699 MW.

We continue our portfolio diversification strategy with investments in various energy sources such as wind, solar and hydroelectric in different geographical regions. We are trying to increase our investments with the goal of providing clean energy to the Turkish people by continuing renewable energy investments such as wind, hybrid solar and detached electricity storage facility projects.

We place sustainability principles and values at the center of our way of doing business. In this context, we do not make investments that do not comply with our environmental and social management system policies.

We attach great importance to meeting long-term project financing criteria while developing our projects. The fact that our projects are suitable for long-term financing by banks is a fundamental element for sustainable growth and success. Therefore, when designing and implementing our projects, we take into account the expectations and criteria of banks. Long-term financing of our projects by banks ensures the stability and sustainability of our projects, while also ensuring the efficient and effective use of financial resources.

Regarding financial instruments, we take care to act in accordance with the obligations of our existing contracts. The loan agreements and other financial instruments we use to finance our projects must allow us to fulfill our existing obligations in compliance without disruption.

Our company's 2023 financial results have been prepared in accordance with inflation accounting standards, with total assets of TL 34.6 billion (2022: TL 33.7 billion) and equity of TL 20.4 billion (2022: TL 15.3 billion). In 2023, net financial debt decreased to USD 286 million as a result of the successful payment of a total of USD 92.1 million in loan principal and interest payments in the HPP, SPP and WPP portfolios.



As a result of the decrease in the production of HPP plants due to the drought experienced in the winter season in 2023, a total of 1,659,635 MWh of electricity was produced, a decrease of 5.6% compared to the previous year.

In 2023, all our power plants operating except Sirma, Otluca, Çamlıca 3, Saraçbendi and Demirciler HPP are evaluated within the scope of YEKDEM. 88% of the total electricity produced in 2023 was sold within the scope of YEKDEM. Apart from YEKDEM, all of our power plants selling in the spot market are in the HPP segment.

Our sales revenue in 2023 was approximately 4.4 billion TL. In addition to electricity sales revenue, our company's 2023 sales revenue also includes approximately 12.4 million TL of carbon emission certificate right sales revenue. As a result of the decrease in production and sales revenues, 2023 EBITDA decreased by 22.2% in TL terms.

Our company's net profit in 2023 was 4.5 billion TL. The main factors affecting the increase in net profit in 2023 are the increase in other income from net main activities in 2023 due to the increase in the fair value of tangible fixed assets and the increase in deferred tax income

Financial Indicators (thousand TL)	31.12.2023	31.12.2022
Total Assets	34,579,915	33,705,907
Total Shareholder's Equity	20,432,470	15,261,103
Net Financial Debt / Equity	0.41	0.70
Equity / Total Assets	0.59	0.45
Sales Revenue	4,363,237	4,937,829
EBITDA	2,813,414	3,616,476
EBITDA Margin	64,5%	73,2%
Amortization	752,809	857,922
Profit for the Period	4,550,382	1,575,721

Supply Chain Management

Within the framework of our Corporate Social Responsibility policies, we adhere to the principles of transparency, justice, accountability and responsibility in supply chain management. In this regard, we have adopted a responsible and ethical approach as a principle in all our activities.

We respect and support international human rights principles aimed at the promotion and protection of human rights, including the United Nations Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration of Fundamental Principles and Rights at Work.

We aim to provide economic and social benefits for society by minimizing environmental impacts in our business operations and at every stage of our supply chain. Our sustainability approach is shaped by considering the environmental and social impacts of our operations in the energy sector.

As Akfen Renewable Energy, we carry out all our material and service purchasing activities in accordance with the Purchasing Policy and Supply Chain Management Procedure.

In selecting suppliers, we evaluate environmental impacts, occupational health and safety standards, sensitivity to social responsibilities and quality standards. Our suppliers are obliged to comply with the articles in the contracts and Akfen Renewable Energy's principles regarding Ethics, Labor, Human Rights, Environment, Occupational Health and Safety and Quality. Compliance with the policy principles is determined by the Purchasing Department or Human Resources unit.

During the product supply processes, environmental impacts are taken into consideration and products that do not comply with the Environmental Policy are not supplied, and at the same time, products that contain potential Occupational Health and Safety risks are avoided by complying with the Occupational Health and Safety Policies and Procedures during product supply.

If our suppliers are found to be in violation of Akfen Renewable Energy principles, appropriate penalties are applied or the contract is terminated directly. In the continuation of the post-contract procurement process, the compliance of the suppliers with our policies, national and/or international norms is checked at least once a year through 3rd party audits.

When there is a development that is contrary to or contrary to Akfen Renewable Energy policies, such as child labor or forced labor, these situations are reported to the upper units, recorded and contracts are reviewed. Necessary procedures are initiated under the supervision of our Legal Department in accordance with national and international laws and regulations.

We continue to contribute to the goal of creating a sustainability-focused supply chain by continuing our efforts to increase the environmental and social awareness of our business partners in the supply chain.

We carry out information and awareness activities to ensure that suppliers comply with the policies. In this context, we plan to organize training programs to develop the sustainability awareness of our suppliers.



In 2023, 96% of Our 614 Suppliers Are Our Local Suppliers.

Our Local Purchasing Rate is 86% in Our Purchasing Operations Which Were Carried Out in The Amount Of 922.5 Million TL in 2023.



Digitalization and Information Security

As Akfen Renewable Energy, we are developing our ability to adapt quickly to innovations with the vision of being a company that leads the renewable energy sector. We follow the policy of closely monitoring various initiatives by following sectoral developments meticulously.

Our digitalization process aims to contribute to the sustainable use of natural resources, beyond meeting the demands of the age. The transition from traditional paper-based management to the SAP system has been optimized with a system that is constantly updated and shaped according to the company's needs. During this process, various modules for the company's needs have been continuously integrated and developed into the system. We have launched the Web-based Operation Control Center to manage our energy production and distribution processes more strategically. This operation control center provides the opportunity to bring together the energy plants in all provinces where we operate across Türkiye on an integrated platform by increasing operational efficiency and minimizing losses in energy production processes. At the same time, we have ensured the creation of the necessary infrastructure for smart grid applications by realizing this integration through the IoT platform. This innovative solution provides remote access to operation managers and other users, providing real-time and detailed traceability of energy data. In addition, it allows users to understand complex data sets and make strategic decisions with its analytical reporting features. In this way, we manage energy production processes more effectively and pioneer smart grid applications. Thanks to the web-based control center, we support digital transformation in the sector and continue to use technology effectively to ensure operational excellence.

As a company, the importance we give to information security and cyber security issues in the digital transformation process is increasing. In this context, we integrate innovation and technology in a way that will maximize the performance of our business. In addition, we plan our renewable energy supply with a conscious risk management approach by constantly strengthening our security infrastructure. With this approach, we aim to provide a reliable service to our customers and stakeholders by providing effective protection against data security and cyber threats.

Our ongoing efforts to create a strong cyber security strategy are further strengthened by our efforts to comply with the ISO 27001 Information Security standard. Our head office and all our power plants have the ISO 27001:2013 Information Security Management System certificate. This certification indicates that the company has an effective management of information security and an information security system that complies with international standards. The ISO 27001:2013 Information Security Management System certificate reinforces customer trust by documenting our company's commitment to protecting information assets, taking security measures against cyber threats and creating a secure work environment. In this way, our company's customer information, business processes and other critical information are managed securely, business continuity is ensured and cyber security risks are minimized. The ISO 27001 Information Security standard guides us in assessing information security risks and implementing appropriate controls against these risks.

We support our commitment to information security with the Information Security Regulation and apply the sanctions specified in the Disciplinary Regulation against possible security breaches.

Thanks to these measures we took in our business processes in 2023, no complaints or data breaches were detected. With these steps, we will continue our efforts to provide sustainable and reliable energy solutions.





SOCIAL PERFORMANCE

- **SOCIAL RESPONSIBILITY AND CONTRIBUTION TO LOCAL ECONOMY**
- *TURKIYE HUMAN RESOURCES AND HEALTH FOUNDATION (TİKAV)*
- *SOCIAL SUPPORT ACTIVITIES*

Social Responsibility and Contribution to Local Economy

As Akfen Renewable Energy, we are sensitive to the socio-cultural and economic needs of the local people when planning our activities within the framework of our Social Responsibility Policy. In this context, we implement various projects and activities in order to strengthen the local community, respect social and cultural values, and focus on areas that need to be supported economically. With this approach, we plan to contribute to the development of local communities along with sustainable energy production.

The ISO 26000 Social Responsibility standard is a guide created to guide companies in social responsibility. The purpose of this standard is to ensure that all activities of the organization are in compliance with international ethical principles; environmental and legal norms, cultural and political diversity. On November 27, 2023, our company renewed its "ISO 26000- Social Responsibility Management System" certificate. This certificate supports our company's commitments in the field of social responsibility and our performance in this field.

In the locations where we operate, we contribute to the economic well-being of the local people by prioritizing the local workforce. In this context, instead of focusing only on short-term financial returns, we look out for long-term social and economic gains. We carry out studies to encourage employment to remain local and strengthen the regional economy. In order to activate the potential in the local area and create employment opportunities, we provide support for local individuals to develop their technical skills and obtain the necessary certificates. In order to support local employment, we publish job advertisements starting from the villages where our businesses are located and up to the district and provincial levels.

At the same time, we support sustainable development in a wide range of areas from infrastructure to education through community projects that we carry out in accordance with sustainability principles. We contribute to regional development by organizing training programs and workshops to increase the skills and abilities of the local people. In addition to energy production, we adopt a mission that focuses on the general well-being of the society.

In social responsibility projects, we value our local stakeholders as our neighbors and establish sustainable relationships with this awareness. With the corporate social responsibility projects, we carry out in two main categories, we work together with TİKAV, which is affiliated with Akfen Holding, to carry out projects and at the same time, we provide direct support to our local stakeholders in the locations where our power plants are located.



In 2023, we provided a total of 7.2 million TL of support directly to our local stakeholders through social responsibility projects in the regions where we operate.



We evaluate all kinds of demands and suggestions of our stakeholders and provide feedback with the suggestion-complaint boxes we have placed in the headmen's offices in our project locations. In addition, our stakeholders can directly reach our Public Relations and Corporate Sustainability Manager by using the phone and e-mail information on the communication poster we have placed next to the boxes.



Türkiye Human Resources and Health Foundation (TİKAV)

The joint efforts of the Türkiye Human Resources Health and Education Foundation (Türkiye İnsan Kaynakları Sağlık ve Eğitim Vakfı - TİKAV) and our company contribute to the development of society in terms of health, education and economy, and ensure that important steps are taken for a sustainable future. This cooperation is of great importance for the welfare of society and the protection of the environment.

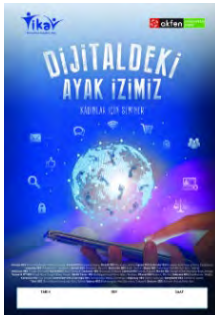
Through social responsibility projects, our efforts with TİKAV focus on increasing the knowledge of local people, spreading healthy living awareness and finding solutions to environmental problems. These projects include educational programs for local people, health screenings, environmental education campaigns and initiatives that support the local economy. In this way, we want to contribute to the long-term sustainability of not only individuals but also communities and the environment.

Hand in Hand Together Scholarship Programs



Following the earthquakes that occurred in Kahramanmaraş on February 6, 2023, a step was taken with the financial support of Akfen Holding, Akfen Renewable Energy and Acacia Mining Operations, under the coordination of TİKAV, to support **3000 university students** whose families reside in the earthquake zone and were affected by this natural disaster. During this difficult period, we aim to contribute to the future of young people whose families are among the earthquake victims by providing monthly scholarship support during their university education. The scholarship support started in March 2023, and with this support, we are making an effort to alleviate the sadness brought by the earthquake to some extent.

"Our Footprint in Digital" Project



Under the coordination of TİKAV and with the financial support of our company, we will implement the "Our Footprint in Digital Project" in the regions where our active power plants are located in 27 different locations in Türkiye. In this context, awareness seminars will be organized on the correct and beneficial use of digital platforms, and women living in rural areas in particular will be targeted and will be made aware of the potential effects of unconscious use of digital platforms. This project aims to support participating women and their family members in coping with the problems brought about by the digital world.

We had planned to carry out this project in 2023, but we postponed the process due to the February 6 Kahramanmaraş earthquake. We will implement the project in 2024.

“Saving at Home, Future in Our Hands” Project



The "Saving at Home, Future in Our Hands Project", implemented under the coordination of TİKAV and supported by our company, was launched and successfully completed in 27 different locations in Türkiye between 2020-2022. As part of this project, various seminars were organized in neighborhoods and villages in the regions where our company's power plants are located. These seminars, especially targeting women living in rural areas, aimed to raise awareness about the fact that electricity is a costly resource, water is an irreplaceable basic resource, and the smart and conscious use of this resource. In addition to household economies, this effort also aims to make positive contributions to the ecological balance of the country and the world.

2500 people were reached with **23 seminars** carried out within the broad scope of the project.



“Hygiene is Health” Project



The Hygiene is Health Project, which was carried out in 26 different regions of Türkiye under the coordination of TİKAV and the financing of our company in 2019, aimed to raise awareness of women living in rural areas and working with physical strength on basic body and food hygiene issues so that they can live a healthy life. These seminars not only provided healthy living habits but also aimed to strengthen communities and contributed to taking steps towards a healthy future.

2000 people were reached with **23 seminars** carried out within the broad scope of the project.



“Rural Area Education Seminars” Project



Since 2017, the training programs we have implemented have allowed us to reach **6,800 people** directly in four main subjects. However, this impact does not only include the direct participants; it also indirectly affects the family, friends and social circles of each participant. In this context, when we consider the 6,800 people who directly participated in the trainings, as well as their families and social circles, we calculate that we have reached **24,886 people**. This situation provides a good example of how trainings can affect not only the participants, but also a wider community. It stands out as a meaningful example of how education and information can spread rapidly in society.

Our "Rural Area Education Seminars" project was deemed worthy of an award in the "Sustainability Communication - Women's Empowerment" category at the Sustainable Business Awards 2023 event organized by the Sustainability Academy, a prestigious organization that rewards successful models and projects that have created significant impacts in the social, economic and environmental fields.



Social Support Activities

During the reporting period, we actively evaluated the demands and suggestions of the local people in the locations where our HPP, SPP and WPP operations are located, focused on their needs and organized various social support activities in this direction. We strive to manage our energy production processes not only from a technical perspective, but also in a way that is sensitive to the social and economic needs of the local community.

Power Plant

Social Support Activity

OTLUCA HPP

Fuel support was provided for the construction equipment used within the scope of the road construction project carried out in Sugözü Village.

Hygiene and stationery supplies were provided for the use of Zehra Marulyalı Primary School students.

Financial support was provided for the needs of our citizens in the earthquake region.

Material support was provided for the construction of the drinking water transmission line in ÇaltıBükü Village.

SIRMA HPP

Financial support was provided for the needs of our citizens in the earthquake region.

KAVAKÇALI HPP

Financial support was provided for the needs of our citizens in the earthquake region.

Kavakçalı Neighborhood Headmanship provided financial support for the organized football tournament.

GELİNKAYA HPP

Financial support was provided for the needs of our citizens in the earthquake region.

SARAÇBENDİ HPP

A citizen in Gemerek District who needed a battery for this citizen's wheelchair was provided with a battery.

Financial support was provided for the needs of our citizens in the earthquake region.

ÇAMLICA III HPP

Financial support was provided to Özden Elmacı Primary School as part of the construction work carried out to increase the security of the school.

Financial support was provided to the Balçıçakırı Neighborhood Headmanship within the scope of camera system installation.

YAĞMUR HPP

Solar energy system provided for Adıyaman AFAD Tent City.

Financial support was provided for the needs of our citizens in the earthquake region.

Training material support was provided for the use of female athletes at the Trabzon Olympic preparation center.

Construction material support was provided for use in the Kahraman District Village lodgings.

Fuel support was provided to Köprübaşı Municipality vehicles.

Construction material support was provided for the Kovuktaş Plateau drinking water project.

AMASYA SPP

Financial support was provided for the infrastructure works carried out in Kutu Village.

OMİCRON SPP

Winter shoes and coats were donated to Kıyıcak Primary School students.

Financial support was provided for the office renovation project of Kıyıcak and Bakımlı Neighborhood Headmanships.

Financial support was provided to Kıyıcak Primary and Secondary School within the scope of their needs.

PSİ SPP

Winter shoes and coats were donated to the students of Bakımlı Primary School.

IOTA SPP

Financial support was provided for the needs of our citizens in the earthquake region.

Financial support was provided to those in need living in Fırıncı Village.

KOCALAR WPP

Financial support was provided to those in need living in Çamyayla and Harmancık Village.

Following the "Forest Fire Information Seminar" held by the Lâpseki Forest Management Directorate, food was distributed to the local people.

ÜÇPINAR WPP

Our construction equipment, which is used in the leveling and snow removal works of Üçpınar WPP field roads, was used to operate in certain periods for the needs of Üçpınar Village.

Construction equipment service was provided for the needs of Çamyayla Village to be used for the benefit of the village.

Financial support was provided to those in need living in Üçpınar Village.

Material and labor supply were provided for the LED lighting installation and under-carpet heating system on the minaret balcony of the Üçpınar Village Mosque.

Financial support was provided for the machine replacement and repair to be carried out within the scope of infrastructure works in Üçpınar Village.





ANNEXES

- PERFORMANCE TABLES
- UNITED NATIONS GLOBAL COMPACT (UNGC) CONTENT INDEX
- UNITED NATIONS WOMEN'S EMPOWERMENT PRINCIPLES (UN WEPs) CONTENT INDEX
- GRI CONTENT INDEX



Performance Charts

Social Indicators

Employee Demographics

TOTAL EMPLOYMENT

	Female	2021	Male	Female	2022	Male	Female	2023	Male
Total number of employees	20	/	193	17	/	212	17	/	213
Number of white-collar workers	18	/	51	15	/	56	15	/	51
Number of blue-collar workers	2	/	142	2	/	156	2	/	162
Number of employees covered by collective bargaining agreements/Unionized	0	/	0	0	/	0	0	/	0
Number of subcontracted workers	4	/	133	4	/	95	4	/	95

NUMBER OF EMPLOYEES BY WORKING HOURS

	Full Time	2021	Part Time	Full Time	2022	Part Time	Full Time	2023	Part Time
Total	213	/	0	229	/	0	230	/	0
Number of white-collar workers	69	/	0	71	/	0	66	/	0
Number of blue-collar workers	144	/	0	158	/	0	164	/	0
Number of subcontracted workers	137	/	0	99	/	0	99	/	0

NUMBER OF EMPLOYEES BY AGE

	Female	2021	Male	Female	2022	Male	Female	2023	Male
Total	20	/	193	17	/	212	17	/	213
Under 30 years old	1	/	12	1	/	23	3	/	28
Between 30-50 years old (30 and 50 years old inclusive)	15	/	167	14	/	176	11	/	170
Over 50 years old	4	/	14	2	/	13	3	/	15

NEW EMPLOYEES HIRED DURING THE YEAR

	Female	2021	Male	Female	2022	Male	Female	2023	Male
Total	1	/	6	2	/	44	3	/	15
Under 30 years old	0	/	4	1	/	16	2	/	6
Between 30-50 years old (30 and 50 years old inclusive)	1	/	2	1	/	27	0	/	9
Over 50 years old	0	/	0	0	/	1	1	/	0

EMPLOYEE TURNOVER

	Female	2021	Male	Female	2022	Male	Female	2023	Male
Total number of employees leaving the employment	1	/	7	4	/	24	3	/	12
Number of employees under the age of 30 leaving the employment	0	/	0	0	/	4	0	/	0
Number of employees between 30-50 years old (30 and 50 years old inclusive) leaving the employment	1	/	6	2	/	18	3	/	10
Number of employees over the age of 50 leaving the employment	0	/	1	2	/	2	0	/	2
Employee turnover rate calculated scope by including voluntary employee withdrawal		4%			12%			7%	

SENIORITY

	Female	2021	Male	Female	2022	Male	Female	2023	Male
Number of employees for 0-5 years (up to 5 years)	9	/	44	5	/	50	5	/	56
Number of employees for 5-10 years (up to 10 years)	6	/	91	7	/	73	5	/	55
Number of employees for 10 years and above	5	/	58	5	/	89	7	/	102

MATERNITY/PARENTAL LEAVE

	Female	2021	Male	Female	2022	Male	Female	2023	Male
Number of employees taking advantage of maternity /parental leave	0	/	6	0	/	7	0	/	6
Number of employees returning to work after maternity /parental leave ends	0	/	6	0	/	7	0	/	6

DIRECTORS

	Female	2021	Male	Female	2022	Male	Female	2023	Male
Total	3	/	25	5	/	30	6	/	26
Under 30 years old	0	/	0	0	/	2	0	/	2
Between 30-50 years old (30 and 50 years old inclusive)	3	/	24	5	/	26	5	/	23
Over 50 years old	0	/	1	0	/	2	1	/	1

	Female	2021	Male	Female	2022	Male	Female	2023	Male
Number of disabled employees by gender	0	/	1	0	/	2	0	/	2
Number of foreign national employees	0	/	0	0	/	0	0	/	0

Occupational Health and Safety Indicators

OCCUPATIONAL HEALTH AND SAFETY	2021		2022		2023	
	Direct Company Employees	Contractor Company Employees	Direct Company Employees	Contractor Company Employees	Direct Company Employees	Contractor Company Employees
Number of Fatal Accidents	0	/	0	0	/	0
Number of Occupational Diseases	0	/	0	0	/	0
Number of Accidents Requiring Medical Intervention	1	/	1	0	/	0
Number of Lost Time Work Accidents	0	/	0	1	/	0
Number of Lost Work Days	0	/	0	7	/	0
Lost Time Accident Rate*	0	/	0	0.33	/	0
Total Recordable Incident Rate**	0.42	/	0.64	0.54	/	0.77

*Accident severity rate = Total Number of Lost Days / Total Working Days X 1,000

**Accident frequency rate = Total Number of Accidents / Total Working Hours X 1,000,000



Training Indicators

	Direct Company Employees			Contractor Company Employees		
	2021	2022	2023	2021	2022	2023
Total OHS Training Hours	5,928	8,430	5,488	1,724	2,836	1,264
Total Akfen Renewable Energy ESG Training Hours*	4,296	2,305	3,184	1,678	1,314	788
Number of Employees Receiving Training	205	247	189	133	75	95

*Within the scope of Akfen Renewable Energy ESG training program, employees are provided with training on subjects such as Ethical Codes, Environmental Management, Environmental Emergencies, Biodiversity, Energy Efficiency, Climate Change, Stress Management, Reward-Penalty System, etc.

Environmental Indicators

	2021	2022	2023
ELECTRICITY PRODUCTION QUANTITIES (Mwh)			
Hydroelectric Power Plants	453,000.00	549,500.00	489,727.85
Solar Power Plants	203,400.00	192,400.00	195,512.40
Wind Power Plants	1,049,500.00	1,016,000.00	974,394.77
TOTAL ELECTRICITY PRODUCTION AMOUNT (Mwh)	1,705,900.00	1,757,900.00	1,659,635.01

	2021	2022	2023
ENERGY CONSUMPTION QUANTITIES			
Electricity Consumption from Renewable Sources (MWh)	3,158.20	2,437.39	3,458.50
Grid sourced Electricity Consumption (MWh)		1,538.28	1,468.23
Natural gas (m ³)	65,126.70	61,870.30	54,980.40
Diesel Fuel (lt)	62,181.20	109,029.70	129,311.20

	2021	2022	2023
ENERGY INTENSITY			
Energy intensity (total energy/total production) (MWh/MWh)	0.076479284	0.099479893	0.114012022

	2021	2022	2023
ENERGY-SAVING			
Energy savings achieved with the energy efficiency project (kWh)	-	73,000.00 kWh	200,750.00 kWh

	2022 YEAR EMISSION (tCO _{2e})	2023 YEAR EMISSION (tCO _{2e})
GREENHOUSE GAS EMISSIONS		
Scope 1	2,048.41	1,012.94
Scope 2	716.51	646.02
Scope 3	6,195.47	4,122.07
TOTAL EMISSIONS (tCO_{2e})	8,960.39	5,781.03



SUB-CATEGORY BASED EMISSIONS

2022 YEAR EMISSION (tCO2e)

2023 YEAR EMISSION (tCO2e)

Scope	Category	2022 YEAR EMISSION (tCO2e)	2023 YEAR EMISSION (tCO2e)
Scope 1	Stationary Combustion	84.40	36.36
	Mobile Combustion	332.89	339.65
	Leakage Gas	1,631.12	636.92
Scope 2	Purchased Electricity	716.51	646.02
Scope 3	Input Material Transportation/Distribution	1.63	42.97
	Output Material Transportation/Distribution	0.69	0.00
	Employee Commuting	353.18	313.75
	Business Trips	63.06	24.47
	Purchased Products	1,399.00	468.64
	Purchased Assets	94.06	72.98
	Waste Disposal	2,717.52	84.84
	Service Usage	14,58.83	2,808.77
	Well-to-Tank Emissions of Purchased Fuels	107.51	305.64

EMISSION INTENSITY

2022

2023

Category	2022	2023
Emission Intensity (tCO2 / Mwh)	0.005098	0.003483

WATER USAGE AMOUNTS (m3)

2021

2022

2023

Category	2021	2022	2023
Head Office	1,766.66	281.86	403.25
Hydroelectric Power Plants	6,095.89	8,786.90	6,991.50
Solar Power Plants	2,575.10	4,085.00	2,878.00
Wind Power Plants	788.00	838.10	958.50
TOTAL WATER USAGE AMOUNT (m3)	11,225.65	13,991.86	11,231.25

AMOUNT OF REUSED WATER AND EFFLUENT (m3)

2021

2022

2023

Category	2021	2022	2023
Amount of water recovered/reused	-	-	-
Total Effluent Discharge	5,388.31	7,961	5,177



WASTE AMOUNTS (tons)

2021

2022

2023

Non-hazardous Waste

8.18

4.63

4.05

Hazardous Waste

5.73

19.11

12.22

TOTAL WASTE AMOUNTS (tons)

13.91

23.74

16.27

ENVIRONMENTAL ADAPTATION

2021

2022

2023

Number of Hazardous Material Leak and Spill Incidents

0

0

0

Hazardous Material Leakage and Spillage Quantity

0

0

0

Number of Environmental Fines

0

0

0

Environmental Fine Amount

0

0

0

UNITED NATIONS GLOBAL COMPACT (UNGC) CONTENT INDEX

CONTENTS	GLOBAL PRINCIPLES	REFERENCE-PAGE NO
HUMAN RIGHTS	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Ethical Principles and Compliance - Page 29 Human Resources Management - Page 59
	Principle 2: Businesses make sure that they are not complicit in human rights abuses.	Ethical Principles and Compliance - Page 29 Human Resources Management - Page 59
	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Human Resources Management - Page 59
LABOUR	Principle 4: The elimination of all forms of forced and compulsory labour.	Ethical Principles and Compliance - Page 29 Human Resources Management - Page 59
	Principle 5: The effective abolition of child labour.	Human Resources Management - Page 59 Supply Chain Management - Page 69
ENVIRONMENT	Principle 6: The elimination of discrimination in respect of employment and occupation.	Ethical Principles and Compliance - Page 29 Diversity, Equity and Inclusion - Page 61
	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Ethical Principles and Compliance - Page 29 Environmental Performance - Page 46
	Principle 8: Undertake initiatives to promote greater environmental responsibility.	Ethical Principles and Compliance - Page 29 Environmental Performance - Page 46
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	Ethical Principles and Compliance - Page 29 Environmental Performance - Page 46
ANTI-CORRUPTION	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Ethical Principles and Compliance - Page 29

UNITED NATIONS WOMEN'S EMPOWERMENT PRINCIPLES (UN WEPs) INDEX

PRINCIPLES		REFERENCE-PAGE NO
PRINCIPLE 1	Establish high-level corporate leadership for gender equality	Our Sustainability Approach - Page 37 Diversity, Equity and Inclusion - Page 61
PRINCIPLE 2	Treat all women and men fairly at work – respect and support human rights and non-discrimination	Ethical Principles and Compliance - Page 29 Human Resources Management - Page 59
PRINCIPLE 3	Ensure the health, safety and well-being of all women and men workers	Employee Satisfaction - Page 63 Occupational Health and Safety - Page 65
PRINCIPLE 4	Promote education, training and Professional development for women	Employee Development and Talent Management - Page 64
PRINCIPLE 5	Implement enterprise development, supply chain and marketing practices that empower women	Diversity, Equity and Inclusion - Page 61
PRINCIPLE 6	Promote equality through community initiatives and advocacy	Diversity, Equity and Inclusion - Page 61
PRINCIPLE 7	Measure and publicly report on progress to achieve gender equality	Social Responsibility and Contribution to Local Economy - Page 72



GRI Content Index

Akfen Renewable Energy has reported in accordance with Global Reporting Initiative (GRI) Standards for the period 1 January 2023 - 31 December 2023.

GRI 1 Usage: GRI 1: Foundation 2021

GRI STANDARDS	INDICATOR	DESCRIPTION AND PAGE NUMBER
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report - Page 3
	2-2 Entities included in the organization's sustainability reporting	About the Report - Page 3
	2-3 Reporting period, frequency and contact point	About the Report - Page 3
	2-4 Restatements of information	There is no information edited.
	2-5 External assurance	No external audit was undertaken within the scope of the report.
	2-6 Activities, value chain and other business relationships	About the Akfen Renewable Energy - Page 5 Supply Chain Management - Page 69
	2-7 Employees	Human Resources Management - Page 59 Social Indicators - Page 77
	2-8 Workers who are not employees	Social Indicators - Page 77
	2-9 Governance structure and composition	Corporate Governance - Page 17
	2-10 Nomination and selection of the highest governance body	Board of Directors - Page 18
	2-11 Chair of the highest governance body	Corporate Governance - Page 17
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance - Page 17 Our Sustainability Management Structure - Page 39
	2-13 Delegation of responsibility for managing impacts	Corporate Governance - Sayfa 17 Our Sustainability Management Structure - Page 39
	2-14 Role of the highest governance body in sustainability reporting	Our Sustainability Management Structure - Page 39
	2-15 Conflicts of interest	Ethical Principles and Compliance - Page 29
	2-16 Communication of critical concerns	Corporate Governance - Page 17 Risk Management - Page 24
	2-17 Collective knowledge of the highest governance body	Corporate Governance - Page 17
	2-18 Evaluation of the performance of the highest governance body	There is no independent performance evaluation.
	2-19 Remuneration policies	Corporate Management Policies - Page 23
	2-20 Process to determine remuneration	It is not declared due to privacy policies.
	2-21 Annual total compensation ratio	It is not declared due to privacy policies.
	2-22 Statement on sustainable development strategy	Our Sustainability Strategy - Page 40
	2-23 Policy commitments	Corporate Management Policies - Page 23 Quality Management - Page 33
	2-24 Embedding policy commitments	Corporate Management Policies - Page 23 Quality Management - Page 33
	2-25 Processes to remediate negative impacts	Risk Management - Page 24 Ethical Principles and Compliance - Page 29



GENERAL EXPLANATIONS

GRI 2: General Disclosures 2021

2-26 Mechanisms for seeking advice and raising concerns

Ethical Principles and Compliance - Page 29

2-27 Compliance with laws and regulations

Risk Management - Page 24
Ethical Principles and Compliance - Page 29

2-28 Membership associations

Memberships and Collaborations - Page 45

2-29 Approach to stakeholder engagement

Stakeholder Participation - Page 43

2-30 Collective bargaining agreements

There is no collective labor agreement.

MATERIAL TOPICS

GRI 3: Material Topics 2021

3-1 Guidance to determine material topics

Our Sustainability Approach - Page 41

3-2 Disclosures on material topics

Our Sustainability Approach - Page 41

GRI 201: Economic Performance 2016

201-1 Direct economic value generated and distributed

Sustainable Financing and Investment - Page 68

201-2 Financial implications and other risks and opportunities due to climate change

Risk Management - Page 24

GRI 203: Indirect Economic Impacts 2016

203-1 Infrastructure investments and services supported

Social Responsibility and Contribution to Local Economy - Page 72

203-2 Significant indirect economic impacts

Social Responsibility and Contribution to Local Economy - Page 72
Supply Chain Management - Page 69

GRI 204: Procurement Practices 2016

204-1 Proportion of spending on local suppliers

Supply Chain Management - Page 69

GRI 205: Anti-Corruption 2016

205-1 Operations assessed for risks related to corruption

Ethical Principles and Compliance - Page 29

205-2 Communication and training about anti-corruption policies and procedures

Ethical Principles and Compliance - Page 29

205-3 Confirmed incidents of corruption and actions taken

There were no cases of corruption during the reporting period.

GRI 206: Anti-Competitive Behavior 2016

206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

No situation requiring investigation was encountered during the reporting period.

GRI 302: Energy 2016

302-1 Energy consumption within the organization

Environmental Indicators - Page 79

302-3 Energy intensity

Environmental Indicators - Page 79

302-4 Reduction of energy consumption

Energy Efficiency and Management - Page 49

302-5 Reductions in energy requirements of products and services

Energy Efficiency and Management - Page 49

GRI 303: Water and Effluents 2018

303-1 Interactions with water as a shared resource

Water Management - Page 53

303-2 Management of water discharge-related impacts

Water Management - Page 53

303-4 Water discharge

Environmental Indicators - Page 79

303-5 Water consumption

Environmental Indicators - Page 79

GRI 304: Biodiversity 2016

304-2 Significant impacts of activities, products and services on biodiversity

Biodiversity - Page 54

304-3 Habitats protected or restored

Biodiversity - Page 54

304-4 IUCN (International Union for Conservation of Nature) Red List species and national conservation list species with habitats in areas affected by operations

Biodiversity - Page 54



GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Indicators - Page 79
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Indicators - Page 79
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Indicators - Page 79
	305-4 GHG emissions intensity	Environmental Indicators - Page 79
	305-5 Reduction of GHG emissions	Greenhouse Gas Management - Page 50
GRI 306: Effluents and Waste 2020	306-1 Water discharge by quality and destination	Waste Management - Page 52
	306-2 Waste by type and disposal method	Waste Management - Page 52
	306-3 Significant spills	Environmental Indicators- Page 79
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Indicators - Page 77
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Satisfaction - Page 63
	401-3 Parental leave	Social Indicators - Page 77
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety - Page 65
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety - Page 65 Occupational Health and Safety Indicators - Page 78
	403-3 Occupational health services	Occupational Health and Safety - Page 65
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety - Page 65
	403-5 Worker training on occupational health and safety	Occupational Health and Safety - Page 65 Training Indicators - Page 79
	403-6 Promotion of worker health	Occupational Health and Safety - Page 65
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Risks and Opportunity - Page 25 Occupational Health and Safety - Page 65
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety - Page 65
	403-9 Work-related injuries	Occupational Health and Safety - Page 65 Occupational Health and Safety Indicators- Page 78
	403-10 Work-related ill health	Occupational Health and Safety - Page 65 Occupational Health and Safety Indicators - Page 78
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Development and Talent Management- Page 64
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development and Talent Management- Page 64
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity, Equity and Inclusion - Page 61
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity, Equity and Inclusion - Page 61
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Supply Chain Management - Page 69
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supply Chain Management - Page 69
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Responsibility and Contribution to Local Economy - Page 72



SUSTAINABILITY REPORT | 2023



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LEGAL WARNING

Akfen Renewable Energy 2023 Sustainability Report has been prepared for informational purposes only with data obtained from sources believed to be accurate and reliable and has not been independently verified. The report is not intended to form the basis for any investment decision. The Company, its managers, employees, consultants and all other persons who contributed to the preparation of the report cannot be held responsible for any losses and damages that may arise directly or indirectly from the use of the information contained in the report.

