

# GLOBAL



**KAZANCI HOLDING**

Annual Report 2021

**aksa**



# **TURKEY'S** **STRONGEST GLOBAL** **ENERGY BRAND**

At Kazancı Holding, we are wrapping up another successful year by further boosting our Aksa brand value through our domestic and overseas operations.

We are expanding our global success with the Aksa brand across various fields of the energy sector. In addition, we are moving forward with the right investment moves and strong financial results despite the volatility in the global economy.



## Contents

### KAZANCI HOLDING AT A GLANCE

08	Kazancı Around the Globe
09	Kazancı in Turkey
10	About Kazancı Holding
14	Kazancı Holding in Figures
16	Milestones

### FROM MANAGEMENT

18	Message from the Chairman
22	Message from the Vice Chairman and CEO
26	Board of Directors
28	Kazancı Holding Administrative Communication Structure

### OPERATIONS

30	Energy Generation
30	Aksa Energy
38	Natural Gas Distribution and Sales
38	Aksa Natural Gas
44	Aksa Electricity Group
46	Electricity Sales Companies
50	Electricity Distribution Companies
60	Power Generator Manufacturing and Sales
60	Aksa Power Generation
68	Other Group Companies
68	Aksa Tourism
74	Aksa Agriculture

### SUSTAINABILITY

86	Sustainability Strategy
87	Environmental Sustainability
104	Corporate Social Responsibility
112	Information Technologies
116	Human Resources
120	Occupational Health and Safety

### CORPORATE GOVERNANCE

128	Our Values
130	Strategic Goals
132	Risk Management, Internal Audit and Control
133	Code of Ethics
136	Information Security Policy



# **SUSTAINABLE** **POWER SUPPLY**

**Our strategies focus not only on profitability but also on a holistic approach to sustainability. Kazanci Holding's approach to sustainability encompasses engaging in value-added production, contributing to the national economy over the long term, creating local employment opportunities, and protecting the environment.**



22

Countries of Operation

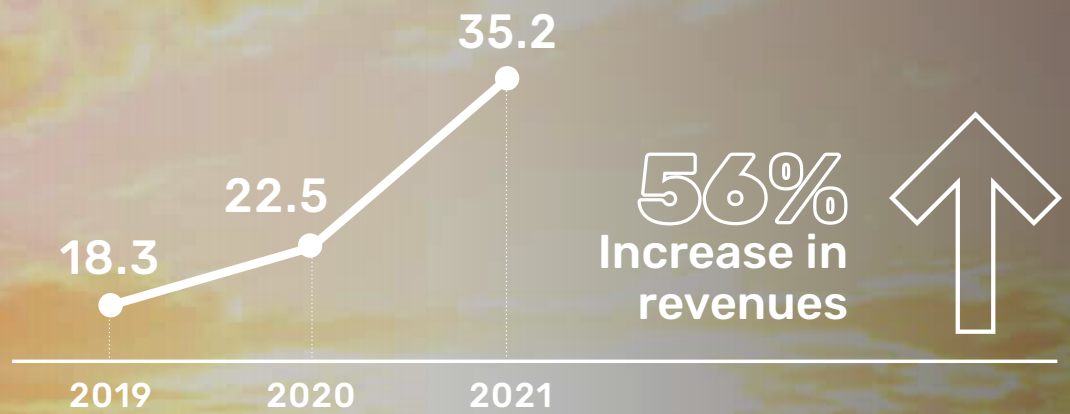
9,000+

Employees

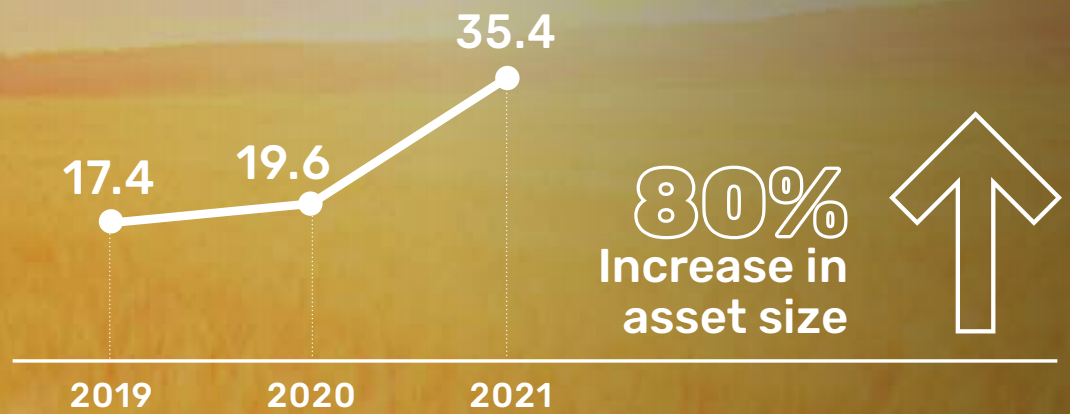
# THE SOURCE OF OUR EFFICIENCY

We further strengthened our financial structure by achieving significant growth during a time characterized by extreme economic fluctuations due to the ongoing pandemic. We maintained our efforts aimed at the world of the future. Kazancı Holding focused on humanity's potential needs in the field of energy with its efficiency-focused moves and large-scale investments.

### Revenues (TRY Billion)



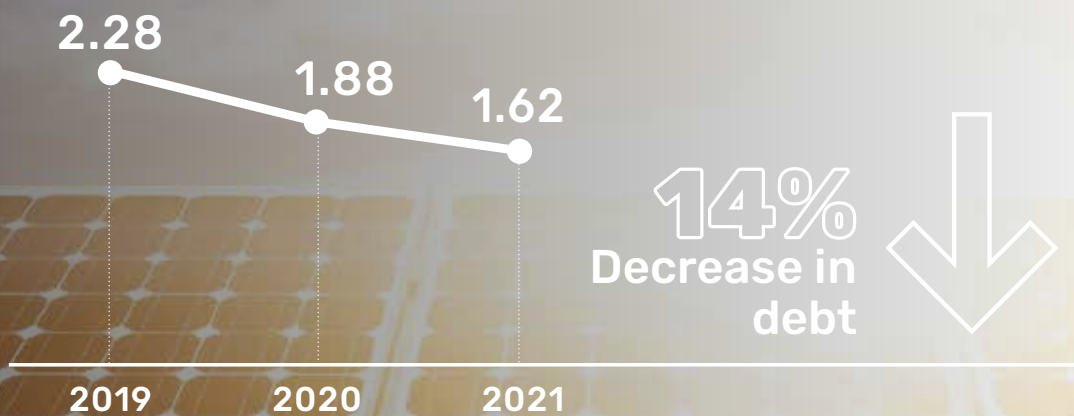
### Total Assets (TRY Billion)



## EBITDA (TRY Billion)



## Net Financial Debt/EBITDA



# THE SOURCE OF THE FUTURE

We remain committed to expanding our current investments and evaluating investment opportunities within the framework of our strategies and responsibilities. We are once again promoting renewable energy in line with our growth and sustainable future goals. We are moving steadily forward our journey with new projects.

## Kazancı Around the Globe

# TURKEY'S GLOBAL BRAND

Kazancı Holding is a global player with more than 9,000 employees on 4 continents and operations in 22 countries, sales to 176 countries around the globe.



Production  
across

4

Continents

Operations in







22

Countries

Sales to

176

Countries

 <b>Aksa Energy</b>	 <b>Aksa Natural Gas</b>	 <b>Aksa Electricity</b>	 <b>Aksa Power Generation</b>	 <b>Aksa Tourism</b>	 <b>Aksa Agriculture</b>
Turkey, Northern Cyprus, Ghana, Madagascar, Mali, Uzbekistan, Republic of Congo	Turkey	Turkey	Turkey, USA, UAE, Algeria, China, Indonesia, Ghana, South Africa, Netherlands, Iraq, UK, Kazakhstan, Kenya, Uzbekistan, Russia, Singapore, Vietnam	Turkey	Turkey

## Kazancı in Turkey







# CREATING VALUE AROUND TURKEY

Kazancı Holding operates in the fields of energy generation, electricity distribution and sales, natural gas distribution, gen-set production and sales, agriculture and tourism – creating added value for the country's economy.



TRY **35.2**  
Billion  
Revenue

TRY **5.4**  
Billion  
EBITDA

 <b>Aksa Energy</b>	 <b>Aksa Natural Gas</b>	 <b>Aksa Electricity</b>	 <b>Aksa Power Generation</b>	 <b>Aksa Tourism</b>	 <b>Aksa Agriculture</b>
Antalya, Bolu, Şanlıurfa	Adana, Afyon, Ağrı, Amasya, Balıkesir, Batman, Bayburt, Bilecik, Bolu, Çanakkale, Düzce, Elazığ, Giresun, Gümüşhane, Hatay, Malatya, Manisa, Mersin, Ordu, Osmaniye, Rize, Siirt, Sivas, Şanlıurfa, Tokat, Trabzon, Van	<b>Aksa Electricity Sales</b>  <b>Aksa Çoruh Electricity Retail Sales</b> <b>Aksa Fırat Electricity Retail Sales</b>  <b>Çoruh EDAŞ and Fırat EDAŞ</b>  Artvin, Bingöl, Elazığ, Giresun, Gümüşhane, Malatya, Rize, Trabzon, Tunceli	Adana, Ankara, Antalya, Bursa, Denizli, Diyarbakır, Gaziantep, İzmir, İstanbul, Kayseri, Muğla, Samsun, Şanlıurfa, Trabzon, Tekirdağ	Antalya, Kayseri	Samsun, Tekirdağ

## About Kazancı Holding

# A GLOBAL PLAYER WITH A CLEAR VISION

Kazancı Holding's goal is to grow and maintain its leading position with a long-term strategic focus.

### Operations in **22** Countries

Operating in 22 countries on 4 continents, Kazancı Holding created one of Turkey's most valuable multinational brands with the Aksa brand.

Founded in the 1950s, Kazancı Holding is one of the leading groups in the energy sector. Shaping its activities always based on the principles of customer satisfaction and trust during its journey exceeding half a century, the Group has become a global powerhouse through investments made all around the globe with its visionary identity and innovative mindset.

Kazancı Holding started the journey, which laid the foundation for the Group Companies, with Watt Electric Motor Factory in 1968. The Group commenced generator manufacturing in the 1980s, power plant construction and electricity generation in the 1990s, natural gas distribution in the early 2000s, and electricity distribution and sales in 2010. As a result, Kazancı Holding gradually built its vertical and horizontal structure in the energy sector and reached a unique position in the industry.

Positioned ahead of its competitors thanks to its expertise and integrated service competence in the energy industry, the Group aims to grow within the sector through a long-term strategic focus and retain its leading position.

The Group continuously increases the lasting added value it creates for the Turkish economy with its investments in agriculture and tourism sectors in addition to energy, as well as foreign currency cash flow and employment opportunities it creates.

Today, Kazancı Holding is a global power with production facilities across 4 continents, more than 9,000 employees and operations in 22 countries and sales to 176 countries around the world.

The subsidiaries of the Holding are among the leading companies in their respective fields due to their achievements. Of the companies operating under the brand Aksa:

Building and operating power plants in Turkey and abroad, **Aksa Energy** is Turkey's largest independent power producer listed on the stock exchange. Taking firm steps towards globalization since 2015, Aksa Energy operates in 7 countries with power plants located in Turkey, Northern Cyprus, Ghana, Madagascar, Mali, Republic of Congo, and Uzbekistan. Aksa Energy's shares are traded under the ticker "AKSEN" on BIST 50, BIST Electricity, BIST Sustainability, BIST Corporate Governance, and MSCI Turkey Indexes.

### Gen-set Sales to **176** Countries

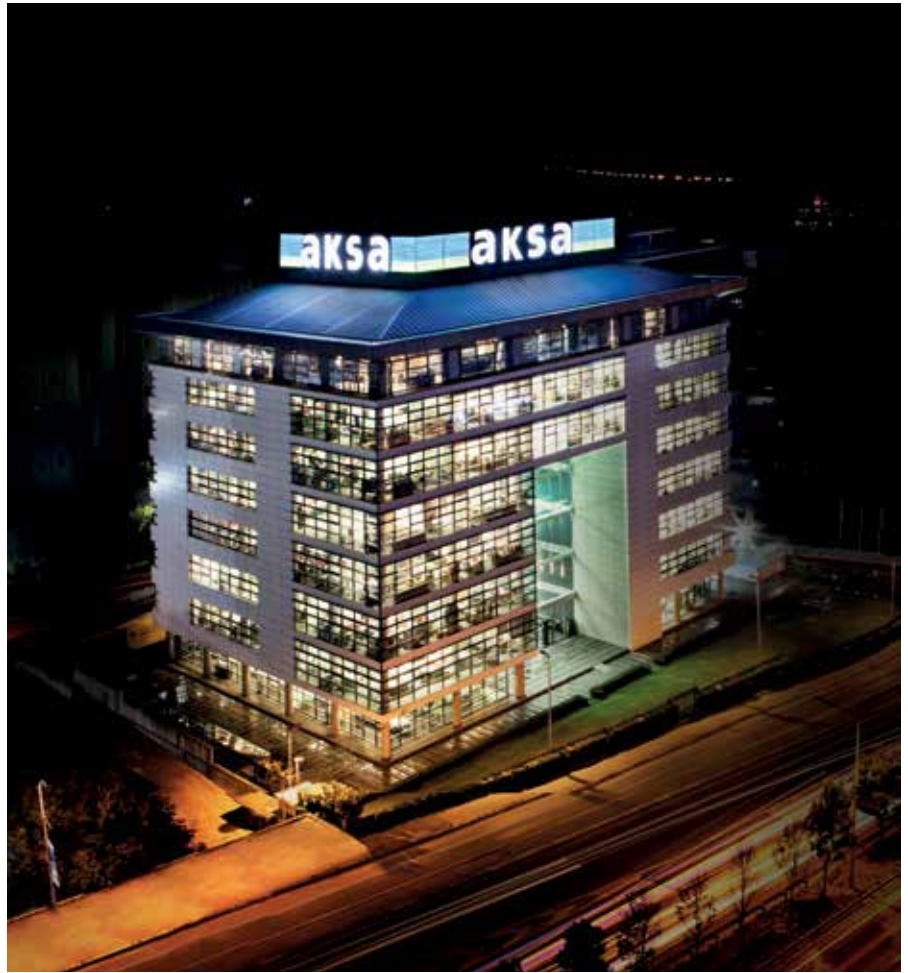
Kazancı Holding, which produces gen-sets in 3 continents, rapidly increases its sales power in the global arena.

**Aksa Natural Gas** provides natural gas distribution services to a population of over 16 million and more than 4 million subscribers. The Company safely operates a 34,181 km network infrastructure in 27 provinces, 221 districts and towns under 21 distribution licenses. Serving Turkey's widest geographical distribution area, Aksa Natural Gas is the country's largest private natural gas distribution company, distributing 11.6 billion m<sup>3</sup> of natural gas and boasting a 21.5% market share.

With its customer-oriented and innovative approach, **Aksa Electricity** is one of the strongest brands of the Turkish energy sector. It offers electricity sales and consultancy services across Turkey and is the authorized power supplier in 9 cities in Fırat and Çoruh license regions. Aksa Electricity sells electricity in around 81 cities and distributes it to more than 2.2 million subscribers and a population of about 4 million in the Çoruh/Fırat license regions. Aksa Electricity is an integrated retail company that is committed to delivering its customers innovative, environmentally-friendly and alternative energy solutions.

Çoruh and Fırat electricity distribution companies are committed to continuously boosting customer satisfaction with an uninterrupted distribution approach without compromising on quality standards. These companies meet the electricity needs of a population of 4 million located in their service regions by distributing 6.8 billion kWh of energy annually.

The leader of the Turkish gen-set market, **Aksa Power Generation** is among Turkey's largest exporters, selling gen-sets to 176 countries on 3 continents. With 19 sales offices in Turkey as well as 24 overseas offices across Asia, Europe, Africa and America, it is one of the top 5 power generator manufacturers in the world.



**Aksa Tourism** is a major player in summer tourism and convention tourism with the 5-star Mirada Del Mar Hotel in Göynük, Antalya, whilst the 4-star Mirada Del Lago Hotel and the 3-star Mirada Del Monte Hotel in Mount Erciyes attract winter tourism.

Introducing a corporate modus operandi to the agriculture sector since 2005, **Aksa Agriculture** has become one of the major companies engaged in cattle farming, dairy farming, orchards and arboriculture. The Company operates its two farms in Samsun and Tekirdağ at EU standards.

Shareholding Structure	Number of Shares	%
Ş. Cemil Kazancı	66,911,492	60.28
Ali Metin Kazancı	32,200,008	29.01
Mehmet Kazancı	6,531,250	5.88
Tülay Kazancı	5,356,250	4.83
Necati Baykal	1,000	0.00
Total	111,000,000	100.00

## About Kazancı Holding

With a high-quality and reliable service approach, Kazancı Holding operates at home and abroad with its brands; Aksa Energy, Aksa Natural Gas, Aksa Electricity, Aksa Power Generation, Aksa Tourism and Aksa Agriculture.

### ENERGY COMPANIES

#### AKSA ENERGY

36.6%

Share in Revenues



30+ Power Plants

~4,000 MW

Total Number of Power Plants Operated and Installed Capacity

#### Region of Operation

- Power plant investments in Turkey, Northern Cyprus, Uzbekistan, Ghana, Madagascar, Mali and Republic of Congo

#### Competitive Advantages

- Geographical diversity provided by power generation activities in 7 countries
- Fast, flexible and sustainable power generation solutions
- Power plant installations with internal resources
- Over 20 years of experience in power plant installation, operation and relocation

#### AKSA NATURAL GAS

29.2%

Share in Revenues



4 Million Subscribers

Number of Subscribers

#### Region of Operation

- Natural gas distribution in 27 provinces and 221 districts and towns across Turkey

#### Competitive Advantages

- Turkey's largest private natural gas distribution company
- Turkey's largest natural gas distribution region
- Distribution operations in 21 license regions out of a total of 72 in Turkey
- 21.5% market share

#### AKSA ELECTRICITY

23.1%

Share in Revenues



11 TWh

Total Electricity Sales Volume

6.49 TWh

Total Electricity Distribution Volume

#### Region of Operation

- Electricity sales across Turkey, electricity distribution and supply in 9 provinces in Çoruh and Fırat regions

#### Competitive Advantages

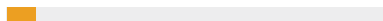
- Electricity sales and consultancy service in 81 provinces
- Electricity supply and distribution in 9 provinces, 99 districts, and 3,483 villages
- License regions with lower loss/theft ratios than the targets set by EMRA
- 89 Customer Service Centers
- A broad service network across Turkey
- Innovative, environmentally friendly and alternative energy solutions
- 6.65% market share with Aksa Electricity sales companies

## OTHER GROUP COMPANIES

### AKSA POWER GENERATION

7.2%

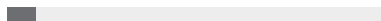
Share in Revenues



### AKSA TOURISM

3.9%

Share in Revenues of Aksa Agriculture, Aksa Tourism and Others



### AKSA AGRICULTURE



176 Countries

Sales Network

#### Region of Operation

- Production on 3 continents
- Sales to 176 countries

#### Competitive Advantages

- Power generator production facility with the world's largest production capacity
- Leader of the Turkish generator market and among the world's top five power generation companies
- The first and only Turkish generator company to manufacture in the USA
- The only generator company with the accolade of the Turquality brand
- Turkey's first generator manufacturer with sales on its own e-commerce website
- Generator sets suitable for data center use approved by the Uptime Institute

1,450 Beds

Total Bed Capacity

#### Region of Operation

- Antalya and Kayseri

#### Competitive Advantages

- A wide seasonal presence with summer, winter and congress tourism
- Serving a broad customer base with 5 and 3-star hotels
- A high number of overnight stays with a capacity of 1,450 beds

15,000

Cattle Capacity

#### Region of Operation

- Tekirdağ and Samsun

#### Competitive Advantages

- One of the top 10 farms in Turkey in cattle breeding and milk production
- EU-compliant production

## Kazancı Holding in Figures

# FIRM AND SOUND STEPS TOWARDS THE FUTURE

Turkey's strongest global energy brand, Kazancı Holding achieved successful results in 2021 by maintaining its operations efficiently.

### Summary Financial Statements

TRY Million	2020	2021
<b>Total Assets</b>	<b>19,614</b>	<b>35,362</b>
Current Assets	7,452	14,135
Non-Current Assets	12,162	21,227
<b>Total Liabilities</b>	<b>16,833</b>	<b>28,358</b>
Short-Term Liabilities	9,865	17,762
Long-Term Liabilities	6,968	10,596
<b>Total Equity</b>	<b>2,781</b>	<b>7,004</b>

#### Assets (TRY Million)



Kazancı Holding's total assets reached TRY 35 billion.

**80%**  
**GROWTH**

#### Revenues (TRY Million)



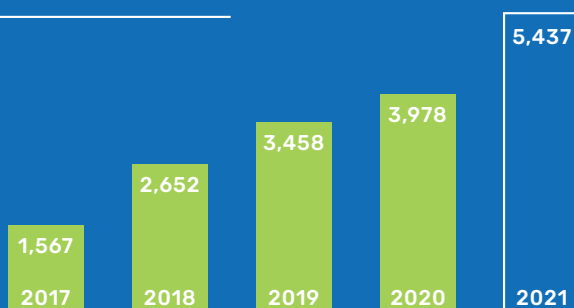
Kazancı Holding generated a revenues of TRY 35 billion as of the end of 2021.

**56%**  
**GROWTH**



TRY Million	2020	2021
Revenues	22,484	35,176
Gross Profit	3,545	5,096
Operating Profit	2,892	4,299
EBITDA	3,978	5,437
Net Profit	439	109

EBITDA (TRY Million)



Sustaining its operational profitability in 2021, Kazancı Holding increased its EBITDA to TRY 5 billion.

**37%**  
**GROWTH**

Gross Profit (TRY Million)

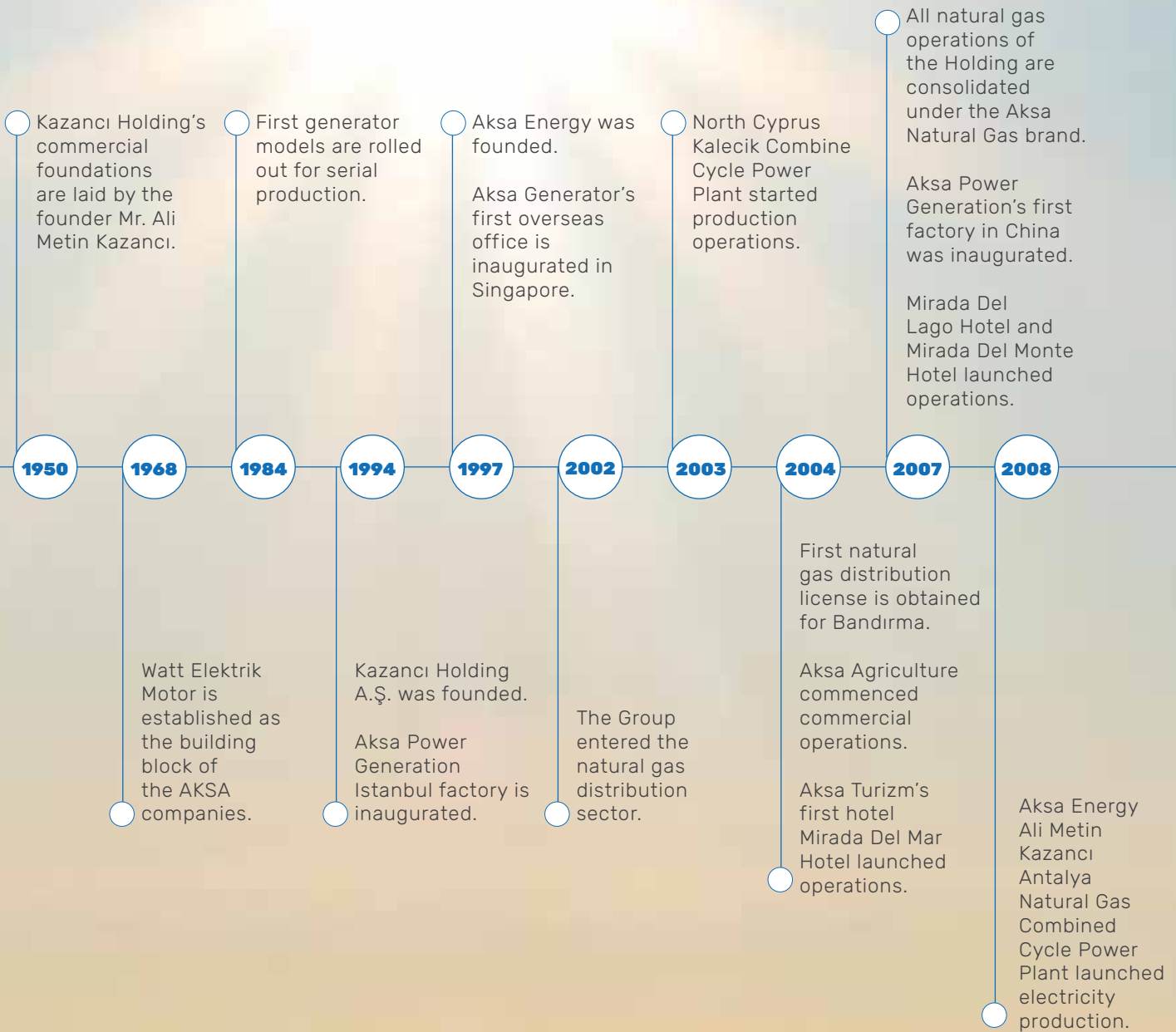


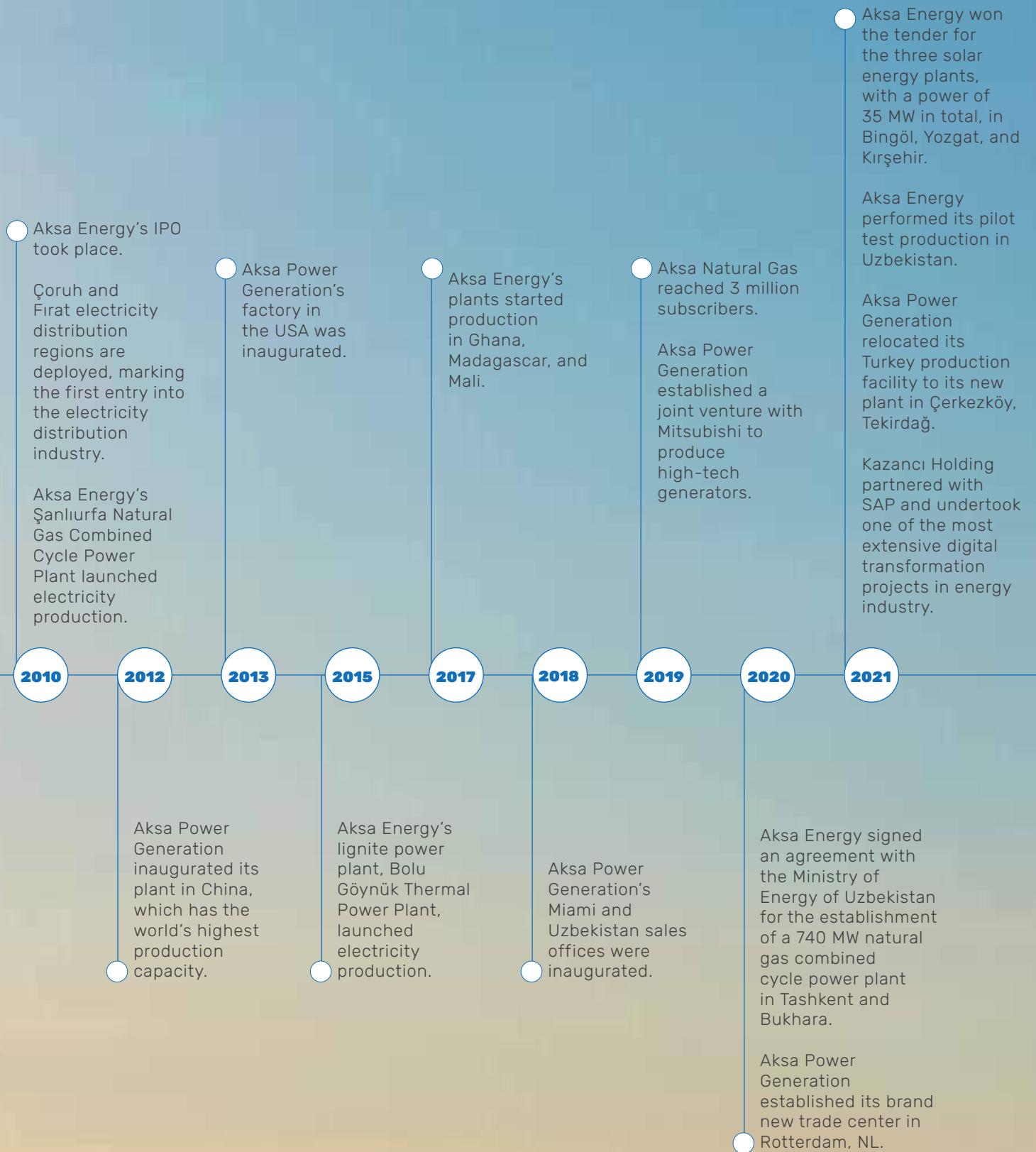
Kazancı Holding increased its gross profitability to TRY 5 billion as of 2021.

**44%**  
**GROWTH**

## Milestones

# SUSTAINABLE SUCCESS STORY







**WE HAVE  
STEADILY TAKEN  
AKSA'S BRAND VALUE  
TO THE NEXT  
LEVEL**



## Message from the Chairman

# TURKEY'S SOURCE OF PRIDE

**We closed fiscal year 2021 with new investments and financial results that exceeded our expectations. We proudly represent our home country with our successful national and international investments.**

**TRY 35.4 Billion**  
**Assets**

Our total assets exceeded TRY 35 billion as of 2021.

**TRY 7 Billion**  
**Equity**

Our total equity increased to TRY 7 billion, boosting the confidence of our entire stakeholder universe.

Esteemed Stakeholders,

Two years have passed since we first became acquainted with previously unknown concepts, such as Covid-19, global pandemic, and social distancing. As we exited 2021, the extreme uncertainty gradually decreased following the administration of vaccines on a mass scale. However, financial uncertainties have persisted and the world left behind a challenging year globally due to the energy crisis.

At Kazancı Holding, we demonstrated strong growth despite this highly difficult year. We closed fiscal year 2021 with new investments and financial results that exceeded our expectations. We proudly represent our home country with our successful national and international investments. Our sales expanded across 176 countries worldwide with Aksa Power Generation. Meanwhile, Aksa Energy marked our largest Turkish energy investment in Central Asia with three power plants in Uzbekistan.

We currently engage in production on four continents with over 9,000 employees. For over half a century, Kazancı Holding has operated in the energy, agriculture, tourism, and livestock sectors to deliver products and services for our country and for the world. During this 50+ year period, we strived to make every decision to benefit our home country, our world, and all of humanity. Decades ago, we adopted and internalized our sustainability approach, a concept that has gained popularity globally in recent years. Going forward, we will continue to develop and implement what is best for us all.

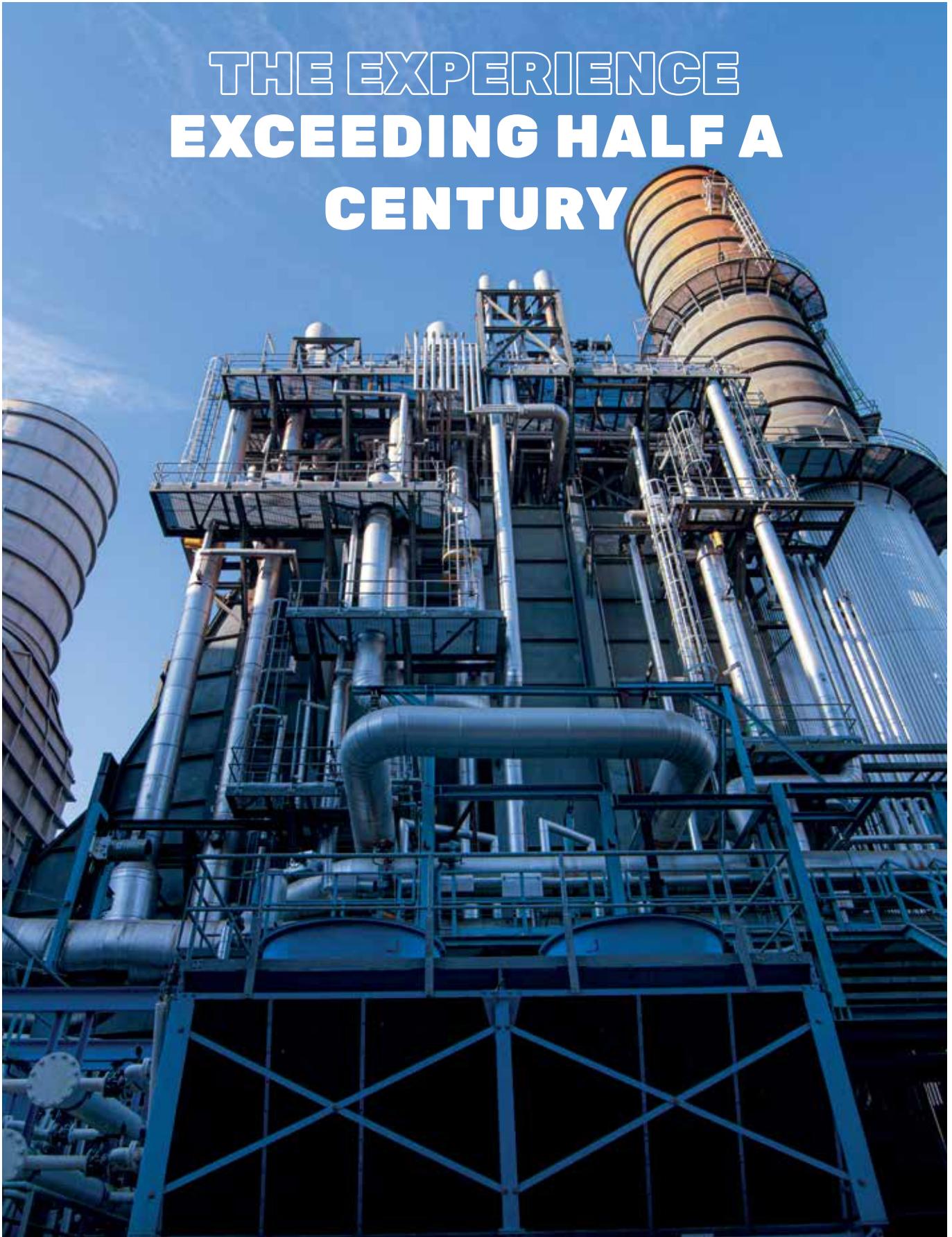
I would like to express my gratitude to all our stakeholders – especially our employees – for their contributions and support in our great achievements especially with the Aksa brand, which rose to become our nation's strongest global energy brand. I wish you all a future filled with good health and great success.

Best regards,



**Ali Metin Kazancı**  
Chairman

# THE EXPERIENCE EXCEEDING HALF A CENTURY





**WE PROUDLY  
REPRESENT OUR  
COUNTRY**

**WITH THE**

**AKSA BRAND**

## Message from the Vice Chairman and CEO

# AKSA, TURKEY'S GLOBAL BRAND

**We successfully completed another year filled with financial and operational successes. We achieved business results that matched our profitable growth objective as we moved forward with our investments.**

## TRY **35.2** Billion Revenue

In 2021, our revenues climbed to TRY 35.2 billion as we expanded our worldwide operations.

## TRY **5.4** Billion EBITDA

We recorded EBITDA of TRY 5.4 billion thanks to efficient management of our operations during 2021 – a year of high productivity for us.

Esteemed Stakeholders,

Volatility and uncertainty dominated 2021, for the energy industry as well as many other sectors as the Covid-19 pandemic continued to impact the world.

At Kazancı Holding, we maintained our strong forward-looking strategic moves, driven by our entrepreneurial and innovative spirit during a time of historic transformation. Our brand value kept growing despite the highly challenging environment that characterized 2021.

### **A Robust Financial Performance**

We successfully completed another year filled with financial and operational successes. We achieved business results that matched our profitable growth objective as we moved forward with our investments. Thanks to our FX-based revenue generating operations, our EBITDA increased by 37% to TRY 5.4 billion YoY. Meanwhile, our revenues went up to TRY 35.2 billion, a 56% jump. Our assets grew by 80% to TRY 35.4 billion.

### **Large-scale Investments in 2021**

Aksa Energy, one of Kazancı Holding's international brands, maintained its sustainable growth by bolstering its presence across a wide geography spanning Africa and Asia. In 2021, Kazancı Holding recorded one of its largest investments ever with Aksa Energy. We performed pilot test productions at three different natural gas plants with an installed capacity of 740 MW in Uzbekistan.

This reporting year we undertook another mega investment with Aksa Power Generation – the largest generator manufacturer in Turkey and one of the five largest worldwide. During the year, we tripled our power generator production capacity in Turkey upon commissioning a new production facility in Çerkezköy. This facility features an indoor production area spanning over 40,000 m<sup>2</sup>. Our vision for the Çerkezköy site is a smart plant equipped with Industry 4.0 capabilities and featuring high-end operational efficiency. We planned this facility by taking into account current market conditions as well as future projections.

Aware of its great responsibility to society, Aksa Natural Gas provides uninterrupted natural gas service to its 4 million subscribers. This reporting year, our company expanded the size of its distribution network to 34,181 km. Since 2002, Aksa Natural Gas has recorded total investments of TRY 4.9 billion.

Operating under Aksa Electricity Group, our Electricity Distribution Companies focused on large-scale maintenance and repair works and difference-making digitalization initiatives this year. In addition, our Electricity Distribution Companies undertook efforts related to advanced technologies of the future alongside their industrial stakeholders. In 2021, these companies reported total capital investment spending of TRY 545 million. We also introduced I-REC-certified green energy to promising organizations in Turkey through our Retail Sales Companies during the year.

Kazancı Holding acts with the responsibility that our brand conveys in agriculture and tourism as well, our non-energy business lines. Aksa Agriculture has quickly started significantly contributing to the development of the agriculture and livestock sectors in Turkey, strategically important areas in terms of social welfare. Over the past two years, Aksa Agriculture has doubled its dairy production and livestock capacity in farms spanning a total area of 24,000 decares across Tekirdağ and Samsun. Our successful tourism services and investments are driven by a customer focus and exceptional efficiency.

### **We Are Transforming Ourselves to Become More Lean and Agile**

As a global group operating on four continents, Kazancı Holding understands that agility is the key to success. At the same time, we are beefing up our governance muscles by making all our processes data-driven in our digital transformation journey across the Group.



To this end, we have recently entered a major partnership with SAP. Under this effort, we are capitalizing on the efficiency opportunities offered by digitalization across our operations by creating a globally integrated digital infrastructure. Once we complete the SAP transformation, widely recognized as the most extensive digitalization effort in the European energy industry today, we will be able to manage all our operations centrally in a more rapid and efficient manner.

### **Kazancı Group Strives Towards an Even Stronger Future**

As a result of tragic events such as the recent environmental disasters caused by climate change, as well as the global pandemic, the world has learned that we must be in better harmony with nature. At Kazancı Group, we go beyond our goal of merely growing stronger financially; rather, we adopt a roadmap that is focused on generating value for the good of nature and society wherever we operate.

Alongside the projects developed by our Group Companies in line with the good corporate citizen approach, Kazancı Holding plays a transformative role in its value chain. Among these efforts, we focus on long-term exemplary practices for youth, such as "ENERGY FOR TOMORROW."

Going forward, I am certain that Kazancı Holding will advance towards even more ambitious goals without compromising its core values and responsibility for the future. We aim to undertake model projects and initiatives in all our areas of operation in the coming year. I would like to thank all our stakeholders, particularly our employees, for their valuable contributions on this journey to sustainable success.

Best regards,

**Cemil Kazancı**  
Vice Chairman and CEO

## Board of Directors



**Ali Metin Kazancı**  
Chairman

Ali Metin Kazancı's professional career began in 1950 when the foundations were laid for what would later become Kazancı Holding. The foundations for what would later become Kazancı Holding were laid during this time. Watt Electric Motor Factory, which is the initial venture that created the Group's companies, was founded in 1968. Thanks to his successful ventures, Ali Metin Kazancı established various enterprises in the energy sector starting from 1983. In 1994, he consolidated these companies under the umbrella of Kazancı Holding. Ali Metin Kazancı continues to serve as Kazancı Holding's Chairman of the Board of Directors.



**Cemil Kazancı**  
Vice Chairman and CEO

Cemil Kazancı began his professional career working in Kazancı Group companies (family owned company). His first managerial position was in generator manufacturing and sales. He subsequently played an active role in the formation of Aksa Energy, which was set up to expand the Group's operations in the energy industry and to generate electricity starting from 1997. In addition to his duties as the Chairman of the Board of Directors and CEO of Aksa Energy, he is the Vice Chairman and CEO of Kazancı Holding and a Member of the Board of Directors in Group companies.



**Ömer Muzaffer Baktır**  
Vice Chairman

Ömer Muzaffer Baktır graduated from Istanbul Technical University, Department of Mining Engineering in 1986. He started his professional career at Pamukbank. Mr. Baktır went on to serve in various management roles in the banking sector, including Assistant General Manager in charge of Credits and Marketing at Halkbank; CFO and Executive Board Member of Electricity Distribution Companies at Cengiz Holding; and Assistant General Manager in charge of Marketing and Transformation at Ziraat Bank. He took part in the supervisory and management boards of various foreign companies of the same institution. He served as the Chairman of the Board of Directors of Erdemir Group between 2017-2018. Mr. Baktır, who has been serving as the Vice Chairman of the Board of Directors of Kazancı Holding since February 5, 2018, also serves as the Executive Board Chairman at Aksa Power Generation, Board Member at Aksa Energy, and Executive Board Member at Aksa Energy and Kazancı Holding.



**Tülay Kazancı**  
Board Member

Tülay Kazancı, who is a Member of the Board of Directors of Kazancı Holding, has also been a Member of the Board of Directors of Aksa Enerji Üretim A.Ş. since April 2010. In addition to these duties, she is also a Member of the Board of Directors at Aksa Aksen Enerji Ticareti A.Ş.



**Barış Erdeniz**  
Board Member

Barış Erdeniz graduated from Doğuş College and completed his undergraduate studies in International Trade and Business Management at Yeditepe University in 2010. Mr. Erdeniz started his professional career as Business Development Director at Turmak Makina. He entered the energy sector through a company he founded in 2013 to operate in Electricity Sales. Mr. Erdeniz joined Kazancı Holding as a Management Consultant via his firm Erdeniz Management Consultancy in 2014. In this position, he completed many successful projects that added value to Kazancı Holding's business processes in organizational development, operational efficiency, and digital transformation. He was subsequently appointed as a Board Member at Kazancı Holding in August 2017. Mr. Erdeniz has spearheaded investments in operational excellence and digitalization across various departments at the Holding, including Human Resources, Information Technologies, Supply Chain, Law and Audit since 2017. In addition, he is responsible for the Electricity, Agriculture and Tourism activities of Kazancı Holding. Assigned as the Executive Committee Member of Aksa Energy as of January 2021, Barış Erdeniz still holds the offices of Executive Committee Member of Kazancı Holding and Aka Power Generation and the Chairman of the Executive Board of Aksa Electricity.

## **KAZANCI HOLDING ADMINISTRATIVE COMMUNICATION STRUCTURE**



Kazanci Holding has entered a major corporate transformation journey that started with the end-to-end digitalization of all business processes. Within this context, Executive Boards are formed at Group Companies operating in the energy sector in order to manage business processes more effectively and efficiently.

Executive Boards functioning under the Kazanci Holding Board of Directors set the necessary strategic goals and policies to guarantee effective, efficient and adequate use of all resources to ensure continuity of each affiliate's business operations. The teams make decisions on new business areas and markets in line with the strategies, goals and plans in place and they are also responsible for evaluating the affiliate's operations in terms of performance criteria and implementing necessary improvements and changes.

Kazanci Holding takes more agile and confident steps toward its goals thanks to this new management approach that helps it to make right decisions at the right time.

## EXECUTIVE BOARDS

### KAZANCI HOLDING EXECUTIVE BOARD

CEMİL KAZANCI	CHIEF EXECUTIVE OFFICER
NECATİ BAYKAL	EXECUTIVE BOARD MEMBER
ÖMER MUZAFFER BAKTİR	EXECUTIVE BOARD MEMBER
BARIŞ ERDENİZ	EXECUTIVE BOARD MEMBER

### AKSA ENERGY EXECUTIVE BOARD

CEMİL KAZANCI	CHIEF EXECUTIVE OFFICER
KORKUT ÖZTÜRKMEN	VICE CHAIRMAN OF EXECUTIVE BOARD
SERDAR NİŞLİ	EXECUTIVE BOARD MEMBER
ÖMER MUZAFFER BAKTİR	EXECUTIVE BOARD MEMBER
BARIŞ ERDENİZ	EXECUTIVE BOARD MEMBER
YAŞAR ERKİN ŞAHİNÖZ	EXECUTIVE BOARD MEMBER

### AKSA ELECTRICITY GROUP EXECUTIVE BOARD

BARIŞ ERDENİZ	CHIEF EXECUTIVE OFFICER
ÖMER KANDEMİR	EXECUTIVE BOARD MEMBER
FIRAT DOĞAN	EXECUTIVE BOARD MEMBER
MURAT KİRAZLI	EXECUTIVE BOARD MEMBER
ENGİN İNAL	CHIEF FINANCIAL OFFICER (CFO)

### AKSA POWER GENERATION EXECUTIVE BOARD

ÖMER MUZAFFER BAKTİR	CHIEF EXECUTIVE OFFICER
NECATİ BAYKAL	EXECUTIVE BOARD MEMBER
BARIŞ ERDENİZ	EXECUTIVE BOARD MEMBER

## SENIOR MANAGEMENT

### AKSA ENERGY SENIOR MANAGEMENT

		RESPONSIBILITIES
CEMİL KAZANCI	MANAGEMENT	CHAIRMAN AND CEO
KORKUT ÖZTÜRKMEN	MANAGEMENT	BOARD MEMBER AND VICE CHAIRMAN OF EXECUTIVE BOARD
SONER YILDIZ	OPERATIONAL MANAGEMENT	CHIEF OPERATING OFFICER (COO)
CEVDET YALÇIN	CHIEF FINANCIAL OFFICER (CFO)	CHIEF FINANCIAL OFFICER (CFO) (BY PROXY)
MURAT KİRAZLI	ELECTRICITY SALES AND ENERGY TRADE	VICE PRESIDENT, ENERGY TRADE AND SALES

### AKSA NATURAL GAS SENIOR MANAGEMENT

YAŞAR ARSLAN	GROUP PRESIDENCY	CHAIRMAN OF THE BOARD OF DIRECTORS
ALPER KONYALI	1 <sup>ST</sup> REGION	VICE PRESIDENT / 1 <sup>ST</sup> GROUP- 2 <sup>ND</sup> GROUP
AHMET YÜCEL YAZICI	CENTRAL SERVICES	VICE PRESIDENT / CENTRALIZED SERVICES

### AKSA ELECTRICITY GROUP SENIOR MANAGEMENT

MURAT KİRAZLI	ELECTRICITY RETAIL SALES	RETAIL AND SALES COMPANIES GENERAL MANAGER
ÖMER KANDEMİR	DISTRIBUTION OPERATIONS	DISTRIBUTION COMPANIES GENERAL MANAGER
ENGİN İNAL	FINANCIAL MANAGEMENT	CHIEF FINANCIAL OFFICER (CFO)
MEHMET AYDIN	ÇORUH ELECTRICITY DISTRIBUTION	ÇORUH EDAŞ COMPANY MANAGER
SELMAN NAİR	FIRAT ELECTRICITY DISTRIBUTION	FIRAT EDAŞ COMPANY MANAGER

### AKSA POWER GENERATION SENIOR MANAGEMENT

NAZMİ ATALAY	OPERATIONAL MANAGEMENT	GLOBAL MANUFACTURE AND OPERATIONS GENERAL MANAGER
RİDVAN ÖZER	SALES AND RENTAL	GLOBAL SALES AND RENTAL GENERAL MANAGER
ABİDİN VOLKAN KARAÇALI	MARKETING	GLOBAL MARKETING GENERAL MANAGER

### KAZANCI HOLDING SENIOR MANAGEMENT

SERDAR NİŞLİ	BUSINESS DEVELOPMENT	BUSINESS DEVELOPMENT GROUP PRESIDENT
CEYHAN BAŞTÜRK	CFO OFFICE	CHIEF FINANCIAL OFFICER (CFO)
MERAL TUNALI	SUPPLY CHAIN	SUPPLY CHAIN DIRECTOR
SARUHAN TÜRKMEN	INFORMATION TECHNOLOGIES	INFORMATION TECHNOLOGIES DIRECTOR
GÖZEN KASIMAY	AUDIT	AUDIT DIRECTOR
SERDAR PAYLAŞAN	RISK AND CONTROL	RISK AND CONTROL DIRECTOR
MEHMET AKİF ŞAM	CORPORATE RELATIONS	CORPORATE RELATIONS DIRECTOR
YEŞİM AĞAÇKESEN	CORPORATE ARCHITECTURE	CORPORATE ARCHITECTURE DIRECTOR
TANER GÜDÜKOĞLU	CORPORATE COMMUNICATION	CORPORATE COMMUNICATION DIRECTOR
GÖZDE KÜÇÜKÇOLAK	LEGAL	CHIEF LEGAL COUNSEL

# **TURKEY'S LARGEST PUBLICLY TRADED GLOBAL ENERGY PRODUCTION COMPANY**

**TRY 1.7 Billion**  
**Net Profit**

Aksa Energy achieved record-breaking profitability in 2021 with a net profit of TRY 1.7 billion.

**TRY 2.6 Billion**  
**EBITDA**

Aksa Energy reached its highest EBITDA as of the end of 2021 with a figure of TRY 2.6 billion.

**TRY 13.9 Billion**  
**Revenues**

Aksa Energy's revenues reached a record figure of TRY 13.9 billion by the end of 2021.

**USD 470 Million**  
**Investment**

Aksa Energy undertook its largest overseas investment worth USD 470 million in 2021.

## Energy Generation



\* Investment is ongoing and will be operated on behalf of the country.

**36.6 %**

Share in  
Revenues

## Aksa Energy

# POWER PLANT INVESTMENTS IN 7 COUNTRIES

**Aksa Energy is the largest publicly traded Turkish company around the globe, operating with 12 power plants in 7 countries.**

Founded in 1997, Aksa Energy builds and operates power plants domestically and abroad. It is Turkey's largest independent power producer listed on the stock exchange with operations in 7 countries, rapidly advancing towards globalization. Aksa Energy performs all steps in power plant installation – in-house – from project development to procurement, construction and physical installation – with its highly skilled technical teams. To date, the Company has built and operated more than 30 power plants using various energy sources, including coal, fuel oil, biogas, natural gas, wind and hydroelectricity. Taking its experience in this field abroad with power plant installations in countries that have urgent energy needs, Aksa Energy provides fast and reliable solutions in energy generation.

In line with this strategy, Aksa Energy has transformed from a local energy firm into a global producer with its power plants in Turkey, TRNC, Ghana, Madagascar and Mali. The Company has undertaken major investments overseas on its globalization journey that it embarked on in 2015. Consolidating its presence in Africa with guaranteed energy sales agreements in foreign currency basis, Aksa Energy stepped into

the Asian market with Uzbekistan in 2020. The Company aims to expand its global service network further and closely monitors new investment opportunities in all geographies with energy needs.

With 20.58% of its capital in free float, Aksa Energy's shares are traded on Borsa Istanbul's BIST 50, BIST Electricity, BIST Corporate Governance, BIST Sustainability Indices, and MSCI Turkey Index under the ticker AKSEN.

## 12 Power Plants

Aksa Energy currently generates energy in 8 power plants as of end of 2021, while investments for 4 plants in 2 countries are ongoing.

<b>Number of Power Plants</b>	<b>7</b>
<b>Installed Capacity</b>	<b>1,966 MW</b>
Antalya	900 MW
Bolu, Göynük	270 MW
Şanlıurfa	147 MW
Northern Cyprus	153 MW
Ghana	370 MW
Madagascar	66 MW
Mali	60 MW
<b>Number of Power Plants Operated on Behalf of Madagascar</b>	<b>1</b>
<b>Installed Capacity Operated on Behalf of Madagascar</b>	<b>24 MW</b>
<b>Total Installed Capacity Operated</b>	<b>24 MW</b>

<b>Number of Power Plants with Ongoing Investments By the End of 2021</b>	<b>4 Continents</b>
<b>Installed Power with Ongoing Investment By the End of 2021</b>	<b>790 MW</b>
Uzbekistan – Tashkent A*	240 MW
Uzbekistan – Tashkent B*	230 MW
Uzbekistan – Bukhara*	270 MW
Republic of Congo**	50 MW

\* Commissioned as of May 5, 2022.

\*\* To be operated on behalf of the country.

**Antalya**

Natural Gas Combined  
Cycle Power Plants

**900 MW**

Installed Capacity

**Bolu, Göynük**

Thermal Power Plant

**270 MW**

Installed Capacity

**Şanlıurfa**

Heavy Fuel Oil Power  
Plant

**147 MW**

Installed Capacity

**Northern Cyprus**

Heavy Fuel Oil Power  
Plant

**153 MW**

Installed Capacity

**Ghana**

Heavy Fuel Oil Power  
Plant

**370 MW**

Installed Capacity

**Republic of Congo**

Natural Gas Power  
Plant\*

**50 MW**

Operated on Behalf of  
the Country

\* Investment is ongoing.

**Mali**

Heavy Fuel Oil Power  
Plant

**60 MW**

Installed Capacity

**Uzbekistan**

Natural Gas Combined  
Cycle Power Plants

**3**

Natural Gas Combined  
Cycle Power Plant\*

**740 MW**

Total Installed Capacity

**Madagascar CTA-2**

Heavy Fuel Oil Power  
Plant

**24 MW**

Operated on Behalf of  
the Country

**Madagascar**

Heavy Fuel Oil Power  
Plant

**66 MW**

Installed Capacity

Tashkent-A Installed  
Capacity

**240 MW**

Tashkent-B Installed  
Capacity

**230 MW**

Bukhara Installed Capacity

**270 MW**

\* The power plant  
investments are ongoing  
as of the end of 2021, and  
they are commissioned on  
05.05.2022.

## Aksa Energy

**Test production took place as part of a mega investment in three natural gas power plants with total installed capacity of 740 MW in Uzbekistan. A concession agreement was signed with the Republic of Congo for the 30-year operating rights of a 50 MW natural gas combined cycle power plant.**

### TRY 1.7 Billion Net Profit

Aksa Energy tripled its net profitability to TRY 1.7 billion as of year-end 2021.

### TRY 2.6 Billion EBITDA

Aksa Energy doubled its EBITDA to TRY 2.6 billion as of year-end 2021.

#### DEVELOPMENTS IN 2021

##### Mega Investment of 740 MW in Uzbekistan

In 2020, Aksa Energy reached an agreement with the government of Uzbekistan to establish a natural gas combined cycle power plant with an installed capacity of 230 MW in Tashkent, the country's capital, in addition to a natural gas combined cycle power plant with an installed capacity of 240 MW in the same city. As a result, Aksa Energy engaged in establishing two power plants in Tashkent with a total installed capacity of 470 MW. Aksa Energy also entered into an agreement to establish a natural gas combined cycle power plant with an installed capacity of 270 MW in Bukhara. The government of Uzbekistan agreed to the sale of the Bukhara facility's production for a period of 25 years in return for a guaranteed capacity cost. In December 2021, Aksa Energy conducted the first test generation of the three natural gas power plant investments in Uzbekistan, which will have a total installed capacity of 740 MW.

##### Aksa Energy Grows Further in Africa

After Ghana, Mali, and Madagascar in Africa, Aksa Energy signed a concession agreement to operate in the Republic of Congo. Under the contract signed between Aksa Energy Company Congo, a 100% subsidiary of Aksa Energy, and the Republic of Congo, the operating rights of the natural gas cycle power plant with an installed capacity of 50 MW in Pointe-Noire, Congo will be granted for 30 years. In addition, Aksa Energy will increase

the installed capacity of the power plant to 100 MW. Efforts are ongoing for the commissioning of the power plant.

##### Installed Capacity of the Mali Power Plant Expanded to 60 MW

Further expanding its investment footprint in Africa, Aksa Energy signed a new agreement with Energie Du Mali SA (EDM) on January 27, 2021 to increase the total installed capacity of the Mali Heavy Fuel Oil Power Plant to 60 MW. In addition, a new contract was issued between Aksa Energy and EDM for the purchase of the production equivalent to 50 MW of installed capacity by EDM for three years in return for a guaranteed capacity cost denominated in EUR. As of November 2021, Aksa Energy commissioned the entire additional capacity of 20 MW, bringing the total installed capacity of the power plant to 60 MW.

##### Şanlıurfa Natural Gas Combined Cycle Power Plant Restarted Production

Production at Aksa Energy's Şanlıurfa Natural Gas Combined Cycle Power Plant with an installed capacity of 147 MW was stopped in August 2020, after the company's application to TEİAŞ was approved. Taking into account the positive change in market conditions, Aksa Energy recommissioned the power plant as of August 1, 2021.

##### Energy Export Activity

Aksa Energy, through its 100% subsidiary Aksa Aksen Enerji Ticareti A.Ş., started exporting electrical energy to Iraq with a capacity of up to 150 MW as of January 2021.



Uzbekistan, Tashkent A Natural Gas Combined Cycle Power Plant



Uzbekistan, Tashkent B Natural Gas Combined Cycle Power Plant



Uzbekistan, Bukhara Natural Gas Combined Cycle Power Plant

## 740 MW Uzbekistan Power Plants Installed Capacity

Aksa Energy has established and operates three power plants in Uzbekistan with a total installed capacity of 740 MW.

During the year, Aksa Energy also started energy trading activities with Georgia. As part of this effort, Aksa Energy exported energy totaling up to 530 MW capacity between March 16-31 and imported a total of 732.5 MW capacity as of the second half of the year. Aksa Energy's application to EMRA for the extension of its energy export activities to Iraq for two years until November 1, 2023, was approved on December 17, 2021.

### Aksa Energy Ramps Up Its Investments in Renewable Energy

Aksa Energy returned to renewable energy investments by winning the tenders for Bingöl-1 (10 MW), Yozgat (15 MW), and Kırşehir-2 (10 MW) solar power plants within the scope of YEKA GES-3 tenders.

### 35 MW SPP Project for Bolu Power Plant

To diversify its energy portfolio and reduce carbon emissions in 2021, Aksa Energy started work on establishing a solar power plant (SPP) with an installed capacity of 35 MW within the Bolu Göynük Thermal Power Plant site and hybrid conversion of the power plant.

## Aksa Energy

**Aksa Energy is the only energy industry representative included in the MSCI Turkey Index as of May 2021.**

### TRY **13.9** Billion Revenue

Aksa Energy's revenue climbed to TRY 13.9 billion, a YoY increase of 92%.

### **21.8** GWh Sales Volume

Aksa Energy recorded a sales volume of 21.8 thousand GWh at year-end 2021.

#### **Aksa Energy Is the First Publicly Traded Electricity Producer to Enter the Corporate Governance Rating Index**

Aksa Energy became the first and only publicly traded electricity producer to be included in the Corporate Governance Rating Index. This key index is compiled as part of a rating assessment conducted by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. based on the corporate governance principles of the Capital Markets Board. Scoring 9.34 out of 10 in the index, which includes 52 companies from various industries, Aksa Energy's scores on public disclosure and transparency, shareholders, stakeholders, and Board of Directors were 9.83, 9.23, 9.67, and 8.94, respectively.

#### **Aksa Energy Included in MSCI Turkey and BIST 50 Indexes**

The shares of Aksa Energy, the only energy sector representative to be included in the MSCI (Morgan Stanley Composite Index) Turkey Index as of May 2021, started trading on the BIST 50 Index in July 2021.

#### **JCR also Registered Aksa Energy's Performance**

As part of its credit rating process carried out by JCR Avrasya Derecelendirme A.Ş., Aksa Energy's Long-Term National Rating was assigned 'AA- (Trk)' / (Stable Outlook) and its Short-Term National Rating was assigned 'A-1+ (Trk)' / (Stable Outlook), investment grade with the highest notation. Aksa Energy's Long-Term International Rating was assigned 'BB+' / (Negative Outlook), the same as the sovereign rating for the Republic of Turkey.

#### **Aksa Energy in Figures**

<b>Consolidated (TRY Million)</b>	<b>2020</b>	<b>2021</b>	<b>Change (%)</b>
Revenue	7,231	13,887	92
Profit/Loss	470	1,680	257
Assets	9,503	20,650	117
Shareholders' Equity	4,625	10,584	129
EBITDA	1,498	2,609	74
Net Financial Debt/EBITDA (x)	1.76	1.74	-



## TRY **10.6** Billion Shareholders' Equity

Aksa Energy reported  
total equity of  
TRY 10.6 billion in 2021.

## TRY **20.6** Billion Assets

Aksa Energy reported  
total assets of  
TRY 20.6 billion in 2021.

### FUTURE OUTLOOK

In line with its geographic diversification strategy, Aksa Energy invests in geographies with energy needs. After focusing on Africa in 2015, Aksa Energy positioned itself as a major energy player in that market. Aksa Energy quickly undertook optimal investments in Ghana, Madagascar, and Mali using equipment from its Turkish power plants that were losing their competitive strength due to market conditions. Driven by its globalization move as part of its profitable and sustainable growth strategy, Aksa Energy expanded its support for the Turkish economy via foreign currency inflows.

Aksa Energy undertook the largest Turkish energy investment in Uzbekistan, and Central Asia, while adding the Asian continent to its global growth moves in 2020.

At year-end 2021, Aksa Energy launched its pilot production at three different natural gas combined cycle power plants with a total installed capacity of 740 MW in the Uzbek capital of Tashkent, and the city of Bukhara. In the Republic of Congo, Aksa Energy entered into an agreement to expand the installed capacity of the target natural gas plant from 50 MW to 100 MW, and to possess the right to operate the referenced facility for 30 years.

Aksa Energy has extended its initiatives to include further regions of operation via agreements signed in Ukraine and Libya within the year. It will continue to seek investment opportunities across all high-growth potential geographies that need energy in the coming year. Aksa Energy also aims to undertake value-focused investments in renewable energy, with its further focus on this key area in 2021, as a major player in Turkey's sustainable development.

# TURKEY'S LARGEST PRIVATE NATURAL GAS DISTRIBUTION COMPANY

## Operations in **21** License Regions

Aksa Natural Gas distributes natural gas across 21 license regions.

## **11.6** Billion m<sup>3</sup> Natural Gas Distribution Volume

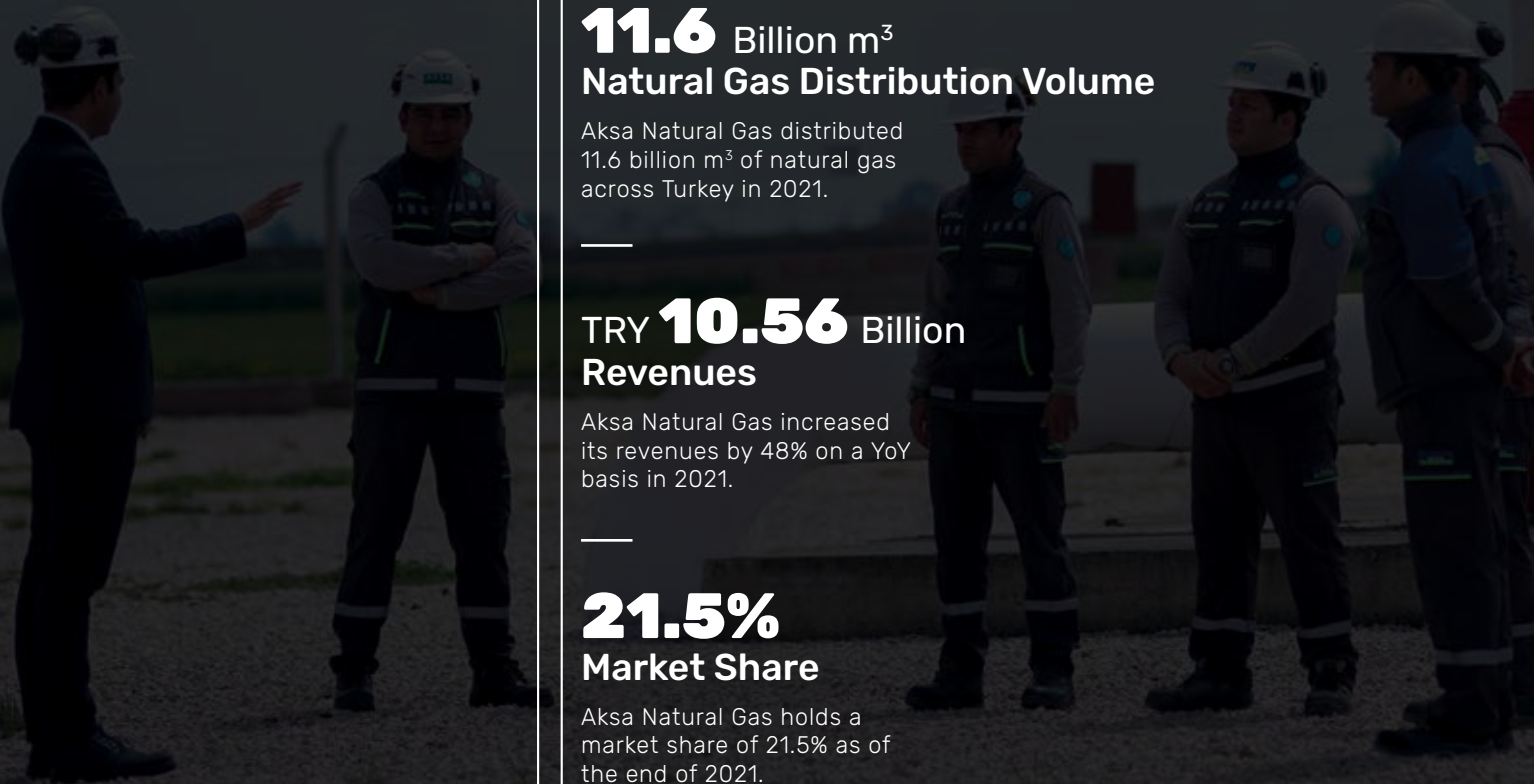
Aksa Natural Gas distributed 11.6 billion m<sup>3</sup> of natural gas across Turkey in 2021.

## TRY **10.56** Billion Revenues

Aksa Natural Gas increased its revenues by 48% on a YoY basis in 2021.

## **21.5%** Market Share

Aksa Natural Gas holds a market share of 21.5% as of the end of 2021.



## Natural Gas Distribution and Sales



Aksa Natural Gas Head Office



Aksa Natural Gas Distribution Regions\*

*\*In Bursa, Eskişehir, Samsun and Zonguldak, only districts under license are included.*

**29.2%**

Share in  
Revenues

## Aksa Natural Gas

# CLEAN ECO-FRIENDLY ENERGY SOURCE

**Aksa Natural Gas services the largest geographic distribution area in Turkey, providing the convenience of natural gas for 16 million people and 5.6 million potential subscribers.**

## TRY 10 Billion Assets

In 2021, Aksa Natural Gas increased its total assets by 47.7% to TRY 10 billion.

## TRY 1.3 Billion EBITDA

Aksa Natural Gas exited fiscal year 2021 on a high note, with EBITDA of TRY 1.3 billion.

Aksa Natural Gas was established in 2002 as a subsidiary of Kazancı Holding. First launching natural gas distribution operations in the Balkesir region, Aksa Natural Gas currently operates in 21 of 72 license regions across Turkey. The company distributes and trades natural gas as its core business areas and holds LNG import and CNG sales licenses.

Today, Aksa Natural Gas conducts natural gas distribution activities with its companies licensed by the Energy Market Regulatory Authority (EMRA) in 21 regions across Turkey. The company delivers services in 27 provincial centers and 221 districts and towns within the borders of 31 provinces.

Aksa Natural Gas services the largest geographic distribution area in Turkey, providing the convenience of natural gas for 16 million people and 5.6 million potential subscribers. Company subscriber numbers rose from 1.2 million at end-2012 to 4 million at end-2021. Company total natural gas distribution increased from

5.2 billion m<sup>3</sup> in 2012 to 11.6 billion m<sup>3</sup> in 2021. During this reporting year, the company recorded capital investment spending of TRY 891 million, expanding its network length to 34,181 km. To date, the company has reported total capital investments of TRY 4.91 billion. Aksa Natural Gas is Turkey's largest private natural gas distribution company with a market share of 21.5%.

Aksa Natural Gas contributes significantly to Turkey's economic development through the employment opportunities it creates. The company's workforce has grown from 911 employees in 2012 to 3,216 employees at year-end 2021.

Shaping its operations around the core principle of top-quality service, Aksa Natural Gas undertakes swift investments in all its distribution regions. The company completed most of its mandatory investments in its distribution regions before deadlines, bringing the comfort of natural gas to its subscribers in the fastest way possible.

Aksa Natural Gas sees ensuring customer satisfaction and continuously improving its service quality as a core priority. In line with this vision, it provides uninterrupted solutions for its subscribers' demands on a 24/7 basis through the Natural Gas Hot Line at 187 and its Solution Center Line at 444 4 187. Aksa Solution Center is widely recognized as a pioneer and model in the sector thanks to its world class advanced technology and software infrastructure, state-of-the-art physical environment and high-quality service. Aksa Natural Gas quickly adapted to the new conditions brought about by the Covid-19 pandemic. The company prioritized the health of its employees and customers, redirecting its customers to Online Transaction channels where they could perform all transactions related to their natural gas subscription.

The Solution Center Line (444 4 187) maintained its seamless and top-notch service approach despite growing call volume during the pandemic. In 2021, the Solution Center Line answered 86% of the 946,355 calls received within the first 20 seconds of the call, and resolved issues in 82% of these calls. Meanwhile, the 187 Natural Gas Emergency Line received 814,673 incoming calls, 93% of which were answered within the first 15 seconds. In 2021, the Natural Gas Emergency Line resolved 82% of incoming calls with a 3-second average call response time.

Aksa Natural Gas shapes its activities around the mission of leaving a more livable world for future generations by bringing environmentally-friendly natural gas to millions of people.

In 2021, Aksa Natural Gas distributed a total of 11.6 billion m<sup>3</sup> of natural gas in the regions where it operates, recording revenues of TRY 10.56 billion.



**The Natural Gas Emergency Line (187) of Aksa Natural Gas answered calls in an average of 3 seconds, while resolving 82% of them immediately.**

#### Developments in 2021

During the year, Aksa Natural Gas distributed 11.6 billion m<sup>3</sup> of gas and expanded its subscriber base to 4 million. Revenues climbed to TRY 10.56 billion, up 48% compared to the previous year. Recording new capital investment spending of TRY 891 million during the fiscal year, Aksa Natural Gas expanded its natural gas distribution network from 31,787 km at year-end 2020 to 34,181 km at year-end 2021.

With its significant investments to date, Aksa Natural Gas has created a natural gas conversion market of TRY 51.8 billion, of which TRY 38 billion is physically complete. As of 2021, the company has delivered TRY 75 billion in energy savings for the country's economy and for its subscribers.

In 2020, Aksa Natural Gas ranked 51<sup>st</sup> in Fortune 500 "Turkey's Top Companies" list in terms of net sales.

Throughout the pandemic, Aksa Natural Gas considered the health of both its employees and subscribers as its highest priority

and quickly took all necessary protective measures. The company maintained its business operations by implementing safeguards across its branch network at all physical points of contact while also avoiding inconveniences. Using communication efforts during the year, Aksa Natural Gas directed its customers to the recently launched Online Transactions channel, developed as part of an internal digitalization drive, and to the Solution Center Line at 444 4 187.

Aksa Natural Gas completed a total of six R&D projects this reporting year. These projects included: "Economic and Technical Feasibility Project of Biomethane Injection" and "National Energy National Technology Project."

In addition, Aksa Natural Gas initiated the R&D project titled "Renewable Natural Gas Production-Power to Gas" jointly with other natural gas distribution companies. This project was designed to ensure the use of hydrogen derived from renewable energy resources as an alternative fuel for heating purposes.

## Aksa Natural Gas

**As part of the “Life Companion” project, developed by Aksa Natural Gas in 2015 to facilitate service for subscribers with disabilities, the registered subscriber base rose to 5,197 as of year-end.**

### TRY **10.6** Billion Revenue

Aksa Natural Gas reported revenues of TRY 10.6 billion in 2021.

This major project, spearheaded under the supervision of GAZBİR-GAZMER in collaboration with Yıldız Technical University, aims to secure the energy supply, boost energy efficiency, and reduce carbon emissions.

All business processes at Aksa Natural Gas are revised in L2-L3-L4 phases. The company is engaged in a digital transformation to manage its business processes end-to-end on digital platforms. Under this digitization effort, Aksa Natural Gas introduced 27 new digital processes, completed 13 systems integrations and replaced paper-based documents with 2 million digital logs to launch an effective process and document management platform.

As part of the “Life Companion” project, developed by Aksa Natural Gas in 2015 to facilitate service for

subscribers with disabilities, the registered subscriber base rose to 5,197 as of year-end. In 2021, the Life Companion initiative answered 571 calls, with an average response time of 3 seconds; solutions were provided for issues experienced by 51 disabled subscribers in collaboration with emergency teams. In addition, Aksa Natural Gas demonstrated its commitment to eliminating barriers by contributing to the success of the National Wheelchair Tennis Team in 2021. The company has provided sponsorship support to this team since 2018.

In 2021, Aksa Natural Gas was presented with the “Respect for People” award by Kariyer.net. This award is given to companies that receive the highest volume of job applications, respond to the most job applications, send responses to job applications swiftly, and create the most employment opportunities.

### TRY **623** Billion Net Profit

In 2021, Aksa Natural Gas recorded net profit of TRY 623 million.

#### Aksa Natural Gas in Figures

Financial Indicators (TRY Million)	2020	2021	Change (%)
Revenue	7,118	10,561	48
EBITDA	934	1,328	42
Assets	6,794	10,035	48
Equity	1,210	1,369	13
Gross Profit	779	1,151	48
Net Profit	474	623	32

Operational Indicators	2020	2021	Change (%)
Natural Gas Distribution Licenses	21	21	-
Number of Subscribers	3,625,127	3,996,059	10
Number of Residential Subscribers	3,042,196	3,316,993	9
Number of Potential Residential Subscribers	5,534,568	5,635,319	2
Network Length (km)	31,787	34,181	8



Aksa Natural Gas plans to provide the convenience of natural gas to 123 more districts within five years, and expand its total distribution network to 61,200 km.

## 4 Million Number of Subscribers

Aksa Natural Gas served a subscriber base of 4 million as of year-end 2021.

## 34,181 km Distribution Network

During the year, Aksa Natural Gas expanded its distribution network to 34,181 km.

### Geographical Distribution Network

#### Natural Gas Distribution Regions

- Aksa Afyon Doğalgaz Dağıtım A.Ş.
- Aksa Ağrı Doğalgaz Dağıtım A.Ş.
- Aksa Balıkesir Doğalgaz Dağıtım A.Ş.
- Aksa Bandırma Doğalgaz Dağıtım A.Ş.
- Aksa Bilecik Bolu Doğalgaz Dağıtım A.Ş.
- Aksa Çanakkale Doğalgaz Dağıtım A.Ş.
- Aksa Çukurova Doğalgaz Dağıtım A.Ş.
- Aksa Düzcü Ereğli Doğalgaz Dağıtım A.Ş.
- Aksa Elazığ Doğalgaz Dağıtım A.Ş.
- Aksa Gemlik Doğalgaz Dağıtım A.Ş.
- Aksa Gümüşhane Bayburt Doğalgaz Dağıtım A.Ş.
- Aksa Karadeniz Doğalgaz Dağıtım A.Ş.
- Aksa Malatya Doğalgaz Dağıtım A.Ş.
- Aksa Manisa Doğalgaz Dağıtım A.Ş.
- Aksa Mustafakemalpaşa Susurluk Karacabey Doğalgaz Dağıtım A.Ş.
- Aksa Ordu Giresun Doğalgaz Dağıtım A.Ş.
- Aksa Siirt Batman Doğalgaz Dağıtım A.Ş.
- Aksa Sivas Doğalgaz Dağıtım A.Ş.
- Aksa Şanlıurfa Doğalgaz Dağıtım A.Ş.
- Aksa Tokat Amasya Doğalgaz Dağıtım A.Ş.
- Aksa Van Doğalgaz Dağıtım A.Ş.

### Future Outlook

Aksa Natural Gas is entering a new 5-year planning period for the natural gas distribution sector, starting with the year 2022. The company completed its plans in line with the National Energy Policies for this period. Aksa Natural Gas aims to execute ambitious investments plans following approvals from the Ministry of Energy and Natural Resources and EMRA. In this 5-year period, Aksa Natural Gas plans to introduce 123 more districts to the convenience of natural gas and expand its total distribution network to 61,200 km by building an average of 5,300 km of new infrastructure every year. These investments are projected to cost TRY 6 billion with unit prices for 2021. Aksa Natural Gas forecasts that its potential subscriber base will climb to 6.15 million with the addition of new districts. The company's total subscriber base is expected to exceed 4.9 million by the end of 2026.

# A LEADING PLAYER IN THE TURKISH ELECTRICITY MARKET WITH ITS EXCEPTIONAL SERVICES

**2.2+** million  
Subscribers

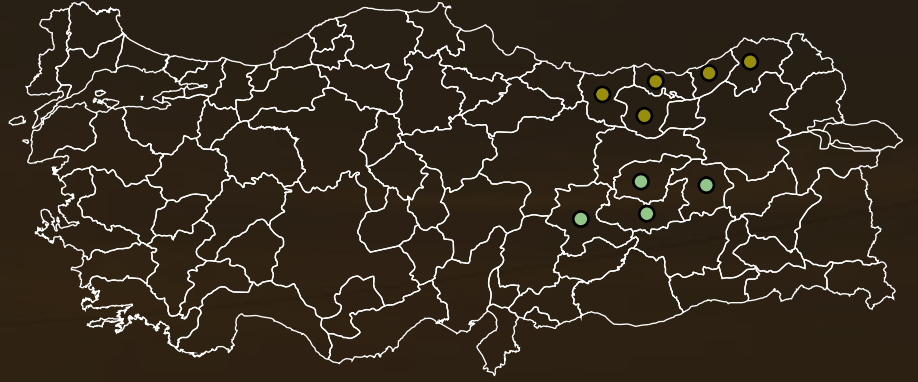
Aksa Electricity provides electricity supply services to more than 2.2 million subscribers across Turkey.

**11** TWh  
Sales Volume

Aksa Electricity's total electricity sales volume in Turkey reached 11 TWh.

TRY **545** Million  
Investment

Aksa Electricity made a total investment of TRY 545 million in 2021.



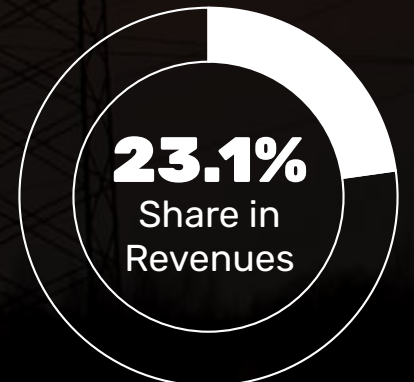
**Çoruh Electricity Distribution  
Regions**  
Aksa Çoruh Retail Electricity  
Sales Region



**Fırat Electricity Distribution  
Regions**  
Aksa Fırat Retail Electricity Sales  
Region



**Aksa Electricity Sales Regions**



## Aksa Electricity

### ELECTRICITY SALES COMPANIES

# TOP-QUALITY, DISTINCTIVE ELECTRICITY SUPPLY SERVICES

Alongside delivering electricity supply services in its license regions, Aksa Electricity supplies electricity, provides consultancy, and offers alternative environmental energy solutions services to Turkey's largest companies.

## TRY 8.3 Billion Revenues

As of end-2021, Aksa Electricity reported revenues of TRY 8.3 billion.

Aksa Electricity supplies electricity, provides consultancy, and offers alternative environmental energy solutions services across 81 provinces and electricity supply services in its license regions. The company is a leader in the Turkish electricity market with its innovative, human-focused business model and sustainable perspective.

In addition, Aksa Electricity supplies electricity and provides consultancy and alternative energy solutions to Turkey's largest companies. The company bolsters its portfolio by maintaining its leading position in the ongoing market liberalization process under the eligible consumer and supplier of last resort tariffs in the retail electricity sector.

## TRY 942 Billion EBITDA

In 2021, Aksa Electricity recorded EBITDA of TRY 942 million.

Aksa Electricity sells approximately 11 TWh of electricity annually in 81 provinces and its license regions. The company's strong financial structure, efficiency-driven strategies and team of experts, as well as its effective integration with Group Companies and wide service network across Turkey, distinguish it from the competition. Aksa Çoruh Electricity and Aksa Fırat Electricity supply quality electricity to a population of approximately 4 million and over 2.2 million subscribers in 99 districts. These companies serve districts in the provinces of Trabzon, Rize, Giresun, Artvin, and Gümüşhane in the Çoruh region, and Bingöl, Elazığ, Malatya, and Tunceli in the Fırat region.

Aksa Electricity's customer portfolio is comprised of the Commercial subscriber group (21.45%), Industrial subscriber group (54.10%), Residential subscriber group (22.73%), and other segments (1.72%).

### Developments in 2021

Despite the global energy crisis, Aksa Electricity maintained its activities and realized new projects in this challenging reporting period. The company recorded a total electricity sales volume of 11 TWh as of year's end across Turkey, including its service areas.



Within the year, Aksa Electricity commissioned a solar energy system with an installed capacity of 638 kWp, while launching installations for new solar energy projects with a total capacity of 30 MWp.

## 250,000 MW I-REC Certificate

In 2021, Aksa Electricity sold I-REC certificates amounting to about 250,000 MW.

## 638 kWp Installed Capacity

Aksa Electricity commissioned a solar energy system with an installed capacity of 638 kWp.

In 2021, Aksa Electricity focused on projects related to environmental sustainability. The company enables its electricity customers to select products in an informed and confident manner by supplying green energy generated through fully renewable resources. Thanks to this approach, Aksa Electricity contributes to reducing carbon emissions and preserving natural resources. Aksa Electricity prefers using sustainable and eco-friendly green energy with the I-REC Standard (International Renewable Energy Certificate). Its commercial and industrial customers also share this vision. Aksa Electricity sold the highest number of international renewable energy certificates in Turkey with its I-REC Certificate, amounting to about 250,000 MW in 2021. In addition, Aksa Electricity achieved a first in the Turkish energy industry when it traded I-REC via blockchain through licensed electricity generation.

During the year, Aksa Electricity expanded its client portfolio to include some of Turkey's leading companies, such as İşbank and GittiGidiyor.

Aksa Electricity develops eco-friendly business models and solutions tailored exclusively for its clients who desire to lower their energy costs and use clean energy. Toward this end, the company started installing solar energy systems via turnkey projects, managing all the financing, permission, design, installation, operation, and maintenance processes. As part of its investments in solar energy systems, Aksa Electricity commissioned a solar energy system with an installed capacity of 638 kWp. The company kicked off the installations for new solar energy projects with a total installed capacity of 30 kWp.

## Aksa Electricity

### ELECTRICITY SALES COMPANIES

**Aksa Electricity is the first company to be traded on the EPIAŞ Power Futures Market which opened in 2021.**

# 60%

In 2021, retail products sold via the Customer Service Center increased 60% on revenues basis YoY.

# 13%

In 2021, retail products sold via the Customer Service Center increased 13% on a quantity basis YoY.

Aksa Electricity aims to embed its industrial expertise and integrated service competence across every facet of the electricity sector. Toward this goal, the company started investing in EV charging solutions across Turkey. Electric vehicles are poised to become more widespread as the preferred means of transportation of the future. Aksa Electricity continues to serve as a one-stop-shop and reliable solution partner in end-to-end installation, device supply, operation, maintenance, and management operations.

In 2021, the Power Futures Market (PFM) was introduced for trading under Enerji Piyasaları İşletme A.Ş. (EPIAŞ). Aksa Electricity is the first company to be traded on the PFM, which marked a significant step in making Turkey a regional energy hub.

Since its founding, Aksa Electricity has prioritized customer experience and satisfaction in all of its services. The company continuously improves its Customer Service Centers which serve as physical points of contact for customers and feature user-friendly architecture. Aksa Electricity also regularly expands its product range with alternative offerings sold via these centers. In 2021, the company continued to serve customers via its innovative Travelling Cashier service while the impact of pandemic was ongoing.

Aksa Electricity aims to utilize all its channels actively in order to reach customers. The company is focused on extending its service diversity accessible through digital channels. Aksa Electricity is also further expanding its alternative channels for payments and subscription transactions.

Aksa Fırat and Aksa Çoruh Retail Electricity Sales Companies boosted their service quality through customer-focused efforts, alongside achieving successful business results in 2021. Compared to the previous year, subscriber numbers rose by 4% and 2% in Çoruh and Fırat service regions, respectively, as of year's end. Retail products sold through Customer Service Centers increased by 13% on a quantity basis, while revenues jumped 60% year-on-year. Generator product group sales increased by 50% in 2021.

Aksa Çoruh and Aksa Fırat Retail Electricity Sales Companies introduced online services for Quality Compensation and Security Deposit queries and returns to facilitate the lives of its customers.

Aksa Electricity Group Retail Sales Companies launched the "My Energy Guide" initiative under the slogan "To understand energy means to manage it." As part of this effort, a new section, entitled My Energy Guide, was added to the



**Aksa Electricity aims to increase its share in the SPP industry to 5% and expand its charging station network to 50 points.**

## 50

Aksa Electricity plans to expand its charging station network to 50 points.

## %4 and %2 growth

In 2021, the subscriber base increased by 4% and 2% in the Çoruh and Fırat service regions, respectively.

Aksa Çoruh and Aksa Fırat websites to raise customer awareness of energy use and ensure a sustainable future.

In 2021, Bingöl Uydukent Aksa Fırat Electricity Customer Service Center launched its operations with a convenient design that meets customers' needs while featuring modern architecture.

### Future Outlook

In the coming year, Aksa Electricity aims to maintain its leading player position in the Turkish electricity market with an innovative human-centered business model and a focus on sustainable success. The company continually improves its service level with ongoing investments and sets operational standards with its innovative solutions. Aksa Electricity is

committed to adding value to the national economy with its growing employment opportunities in the regions where it operates.

Aksa Electricity has expanded its innovative practices with eco-friendly solutions. The company plans to maintain its new investments and initiatives toward fighting against the climate crisis, reducing carbon emissions, and ensuring a sustainable future both for Turkey and the world. In addition, Aksa Electricity plans to focus on offering value-adding alternative solutions to further bolster its market position in electricity sales.

Aksa Electricity aims to boost its market share in the SPP sector to 5% and expand its charging station network to 50 points.

## Aksa Electricity

### ELECTRICITY DISTRIBUTION COMPANIES

**Çoruh EDAŞ and Fırat EDAŞ distribute electricity to a population of approximately 4 million people in their license regions, while maintaining investments to deliver quality electricity sustainably and uninterruptedly.**

**29,551 km<sup>2</sup>**

Çoruh EDAŞ provides services in a distribution area spanning 29,551 km<sup>2</sup>.

**3.78 TWh**

Çoruh EDAŞ distributed a total of 3.78 TWh energy in 2021.

The Electricity Distribution Companies of Kazancı Holding - Çoruh Elektrik Dağıtım A.Ş. (Çoruh EDAŞ) and Fırat Elektrik Dağıtım A.Ş. (Fırat EDAŞ) - distribute electricity to a population of approximately 4 million people in their license regions. Çoruh EDAŞ and Fırat EDAŞ annually expand their network and infrastructure investments to continuously improve their service quality and deliver quality electricity sustainably and uninterruptedly.

Responsible for the supply of general luminous energy and fixing faults in the region, Çoruh EDAŞ and Fırat EDAŞ are mainly engaged in the following activities:

- Installing electricity distribution lines in all provinces, districts and villages in their license regions,
- Maintenance and repair of existing lines,
- Reading consumers' electricity meters,
- Identifying and replacing 10-year-old and defective meters,
- Establishing, and maintaining the sustainability of remote reading systems in line with legal requirements,
- Conducting necessary activities so as to ensure that local energy generators connect to the distribution system and generated energy is consumed within the region,

- Handling of subscription transactions, service severance-activation,
- Preventing loss and theft.

Novel technologies are leveraged in the management of failures at Çoruh EDAŞ and Fırat EDAŞ so as to ensure continuity of electricity supply. Operational units contribute to the improvement of customer satisfaction in 99 districts of service by working on prevention and quick resolution of power cuts.

Çoruh EDAŞ has been operating in the provinces of Artvin, Giresun, Gümüşhane, Rize, and Trabzon since 2010, delivering uninterrupted and high quality distribution services.

The Company's 29,551 km<sup>2</sup> distribution region includes a subscriber base of 1,468,077 in 5 provinces, 61 districts and 1,537 villages. Within the distribution region, the Company operates 61,777.26 km of distribution lines - consisting of 46,441.85 km low voltage and 15,335.41 km medium voltage lines - and 13,031 transformer stations. In 2021, Çoruh EDAŞ distributed 3.78 TWh energy in the region. The target loss/theft ratio of the region was 6.80%, below 7.62% set by EMRA for 2021.



Operational units contribute to the improvement of customer satisfaction in 99 districts where Çoruh EDAŞ and Fırat EDAŞ serve by working on prevention and quick resolution of power cuts.

## 37,365 km<sup>2</sup>

Fırat EDAŞ provides services in a distribution area spanning 37,365 km<sup>2</sup>.

## 2.71 TWh

Fırat EDAŞ, distributed 2.71 TWh of energy in 2021.

### Fırat Electricity Distribution

Fırat EDAŞ has been operating in the provinces of Elazığ, Malatya, Bingöl, and Tunceli since 2011, delivering uninterrupted and high quality distribution services.

Fırat EDAŞ's 37,365 km<sup>2</sup> distribution region includes a subscriber base of 1,012,087 in 4 provinces, 38 districts and 1,947 villages. Within the distribution region, the Company operates 47,363 km of distribution lines - consisting of 30,313 km low voltage and 17,050 km medium voltage lines - and 13,580 transformer stations. In 2021, Fırat EDAŞ distributed 2.71 TWh energy in the region. The loss/theft ratio for the region was 9.34%, which is well below the EMRA's target ratio of 10.19% for energy loss in 2021, and 27,742,659 KWh of electrical energy was accrued in the fight against illegal electricity use.

### Developments in 2021

Çoruh EDAŞ and Fırat EDAŞ hold 26,611 distribution substations with an installed capacity of 8,060 MVA, and with 96,558 km overhead line, 11,933 km underground line, 723,905 pieces of light fixture.

Çoruh EDAŞ and Fırat EDAŞ boast an advanced technology infrastructure that allows monitoring of the distribution network up to the consumer connection point. Monitoring of the distribution network facilitates surveillance, maintenance, and remote control. As part of the transition to automation of distribution network, projects to remotely monitor and control more certain switching points of the medium-voltage distribution network are prioritized and ongoing. In the Fırat EDAŞ region where solar power is prevalent, 442 solar plants were integrated with the Company's monitoring system.

## Aksa Electricity

### ELECTRICITY DISTRIBUTION COMPANIES

**Maintenance and repair works are undertaken in distribution regions to enhance the commercial and technical quality, meet the growing energy needs, respond to the energy demands of new subscribers, and ensure compliance in the lighting facilities.**

#### TRY **104** Million

In 2021, maintenance operations worth a total of TRY 104 million were carried out at the lighting facilities in both license regions.

#### **32,586** m

In addition, 32,586 meters were isolated and covered with spikes to prevent power outages in the Firat EDAŞ region.



Uninterrupted maintenance and repair works are undertaken in the distribution regions of Çoruh EDAŞ and Firat EDAŞ.

Çoruh and Firat Electricity Distribution Companies are committed to ensuring supply continuity; boosting commercial and technical quality; meeting the growing energy demand of existing and new subscribers; and establishing new lighting facilities in accordance with the provisions of the general lighting regulation. To these ends, the Companies conducted the uninterrupted maintenance-repair efforts throughout the year. In 2021, within this scope:

- Some 529,035 fixtures with varying levels of power were overhauled, 24,403 fixtures, 69,105 light bulbs, and 63,791 components were used at these facilities.
- 13,916 transformers and 44,256 km of lines underwent monitoring and maintenance, and maintenance operations worth TRY 104.05 million were undertaken.
- In addition, 32,586 meters were isolated and covered with spikes to prevent power outages caused by bird strikes in the Firat EDAŞ region.
- And in the Çoruh EDAŞ region, 3,873 km of trees were pruned in order to prevent power outages caused by tree contact.

Leveraging technology effectively in all the projects they undertook with the vision of providing world-class service quality, Çoruh EDAŞ and Firat EDAŞ created a two-year roadmap as part of the digital transformation program and completed the installation of the Outage Management System (OMS) in all provinces within their responsibility areas. OMS operates in an integrated manner with other systems such as Remote Monitoring and Control System, Geographical Information System, Automatic Meter Reading System (AMRS), Consumer Information System and the Call Center. Thanks to OMS, subscribers affected by all outages, whether planned or unplanned, are recorded automatically. Çoruh EDAŞ and Firat EDAŞ also updated and enhanced their mobile workforce application in terms of both design and content. To this end, we aimed to increase energy continuity, while supplying quality energy by incorporating 416 push-to-talk systems, 162 tablets, 55 cors-enabled tablets, and 5 drones, 5 partial discharge devices in the distribution operations in two regions in 2021, to be used in distribution operations. Meanwhile, the new mobile app enabled consumers to be instantly updated on planned and unplanned outages and convey their requests, suggestions and complaints via the app.

Due to the legal requirement to include general lighting, high consumption, and manufacturer meters in the AMRS, Çoruh EDAŞ and Fırat EDAŞ rapidly continued installations in the field for remote meter reading in distribution regions. As at year-end 2021, consumption under AMRS made up 45.08% and 47% of total consumption in Çoruh EDAŞ and Fırat EDAŞ license regions, respectively.

### R&D Projects

Interruption in electricity supply is deemed as the most significant risk in their business operations. Çoruh EDAŞ ve Fırat EDAŞ engage in innovative efforts to develop and improve the network. They aim to create the network of the future in order to ensure sustainable and quality energy supply in their license regions. Through the support of EMRA R&D fund, companies sustain their R&D efforts in such areas as smart grids, energy storage and e-mobility.

#### Smart Lighting Project - Çoruh EDAŞ

Çoruh EDAŞ operates in the region with the highest lighting consumption per capita and the highest number of fixtures in Turkey. By making use of new technologies, Çoruh EDAŞ detects fixture failures occurring in the lands in the license regions and tries to overcome the problems that cause these failures. The Company launched the Smart Lighting Project in 2018, involving use of the communication system over the power line. The hardware and application development efforts for street lighting control and fault detection were completed as of the end of 2021. The final report on the pilot implementation of the project was submitted to EMRA.

#### Energy Everywhere Project - Fırat EDAŞ

Fırat EDAŞ carries out pilot applications in order to develop a mobile infrastructure that will rapidly meet the electricity needs in public spaces. The system's



**Interruption in electricity supply is deemed as the most significant risk in their business operations. The Companies engage in innovative efforts to develop and improve the network. Çoruh and Fırat EDAŞ aim to create the network of the future in order to ensure sustainable and quality energy supply in their license regions.**

infrastructure is provided by the distribution company and is independent of the supplier and user. The solution also includes mobilization use and payment methods. The project is designed to be used in a wide range of areas, mainly charging stations for electric cars or bikes at parks and bus stops, mobile charging stations, multi-purpose power outlets in public spaces. Six distribution companies are involved as stakeholders in the project led by Fırat EDAŞ. By the end of 2021, onsite installation of the charging station and multi-purpose sockets was completed in Elazığ, which was selected as the pilot region as part of the project. The final report and legislative proposals for the works were submitted to EMRA.

#### Chemical Storage Project - Fırat EDAŞ

Fırat EDAŞ has made a significant contribution to projects carried out for the implementation of battery use in the distribution network in Turkey, which has recently come to the forefront in the energy sector around the world. Fırat EDAŞ performs analyses to supply uninterrupted and quality

energy through battery applications that will provide flexibility to the distribution network. Fırat EDAŞ is involved as one of the six stakeholder distribution companies. The field application and analyses within the scope of the project were completed as of the end of 2021.

#### National Smart Meter Systems Project - Çoruh EDAŞ, Fırat EDAŞ

The project is undertaken as part of the Turkey Smart Grids 2023 (TAŞ 2023) vision 21 distribution companies in Turkey, including Çoruh EDAŞ and Fırat EDAŞ, are participating in the project. The project aims to identify the minimum characteristics of smart meter systems, ensure a unified implementation throughout the country, and prepare relevant legislation and specifications for smart meter deployment. With prototype domestic and national smart meter systems to be developed and produced with all their components in accordance with these criteria, pilot applications will take place in the Çoruh EDAŞ and Fırat EDAŞ distribution regions. Moreover, a mobile application will be developed, whereby users can track their energy consumption details.

## Aksa Electricity

### ELECTRICITY DISTRIBUTION COMPANIES

Çoruh EDAŞ and Fırat EDAŞ maintain R&D efforts and undertake innovative projects in areas such as smart grids, energy storage and e-mobility with the support of EMRA R&D fund.

# 529,035

529,035 fixtures with varying power underwent general maintenance.

# 3,873 km

And in the Çoruh EDAŞ region, 3,873 km of trees were pruned in order to prevent power outages.

#### National Energy National Technology Project – Çoruh EDAŞ, Fırat EDAŞ

The National Energy National Technology Project is undertaken to identify the areas where domestic software can be used by investigating the software used in the electricity distribution industry, in line with the sustainable development goals of our nation. Through the contributions of Çoruh EDAŞ and Fırat EDAŞ, as well as all the distribution companies, the project efforts will continue in 2022 as well.

#### Digital Network Manager Development Project – Çoruh EDAŞ, Fırat EDAŞ

Equipment failure of transformers, cables and MV cubicles in the distribution network can cause consumer to experience power outages. In turn, outages negatively impact supply continuity and consumer satisfaction. “Digital Network Manager Project” was introduced to take the necessary measures before any failures by continuously monitoring the equipment that is in use in Çoruh EDAŞ, Fırat EDAŞ, and distribution network. Such equipment plays a major role, as it would take much longer to replace it in the event of a failure. The project aims to

prolong the lives of equipment, alongside taking measures against the impacts resulting in failures, as well as increasing service quality upon pre-emptively stopping unplanned outages. Installation of the equipment to be utilized as part of the project is ongoing and it is planned to be completed in 2022.

#### HASAT 2-Energy Efficiency in General Lighting Project – Çoruh EDAŞ

Çoruh EDAŞ participates in phase 2 of the HASAT project, 1<sup>st</sup> phase of which is completed, by taking in to account the National Energy Efficiency Action Plan goals. Within the scope of the project, the company investigates LED lighting systems using lower power compared to sodium vapor luminaires and conducts research to increase operational efficiency in lighting. The project aims to save energy and, perform cost analyses, and ensure preparation of legislative proposals in line with the outputs obtained by working on the application of the smart road lighting system. As part of the project, Çoruh EDAŞ plans to complete the equipment and application works in 2022, having started the identification process of the pilot areas where LED luminaires are used.



As part of the HASAT 2 Distribution Production Project, Fırat EDAŞ works on improving the voltage profile across the distribution network without requiring need for conventional investments, such as new capacitors and reactors for solar power plants.

## 1 Million + Subscribers

Fırat EDAŞ delivers services to more than 1 million subscribers.

## 1.4 Million + Subscribers

Çoruh EDAŞ delivers services to more than 1.4 million subscribers.

### HASAT 2-Distributed Production Project – Fırat EDAŞ

Fırat EDAŞ continuously grows its contribution to energy efficiency efforts as energy efficiency is key in the electricity distribution industry across the world and Turkey. Accordingly, the Company started to work on projects to control reactive power in the distribution network, thereby reducing network losses and increasing energy efficiency. As part of the project, Fırat EDAŞ keeps on striving towards improving the voltage profile across the distribution network without requiring any conventional investments – such as new capacitors and reactors – by including solar power plants in reactive power control. The project works are planned to be completed by the end of 2022.

### Digital Twin Model Project-Çoruh EDAŞ

Launched under the leadership of Çoruh EDAŞ, the project involves two different distribution companies and aims to identify the causes of failures at network points, with most failures occurring at the medium voltage level. Protection relay setting and coordination efforts will be undertaken, while application will be developed to ensure the most appropriate protection settings within the scope of the project. The application focuses on creating a digital twin of the Company's distribution network by using the Geographical Information System. The project works are planned to be completed by the end of 2022.

## Aksa Electricity

### ELECTRICITY DISTRIBUTION COMPANIES

Through the SAP-ISU transformation project, all processes of the basic applications utilized in Çoruh EDAŞ and Fırat EDAŞ will be restructured in the SAP application, which will optimize the workforce.

# 99.47%

99.47% of the calls made to Çoruh EDAŞ Call Centers were answered.

# 99.38%

99.38% of the calls made to Fırat EDAŞ Call Centers were answered.

#### Business Applications Projects

##### SAP-ISU Transformation Project

The most extensive corporate digital transformation project of recent times in the distribution sector was undertaken by joining forces with SAP Turkey, a global leader in application and software. The project aims to manage field and office operations via a single center in a more integrated, rapid, secure and efficient manner. Through the project, all processes of the basic applications utilized in Çoruh EDAŞ and Fırat EDAŞ will be restructured in the SAP application, which will optimize the workforce. Subscriber and Counter Management, Consumer Relations Management, Workforce/Maintenance and Performance Management, Call Center, Investment and Network processes are among the priority corporate processes to be managed via a single platform in an integrated manner. The project is planned to be completed and commissioned by the end of 2023.

##### CBS EDAŞ Mobile Application

This project aims to render the onsite Geographical Information System operations as fast and flexible as international counterparts. Accordingly, system activities were redesigned for ease of use through online/offline and instant synchronization. The user-friendly building/line drawing

function enables onsite teams to enter data in the easiest way as quickly as possible. Search engines were set up to with the capability of searching by installation/address/network availability details and accessing live GIS data to scan data onsite data where needed. Moreover, the basic mapping functions were improved with the latest data, while navigation features was integrated into the application. Developed with the internal source project team, this application was commissioned and extended across the field in 2021.

##### Index Reading Application

The project enabled revision and improvement of index reading operations onsite in line with the requirements there. Within this scope, all onsite devices were renewed and replaced, while use of Android devices was made more common. Navigation and routing functions were introduced in the devices to complete single or batch work orders, report leakage onsite field readings, take optical printouts, as well as printing out with double printers, completing all works in optimal schedules, and increasing operational efficiency as part of the application. Developed with the internal source project team, this application was commissioned and extended across the field in 2021.

### TAOSOS Project

FIRAT EDAŞ TAOSOS Project was selected as the pilot region in the project, which was launched to centralize and assess general lighting AMS data in line with the procedures and principles set forth by TEDAŞ, and related efforts were finalized as of December 2021.

### KARAOKE Project

Scorecard optimization aims to ensure operational efficiency across onsite operations. Within this scope, GIS infrastructure is utilized, which enables use of all scorecards in Consumer Information Systems in the right way through smart algorithms. The scorecard infrastructure to be built within as part of the project aims to automatically update and maintain the meter and index reading work orders in the field through business intelligence analysis. The live transition and dissemination of the project, which was launched in 2021, is planned to be completed in the first quarter of 2022.

### E-VOLT Project

Developed within the scope of digital transformation, E-Volt Project aims to ensure execution of all operations and processes - where consumers, producers and project owners are stakeholders - via an online web application without requiring an office. Upon the completion of the project, all operations that fall under the area of authorization of offices will be completed through digital signatures and approvals on a digital platform. The goal of E-Volt Project is to ensure an end-to-end design for connection and acceptance processes, as well as licensed and unlicensed manufacturer processes, and investment processes. The project was launched in 2022 and is planned to be completed in the first quarter of 2023.



**The average response speed of calls received at the Call Center in 2021 was 3 seconds.**

### Consumer Satisfaction

Aiming to enhance service quality and consumer satisfaction, Çoruh EDAŞ and Fırat EDAŞ maintained focused upon technology and digital transformation. Both companies implemented pioneering initiatives in the industry with investments to fulfil capacity requirements, improve supply quality and boost efficiency in 2021.

Çoruh EDAŞ and Fırat EDAŞ customers are increasingly more satisfied with the 186 – Fault Notification and Solution Center thanks to its continuously rising service quality. In 2021, 99.47% and 99.38% of all calls received respectively at Çoruh EDAŞ and Fırat EDAŞ Call Centers were answered; while the average call response time was recorded as 3 seconds.

Upon introducing the Call Center Satisfaction Survey in 2021 to respond to consumer demands and needs in a better and quicker manner, Çoruh EDAŞ and Fırat EDAŞ continue to measure satisfaction in all provinces across their service regions.

Through feedback, Çoruh EDAŞ and Fırat EDAŞ detected an increase in the rate of consumer satisfaction. They extensively analyze customer requests, suggestions and complaints with the surveys it started to conduct across the region. Based on the survey results, they take effective and strategic actions toward the appropriate target.

Consumers in Çoruh EDAŞ and Fırat EDAŞ service areas are notified about the operations of the companies, and scheduled outages with SMS. Local authorities across the regions are also directly registered on this notification system. As a result, all notices and complaints originating from local authorities are considered a priority as part of the VIP designation on the platform and are addressed quickly.

Çoruh EDAŞ and Fırat EDAŞ schedule training sessions on consumer relations based on one-on-one communication principle in order to deliver top-notch and uninterrupted services to consumers and organize meetings with local governments to analyze consumer requests, feedback and complaints throughout the year. The Companies also use WhatsApp groups to connect with local governments on a 24/7 basis.

## Aksa Electricity

### ELECTRICITY DISTRIBUTION COMPANIES

**Social media channels are used to enhance consumer satisfaction each day and offer different communication sources, while instant communication is facilitated with consumers via the WhatsApp Index Line.**

## TRY 2 Billion Investment

Both companies made investments worth TRY 2 billion in total from 2010 to the end of 2021.

## 500

Field automation and SCADA integration operations of a total of 500 distribution centers are completed.

Çoruh EDAŞ and Fırat EDAŞ prioritize consumers whose quality of life critically depends on electrical devices with VIP designation. One-to-one communication channels are established with these special customers at their request. In addition, all company communication channels are open to all stakeholders; including consumers, members of the public, NGOs, local and national press. Stakeholder gatherings are held regularly through various events and organizations.

Çoruh EDAŞ and Fırat EDAŞ actively use social media to change customer perception in a positive direction and to capitalize on alternative means of communications. Alongside the websites of both companies at [www.coruhedas.com.tr](http://www.coruhedas.com.tr) and [www.firatedas.com.tr](http://www.firatedas.com.tr), instant communication is facilitated with consumers through the WhatsApp Index Line.

### Future Outlook

Çoruh EDAŞ and Fırat EDAŞ make investments to add value to our nation, the industry and all their stakeholders by delivering top notch and uninterrupted electricity in their distribution regions. Both companies made investments worth a total of TRY 2 billion from 2010, the year they were privatized, to the end of 2021.

The field automation and SCADA integration operations for 250 distribution centers in Çoruh EDAŞ and Fırat EDAŞ are completed. These stations are controlled and commanded via the SCADA control centers in HQs in Trabzon and Elazığ. Field automation and SCADA integration operations of 600 more distribution centers are planned to be completed within 2022.

They revamped their operation organization and processes to meet the electrical connection demands of new structures more quickly. They update their business processes by conducting surveys in order to measure consumer satisfaction of the Call Center performance.

Moreover, the Companies continue their training activities uninterruptedly within the scope of supportive occupational health and safety, while regularly conducting the required audits.

Çoruh EDAŞ and Fırat EDAŞ keep on their efforts in line with the goals listed below in the new 5-year tariff period, which started in 2021, now continuing with further responsibilities associated with service quality.

- Ensuring the continuity of their respective networks and reducing failure frequency with planned and predictive maintenance,
- Reducing the number and duration of outages with faster failure interventions,

- Providing responses in a shorter time via digitalization of connection applications,
- Monitoring information at every point of the networks by boosting technical quality and traceability rates,
- Keeping the network live with appropriate investment planning and execution,
- Responding quickly to consumer requests and complaints via the Call Center,
- Operating safely in full compliance with applicable occupational health and safety laws, rules and regulations,
- Combatting and taking precautionary measures against illegal use of electricity.

Çoruh EDAŞ aims to boost the technical quality of the electrical energy it delivers with an investment of TRY 562 million planned in 2022 along with scheduled failure maintenance-repair work. With these efforts, the company targets reducing the average outage time and frequency per consumer. In 2022, it plans to lower the technical and non-technical loss and theft rate to 6.90% – below the 7.50% target set by EMRA for the year.



**Çoruh EDAŞ and FIRAT EDAŞ aim to enhance service quality in their regions through an investment worth approximately TRY 1 million in 2022.**

In 2022, Fırat EDAŞ aims to raise its service quality with capital investments of TRY 427 million. The company will continue its planned maintenance and repair efforts to reach the quality target in a way that will not disrupt the service. Plans are currently underway to develop R&D projects that identify potential faults more rapidly and effectively, and to prepare maps for distribution facilities.

After a year of focusing on meeting higher service requirements due to the Covid-19 restrictions in 2021, which were also in place in the previous year, while demonstrating a strong performance, Fırat EDAŞ aims to lower the technical and non-technical loss and theft rate to 9.20% in 2022 – below the 9.82% target set by EMRA for the year.

### Aksa Electricity Distribution, Sales and Retail in Figures\*

	2020	2021	Change (%)
Sales Volume (TWh)	11.4	11	-4
Revenues (TRY Billion)	6.5	8.3	28
Number of Subscribers (Million)	2.2	2.2	-
Population Served (million)	4.4	4.4	-
Consumer Service Center (MHM)	87	89	2
EBITDA (TRY Million)	944	942	-
Net Profit (TRY Million)	236	-44	-119
Investment (TRY Million)	336	545	62

\* Figures represent the total figures of Aksa Electricity Sales, Aksa Çoruh Electricity Retail Sales, Aksa Fırat Electricity Retail Sales, Çoruh Electricity Distribution and Fırat Electricity Distribution.



**Aksa Power Generation**

---

**POWER GENERATOR PRODUCER**

# THAT POWERS TURKEY AND THE WORLD

**200,000 m<sup>2</sup> +**

**Power Generation Manufacturing Plants**

Aksa Power Generation manufactures generators in a total area of over 200,000 m<sup>2</sup> in 4 countries.

---

**Sales to**

**176** Countries

Aksa Power Generation sells generators to 176 countries.

---

**183**

**USD Million**

Aksa Power Generation's revenues from overseas sales was USD 183 million in 2021.

---

**2.5**

**TRY Billion  
Revenues**

The revenues of Aksa Power Generation were TRY 2.5 billion as of the end of 2021.



- Aksa Power Generation Sales Offices
- Aksa Power Generation Production Facilities and Sales Offices

**7.2%**  
Share in  
Revenues

## Aksa Power Generation

# THE DIFFERENCE ARISING FROM TECHNOLOGY AND INNOVATION

Aksa Power Generation makes a difference with the novel products it developed, technology, and innovation, and continuously boosts the global power of its brand by setting the standards in its field of activity.

## 125,400 m<sup>2</sup>

Aksa Power Generation produces generators on an indoor area spanning 125,400 m<sup>2</sup> in total at its facilities across Turkey, China, and the USA.

## In Top 5

Aksa Power Generation is among the world top 5 power generator producers.

The foundation of Aksa Power Generation was laid with the electrical motor factory established by Ali Metin Kazancı in 1968. In 1984, the Company manufactured its first generator and in a short time became a specialist in the field of machine and hardware production, turning into one of the leading generator manufacturers in the world. Having successfully maintained its leadership in the Turkish generator market for many years, Aksa Power Generation is among the largest exporters in Turkey with sales to 176 countries, continuously adding value to the national economy without interruption.

Aksa Power Generation makes a difference with the novel products it developed, technology, and innovation, and continuously boosts the global power of its brand by setting the standards in its field of activity. One of the first companies in the world to manufacture generators that run on natural gas and the indisputable leader in the projects of synchronized generators, the Company -with R&D investments- has recently focused its efforts on generators that consume less fuel, make less noise and are more environmentally friendly.

## OPERATIONS

### Manufacturing and Sales

Relocating its Turkey-based production facility to Çerkezköy in 2021, Aksa Power Generation tripled its capacity through this facility complies with the 4.0 standards, spanning an indoor area of 40,000 m<sup>2</sup>. Aksa Power Generation manufactures generators between 1 kVA and 3,125 kVA which can run on petrol, diesel, and natural gas, supplementary marine generators, lighting masts, and generator hardware in its factories in Turkey as well as in China (Changzhou, in an indoor area of 80,000 m<sup>2</sup>) and the USA (Louisiana, in an indoor area 5,400 m<sup>2</sup>). By operating through its trade centers in Dubai and Rotterdam-Dordrecht, Aksa Power Generation also continues to provide tailor-made solutions to various sectors such as data centers, mining, healthcare, construction, and telecommunication.

In this respect, Aksa Power Generation added to its product portfolio the hybrid generator, which is designed completely based on its research and development efforts, and which can derive its energy from renewable sources, such as wind and solar energy, making it the technology for the



Aksa Power Generation continues to grow its volume on a global scale through tailored innovative products and production on 3 continents.

## 24 Overseas Offices

Aksa Power Generation ranks among the top 5 generator manufacturers globally with 24 overseas offices in Asia, Europe, Africa, and America.

## 300 People

Aksa Power Generation After Sales Services continue to provide services with a team of 300 people.

future. Providing fuel savings up to 70% and offering an affordable and efficient alternative to consumers as an environmentally friendly generator, the hybrid generator also comes equipped with Remote Management System, allowing users to remotely access and check data entries.

The Company ranks among the top 5 generator manufacturers globally with 24 overseas offices in Asia, Europe, Africa, and America. As of the end of 2021, the Company conducts overseas activities via sales offices in the UK, South Africa, Russia, Ghana, Algeria, United Arab Emirates, Iraq, Kazakhstan, Uzbekistan, China, Indonesia, Vietnam, the USA, the Netherlands, Singapore, and Kenya.

### Aksa Power Generation – After Sales Services

Aksa Power Generation operates 81 service points across Turkey with a team of 300 expert staff and 150 vehicles providing 24/7 after sales

support and service year round. Thanks to its extensive network, the company can respond to any technical issues customers might experience as quickly as possible.

The Company started to rebuild its structure named as Service organization as After-Sales Services in 2021 to increase the quality of support services. As part of this, several innovative project studies were initiated regarding the product support, central stock management, and digitalization.

Expert teams at regional offices and APCs, coupled with ample stock of spare parts for the most frequently needed parts, differentiate Aksa Power Generation from the competition in terms of service quality. The Company is ceaselessly continuing its investments in a training network and coaching technical staff that would introduce authorized services in Turkey as its latest innovation in the industry.

## Aksa Power Generation

**Aksa Power Generation Rental delivers exploration, installation, service and transportation solutions, serving with Turkey's largest generator fleet in its product range between 1 kVA and 1,625 kVA.**

### 176 Countries

Aksa Power Generation is among Turkey's top exporters with sales to 176 countries.

### 80,000 m<sup>2</sup>

Aksa Power Generation holds a production facility spanning an indoor area of 80,000 m<sup>2</sup> in China.

#### Aksa Power Generation - Rental Branch

Aksa Power Generation Rental provides generator rentals in Turkey and abroad at the head offices in two regions in Istanbul (Çatalca and Asian side), Dubai and at Kazakhstan Atyrau, offering a large product range consisting of fuel and diesel based generator sets with an experienced staff.

Aksa Power Generation Rental can also provide package deals to meet its customers' periodic and ongoing energy needs - including exploration, assembly, service, and transportation solutions. Aksa Rental boasts Turkey's biggest generator fleet with capacities ranging from 1 kVA-1,625 kVA. It provides services at the desired power by synchronizing with the system installation.

Aksa Rental Mobile Generators are designed for situations that might require an urgent energy supply and constitute a first in this field in Turkey. The system can supply energy up to 400 kVA with a single mobile generator, and up to 1,200 kVA with synchronized gensets.

Thanks to their exceptional insulation, Aksa Mobile Generators are classified as "Super Quiet." Their advanced operating properties have allowed Aksa Mobile Generators to provide energy for major events and they are preferred for many large-scale projects and construction sites.

#### Second Hand Generators

Second hand generators are appraised on-site by highly qualified engineers specialized in providing reliable and professional services for second hand generator purchases and sales, and are evaluated under the best terms and at optimal pricing.

Second hand generator groups, which have passed quality control tests and underwent extensive overhauls are put on sale and are placed under warranty along with a periodic maintenance agreement. Upon customer request, old generators can be removed from their existing locations and replaced with new ones that provide the best power range for their requirements.

Aksa Power Generation is a sector leader in secondhand generator purchase and sales thanks to:

- Quality control testing prior to the secondhand sale,
- Support provided by expert technical teams,
- Best sales prices reflecting the value of approved products,
- Comprehensive post-sales support,
- Warranty for secondhand generators,
- Spare parts support, and
- Instant solutions from a widespread service network.

It is also the leading organization of the sector in the purchase-sale of second-hand generators.



In Q4 2021, Akso Power Generation commissioned its plant in Çerkezköy, Tekirdağ to produce generators at the Industry 4.0 standards. The current production capacity was almost tripled with the renewed Turkey Production Center.

## Aksa Power Generation

**To find solutions to the generator failure demands and needs of all hospitals across Turkey, Aksa Power Generation provided on-site maintenance and response services with free of charge service support.**

### TRY 2.5 Billion Revenue

Aksa Power Generation's revenues was TRY 2.5 billion in 2021.

### TRY 341 Million EBITDA

Aksa Power Generation recorded an EBITDA of TRY 341 million as of the end of 2021.

#### Developments in 2021

In Q4 2021, Aksa Power Generation commissioned its plant in Çerkezköy, Tekirdağ to produce generators at the Industry 4.0 standards. The current production capacity was almost tripled with the renewed Turkey Production Center. With the new factory laid on an indoor area of 40,000 m<sup>2</sup> and equipped with cutting-edge technology, Aksa Power Generation will continue to provide tailor-made solutions to various sectors such as data centers, mining, healthcare, construction, and telecommunication. In addition, the Company aims to meet 60% of its energy needs for its operations with solar energy, through solar panels to be installed on the roofs of plants in 2022.

Aksa Power Generation's Çerkezköy Facility is a smart factory that can track the entire manufacturing process from sheet metal cutting stage - the first manufacturing operation of the Manufacturing Execution System - to the test stations that are the last control points. Additionally, it has a structure that enables continuous control of processes digitally.

Ever since the beginning of the pandemic, Aksa Power Generation has focused upon uninterrupted continuity of its operations and protection of its employees under the motto "human first." To find solutions to the generator failure demands and needs of all hospitals across Turkey, Aksa Power Generation provided on-site maintenance and response services

with free of charge service support, and offered rapid solutions for many hospital projects at home and abroad.

Moreover, Aksa Power Generation is the first and only Turkish company to obtain conformity approval for Uptime Institute TIER III and TIER IV standards in its data center power systems. It generated rapid and reliable solutions for data center demands of customers all around the world with its growing product portfolio in 2021.

Driven by global growth targets, it expanded its areas of operation by opening two new offices as Aksa Power Center (APC) in the USA and China. In addition, Aksa Power Generation expanded its sales and service network by opening an office in Kenya.

In 2021, Aksa Power Generation became a member of Europgen - one of the platforms consisting of the most prestigious generator manufacturers in Europe and in the world. The Company extended its footprint in global arena with a New Trade Center opened in the Netherlands at the end of 2020, growing its global brand value with this membership each and every day.

Aksa Power Generation delivered energy sponsorship for popular arts and culture events in Turkey throughout the year. Accordingly, Aksa Power Generation met the energy needs at the TEKNOFEST organization that has taken place across the group regularly since 2018 with an aim to raise awareness of technology and science.

## Future Outlook

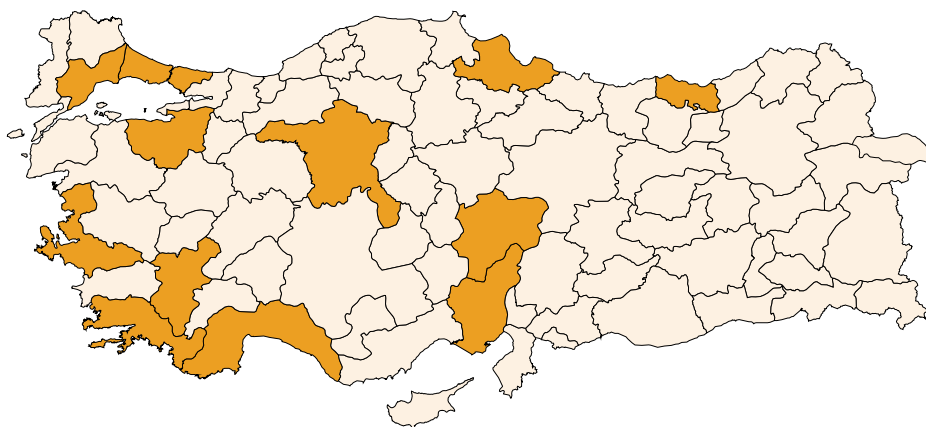
Long-term global targets lie at the heart of Aksa Power Generation's growth strategy. The Company aims to rank among the top three power generator producers in the world by 2025. Aksa Power Generation keeps an eye on potential opportunities across the Asian Pacific, African, South American and European markets to expand its worldwide sales network. It aims to grow its customer base and reinforce its leading position in Turkish market with its innovative customer-focus approach.

Aksa Power Generation adapts rapidly to the changing needs of sectors it serves and creates solutions thanks to its flexible nature, and it expands the R&D investments continuously to provide quality and sustainable service to the customers and to catch up with the technology of the future.

Aksa Power Generation continues to create products and systems that shape the industry by prioritizing energy efficiency. As one of the first producers of natural gas generators in Turkey, the Company intends to expand its product range with a focus on hybrid solutions including the natural gas cogeneration, trigeneration, and other gas implementations as well as energy storage. Aksa hybrid generators are economic, effective, and eco-sensitive generator systems that are compatible with today's technology in which renewable energy resources are used in addition to other generator systems. Providing up to 70% fuel savings with integrated batteries and optional solar panels and wind turbines, hybrid generators respect the environment with their low sound levels and low exhaust emissions. Aksa Power Generation aims to expand its hybrid energy solutions to leave a cleaner environment for future generations.

## Domestic Sales Points

Aksa Power Generation provides services at the following 19 APCs (Aksa Power Center) located across Turkey:



- Aksa Adana
- Aksa Anadolu
- Aksa Ankara
- Aksa Antalya
- Aksa Beyoğlu
- Aksa Bodrum
- Aksa Bursa
- Aksa Çorlu
- Aksa Denizli
- Aksa Diyarbakır
- Aksa Gaziantep
- Aksa İzmir
- Aksa Kağıthane
- Aksa Kayseri
- Aksa Marmaris
- Aksa Samsun
- Aksa Şanlıurfa
- Aksa Trabzon
- Aksa Trakya

## Aksa Power Generation in Figures

	2020	2021	Change (%)
Revenues (TRY Million)	1,603	2,545	59
EBITDA (TRY Million)	235	341	45
Revenues from overseas sales (USD Million)	139	183	32

## OTHER GROUP COMPANIES

### Aksa Tourism

---

# SIGNIFICANT CONTRIBUTION TO TURKEY'S TOURISM

## WITH ITS CAPACITY AND SERVICE QUALITY

**3**

### Hotels

Aksa Tourism operates in the tourism sector with its 3 hotel properties.

---

**687**

### Rooms

Aksa Tourism welcomes guests with 687 rooms at its three hotels.

---

**1,450**

### Beds

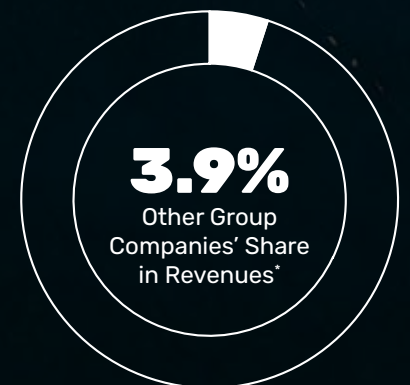
Aksa Tourism's three hotels have a total of 1,450 beds.

## Tourism Enterprises



● Antalya - Mirada Del Mar Hotel

● Kayseri - Mirada Del Lago Hotel  
and Mirada Del Monte Hotel



*\*Total share of Aksa Agriculture,  
Aksa Tourism and others.*

## Aksa Tourism

# THE BEST AND MOST INNOVATIVE INVESTMENTS

**Aksa Tourism continues making investments to renovate its hotels at full speed to provide a better service to its guests since its establishment in 2004.**

## 542 Rooms

Located in Antalya, Mirada Del Mar Hotel hosts guests in 542 rooms.

## 5 Star

Located in Kayseri, Mirada Del Lago Hotel got upgraded from 4 to 5-star in 2021.

Adopting an innovative approach, Kazancı Holding makes investments that create value for Turkey in every business area where it operates. Kazancı Holding established Aksa Tourism in 2004 and officially entered the tourism sector in 2005 with Mirada Del Mar Hotel in Antalya. Aksa Tourism later renovated the two social facilities it acquired in Erciyes Mountain, Kayseri in 2006, introducing them to Turkish tourism in 2007 as 4-star and 3-star hotels, respectively. In 2021, it upgraded the Kayseri-based Mirada Del Lago Hotel to 5-star. Continuously striving towards the best in the tourism industry, Aksa Tourism undertook new hotel investment in October 2021 and opened its latest hotel, Mirada Bodrum Exclusive, to its guests in June 2022 in Asarlık, one of the most beautiful bays in Bodrum.

Aksa Tourism renovated the hotels to provide higher quality service to its guests. As of year-end 2021, Aksa Tourism operates three hotels with a total of 687 rooms and 1,450 beds.

### **Mirada Del Mar Hotel**

Aiming for excellence in the tourism sector, the 5-star Mirada Del Mar Hotel is Kazancı Holding's first investment in the sector. It is located in the Göynük town in Kemer, Antalya.

Mirada Del Mar Hotel's architecture and landscaping boast a unique design; it is located on an area of 100,000 m<sup>2</sup> surrounded with pine trees, with a total of 542 rooms each with a view of the sea, forest, or garden. Additionally, it contains 14 meeting halls, largest of which can seat 800 people, all equipped with the latest technology, that can be used for various gatherings and events.

Aksa Tourism undertook a number of renovations in the facility and rooms to deliver better service to Mirada Del Mar Hotel guests, including installation of water purification and energy monitoring systems to ensure energy efficiency for ecological purposes.



Aiming for excellence in the tourism sector, the 5-star Mirada Del Mar Hotel is Kazancı Holding's first investment in the sector. It is located in the Göynük town in Kemer, Antalya.

#### **Mirada Del Lago Hotel**

Located in Erciyes, Kayseri, Mirada Del Lago Hotel is the first and highest bed capacity hotel in Mount Erciyes. Located 28 km from the airport and designed in a modern way inspired by Seljuk architecture, the hotel upgraded from 4-star to 5-star in 2021.

The Hotel is located 300 meters away from ski slopes that are 37 km long, where cable car and chairlift services are also available. Mirada Del Lago Hotel contains a main restaurant and an à la carte restaurant where exceptional dishes can be sampled. It contains an indoor pool with heating, a sauna, and traditional Turkish bath, as well as a conference room equipped with the latest technology, which can seat 150 people, for various gatherings and events.

#### **Mirada Del Monte Hotel**

The 3-star Mirada Del Monte Hotel houses 96 beds in 40 rooms and is located only 50 meters away from the winter sports activity center, serving its guests on the slopes of the highest mountain in Central Anatolia, Mount Erciyes, since 2007.

## Aksa Tourism

**Aiming to achieve sustainable growth in the tourism market, Aksa Tourism continues its investments in line with guest expectations each year. The Company plans to further expand its bed capacity as possible market opportunities.**

### 160,213 Rooms

160,213 rooms were sold in Aksa Tourism's hotels in 2021.

### 80,061 Beds

80,061 beds were sold in Aksa Tourism's hotels in 2021.

#### Developments in 2021

The Covid-19 pandemic has profoundly affected the tourism industry similarly to many other sectors. According to an assessment by World Tourism Organization (UNWTO), the damage caused by the pandemic in tourism industry was 8 times more than the damage caused by the 2009 global financial crisis. However, upon the reduction of restrictions in 2021 and introducing of PCR test practices, restrictions were eased and this enabled the recovery of tourism industry.

Aksa Tourism temporarily terminated its operations in its Antalya and Kayseri hotels in the first half of 2020 to stop the spread of the virus and protect its employees.

It obtained the Safe Tourism Certificate, as required by the Ministry of Culture and Tourism of the Republic of Turkey, from Bureau Veritas, an international certification body, by adopting all the measures as part of the fight against the pandemic, together with normalization, welcomed its guests safely and realized the "V" type growth model. Thanks to the rapid measures taken by the administration team and all employees' sensitivity towards following such measures, Aksa Tourism Hotels was among the hotels that were least impacted by the pandemic.

Aksa Tourism has increased its investments in Mirada Del Lago Hotel in Kayseri, thus, the hotel's status raised from 4-star to 5-star in 2021. The Company continues to expand its operations in the tourism industry every passing day with Mirada Bodrum Exclusive Hotel that is opened in June 2022.

#### Aksa Tourism Operational Data In Figures

Consolidated	2020	2021	Change (%) (2020-2021)
Number of Rooms	697	687	-1.5%
Bed Capacity	1,450	1,450	-
Number of Rooms Sold	55,852	80,061	43.34%
Number of Beds Sold	108,812	160,213	47.23%
Occupancy (%)	22.0	31.3	42.27%



Mirada Del Monte Hotel, which is in operation since 2007 in Kayseri, at the foot of Erciyes, the highest mountain of Central Anatolia, has a capacity of 96 beds in 40 rooms.



Situated in Erciyes, Kayseri, Mirada Del Lago Hotel is the first and highest bed capacity hotel in Mount Erciyes. The hotel which is designed in a modern way inspired by Seljuk architecture, got upgraded from 4-star to 5-star in 2021.

## 31.3 % Occupancy

Aksa Tourism hotel's occupancy rate was 31.3% in 2021.

### Future Outlook

Aiming to achieve sustainable growth in the tourism market, Aksa Tourism continues its investments in line with guest expectations each year. The Company plans to further expand its bed capacity as possible market opportunities arise over the medium term.

Aksa Tourism includes the growth model in the accommodation industry among its 2022 goals and beyond

Mirada Exclusive Bodrum is planned to be opened, which has also ignited the group's new corporate identity efforts. Growing its brand value in tourism industry with the hotels in its portfolio, the Company keeps focusing on its value-added operations aimed at the future with an ever-growing excitement.

**OTHER GROUP COMPANIES**

**Aksa Agriculture**

---

# THE STAR OF AGRICULTURE

## WITH MODERN PRACTICES AND EXEMPLARY WORKS

**18,750** Tons  
**Milk Production**

In 2021, Aksa Agriculture  
produced 18,750 tons of milk.

---

**9,465** Heads  
**Breeding Cattle**

Aksa Agriculture  
possesses a total heads of  
9,465 breeding cattle.

---

**4,640** Heads  
**Dairy Cattle**

At year-end 2021, Aksa  
Agriculture had 4,640 heads of  
dairy cattle.

## Agricultural Enterprises



**Tekirdağ - İnanlı Agricultural  
Enterprise**



**Samsun - Gelemen Agricultural  
Enterprise**



*\*Total share of Aksa Agriculture,  
Aksa Tourism and others.*

## Aksa Agriculture

# A SUSTAINABLE PERSPECTIVE IN AGRICULTURE AND LIVESTOCK

Operated by Aksa Agriculture in accordance with EU standards, the two farms with capacity of 15,000 animals in total contribute to the development of agriculture and animal husbandry through a sustainable perspective.

## 15,000 Heads

Aksa Agriculture has a capacity of 15,000 cattle in total.

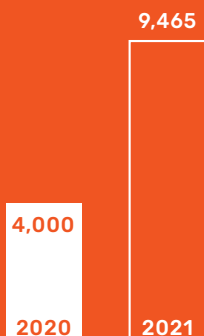
In order to convey its longstanding corporate experience to the agriculture industry, Kazancı Holding rented İnanlı and Gelemen Agricultural Enterprises for 30 years, after they were opened for lease by the General Directorate of Agricultural Enterprises in 2005. Two farms run by Aksa Agriculture in line with the EU standards contribute to the development of agriculture and livestock industry in Turkey through a sustainable perspective.

Aksa Agriculture is among the top 10 farmers in meat and dairy production in Turkey with a capacity of 15,000 cattle in total. Alongside dairy and livestock farming, the company's value-driven operations include fruit gardening, grain farming, silage corn production, sunflower, sugar beet, and paddy (rice) cultivation.

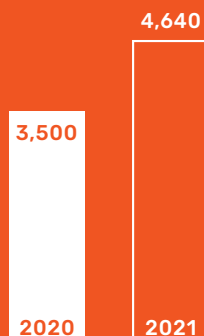
## Top 10

Aksa Agriculture is one of the top 10 farms in Turkey in cattle breeding and milk production.

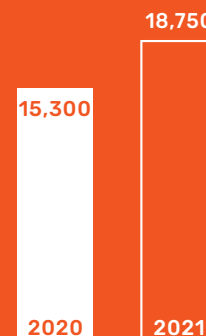
Breeding Cattle (heads)

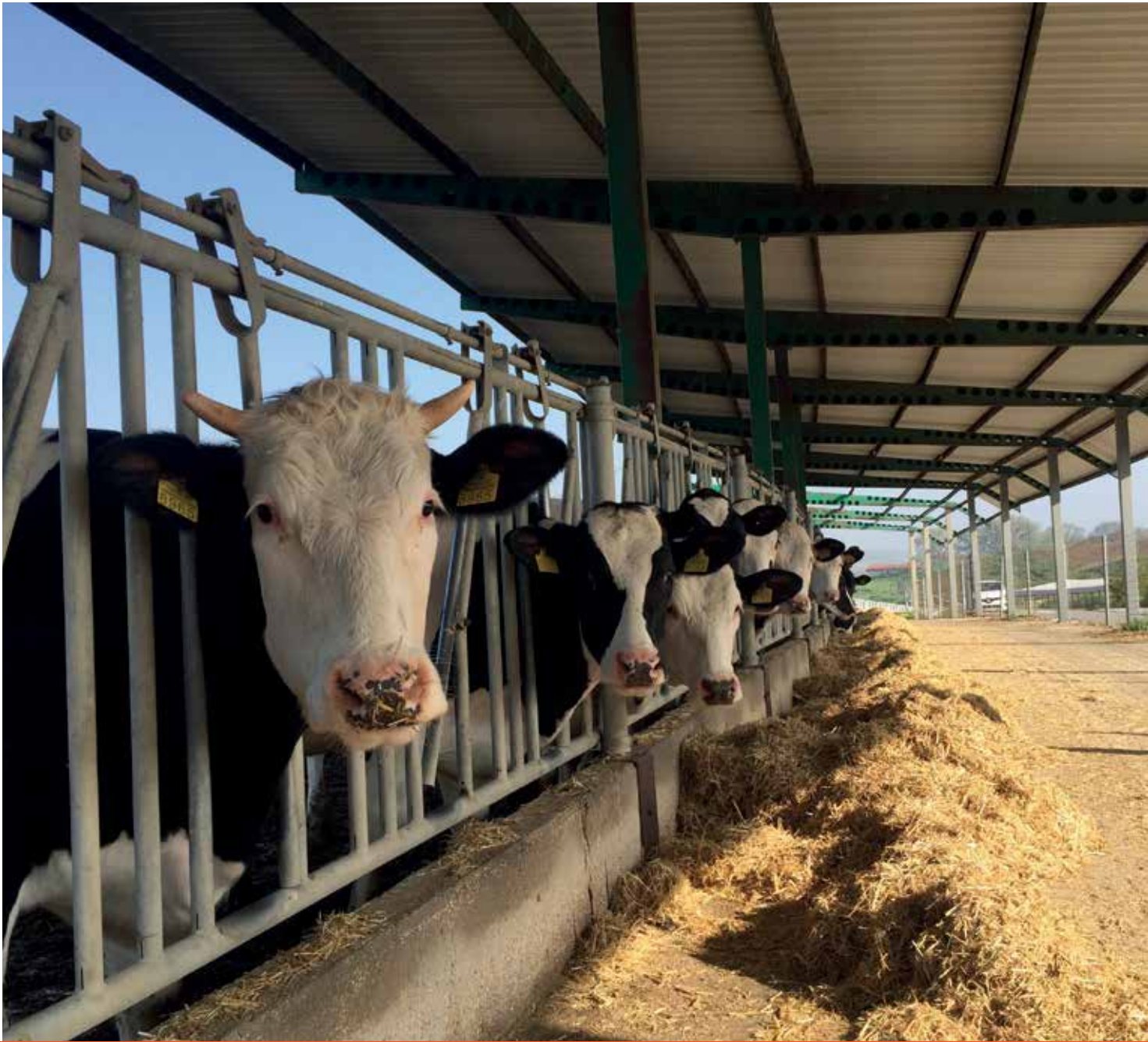


Dairy Cattle



Milk Production (tons)





In 2021, Aksa Agriculture produced 18,750 tons of milk. The Company has 9,465 beef cattle in its farms.

#### Silage Corn Production (tons)

18,030

16,050

2020

2021

#### Rice Production (tons)

1,556

960

2020

2021

## Aksa Agriculture

**Aksa Agriculture maintained its modernized practices in agriculture and livestock industry in 2020 with the infrastructure, superstructure and recycling works it carried out in the barn upon penetrating into the Turkish meat market with the barn investment that it completed in 2017.**

**24,000**  
**Decares**

Aksa Agriculture's Inanlı and Gelemen Enterprise operates on a land of 24,000 decares in total.

**18,750** Tons  
**Cow's Milk**

18,750 tons of EU-certified chilled raw cow's milk was produced at the Inanlı Plant.

### **Inanlı Enterprise**

Aksa Agriculture engages in dairy cattle breeding, milk production, sheep and goat breeding, as well as agricultural production activities at its Inanlı Plant in Tekirdağ. In this enterprise where the Company employs zootechnicians, veterinarians and agricultural engineers who are experts in their fields, 18,750 tons of EU-certified chilled raw cow milk was produced in 2021. And it reached a production capacity of 2,300 milking heads by the end of 2021.

Inanlı Enterprise adopts pioneering practices in livestock operations that it designed to minimize its environmental impact. Upon the completion of the barn investment and penetrating into the Turkish meat market in 2017, Aksa Agriculture completed the infrastructure, superstructure and recycling revisions in the barn in 2020.

In addition to breeding and dairy cattle farming, Aksa Agriculture also sows two sets of crops each year at Inanlı Enterprise. 30,000 tons of pellet feed are produced yearly alongside wheat, vetch, silage corn, and dry hay on an area of 9,900 decares.

As a result of regular investments made since 2015, Inanlı Enterprise includes the following as of year-end 2021:

- 4 closed system barns with 480-head capacity,
- Two closed system barns with 240-head capacity,
- Four closed system barns with 200-head capacity,
- Semi-open system barn with 500-head capacity,
- Open system feeding barn with 6,000-head capacity,
- Calf sheds with 450-head capacity,
- Delivery barn with 250-head capacity,
- 2 German Rotary milking facilities with 40 units,
- 40-unit parallel milking system,
- 12 silage wells with 2,000-ton capacity,
- Pellet feed facility with a production capacity of 5 tons/h,
- Drip irrigation system covering a 4,000 decares area.

### Gelemen Enterprise

At its Gelemen Enterprise in Samsun, Aksa Agriculture performs fruit growing, agricultural production, and livestock activities on an 8,000 decares area of about 12,000 decares land with twice crop planting practice each year. In addition to the production of barley, wheat, paddy, sunflower, sugar beet and silage corn on agricultural lands, the enterprise also produces apples with EU and good farming practice certificate on a land spanning 450 decares. The enterprise also has feedyards with a closed area of 33,870 m<sup>2</sup> and an open area of 22,350 m<sup>2</sup>.

Since 2017, Aksa Agriculture Gelemen Enterprise have undertaken efforts to choose suitable types of crop and to increase the yield by considering the crop productivity of previous years as well as the area's geographical and environmental properties. The yields for barley, wheat, sunflower and corn are above the regional average at the Gelemen Enterprise. Furthermore, the enterprise commenced rice production in 2018 and continues with its activities based on a cooperative production model formed with local farmers who know the region's characteristics well.

Always adopting an environmentally-sensitive approach across its operations, Aksa Agriculture commissioned a 1.5 MW biogas recycling facility to repurpose and recycle solid animal waste at Gelemen Enterprise with GZL Energy in 2020. In addition, the Company has fulfilled its mission on environmental waste and air pollution by making use of solid/liquid animal manure, enterprise feed residues, plant and vegetable residues recycled from livestock farming operations in 2021 at its biogas facility.

As a result of regular investments made since 2015, Gelemen Enterprise includes the following as of year-end 2021:



**Aksa Agriculture increased its daily milk production by 51% on a YoY basis at its Inanlı Enterprise, the largest milk production facility in Thrace region.**

- Barn with three 5,200 m<sup>2</sup> closed areas and three 3,000 m<sup>2</sup> open areas,
- Barn with three 5,000 m<sup>2</sup> closed areas and three 3,800 m<sup>2</sup> open areas,
- Barn with 2,000 m<sup>2</sup> indoor area and 1,035 mm<sup>2</sup> outdoor area,
- Barn with 1,270 m<sup>2</sup> indoor area and 950 m<sup>2</sup> outdoor area,
- Totalling nearly 33,870 m<sup>2</sup> indoor area and 22,350 m<sup>2</sup> outdoor area,
- Breeding cattle barns with a capacity of 20,000 heads,
- 450 decares of net covered apple orchard,
- Drip irrigation system covering a 3,000 decares area.

### Developments in 2021

Aksa Agriculture continued to provide input for the Turkish agriculture and animal livestock with the investments it made in 2021, which was spent in the shadow of climate events caused by

global warming, especially drought, alongside the negative impact of the pandemic on the economy.

The Company raised the number of cattle to 2,210; the total number of dairy animals to 4,640; and the capacity utilization rate of the farm to 100% by the end of the year, with a YoY 40% increase, at the Inanlı Enterprise, the largest milk production facility in Thrace region. Daily milk production, which was 43 tons in the previous year, increased to 65 tons, and annual production increased by 51% to 18,750 tons.

Through the "Rutting Tracking System" that was deployed in September 2021, pregnancy performance from insemination increased by 95% and female birth rates by 20% in the last quarter. Tapping into this boosted performance, the goal is to enhance the quality of the herd further more by focusing on the use of female seeds with high genetic criteria.

## Aksa Agriculture

**Aksa Agriculture has completed the administrative approvals of the SPP project and proceeded to the assembly phase for the project, which will have an installed capacity of 850 kW at the İnanlı Enterprise. The project will also enable the enterprise to generate the energy it needs through the sun.**

### 9,900 Decares Cultivated Land

The cultivated area has doubled compared to the previous year and reached 9,900 decares at the İnanlı Enterprise.

### 6,338 Tons Grass Silage Production

6,338 tons of grass silage was produced in 2021 at the Gelemen Enterprise.

Half of the increase in the number of cattle in Aksa Agriculture was achieved through domestic production and the other half through imports. Importing 456 pregnant heifers from Denmark in order to increase milk production, the Company mainly used female semen. 3,000 angus animals were brought to the farm to improve livestock efforts. The company imported prototypes for the sheep breeding project and brought 230 merino sheep, making significant improvements in sheep, stock and milk production within the year.

Aksa Agriculture began to plant sunflowers, wheat, barley and oats at its İnanlı Enterprise. The cultivated area of this plant has doubled compared to the previous year and reached 9,900 decares. Despite the negative impact of drought, food issues, rise in commodity prices, as well as rises in meat and milk prices on production and capacity utilization, the Company has uninterruptedly sustained its efforts and investments aimed at increasing efficiency.

Samples taken from each animal and milk were analyzed in the laboratory environment as part of full health screening procedures in İnanlı Enterprise in 2021. As a result, findings were clean and the enterprise continued to hold the "Disease Free Enterprise" and "EU Certified Dairy Farm" certifications.

Maintaining its investment in an eco-friendly manner, Aksa Agriculture has completed the administrative approvals of the

SPP project and proceeded to the assembly phase for the project, which will have an installed capacity of 850 kW at the İnanlı Enterprise. The project will also enable the enterprise to use the sun powered energy in its operations.

Focusing on livestock breeding and agricultural production at the Gelemen Enterprise, Aksa Agriculture imported 4,965 cattle from, mainly including Angus, Hereford and crossbreeds from Uruguay, during the accounting period. Feeding operations were carried out by expert teams for the breeding cattle collected from various regions of Turkey, alongside the imported animals, which increasing the enterprise's meat production to nearly 1,650 tons.

Aksa Agriculture maintains agricultural production by expanding its product diversity at its Gelemen Enterprise, which has 8,000 decares of cultivated land - with 450 decares being dedicated to growing fruits - through the Good Agricultural Practice. Having started sunflower cultivation for the first time at Gelemen Enterprise in 2019, the Company expanded its sunflower production area in 2021. The company outperformed the national average terms of sunflower yield.

Gelemen Enterprise began to produce sugar beet seedlings in 2018. Through the increased production areas every passing year, the enterprise continued to produce seedlings on an area spanning 320 decares in 2021.



Aksa Agriculture conducts its production operations at the Gelemen Enterprise as part of the Good Agricultural Practices certification.

## Aksa Agriculture

**Aware of its environmental responsibilities, Aksa Agriculture completed the biogas recycling project first launched at Samsun Gelemen Enterprise to recycle solid animal waste.**

### 10 Million Pieces + Sugar Beet Seedling Production

Over 10 million sugar beet seedlings were produced at Gelemen Enterprise in 2021.

### 456 Pregnant Heifers

The Company imported 456 pregnant heifers from Denmark to increase milk production.

In addition, Aksa Agriculture undertakes the "Warranty Productivity Model" in rice project. Accordingly, the Company has entered into an agreement, concerning the allocation of land, with a rice producer that is familiar the climatic and geographical conditions of the region. Quality crops are produced in the soil processed through cutting-edge fertilizers and eco-friendly pesticides. Aksa Agriculture aims to increase performance-driven productivity and quality every single day through this system.

Aware of its environmental responsibilities, Aksa Agriculture completed the biogas recycling project first launched in 2018 at Samsun Gelemen Enterprise to repurpose and recycle solid animal waste. The biogas facility was commissioned in 2020. Production operations were launched in 2021 in the facility.

Aksa Agriculture has completed a major part of the SPP project with a power of 1,101.6 kWp / 732 kWe and that it started to carry out at the Gelemen Enterprise in 2021. And it plans to move on to the installation phase in 2022.

The company made an agreement with İŞKUR due to the increasing need for labor and employed 9 personnel registered with the institution within the scope of the enterprise, during its operating cycle.

### Future Outlook

In the coming period, Aksa Agriculture plans to establish a study program with expert instructors actively serving at leading national universities, especially from the field of dairy farming. With this program, Aksa Agriculture will further develop its activities scientifically and institutionally by equipping its employees with the latest academic information.

İnanlı Enterprise aims to complete the construction of a new milking barn with a capacity of 500 heads and increase the number of milk-producing animals to more than 2,500 heads per day, and daily milk production to 90 tons in 2022.

As a natural byproduct of the increased pregnancy performance and female birth rates at the İnanlı Enterprise, the company aims to sell "Breeding Heifers" to create added value in the dairy industry in 2022. Started as a prototype in 2021, the breeding sheep breeding project will continue and the professional phase will be begin upon building 1,500 brood head corrals on 1,000 decares of pasture through increased herd.

Aksa Agriculture imported 4,965 cattle from Uruguay and collected domestic livestock from various regions of Turkey in its Gelemen Enterprise. This way, it not only provided significant input to Turkish economy, but also responded to the increasing workforce demand through the local employment opportunities it created. Further support will be extended for both the local employment and the regional economy with a focus on apple production as well as livestock breeding in the coming period.



**İnanlı Enterprise aims to complete the construction of a new milking barn with a capacity of 500 heads and increase the number of milkable animals to more than 2,500 heads per day, and daily milk production to 90 tons in 2022.**

### Aksa Agriculture in Figures

<b>İnanlı Enterprise</b>	<b>2020</b>	<b>2021</b>
Milk Production	15,300 tons	18,750 tons
Dairy Cattle Farming (End of Year)	3,500 heads	4,640 heads
Breeding Cattle Farming	4,000 heads	4,500 heads
Silage Corn Production	18,030 tons	16,050 tons
Hay Production	1,100 tons	4,500 tons
Walnut Production	6 tons	8 tons
Cereal Production	1.000 tons	308 tons
Sunflower Production	-	92 tons

<b>Gelemen Enterprise</b>	<b>2020</b>	<b>2021</b>
Breeding Cattle Farming	-	4,965 heads
Silage Corn Production	2,775 tons	3,326 tons
Grass Silage Production	-	6,338 tons
Apple Production	1,935 tons	1,608 tons
Hay Production	1,155 tons	570 tons
Wheat Production	308 tons	252 tons
Rice Production	960 tons	1,556 tons
Sunflower Production	234 tons	203 tons
Barley Production	826 tons	660 tons
Sugar Beet Seedling Production	9,376,000 pieces	10,950,000 pieces

# **VITAL PRACTICES**

## **FOR A SUSTAINABLE WORLD**

### **Disposal of 123 Tons of Waste**

Aksa Natural Gas disposed of 123 tons of hazardous and non-hazardous waste in 2021.

---

### **Mitigation of 155 Thousand Carbon Emissions**

As part of SPP projects, Aksa Electricity mitigated 155,301.30 tons of carbon emissions.

---

### **TRY 9.9 Million Environmental Investment Amount**

In 2021, Aksa Energy spent TRY 9.9 million for environmental investments.



## Sustainability Strategy

# EXEMPLARY ENVIRONMENTALLY FRIENDLY PRACTICES

**Kazancı Holding companies go ahead with the awareness of sustainable development and social responsibility in their operations and adopt an environmentally-sensitive approach to minimize their impact on the environment.**

**Primary objective is to contribute to economic, cultural and social development of the local community in the regions of operation.**

Kazancı Holding and the Group companies that do not define growth only as financial success based on the perspective brought by the sustainability approach perform continuous improvement activities for the environmental effects arising from their operations, considering value chain.

Kazancı Holding companies are driven by the awareness of sustainable development and social responsibility in their operations and adopt an environmentally-sensitive approach to minimize their impact on the environment. The Group Companies participate in exemplary practices on the issues that are vital for a sustainable earth, such as the sustainability of natural resources, cutting waste down to the bare minimum, and preventing soil, air, and water pollution.

Kazancı Holding conducts its business operations with awareness of the potential social impacts on its stakeholders. The Holding prioritizes the financial, cultural, and social development of local residents in the regions where it operates. To these ends, the workforce needed in operational areas is recruited locally, creating employment opportunities for residents while significantly contributing to Turkey's economy. Kazancı Holding also shares the added value it creates by executing social responsibility initiatives that benefit society.

## Environmental Sustainability

# A HEALTHY ENVIRONMENT FOR FUTURE GENERATIONS

Aksa Natural Gas regards environmental protection as a prerequisite for sustainable growth. The company acts with the aim of minimizing environmental effects and contributing to environmental protection.

**All operations of Aksa Natural Gas are designed to fulfill all requirements of environmental regulations.**

### **AKSA NATURAL GAS AND THE ENVIRONMENT**

#### **Environmental Policy**

Aksa Natural Gas sees protection of nature as critical to achieving sustainable growth. The Company shapes its business operations around minimizing its environmental footprint and contributes to efforts for preservation of the environment. Aksa Natural Gas will continue working toward the goal of leaving a healthy environment for future generations while abiding by all legal and regulatory requirements. With this vision, Aksa Natural Gas has formulated an Environmental Policy based on the following principles:

- Safely minimizing the environmental footprint of the Company's operations in collaboration with all its stakeholders and leaving a healthy environment for future generations,
- Adding value to the environment and quality of life by ensuring continuous improvement in compliance with applicable environmental legislation, under the scope of ISO 14001:2015 Environmental Management System,
- Using natural resources in an efficient manner to minimize waste and prevent pollution at the source,

- Keeping under control the possible environmental impact of subcontracted companies,
- Supporting all stakeholders deemed relevant in terms of environmental training and practices to actively promote environmental sustainability and development.

#### **Environmental Risk Management**

All operations of Aksa Natural Gas are designed to fulfill all requirements of environmental regulations. To ensure sustainability of its operations, the Company meticulously identifies environmental impact and other related factors and regularly updates inputs and outputs of all business processes.

At each company in licensed regions, Aksa Natural Gas review the environmental risks identified by the Environmental Committee on a yearly basis and keep them under control through a proactive approach. The Company sorts such identified risks according to their severity:

- Eliminating risks at the source,
- Replacing high hazards with lesser hazards,
- Implementing engineering measures,
- Making use of ergonomic approaches.

## Environmental Sustainability

**Incorporating the Environmental Management System's requirements into all its business processes, Aksa Natural Gas is audited and certified by relevant accredited institutions every year for system compliance.**

### Disposal of **123** Tons of Waste

Aksa Natural Gas disposed of 123 tons of hazardous and non-hazardous waste.

**Aksa Natural Gas aligned its strategic orientation with the environmental management system through the long standing ISO 14001:2015 Environmental Management System.**

With ISO 14001:2015 Environmental Management System, Aksa Natural Gas aligned its strategic approach with the environmental management system, while also improving the organization's environmental performance.

The Company applies the requirements of the Environmental Management System to all of its business operations and is audited by relevant accredited organizations on a yearly basis to maintain its system certification and validate its compliance with the system.

#### **Waste Management**

Waste management and environmental permits are key components of the environmental management approach at Aksa Natural Gas. Distribution companies in Aksa Natural Gas license regions reduce, reuse, recycle and dispose of wastes arising from their activities in accordance with the relevant regulations and fully fulfill the obligations imposed by the regulations.

Different types of waste are sorted accurately and kept in storage areas under appropriate conditions. Waste is prevented from contaminating the soil and water during storage. All waste is then delivered to disposal firms licensed by the Ministry of Environment and Urbanization within the time frames set out by the Waste Management Regulation. Aksa Natural Gas disposed of 123 tons of hazardous and non-hazardous waste in 2021.

Aksa Natural Gas designed and put into service the Environmental Management Module as an additional module in the development studies of the Aksa OHS software it uses across distribution companies. In this application, all hazardous and non-hazardous waste is monitored with unique waste codes, and current amount of waste is tracked and instantaneously reported upon demand.

Waste management training for Company personnel, especially waste management teams, are completed on an annual basis. The division of labor is determined for everyone and employee awareness is raised as regards collection of waste by category.

#### **Waste Management During the Covid-19 Pandemic**

With the outbreak of the Covid-19 pandemic, all office and field personnel began to use PPE and other equipment such as FFP2-FFP3 face masks, gloves, face visors, overalls and hand sanitizers for protection against the virus. Protective equipment waste generated especially in office spaces is handled as medical waste and collected in specially designed waste containers. We disposed waste generated in offices and fields in a controlled manner according to the rules of hygiene in cooperation with the municipalities of the towns and districts where distribution companies are located.

## 7.4 Million Tons Carbon Emissions

In the distribution regions, carbon emissions declined by 7.4 million tons in one year with the use of natural gas.



**Aksa Natural Gas continues its works in making the use of natural gas widespread and heightening awareness of citizens about the impacts of the fuels with high energy density. The company plays a substantial role in reducing air pollution in the cities of operation.**

### Natural Resource Management

Understanding that the biggest threat facing natural resources today is uncontrolled consumption, Aksa Natural Gas is committed to ensure efficient use of natural resources at all of its distribution companies. Within the "Zero Waste" Project which was launched under the leadership of the T.R. Presidency in 2019 and supervised by the Ministry of Environment and Urbanization, the Company continued its activities at 21 Regional Directorates. With Zero Waste Management System, it kept bearing its corporate responsibility for sustainable resource management and preservation of natural resources.

### Climate Change

Using clean energy resources with the smallest environmental footprint has become not simply a choice but an obligation for the future of our country and the world. Natural gas stands out as

a highly important and widely available source of energy that is high quality, safe and clean, since it provides advantages to sustainable energy policies and carbon economy management. Thanks to expansion projects, natural gas which became accessible for Turkey's 81 provinces in 2018 is widely offered to use within the borders of the relevant province.

It is observed that air quality of cities, particularly of metropolises rose, compared to the previous years due to the natural gas which became widespread throughout the country, and the increase in the number of natural gas users. In 2021, carbon emissions arising from heating and fuel use for other purposes corresponded to about 81 million tons. The total carbon emissions of the households using coal and other fuels were 45.5 million tons whereas those of the households using natural gas was

equal to 35.3 million tons in 2021. In the last year, 17.8 million residential subscribers saved a total of 37.5 million tons of carbon emissions by utilizing natural gas. The total amount of emissions saved in the last 3 years was 105.5 million tons.

Continuously expending efforts to expand the use of natural gas in Turkey and to raise citizens' awareness about the environmental impact of carbon-intensive fuels such as coal, Aksa Natural Gas plays an effective role in reducing air pollution in the cities where it operates.

Operating in 27 city centers and 221 districts and towns, Aksa Natural Gas achieved a reduction of 7.4 million tons in carbon emissions in just one year by replacing coal use with natural gas in its license regions. This rate is equivalent to the amount that only a 4.5 million km<sup>2</sup> forest of 317 million adult trees can clean.

## Environmental Sustainability

**Aksa Natural Gas supports its customers with the sustainable and eco-friendly projects such as green energy supply, electric vehicle charging station and installations of solar power systems which offer end-to-end energy solutions.**

**Through the sales of I-REC certificates performed by Aksa Elektrik in 2021, a total of 115 thousand tons of carbon emissions were mitigated, thereby preventing destruction of 280,544 trees.**

### **AKSA ELECTRICITY AND THE ENVIRONMENT**

#### **Electricity Sales Companies**

Aksa Electricity Sales Companies strive to establish the necessary framework to help evaluate and minimize their operations' impact on the environment, protect and efficiently use natural resources, and support the efforts aimed at contributing to the environment.

As part of this, Aksa Electricity raised its contribution to environmental sustainability with the environmentally-sensitive business models that it has recently developed. The company supports the customers who want to limit their environment effects with the sustainable and eco-friendly projects such as green energy supply, electric vehicle charging station and installations of solar power systems which offer end-to-end energy solutions. Through the sales of I-REC certificates performed by Aksa Electricity in 2021, a total of 115 thousand tons of carbon emissions were mitigated, thereby preventing destruction of 280,544 trees. On the other hand, the total amount of carbon emissions mitigated within SPP projects of the Company corresponds to 155,301.30 tons.

Aksa Electricity also raises awareness of its customers on the protection of the environment through its communication efforts to direct them to electronic bills instead of paper ones.

### **Aksa Electricity Distribution Companies**

#### **Environmental Policy**

Having ISO 14001:2015 Environmental Management System quality certificate, Aksa Electricity Distribution Companies regard environmental protection as a prerequisite for sustainable growth and service. In this regard, one of the primary objectives of Çoruh EDAŞ and Fırat EDAŞ is to hinder the possible environmental effects which may arise from investment, troubleshooting and maintenance-repair activities.

Furthermore, Çoruh EDAŞ and Fırat EDAŞ that primarily aim to leave a livable environment for future generations by abiding all of the necessary legal regulations implemented an Environmental Management Policy comprised by the following principles:

- To take necessary precautions during business processes to reduce the amount of waste generated at the source as a result of their activities in the "electricity distribution" market,
- To ensure disposal of waste that cannot be prevented at the source without damaging the environment with the aim of hindering pollution,
- To comply with all of the environmental legislations related to their industry of operation and to fulfill all responsibilities within this scope,



## Environmental Sustainability

**Aksa Electricity Distribution Companies strictly adhere to the laws, rules and regulations related to the environment and conduct regular risk assessments.**

**Having ISO 14001:2015 Environmental Management System quality certificate, Aksa Electricity Distribution Companies regard environmental protection as a prerequisite for sustainable growth and service.**

- To improve the Environmental Management System continuously,
- To monitor and control the environmental impacts of their business operations regularly,
- To ensure employee participation in environmental management activities and to consistently bolster up environmental awareness and consciousness,
- To deliver future generations the environment that was left to us, without polluting it.

### **Evaluation of Environmental Risks**

Aksa Electricity Distribution Companies perform all of their works within the framework of the legislations and strictly adhere to the applicable laws, rules and regulations related to environment and conduct regular risk assessments. As part of this, they bring the prior environmental risks under control by reviewing them every year with proactive approaches. In line with the national occupational standards, Electricity Distribution Network Operation and Maintenance teams and Field Technical Operation teams implement environmental protection standards and methods by means of the training provided within the environmental protection activities. With the aim of reducing environmental risks, Field Technical Operation teams also;

- Conduct sorting and classification processes for the recycling of recyclable materials,
- Separate hazardous and dangerous waste from other materials in compliance with instructions and store them temporarily according to their code by taking precautions as necessary,
- Prevent waste in temporary storage areas from contacting soil and water and store it in accordance with waste management regulations,
- Deliver waste stored properly to licensed waste disposal companies authorized by the Ministry of Environment,
- Ensure necessary occupational health and safety precautions are taken to shield from possible damaging environmental impacts caused by certain functions of the devices, equipment, and instruments used,
- Assess and eliminate security shortcomings inside and outside of buildings within the electricity distribution network,
- Determine locations to securely store flammable and combustible material or support such efforts,
- Attach great importance to preventing environmental impacts within the scope of this environmental management awareness.

### Waste Management

Waste management and environmental permits make up the most significant part of the environmental management system of Çoruh EDAŞ and Fırat EDAŞ. They reduce, reuse, recycle and dispose of wastes arising from their activities in all provinces within license regions in accordance with the legislation by giving these processes to the relevant licensed institutions authorized by the Ministry of Environment, and fully fulfill the obligations imposed by the legislation. In 2021, Aksa Electricity Distribution Companies saved 13,760,214 kWh of energy by sending 3 tons 116,172 kg of plastics and metals and 42,363 wooden timbers to the recycling facilities.

### Permits and Certificates

Each province where Çoruh and Fırat Electricity Distribution companies operate was granted "Zero Waste Certificate" as part of

- Environmental Permit Exemptions,
- Letters on Waste Water Connection,
- Medical Waste Contracts,
- Waste Management Plans and
- Zero Waste Regulation.

Within the activities of Zero Waste Certification, the wastes originating from offices are recycled through the contracts drawn up with the recycling facilities as well as using indoor recycling bins, printed posters and outdoor recycling bins.

### Environmental Awareness Training

A total of 1,800-hour training about Zero Waste, Waste Management and Environment was provided in 2021 within Aksa Electricity Distribution Companies, thereby increasing environmental awareness of the participants.



**In 2021, Çoruh EDAŞ and Fırat EDAŞ saved 13,760,214 kWh of energy by sending 3 tons 116,172 kg of plastics and metals and 42,363 wooden timbers to the recycling facilities.**

WASTE TYPE	WASTE AMOUNT	ENERGY SAVINGS	ENERGY SAVINGS PER UNIT
Waste Metal	2,816,353 kg	1,812,100	642 kWh for 1 ton of Scrap Metal
Waste Plastics	299,819 kg	1,731,155	5,774 kWh for 1 ton of Scrap Plastics
Waste Wooden Timbers	42,363	10,216,959	4,100 kWh for 17 Trees

## Environmental Sustainability

**Aksa Energy makes difference in the industry with its efforts to eliminate its energy generation activities' impact on the environment. The Company also launches environmental management initiatives that cover all the stages of the value chain.**

### TRY 9.9 Million Investment

In 2021, Aksa Energy spent TRY 9.9 million for environmental investments.



#### AKSA ENERGY AND THE ENVIRONMENT

With the principle of "efficient use of resources," Aksa Energy runs its operations in an environmentally-conscious manner for a sustainable future and aims to continuously improve its sustainability performance. The Company strives to make a difference in the sector through its efforts to minimize the environmental effects of energy generation operations, as well as through environmental management practices that cover every step of the value chain.

For the purpose of bringing this understanding into a corporate structure and ensuring that it is adopted and implemented by all stakeholders, Aksa Energy applies an Environmental Policy based on four pillars: climate change, natural resource management, waste management and biodiversity.

Establishing a Framework Environmental Management System in order to determine the objectives and targets related to the Environmental Policy, to manage, monitor, and control the activities in accordance with this policy, the Company has been granted the following certifications: ISO 14001 Environmental

Management System, ISO 9001 Quality Management System, ISO 50001 Energy Management System, ISO/IEC 27001:2013 Information Security Management System\*, and ISO 45001 Occupational Health and Safety Management System.

Aksa Energy fully complies with the environmental legislation in its domestic activities. There has not been any environmental penalty since the establishment of the power plants operating in the country.

Aksa Energy actively encourages responsible environmental management processes among all stakeholders, especially employees. To this end, the Company administers training programs to its employees and raises awareness among suppliers.

Aksa Energy expedited its environmental investments and the total value of such investments climbed to TRY 9.9 million in 2021. The Company will continue making these investments in the future to minimize its environmental impact and increase its performance.

The most significant example of the importance Aksa Energy attaches to environmental investments is Bolu Göynük Thermal Power Plant. Bolu Göynük Thermal Power

\*Received for Kazancı Holding; also covers the Aksa Energy Head Quarters as well as the power plants specified.

Plant – the only power plant in Turkey with fluidized-bed boilers and wet flue gas purification systems – has met all legal and regulatory requirements stipulated by environmental legislation since it was commissioned in 2015, thanks to its advanced combustion and treatment technologies. The facility also holds the Environmental Permit and License Certificate for Air Emission, Waste Water Discharge and Regular Storage.

In addition to these investments, the Company demonstrates the importance it attaches to health issues by its “Covid-19 Safe Production Certificate,” granted by the Turkish Standards Institute (TSE) in 2020, which acknowledges the highest-level precautions implemented in Bolu Göynük Thermal Power Plant. The document was renewed in 2021 when the relevant obligations continued to be fully implemented. In addition, the efforts to establish a solar power plant with an installed capacity of 35 MW in the plant site in order to reduce carbon emissions have been continuing.

### Climate Change

Climate change is among the most critical challenges facing the world today. Aksa Energy is keenly aware of the impact of the market it operates on the environment and the climate change, and of its own corporate responsibilities in this regard. Since 2015, the company has regularly prepared Greenhouse Gas Emission Reports to track greenhouse gas emissions from its current power plant portfolio. After receiving the approval of the independent verification firm authorized by the Ministry of Environment and Urbanization, the reports are presented to the Ministry of Environment and Urbanization. Preparation of the Greenhouse Gas Emission Reports for 2021 started at the beginning of the year, and on-site inspections have been carried out. The relevant



**In all its natural gas power plants, Aksa Energy generates energy from waste heat and utilizes Oxicat filters with the aim of reducing greenhouse gas emissions.**

reports have been presented to the Ministry of Environment and Urbanization in April 2022.

As another sign of its transformation into a sustainable and socially responsible company, Aksa Energy signed The Trillion Tonne Communiqué in 2015, which is a declaration to the world from companies that are sensitive to climate change and demand measures to combat it, and the Company designs its energy investment in this context. Aksa Energy considers energy efficiency a crucial component of its environmental policy to minimize the environmental impact of its activities and reduce greenhouse gas emissions. With the combined cycle power plant technology, the Company utilizes the heat of waste gas emitted during production to generate energy for internal consumption, thereby cutting its energy consumption by 10% per unit. Waste heat is used to derive energy at all natural gas-fired plants and at the Northern Cyprus Kalecik Heavy Fuel Oil Power Plant.

Oxicat filters are also used in natural gas power plants in order to reduce greenhouse gas emissions.

Aksa Energy also monitors and strives to reduce emissions other than greenhouse gases. Emissions are controlled on a real time basis through continuous emission measurement systems installed in power plants and the air emissions of domestic power plants are monitored online by the Ministry of Environment and Urbanization.

Aksa Energy aims to contribute to the global fight against climate change and plans to invest in the field of renewable energy in the medium- and long-term. Within this scope, the Company won Mini YEKA GES-3 tenders in Bingöl, Yozgat, and Kırşehir, and started to work for its SPP portfolio with a total installed capacity of 35 MW. In Bolu, a solar power plant with an installed capacity of 35 MW will be established at the plant site, and its hybrid conversion will be made in order to reduce carbon emissions.

## Environmental Sustainability

**Aksa Energy won Mini YEKA GES-3 tenders in Bingöl, Yozgat and Kırşehir as part of its renewable energy investments and triggered the process for SPP portfolio of 35 MW.**

### Over **2** Million m<sup>3</sup> Water Savings

Aksa Energy saved over 2 million m<sup>3</sup> of water at its power plants in Antalya and Bolu.

#### **Natural Resource Management**

At Aksa Energy, innovative initiatives for efficient water use constitute the main practices for the conservation of natural resources, which are declining at an alarming rate. The Company shapes its operations with the aim of minimizing its water consumption by means of an effective management.

For this purpose, the decarbonization systems in Ali Metin Kazancı Antalya Natural Gas Combined Cycle Power Plant and Bolu Göynük Thermal Power Plant help conserve water in production processes.

Thanks to the decarbonization facilities established at Bolu Göynük Thermal Power Plant and Ali Metin Kazancı Antalya Natural Gas Combined Cycle Power Plant, 530,689 m<sup>3</sup> and 1,495,108 m<sup>3</sup> of water were saved at the power plants in Antalya and Bolu, respectively in 2021.

Moreover, Çatak Pond was created through a TRY 17.5 million investment at Bolu Göynük Thermal Power Plant. In addition, a seawater desalination system was installed at Northern Cyprus Kalecik Heavy Fuel Oil Power Plant. This system meets 100% of the plant's water requirements.

#### **Waste Management**

All waste is disposed of in keeping with applicable laws, rules and regulations, and in line with the Company's Environmental Policy.

Hazardous and non-hazardous waste arising from the Company's production processes is recycled at the intervals specified in Waste Management Policies. Hazardous waste released by processes is stored in temporary waste storage areas on the plant sites, where its contact with the external environment is cut off to prevent jeopardizing human health and the environment. Later, these materials are transported in licensed vehicles to recycling or disposal facilities. Packaging waste is sent to recycling companies contracted by municipalities in the regions where the facilities are located. Aksa Energy recycled 3,987 tons of hazardous waste in 2021.

The ash originating from the Bolu Göynük Thermal Power Plant is no longer taken to a temporary ash storage area but instead stored in the South Regular Ash Landfill, which was completed in 2017 and granted environmental permit by the Ministry of Environment and Urbanization.



Aksa Energy started to study the habitation areas of Mediterranean Monk Seals in the coastal area of TRNC in 2021. The breeding, sheltering, and wandering areas of seals in this zone will be identified and mapped with the project.

## **Aksa Energy continues its operations with a special focus on possible environmental impact on species living in its areas of operation.**

As a result of the importance Aksa Energy attaches to waste management and the works carried out in this context, Ali Metin Kazancı Antalya Natural Gas Combined Cycle Power Plant and Bolu Göynük Thermal Power Plant were granted the "Zero Waste" Certificate in January 2021.

### **Protection of Biodiversity**

Aksa Energy continues its operations with a special focus on possible environmental impact on species living in its areas of operation. The Company regularly monitors, evaluates and reports the impact of its operations on biodiversity.

In this scope, Aksa Energy collaborated with Hatay Nature Conservation Association (TAKODER) from 2015 to 2021. They realized various monitoring and research works to detect several endangered animal species. The company implemented projects to find out the current situation of Hatay Mountain Gazelle, Striped Hyena, Red Deer, Brown Bear and Lynx species and to attain information regarding their living spaces and ecology. The company shared all outputs and protection measures of these projects with the related ministries.

Aksa Energy started to examine the living spaces of Mediterranean Monk Seals in the coastal area of TRNC in 2021. The breeding, sheltering, and wandering areas of seals in this zone will be identified and mapped with the project.

## Environmental Sustainability

**Aksa Power Generation which acts based on the Environmental Sustainability principles achieves an effective waste management and works on the improvements for lowering the consumption of natural resources.**



**For the powder coating process at its new factory, Aksa Power Generation established a process line that is more insulated, generates less waste and reduces unnecessary consumption of powder coating by applying the powder coating effectively.**

## 60% Solar Energy

At Çerkezköy facility of Aksa Power Generation, 60% of the internal power consumption is provided by solar energy.

### **AKSA POWER GENERATION AND THE ENVIRONMENT**

Aksa Power Generation which acts based on the Environmental Sustainability principles achieves an effective waste management and works on the improvements for lowering the consumption of natural resources. Furthermore, the company works on using energy resources more efficiently and utilizes renewable energy both in its products and its processes.

Aksa Power Generation meets all the requirements of the Ministry of Environment and Urban Planning at its new factory in Çerkezköy and continues its studies to obtain

an Environmental Permit. The Company successfully completed the Environmental Audits and obtained the Trial Permit which is the first stage in this regard. It also plans to obtain an Environmental Permit in 2022.

For the powder coating process at its new factory, the Company established a process line that is more insulated, generates less waste and reduces unnecessary consumption of powder coating by applying the powder coating effectively. In addition, the company began to use electrical transporters instead of fuel transporters (forklifts etc.) within



Furthermore, Aksa Power Generation works on using energy resources more efficiently and utilizes renewable energy both in its products and its processes.

## Environmental Sustainability

**When dying the cabins and chassis it produces, Aksa Power Generation uses TGIC-free triglycidyl isocyanurate and lead-free polyester powder coatings, which are both ecofriendly and non-toxic to human health.**

### 41,000 Kg Hazardous Waste

Aksa Power Generation sent 41,000 kg of hazardous waste to the relevant licensed institutions for their disposal.

the factory. Thus, the consumption of non-renewable fuels was reduced, and the quantity of hazardous waste arising from the maintenance-repair of these transporters was also minimized. The Company has also initiated "Zero Waste" activities for 2022.

Acting with the awareness of the importance of renewable energy, Aksa Power Generation also benefits from solar energy system for the energy consumption of its Çerkezköy factory. In this way, it has started to obtain 60% of the internal energy consumption from the sun which is a renewable energy resource.

Aksa Power Generation shaped its sustainability approach on environmental measures and best practices. To this end, Aksa Power Generation established the Environmental Management System, which pledges to:

- Fulfill its legal and regulatory obligations in Turkey and in other countries where it operates, to periodically evaluate them and ensure their continuity,
- Always strive to improve its environmental performance,
- Work to raise environmental awareness of its employees, their families, and society at large,
- Ensure the re-utilization of waste generated as a result of its business activities,

- Minimize the amount of waste causing water, air, and soil pollution and undesirable impacts such as noise and vibrations and to dispose of non-recyclable waste in the required manner,
- Ensure that energy, raw materials, and natural resources are used efficiently,
- Consider environmental impacts when evaluating new investments,
- Informing suppliers and subcontractors providing goods and services to the company about the environment.

Aksa Power Generation's environmental protection efforts can be divided into the following three categories:

#### Generation

- When dying the cabins and chassis it produces, Aksa Power Generation uses TGIC-free triglycidyl isocyanurate and lead-free polyester powder coatings, which are both ecofriendly and non-toxic to human health.
- Wastewater generated at the company's Istanbul-based production facilities is discharged to Çerkezköy Organized Industrial Site's Channel after processing at the treatment plant to prevent



**Aksa Power Generation sends packaging, nylon and parcel waste from its sold products to ÇEVKO (Foundation for Environmental Protection and Packaging Waste Processing) under a contract signed with this entity.**

## 830,000 Kg Non-hazardous Waste

Aksa Power Generation sent 830,000 kg of non-hazardous waste to licensed institutions for their recycling.

any negative impact to the environment. As part of this, Aksa Power Generation has permission for Conduit-Type Sewer Connection for Çerkezköy Organized Industrial Zone.

- In response to market demand, Aksa Power Generation supplies its customers with diesel engine gensets certified at European EU Stage 2, and American EPA (Environmental Protection Agency) Tier 2 and Tier 3 emission levels.

### Recycling and Disposal

- Aksa Power Generation sends packaging, nylon and parcel waste from its sold products to ÇEVKO (Foundation for Environmental Protection and Packaging Waste Processing) under a contract signed with this entity. The packaging waste generated during production is collected separately and delivered to licensed recycling facilities for reuse.
- Waste oil generated during engine testing is sent to licensed firms for recycling.
- Waste sludge generated at the water treatment facility is dispatched to licensed hazardous waste disposal facilities.

- Waste batteries consumed in production or at the staff's homes are collected and sent to the municipality for recycling.
- Cooking oil used in the company cafeteria is collected and delivered to licensed firms for recycling purposes.
- Aksa Power Generation manufactures its gensets in line with Waste Electrical and Electronic Equipment (WEEE) and Restriction of Hazardous Substances (ROHS) standards.
- It made an agreement with the licensed institutions for non-hazardous wastes and hazardous wastes generated from the processes in 2021 and sent a total of 830,000 kg non-hazardous wastes for recycling and a total of 41,000 kg hazardous wastes for disposal to the relevant licensed institutions.

### Preventing Noise Pollution

As the only Turkish genset manufacturer to conduct its own sound testing, Aksa Power Generation produces 28 different products that comply with the universally accepted IEC 34 (International Electrotechnical Commission) standards and undergoes the audits performed by notified body.

## Environmental Sustainability

**Aksa Agriculture ensures reduction, sorting and recycling of the waste which is generated during its operations, at their source and the disposal of the inappropriate waste.**

**19,000** Kg  
**Non-hazardous Waste**

Aksa Agriculture sent 19,000 kg of non-hazardous waste to recycling.

### **AKSA AGRICULTURE AND THE ENVIRONMENT**

#### **Environmental Policy and Practices**

Aksa Agriculture Business Units ensure reduction, sorting and recycling of the waste which is generated during its operations, at the source and the disposal of the waste that cannot be recycled, with the ideal procedures. Within this context, leaving a more livable world to future generations and protecting natural resources based on the works and processes as part of the Environmental Law make up the ground of Aksa Agriculture's environmental policy.

In line with this policy, Aksa Agriculture held training for its employees in 2021 to raise their awareness of the Zero Waste Project. Besides, the training included the topics such as nourishing earth with the compost method of organic wastes, and the social responsibility within the Plastic Lid Project implemented by the Spinal Cord Paralytics Association of Turkey.

As part of the Environmental Policy, the company also equipped the areas of necessity with the collection equipment to enable its employees to sort waste at the source.

With the aim of preventing environmental pollution, it follows and complies with the legal and international legislations and meticulously obeys the commitments of Environmental Impact Assessment (EIA) to continuously improve the environmental performance of its enterprises.

- It works on ensuring that all rainwater channels in the area of barns are cleaned at regular intervals, and rainwater that contacts with manure is taken into the manure ponds. Besides, it performs field cleaning periodically.
- It carries out regular health controls of cattle in the facility and applies specific equipment and procedures for the medical waste which results from medical response.

In addition to these, Aksa Agriculture kicked off its revision activities for improving the waste storage areas in its facilities. The process is continued.

## Waste Management

Aksa Agriculture sent hazardous and non-hazardous waste generated at Gelemen Facility to the authorized institutions that hold environmental permits and licenses. The waste that cannot be sent away are kept in the existing waste storage areas without giving harm to environment.

### In 2021;

- 1,520 kg of hazardous waste was sent to recycling.
- 19,000 kg of hazardous waste was sent to recycling.
- 1,170 kg of organic waste was delivered to the relevant municipality and sent to solid waste storage area.
- Manure from livestock activities is sorted as liquid and solid. The solid part is used as part of Green Energy at biogas facilities while the liquid part is utilized for agricultural purposes both in the enterprise and in the surrounding farmer lands.

## AKSA TOURISM AND THE ENVIRONMENT

Aksa Tourism adopts the mentality of "sustainable development and sustainable environment" in all its activities. In parallel with this mentality, the Company is committed to minimizing its waste, preventing pollution at the source, reducing its negative impacts on the environment, monitoring developments in technology to prevent pollution, and continuously enhancing its environmental performance. To manage the Company's targets and priorities of sustainability, and to improve its performance, the quality, food safety, environmental and sustainability policy applied for its hotels is consistently taken into account and upgraded. Aksa Tourism warns its suppliers about taking the necessary precautions in all processes related to activities of the three hotels within its portfolio and gives its employees training regarding environmental



**Aksa Tourism began to save significant amount of water with the "Gray Water Project" which ensures treatment and use of the waste water supplied from faucets and showers in the toilets of guests' bathrooms.**

awareness. Moreover, it promotes its stakeholders to protect this consciousness by holding encouraging activities for its guests to reinforce this understanding.

Aksa Tourism began to save significant amount of water with the "Gray Water Project" which was initiated in 2019 and put into practice in 2020, and ensures treatment and use of the waste water supplied from faucets and showers in the toilets of guests' bathrooms.

Aksa Tourism has set up bulletin boards and panels in its premises to share its environmental consciousness with its guests and raise their awareness on ecological issues. Keen to learn its guests' suggestions and ideas on the protection of the natural environment, Aksa Tourism designed a questionnaire in four languages to collect these.

The Company also aims to reduce electricity consumption and enhance energy efficiency with an investment in an automation system that will help monitor the entire consumption at its Antalya facility.

In line with its waste management plan, Aksa Tourism disposes all types of waste in accordance with legal and regulatory requirements. The company sent a quite high amount of excess products to recycling/disposal: 70 kg of electronic waste, 1,010 kg of hazardous waste, and 6,945 kg of vegetable waste oil.

Aksa Tourism that periodically verifies its environmental protection-purpose data through the measurements within regulations aims to certify and ensure the continuity of its environment activities in this field by obtaining Green Star and ISO 14001 Environmental Management System certifications.

Aksa Tourism will continue to enable its employees to act in line with its approach about environmental sustainability by raising their awareness on this subject, to support the projects which will contribute to protection of national values and cultural richness and to encourage its employees to volunteer in the relevant social activities performed.

## Corporate Social Responsibility

# BENEFICIAL PROJECTS FOR SOCIETY

Kazancı Holding realizes numerous organizations on equality of opportunities and environmental awareness as well as providing a significant benefit to society in its corporate social responsibility projects.

**Voluntary team of the “Energy for Tomorrow” project reached approximately 2,500 students in 25 village schools in 23 cities by traveling more than 8,500 km.**

### ENERGY FOR TOMORROW

In 2019, Kazancı Holding’s energy companies – Aksa Energy, Aksa Natural Gas, Aksa Power Generation, and Aksa Electricity – joined forces for a major social responsibility effort: “Energy for Tomorrow.” As part of the project “ENERGY FOR TOMORROW,” Corporate Communications teams of the Group Companies travelled to all parts of Turkey and provided energy courses at the middle schools in villages.

From the beginning of the project in March 2019 to outbreak of the pandemic, the team of volunteering corporate communications employees from Group Companies travelled more than 8,500 kilometers and reached approximately 2,500 students in 25 village schools in 23 cities. The team visited village schools in Van, Ağrı, Elazığ, Malatya, Balıkesir, Çanakkale, Trabzon, Rize, Amasya, Tokat, Ordu, Giresun, Zonguldak, Düzce, Bolu, İzmir, Manisa, Bursa, Bilecik, Adana, Mersin, Hatay and Osmaniye to provide comprehensive energy education to students in 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> grades.

The Energy for Tomorrow team provided students with useful information on every aspect of energy – including energy resources, energy efficiency, efficient use of energy, energy

literacy, the concept of clean energy, and energy generation – in addition to background on the Group’s energy operations.

To reinforce students’ knowledge, an energy themed math game was developed specifically for the project in line with the math curriculum of the Ministry of National Education. Numerous experiments were used to educate the students in an entertaining way. At the conclusion of each event, students were presented with an Energy Encyclopedia, various stationery items and backpacks.

Educational content of the project –suspended due to the pandemic as of March 2020 was turned into an animated cartoon and shared on YouTube. Energy Encyclopedia which informed children about many subjects such as energy resources, energy efficiency, energy literacy and clean energy in 2021, and [www.enerjimizyarinlara.com](http://www.enerjimizyarinlara.com) web site where the animated cartoon of the project is found were formed and the digital platform was offered to access of all children and presented to them on April 23.



## Corporate Social Responsibility

**Aksa Natural Gas has been implementing “Life Companion” project since 2015 to facilitate lives of its subscribers with disabilities by providing them faster service in its area of operation.**

### **5,197** Subscribers

Number of the subscribers with disabilities registered in Life Companion has reached 5,197.

#### **AKSA NATURAL GAS**

##### **Life Companion**

Aksa Natural Gas firmly believes that providing equal opportunity to all segments of society is of utmost importance for the economic and social development of our country. In this context, the company closely monitors the problems experienced in everyday lives of disabled citizens in Turkey, representing more than 9 million people. In line with this vision, Aksa Natural Gas launched the “Life Companion” project in 2015 to facilitate the lives of disabled subscribers by providing much faster service in its areas of operation in case of emergency.

As part of the project, those who register in Aksa Natural Gas’ subscriber system and indicate that they are disabled are given priority in their calls to “187 (Natural Gas Emergency Line)” or “444 4 187 (Solution Center).” These special status subscribers are connected to a customer representative in 3 seconds on average. In addition, natural gas emergency teams are sent to their location without waiting for an explanation of the request. Providing emergency services for disabled subscribers who live alone in the event of a hazardous situation, Aksa Natural Gas gives priority to disabled subscribers who are connected to a customer representative for support and immediate assistance.

With 5,197 subscribers with disabilities registered in the Life Companion system, the Company has provided necessary support to 5,575 calls received to date and responded to the requests of 736 subscribers with emergency teams.

##### **Sponsorship for the National Wheelchair Tennis Team**

Aksa Natural Gas is committed to supporting sports in its operating regions. The Company unites its corporate vision with this support via the Life Companion project and continues to support disabled athletes. Within this scope, Aksa Natural Gas has sponsored the athletes on the National Wheelchair Tennis Team since 2018.

##### **“Let It Stay Natural”**

Each year, Aksa Natural Gas introduces more than 350 thousand families across Turkey to the comfort and convenience of natural gas. In early 2019, the Company began delivering gas meters to its subscribers in recyclable multi-use nonwoven bags, rather than single-use plastic bags. Aksa Natural Gas stopped using plastic bags in all of its distribution regions, thereby helping to reduce the production of plastic bags by more than one thousand tons.

Aksa Natural Gas aims to help end the production of plastic bags, which amount to more than one ton each year. In line with this target, the Company ceased production of 3,200 kilograms of single-use plastic bags, providing new subscribers with reusable nonwoven bags instead. The new nonwoven bags for meters, an eco-friendly alternative to plastic bags, can be reused more than 100 times, for shopping or other needs. "Let It Stay Natural" is printed on the bags, drawing awareness to climate and environmental issues. Aksa Natural Gas continues the use of recyclable bags in 2019, in accordance with the Company's commitment to leaving behind a greener world.

### Other Social Responsibility Activities

**Book, Stationery and Clothing Aid to Students:** Employees of Aksa Natural Gas provide school supplies, stationery and clothing aid to needy students during their regular visit to schools in the company's area of operation.

**Visits to Nursing Homes and Child Protection Centers on Special Days:** Employees of Aksa Natural Gas visit nursing homes and child protection society centers on special days to support the individuals living at these facilities.

**Blood and Stem Cell Donation to the Turkish Red Crescent Society:** At the events organized periodically under the coordination of Aksa Natural Gas, employees make blood and stem cell donation to the Turkish Red Crescent Society.

### AKSA ENERGY

With the ultimate goal of creating value for all its stakeholders, Aksa Energy conducts activities that contribute to the economic, social and cultural development of local residents in the Company's impact area.

The human resources required in the Company's regions of operation are recruited locally, creating job



To reduce the use of single-use plastic bags, Aksa Natural Gas provided its new subscribers nonwoven bags which can be used for a long time and ended the production of 3,200 kg of plastic bags. With this exemplary application, the Company was chosen as the Low Carbon Hero at the 6<sup>th</sup> İstanbul Carbon Summit.

opportunities in those communities and regions. As of the end of 2021, the local employee rate of the Company was 65% in Ghana, 63% in Madagascar, 65% in Mali, 89% in Cyprus, and 52% in Uzbekistan.

Bolu Göynük Thermal Power Plant's staff was recruited from the villages of Bölükcekova, Himmetoğlu and Karaardıç, in the vicinity of the plant. When additional services are needed at the power plants, sub-contracting companies are selected from the region to contribute to the expansion of the local labor market, thus creating a source of income for the local population.

Additionally, lasting value is created through infrastructure works and repair projects which aid the development of the local economy in the regions where the Company operates; complaints and requests communicated through the feedback mechanisms specialized to meet the diverse requirements and demands of stakeholders and the local public are assessed and Aksa Energy provides support to its stakeholders with various

donations. In this context, the company donated a total of TRY 3,370,582 during the year.

### Social Aid Campaigns

Aiming to create the greatest value for all its stakeholders in its impact area, Aksa Energy has adopted the principle of supporting social welfare and development wherever it operates. As a corporate citizen having social responsibility, the company focuses on activities to meet other basic needs of local people such as education, food, and health, especially in the African continent, and implemented social welfare campaigns in Madagascar for the first time in 2019. While these efforts were accelerated in 2020, 2.5 million Ghana cedis were donated to the Covid-19 fund in Ghana, and TRY 2.5 million was donated to the Aid Fund of Doctor Burhan Nalbantoğlu State Hospital in Northern Cyprus. In addition, the aid collected from clothes to toys, from kitchenware to curtains was delivered to an orphanage near the Madagascar Power Plant with the voluntary support of the employees of other companies within the Kazancı Group.

## Corporate Social Responsibility

**With the ultimate goal of creating value for all its stakeholders, Aksa Energy conducts activities that contribute to the economic, social and cultural development of local residents in the Company's impact area.**

### TRY **3.3** Million Donation

Aksa Energy donated TRY 3,370,582 to the areas where it operates.

In 2021, Aksa Energy supported the construction of a canal in the village of Kpone Kokompe, located near the Ghana Power Plant, in order to prevent land degradation, flooding, and loss of life and property caused by sudden and heavy rains experienced during certain periods of the year in the country. Within this scope, the company built a rain canal and two culverts (canals) in the campus near the power plant in cooperation with the local South Haana Development Association.

Aksa Energy regularly provides social support to the "Cris Des Mères" Orphanage in the southwest of Bamako, approximately 21 km from the Mali Power Plant. In addition to providing basic food, cleaning, stationery, and clothing, hobby activities that will contribute to social development are implemented. The Company also undertook the restoration works of the orphanage in 2021.

In Madagascar, the Company provided food and water aid to a total of 1,200 families in three different regions of the island (Sampona, Analapatsy, and Ambovombe) in April 2021 due to the intense famine and drought in the south.

#### **Aksa Fotofest 2021**

Aksa Energy holds a photography contest named Akxa Fotofest regularly in order to contribute to the world of culture and art in Northern Cyprus as well as to

support photography. Amateur artists find the opportunity to represent the local culture in different media through their works, thanks to the competition organized with a different theme every year. The themes of the competition, which was held for the 6<sup>th</sup> time in 2021, were determined as "Life in Cyprus," "Nature," and "Free Colored/Black and White." Within the scope of this year's competition, 9 people were awarded in 3 different categories, and 58 works were found worth exhibiting.

#### **Sponsorship of the TRNC Football Leagues**

Aksa Energy became the title sponsor of the TRNC football leagues within the scope of the sponsorship agreement worth TRY 3 million that it signed with the Cyprus Turkish Football Federation in 2021. With the protocol, names of the leagues were changed to AKSA Super League, AKSA 1<sup>st</sup> League, and AKSA A2 League for two years.

#### **AKSA ELECTRICITY**

##### **Your Energy, Your Painting**

The 3<sup>rd</sup> edition of "Your Energy, Your Painting" painting contest of Akxa Electricity was organized this year with the participation of the 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> grade students in 81 provinces of Turkey via the company's social media accounts with the theme Saving Is Our Business. A total of 20 students were granted awards for their paintings.



The 3<sup>rd</sup> edition of “Your Energy, Your Painting” painting contest of Akse Electricity was organized this year with the participation of the 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> grade students in 81 provinces of Turkey.

## ÇORUH ELECTRICITY DISTRIBUTION

### Zero Waste Certificate

Çoruh EDAŞ was entitled to receive the “Zero Waste Certificate” given by the Ministry of Environment, Urbanization and Climate Change in all of the relevant provinces by completing the training on waste management in the regions where it provides electricity distribution service. Çoruh EDAŞ will keep pursuing the practices which aim to protect natural resources and to make recycling widespread based on sustainability principles, and will add value to people and environment.

### Your Family is in Your Trust, Your Energy in Ours!

During the pandemic that affected the whole world and our country, the motto of Çoruh EDAŞ most emphasized on online channels was “Your Family is in Your Trust, Your Energy in Ours!”. From the moment the Covid-19 case started to appear in our country, the Company activated its WhatsApp Communication Line in order to communicate instantly with its subscribers and resolved the requests and complaints of its subscribers as soon as possible.

### Women’s Touch on Çoruh EDAŞ Distribution Panels Make Trabzon Streets Much More Beautiful

Launched with the support of Çoruh EDAŞ, the project helped ornament

the streets of Trabzon with arts. Bridge piers, walls, as well as Çoruh EDAŞ’s distribution panels acquired an aesthetic look thanks to the female artists’ paintings under the project, which is co-run with the Metropolitan Municipality of Trabzon and International Women Artists’ Association Femin&Art.

### Each Drop of Blood Means a Life Saved

Driven by its social responsibility and solidarity mindset, Çoruh EDAŞ aims to raise public awareness on the importance of blood donation. In this regard, the Company’s employees launches a blood donation campaign periodically to support Turkish Red Crescent Society under the motto “Each Drop of Blood Means a Life Saved.”

## Corporate Social Responsibility

**Within the project of Fırat EDAŞ aiming at contributing to zero waste activities, designated waste containers were placed in the company's offices in Elazığ, Tunceli and Bingöl.**

### 500 Students

Elazığ Gönül Kazancı Vocational and Technical Anatolian High School started its educational activities with the attendance of 500 students.

#### **FIRAT ELECTRICITY DISTRIBUTION**

##### **Gönül Kazancı School Building**

Fırat EDAŞ which did not stay indifferent to Elazığ earthquake undertook the reconstruction of the Anatolian High School demolished in the disaster. Despite the pandemic, Construction of Gönül Kazancı Vocational and Technical Anatolian High School building with 21 classrooms was built on a project area of 3,724 m<sup>2</sup> was completed rapidly in August 2021 after signing the protocol with the Provincial Directorate of National Education. The school started its educational activities with the attendance of 500 students.

##### **Zero Waste Project**

Within the project of Fırat EDAŞ aiming at contributing to zero waste activities, designated waste containers were placed in the company's offices in Elazığ, Tunceli and Bingöl, and the labels that showed the instructions on how to use the containers were hung on the walls. To be sustainable, the Sustainable project was extended in all provincial directorates. As a result of such activities, Fırat EDAŞ gained the right to receive Zero Waste Certificate in three provinces. It is aimed to obtain Zero Waste Certificate for Malatya Provincial Directorate of the Company in 2022.

#### **Donate Blood With Your Energy, Save Lives**

Fırat EDAŞ supports Turkish Red Crescent Society through regularly organized blood donation campaigns. In addition to blood donations, the Company encourages volunteers to donate stem cells as part of the campaign.

##### **Free the Birds**

As part of the "Free the Birds" social responsibility project, efforts are carried out to prevent the factors that may constitute a hazard for birds' natural migratory roads. In this regard, placement of spikes and isolation activities have been conducted for 8,138 poles in the distribution region which is an important migratory bird stopover site since commencement of the project.



**Aksa Power Generation organized several donation activities for regions affected from the fire and flood disasters that occurred in July and August in our country. The Company dispatched generators for the disaster regions where energy was needed.**

## 8,138 Poles

Within the "Free Birds" project, spikes were placed and isolation activities were performed for 8,138 poles.

### AKSA POWER GENERATION

Aksa Power Generation organized several donation activities for regions affected from the fire and flood disasters that occurred in July and August in our country.

The Company dispatched generators for the disaster regions where energy was needed especially for the local authorities and government agencies in Bodrum, Marmaris, Manavgat, and Silifke as of the first day of fire outbreaks to meet the energy need in these areas. It worked in communication and in harmony with the local authorities.

Aksa Power Generation which collaborated with the state institutions again in the flood disaster realized in Black Sea Region dispatched generators to the regions in need of energy.

Aksa Power Generation will continue to provide the necessary support for emergency cases that may occur in all operating regions through its expert staff and expansive generator stock.

### AKSA TOURISM

With the project that it developed as part of the social responsibility activities, Aksa Tourism aimed to host the children staying at state dormitories, at its hotel and to offer a safe and entertaining environment to them. The Company targets developing the project further in the next years to ensure its continuity.

Planning to develop a new corporate social responsibility initiative in 2022, the Company targets benefiting from the products in the production farms of the Foundation for Children with Leukemia (LÖSEV) in food purchases for hotels, thereby providing financial support for treatment of the children with leukemia.

## Information Technologies

# FUTURE IS THE TARGET OF DIGITAL TRANSFORMATION

In 2021, Kazancı Holding made its mark with the largest and most comprehensive SAP digital transformation program of recent times in Europe.

**As part of the large digital transformation program, which is still ongoing within Kazancı Holding, centralization and standardization in information technologies were first achieved.**

To manage its operations spreading across four continents, in the most efficient and the most reliable way, it develops pioneering initiatives in digital transformation and remote management and strives to incorporate all kinds of new technologies into its infrastructure to adopt a more agile holding structure. Maintained to prepare Kazancı Holding for future by ideally benefiting from the opportunities created by digital technologies, the digital transformation program is at the heart of the studies within this scope.

With the large digital transformation program launched by Kazancı Holding in 2016, centralization and standardization in information technologies were first achieved. In 2021, the Company which consolidated its management further through developed analytical applications, artificial intelligence and robotic applications made its mark with the largest and most comprehensive SAP digital transformation program of recent times in Europe.

Kazancı Holding shapes its roadmap and investments in the field of Information Technologies (IT) for the purpose of consistently developing business manners of its Group Companies with a focus on sustainability, operational excellence, customer satisfaction and profitability. In 2021, it put the following projects into practice.

### **HORIZON21 SAP TRANSITION PROJECT**

In this project started by Aksa Natural Gas in the last quarter of 2019 to move all invoicing-collection, customer and field operations end-to-end into SAP application, test processes commenced in March 2021 and transition for the first region was performed in November 2021. It is planned to generalize this project, the first S/4HANA project in Turkey's energy market, across all regions within 2022.

Simultaneously with this operation, the first step of the program in which ERP systems of all Group Companies will be reestablished in SAP S/4HANA environment was completed through commissioning. All ERP processes, finance and logistics in particular, were redesigned in line with Kazancı Holding's centralization, simplification and singularization strategies.

### **BUSINESS INTELLIGENCE PRACTICES**

- In Aksa Power Generation Operation and Sales Marketing Group, Capacity Load Dashboard, Production Dashboard and Opportunity and Visit Dashboards were put into use.
- In Electricity Distribution Group, over 50 demands such as Customer Operations Dashboard, Quality Dashboard, Occupancy, Reading Analysis, Meter Setting Desk, Failure Repair and OSOS Dashboards were met.

- Continuous improvement and development were achieved according to the instructions of EMRA in Edvars (Electricity Distribution Data Warehouse and Reporting System) reports.
- Development of the platforms where Kazancı Holding Finding Tracking System Dashboards, Project Tracking Reports and Information Technologies Masterplan and Projects can be monitored in a consolidated manner was completed.
- In Natural Gas Group, Dashboards for EBIS (Electronic Notification System) reports and their details were designed.
- In Electricity Retail Group, PaperWork flow detail reports, Security Deposit and Quality Dashboards were put into use.
- In Energy Group, a development study was performed to ensure that Africa Cyprus trade receivable report is communicated within the designated periods.

## SYSTEM AND INFRASTRUCTURE

### Business Continuity

Within the scope of business continuity, Technology Services (Infrastructure systems and applications) have been upgraded to the level of being instantly monitored and generating alarms for operation teams through monitoring systems.

### Access Management Systems

Privileged access management systems were put into operation with the aim of ensuring and recording the access security of infrastructure systems.

### Virtualization

Server systems were virtualized at a rate of 96% within the virtualization project launched for energy and source efficiency, enhancement of operational capability and business continuity.

### Video and Voice Messaging Systems

Instant video and voice messaging systems were implemented to raise the effectiveness of internal communication.



**Cyber Security Operation Center service is deployed and the security activities maintained throughout the Group made available to be monitored and tracked 24/7.**

### Vulnerability Analyses

Security levels in power plants were increased by carrying out extensive vulnerability analyses and security consolidation works.

### SD-WAN Project

In Electricity Distribution Companies, a transformation project was launched with software-defined wide area network (SD-WAN) technologies for uninterrupted communication and communication security in the infrastructure of SCADA wide area network connections.

### Authentication Systems

Security level was boosted in remote accesses by commissioning multi-factor authentication systems.

### User Hardware Renewal

Within the security improvements throughout Kazancı Group, hardware renewal activities for the work stations used by the employees who own the expired operating systems with insufficient hardware were carried out.

### ISO 27001 Information Security

In accordance with ISO 27001 Information Security Management System, audits on reviewing the certificates of Kazancı Holding, Çoruh EDAŞ, Fırat EDAŞ and Akça Power Generation were completed successfully. Since the production facility of Akça Power Generation was moved to Tekirdağ Çerkezköy, scope expansion audit was performed. In consequence of the external audit, compliance of ISO 27001 Information Security Management System was achieved and added to the existing ISO 27001 certificate of Akça Power Generation as scope expansion address. Information Security Awareness Training was moved to Akça Academy training platform and made available to all employees.

### 24/7 Cyber Security Operation Center

Cyber Security Operation Center service is deployed and the security activities maintained throughout the Group made available to be monitored and tracked 24/7.

### IT Service Management

Within IT Service management, project of digital transformation with intelligent decision support systems was launched for help desk activities.

## Information Technologies

**MES Project was realized in generator plant at the end of 2021 to raise traceability in production, and to receive real-time data about the production phases from lines and comment on them.**

## Authentication Systems

Security level was boosted in remote accesses by commissioning multi-factor authentication systems.

### SOFTWARE DEVELOPMENT

#### Aksa Mobile Project

Aksa Mobile Project aims to enable all employees to get access to the information obtained from different platforms, via a single central mobile application. Development of the application to be uploaded to mobile phones by users was completed in Phase I. User-friendly screens where employees can log in with their user's name and password from home screen were designed. In the application with which all employees can see the sections such as announcements, those born today, mini survey, my debits, who is who and where is the region of employment which are shared in a certain format set by HR and Corporate Communication Departments, it was aimed to make requests such as permission, vehicle and AYM easily. It is aimed to introduce the application to iOS markets in 2022.

#### Common Platform

A web-based platform was developed to conduct the processes between the Distribution and Retail companies in accordance with the rules of competition authority, and the processes between companies went live in a reportable, quick and secure manner.

#### Generator Plant MES Project

MES Project was realized in generator plant at the end of 2021 to raise traceability in production, and to receive real-time data about the production phases from lines

and comment on them. As of January 2022, MES system began to produce data. Additional developments go on simultaneously with the use of the system.

#### Sales Cloud (C4C) Reference Project

With this project, large-volume generator projects implemented up to now can be displayed instantly via the system (C4C) and shown as PDF presentation in order to be offered to new and potential customers. This project which covers domestic and international reference projects is utilized by marketing and sales teams.

#### Service Cloud / Sales Cloud (C4C)

In 2021, the work on the formation of proposal processes on C4C platform was realized as part of the Aksa Power Generation Second Hand services. Additional development studies were completed in proposal processes for the service, ensuring that Service Proposal documents are kept as independent processes.

"Key User" structure which differed owing to the change in staff on the service side was reestablished with new training. The next system trainings are aimed to be performed on this structure.

#### E-Yaz, Inpos and SAP Integration

Product sales performed by Aksa Customer Solutions branches are managed in this system. Sales are made from the branches and the sales performed are reported by



Since Kazancı Holding and all Group Companies are subject to audit, the Findings Tracking System Project has been put forward with the aim to carry out internal audits on a regular and traceable basis through the system.

means of this system. It ensures that accrual, collection notifications are forwarded, E-Invoice, E-archive documents are issued and data is transferred to the SAP side.

#### **AKSA Charging Project**

Within phase 1 of the project, the works on the establishment of vehicle charging stations, their mobile application and the design of management panel are realized. Charging stations and mobile application were put into service.

#### **EPSAŞ PaperWork Processes**

Works for the bill objection process requested on the side of Aksa Electricity Retail Sales Companies, SMS/E-Mail sending and reporting processes, and the security deposit inquiry process were carried out and put into effect.

#### **Process and Performance Management Project**

The project allows for visually modelling the business processes, defining the organizational

units, roles, responsibilities, relevant documents and process performance indicators and gathering and measuring performance data to support the mentality of "Management with Processes."

#### **Project on Receiving E-Government Individual-Distance Sales Contract**

On Aksa Electricity side, the Electricity Retail Sales Application contracts are drawn up with the individual customers via e-Government. Applicants can complete the process by entering the application and contract information at any time with e-Government data.

#### **Finding Tracking System Project**

With this project, it is targeted that internal audits of Kazancı Holding and all Group Companies which are subject to audit are performed via system in a regular and trackable manner. In this way, all processes of

the Holding are audited, examined, controlled and reported and the relevant actions are taken.

#### **TAOSOS Project**

Within the work on centralization and accrual of General Lighting OSOS (Automatic Meter Reading System) data, the data from automatic meter reading system (OSOS) of general lighting facilities are transferred to data set in real time to be sent to TEDAŞ. Additionally, they are matched with superordinate identity information produced by the related platform, and transferred to TEDAŞ OSOS system. Collection of OSOS data and transfer of all information specified in the Procedures and Principles Regarding Payment were ensured.

#### **EDAŞ Work Flows**

A total of 37 processes that positively affect the electricity distribution work flows in the year were subjected to change/revision study.

## Human Resources

# OBJECTIVE IS TO CREATE VALUE ON A GLOBAL SCALE

Kazancı Holding acts with the awareness that its greatest strength is its highly qualified human resources and continues its operations in line with its goal of creating value on a global scale through its innovative corporate culture.

**Kazancı Holding's human resources management and practices are designed to provide employees with a working environment that encourages participation and continuous development, and promotes their performance and engagement.**

Kazancı Holding aims to create value on a global scale with its innovative corporate culture. To this end, the Holding considers highly qualified human resources as its greatest competitive advantage. Kazancı Holding demonstrates this perspective in its Human Resources Policy, which is formulated around the approach: "Our most valuable asset is our human capital." The main objectives of Kazancı Holding's human resources activities include:

- Setting a "best practice" paradigm in human resources for the sector,
- Managing all processes related to human resources in an effective manner to maintain a competitive edge,
- Forming the organizational structure of all Group companies with individuals who are team players, open to change, productive, dynamic, and well-suited to our corporate values,
- Boosting corporate efficiency by implementing practices aimed at improving the performance and development of human resources.

The Group's human resources management approach includes preparing employees for the specific structure and needs of the industries where it operates. The Group also adopts principles and implements practices to ensure that the staff remains dynamic in line with the Holding's strategic objectives.

Kazancı Holding places great importance on a sustainable human resources structure to achieve its long term goals. The Holding's human

resources policies are designed for continuous improvement of the Department's capabilities. The policies are modified and amended as needed in line with long-term company goals.

At Kazancı Holding, human resources management and practices are designed to position the organization as "the employer of choice for development-oriented and productive professionals" among current and potential employees. This objective is achieved by creating a work environment that supports employee participation and continuous development while boosting staff performance and commitment.

The core values that form Kazancı Holding's approach to human resources include:

- Respect for people,
- A sense of belonging,
- Right person for the right job,
- Diversity management,
- Equal opportunities,
- Personal and professional development.

The Human Resources Department provides support for employee selection and placement, remuneration and benefits, training-development, performance and the running of organizational processes through a centralized human resources structure. The Department serves all Group Companies operating under six different business lines.

Kazancı Holding's Human Resources Department ensures that Group Companies are prepared for the present and the future by adopting the

right strategies best suited to their respective organizational structure. The Department's activities are based on an accurate understanding of the workforce's human resources related needs and meeting those needs with the most appropriate and efficient solutions.

### Human Resources Activities and Employee Satisfaction

Kazancı Holding employees are open to change and innovation, dynamic, aware of areas of personal and professional improvement. They are members of a team where continuous development and creativity are actively encouraged, efforts are rewarded, and achievements are recognized.

Employee satisfaction and a sense of belonging are the core components of Kazancı Holding's human resources vision. To this end, the Group continues to develop and implement policies to boost staff loyalty.

Kazancı Holding regards the diversity of its human resources as a valuable part of its organizational structure and a key feature of its intellectual capital. The overarching aim of Kazancı Group's human resources policy is to provide employees with equal opportunities. The Group is firmly against discrimination based on race, religion, language, gender, and sexual orientation. Kazancı Holding embraces universally accepted human rights principles and staunchly opposes child labor and forced labor.

Kazancı Holding places great importance on employee satisfaction. To this end, certain benefits and discounts are provided to staff members via business partnerships within the Group. Cookshop, one of the Group's brands, and hotels operated by Aksa Tourism provide all Kazancı Holding employees with discounts. Additionally, agreements are signed with various institutions in healthcare, education, and similar sectors.

In 2021, Kazancı Holding formed the Aksa Basketball Team - composed of employees from Group Companies - to participate in the inter-company basketball tournament. The Aksa Basketball Team that exhibited strong performance at the court in many matches will continue to exist in the field of basketball by also bringing the team spirit to the game.



**Kazancı Holding offers its employees a career opportunity that is open to innovation and change, focuses on self-improvement and job development, supports creativity and appreciates efforts.**

### 2021: Year of Excellence in Digitalization and Globalization

Human Resources Directorate focused on the transformation of HR processes and operations in line with the digitalization program implemented within Kazancı Holding. Necessary infrastructure works were performed to make all HR operations of over 9,000 employees in 22 countries data-oriented and centralized on a global scale. Within this scope;

- Holding completed integration of the data about international operations into the central system,
- Payroll calculations and controls of the employees working abroad were performed,
- Salary and grading structures were designed in two categories as domestic and global operations,
- Organization of payroll and personnel affairs was centralized for a more flexible management.

With the BI Reporting Structure put into use within the year, it is aimed to get access to all data beginning from 2018, through this system.

### New Competency Model

One of the significant works performed in reporting period as part of Kazancı Holding HR works is the development of the new competency model. With

this model, it is aimed to enable the employees to take more conscious steps towards future, by analyzing the harmony between their existing competencies and their jobs and identifying their strengths and weaknesses which need improvement. In the new competency set, competencies were simplified and divided into two categories: "Basic Competencies" and "Managerial Competencies." A total of nine competencies were determined in both categories.

Within this scope, Aksa Competencies Dictionary was updated and the printed and visual contents prepared to increase awareness of employees were shared in the Intragroup communication media.

#### Basic Competencies

- Self-Development
- Relationship Management
- Collaboration
- Process Orientation
- Result Orientation

#### Managerial Competencies

- Leadership
- Management with Objectives
- Openness to Change and Innovation
- Strategic Planning

## Human Resources

### Success and satisfaction level that Kazancı Holding reaches in the process of responding to job applications was awarded at the Ceremony of “Respect for Human Awards” held by Kariyer.net.

#### Recruitment

In Kazancı Holding, competency-based recruitment system is applied for the purpose of facilitating selection of the candidates who meet criteria of the position to be recruited. As part of “enerjiMAXa” program initiated throughout the Group Companies in 2020, numerous newly-graduated engineers join the Holding to be trained in the fields suitable for their competencies. Thanks to “enerjiMAXa” graduate program, newly-graduated engineer candidates are hired and trained by the professionals specialized in their own fields, and are brought to professional life in the departments which ideally match their interests and abilities. Some of these young talents are appointed in international operations while some of them are employed within Holding’s Group Companies. Thus, the project continues to give support to operational processes in all areas of operation with our young engineers who hold office in Ghana and Madagascar as well as in Turkey. Furthermore, interviews are held on LinkedIn, Recruiter and Kariyer.net to determine the most suitable candidate for the job, especially in the recruitment processes for overseas operations. Competent people join the Kazancı Holding family through these platforms.

In 2021, profile studies were carried out to ensure that recruitment, salary and promotion processes are performed more effectively and more objectively. The qualifications required for all positions were defined.

In 2020 and 2021, the Company made a significant contribution to employment with a total of 253 people through the work performed in its operational period to meet the labor need with the on-the-job training program of İŞKUR.

Success and satisfaction level that Kazancı Holding reaches in the process of responding to job applications was awarded at the Ceremony of “Respect for Human Awards” held by Kariyer.net.

#### Aksa Academy

Kazancı Holding founded Aksa Academy to manage its works for helping capacity development of its employees, from the perspective of a corporate academy. By means of this new training and life platform that aims to offer all employees a value-creating learning experience, it was started to support employees with the highest level of training whose contents are produced with HR internal resources.

A total of 95 different training sessions were organized, and 46,737 online training and 8,172 training were completed within Aksa Academy. Besides, a workshop was held at Aksa Academy with 276 employees in director position. Perspective and leadership training sessions were provided to 197 managers and 60 directors, respectively.

At Aksa Academy, AksaTalks training which is provided by expert and competent instructors and held every two months aims to bring a different perspective to employees. In addition, AksaTalks meetings contribute to personal development of the employees in completely different fields. Within the year, training sessions on various subjects such as emotional intelligence, successful communication and communication language, and emotional agility for parents were held. In digital training realized on behalf of Aksa, the subjects of interest such as sustainability, information security and legal competition which meet the most significant needs of our age were discussed. Over 53,000 training sessions were completed by employees with more than 70,000 entries to the platform.

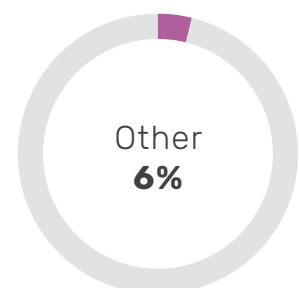
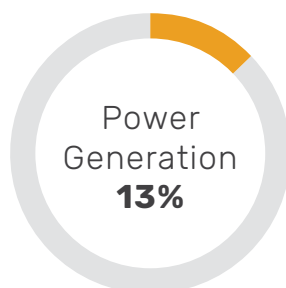
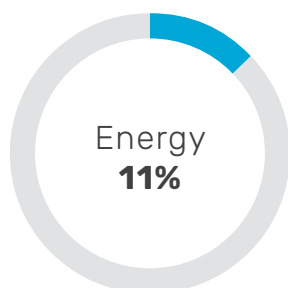
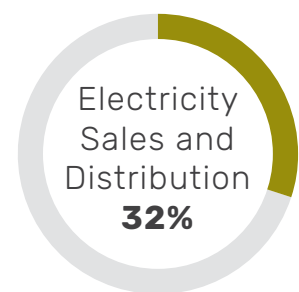
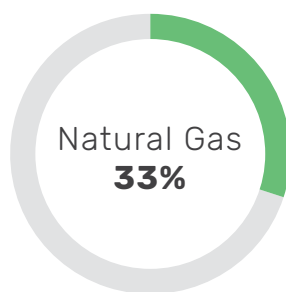
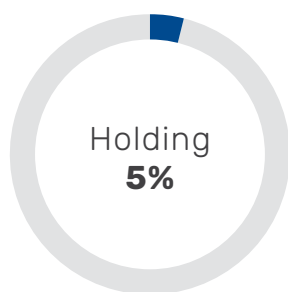
The company plans Aksa Academy to be designed as a digital platform which will be much more dynamic and emphasize life more in the upcoming period. In this regard, content of Aksa Academy will be enriched with articles, podcasts, book summaries and TED videos as well as e-training. Furthermore, at least five new contents will be offered to employees of the Group companies every week.

#### Employee Profile

By the end of 2021, Kazancı Holding had a total of 9,482 employees in 22 different countries. 13% of them hold office in international operations of the Group. During 2021, 15 thousand people from 30 different nationalities were employed.



## COMPANY HEADCOUNT



## Occupational Health and Safety

# OCCUPATIONAL HEALTH AND SAFETY IS THE PRIORITY

**Kazancı Holding shapes its OHS policy in order to raise employee awareness and ensure occupational health and provides OHS training to its employees regularly.**

### **Periodic health screening and emergency drills are carried out for Kazancı Holding employees.**

Kazancı Holding places the greatest importance on the occupational health and safety (OHS). Within this context, it consistently develops its standards in this field with its works on the infrastructure, practices and documentation. In addition to adhering to legal legislative requirements related to OHS in countries and regions where it operates, the company adopts the best international practices and carries out its activities accordingly. Implementing the OHS Management System, the Holding identifies risks associated with its business activities, performs risk assessments, sets various goals to minimize identified risks, and continuously monitors progress toward these goals.

Shaping its OHS policy to raise employee awareness and ensure occupational health, the Group provides OHS training to the workforce in its operational areas and at its head offices. OHS activities are conducted by the OHS Board of Kazancı Holding.

Periodic health screening and emergency drills are conducted to protect the health and safety of the staff members across the Holding.

### **AKSA NATURAL GAS**

In every province and district where it holds a license, Aksa Natural Gas aims to deliver uninterrupted natural gas distribution. In accordance with Law No. 6331 on Occupational Health and Safety, the Company fully meets all occupational health and safety requirements related to its employees and stakeholders.

To ensure that employees return home safe and sound every night, Aksa Natural Gas is committed to fostering an OHS culture and ensuring that occupational safety awareness is shared by every staff member. To this end, the Company attaches great importance to the "ISO 45001:2018 Occupational Health and Safety Management System." With a view to establishing the continuity of the Occupational Health and Safety Management System, the Company launched a central Occupational Health and Safety project in March 2015 across Turkey, featuring the country's top doctors and specialists.

Occupational health and safety activities which are among the Company's most important core activities are based on the "AKSA OHS Software" specially designed for Aksa Natural Gas in response to specific corporate requirements. Programmed in accordance with the Law No. 6331 on Occupational Health and Safety and the ISO 45001:2018

**The Accident Severity Rate (ASR) which is referenced by the International Labor Organization (ILO) fell by 72%, and the ASR value for 2021 corresponded to 126.**

Management System, AKSA OHS software dynamically monitors and checks all activities carried out within 21 distribution companies. AKSA's OHS software centrally controls and reports all occupational health and safety activities related to an employee from the moment of recruitment onwards. The software also measures the occupational health and safety performance of the 21 distribution companies.

In 2021, the cross-check module was added to software development projects. The module allows findings obtained by OHS Experts during field audits to be instantly reported and added to the performance monitoring system by uploading documents such as audio, video and pictures. The Environmental Management Module incorporated into the software is also used to monitor hazardous and non-hazardous waste under the Environmental Management System.

To identify and prevent any external hazard, annual risk assessments are conducted in all distribution companies; the findings of these studies are eradicated in the most expeditious manner with the participation of employees. Disabled, pregnant or breastfeeding staff is given priority in risk assessments.

In 2021, Aksa Natural Gas collaborated with 21 distribution companies to develop an Emergency Handbook (EH) against natural disasters such as earthquakes, floods, landslides, explosions and fires as well as risk factors such as electricity, line faults, sabotage. This Handbook covers all emergency response instructions to ensure the safety of Aksa Natural Gas' subscribers, general public, and the Company employees.

During the year, all necessary activities within the context of the Occupational Health and Safety Law No. 6331 were carried out with great care at Aksa Natural Gas. Furthermore, the following efforts were undertaken during the year:

- Annual study and annual evaluation reports,
- Employee representative meetings,
- MYK training programs,
- Planned OHS training programs,
- OHS training for new employees,
- Planned-Periodic health screenings,
- Health examinations for new employees,
- Field OHS audits,
- Maintenance and checking of equipment that requires periodic controls,
- Grounding measurements, electrical installation checks,
- Environment measurements (noise, dust, hygiene) for new locations,
- Lightning rod measurements and checks,
- Emergency team training,
- Emergency evacuation drills,
- First aid training.

To proactively reduce any possible damage from work accidents and occupational diseases, special occupational health and safety funds have been allocated within the budgets of distribution companies. Positive outcomes are obtained in root cause analyses which have been tracked since 2016. The Accident Severity Rate (ASR) which is referenced by the International Labor Organization (ILO) fell by 72%, and the ASR value for 2021 corresponded to 126.

Via continuous education and awareness raising efforts, Aksa Natural Gas is committed to the Company's ultimate goal of "Zero Work Accident" and its slogan "People First." Under the leadership and guidance of its management and the participation of its employees, Aksa Natural Gas continuously moves toward becoming the "most reliable corporation" in the industry in terms of occupational health and safety.

The Company examined and compared the work accidents and near misses until 2021 and compared them with work accidents in the electricity distribution sector and we analyzed the types of industrial accidents and near misses with a Pareto analysis. In the light of the data obtained, internal and external training sessions were realized to minimize workplace accidents and near misses and their effectiveness were monitored.

## Occupational Health and Safety

**The Company carries out all OHS activities with the goal of “zero work accidents,” implements all necessary safety precautions and takes actions to prevent occupational diseases.**

**Maintaining a downward trend in its accident frequency rates since 2015, the Company has reduced this rate by 48% at the end of 2021.**

### **AKSA ENERGY**

While conducting its business operations at home and abroad, Aksa Energy adopts an occupational health and safety management approach that is committed to complying with applicable local and international laws, rules and regulations in order to provide a healthy and safe work environment for its employees. The Company carries out all OHS activities with the goal of “zero work accidents,” implements all necessary safety precautions and takes actions to prevent occupational diseases.

In 2021, 8 occupational accidents with lost days and 1 occupational accident involving death occurred in domestic power plants, while 1 occupational accident involving minor injury and 1 occupational accident with lost days occurred in overseas power plants.

As of 2021, the number of pending lawsuits due to responsibilities arising from occupational accidents is 5. Two of these lawsuits were filed in 2021. Of these, one lawsuit is related to death and the other is related to disability.

In 2021, Aksa Energy continued its efforts to improve the health and safety conditions of its employees and reduce occupational accidents and diseases in its domestic and overseas power plants. By reducing the accident frequency rate rapidly since 2015, the Company reduced this rate at the end of 2021 by 48%, compared to the previous year.

Aksa Energy successfully manages the Covid-19 pandemic situation, which affects the whole world, with its strict measures taken from the first moment in both domestic and overseas power plants. It quickly rated the risks of the Covid-19 and implemented emergency action plans in all of its power plants. As a result of the on-site inspection performed by TSE in December 2021, it was determined that Bolu Göynük Thermal Power Plant fulfilled all the requirements in the Covid-19 Hygiene, Infection Prevention, and Control Manual, and the “TSE Safe Production Certificate” of the enterprise was renewed.

Assessment and improvement activities related to OHS are carried out by the OHS Committee at Aksa Energy. The Committee is comprised of Aksa Energy employees and represents the entire Company workforce. The Chairman of the OHS Committee reports directly to the Vice President, Chief Operating Officer (COO).

**Before maintenance, repair and overhaul processes to be carried out at Aksa Power Generation's facilities, the company which will do the work can start after taking all OHS-related measures and completing the required documentation.**

#### **AKSA POWER GENERATION**

OHS Committee meetings are held every two months to discuss developments in Aksa Power Generation's activities related to occupational health and safety and any identified needs. Within the context of the practices carried out during 2021;

- OHS training was designed and implemented in a way to be provided to all employees compulsorily without any labor loss. All of the technicians (Blue-Collar) completed the 12-hour occupational safety and 4-hour health training sessions (person/hour) as per the OHS and the relevant legislation.
- As part of the Covid-19 measures, air-conditioning and system maintenance intervals were reduced from annual to quarterly periods. All of the climatization and heating systems were improved.
- It was permitted that before any maintenance, repair and overhaul processes to be carried out at Aksa Power Generation's facilities, the company which will do the work should start after taking all OHS-related measures and completing the required documentation.
- Field service representatives and technicians act in accordance with all compulsory conditions notified by the relevant government agency, depending on the relevant customers and field responsibilities.
- It was decided that guests and employees should wear up-to-date personal protective equipment (PPE) and follow the OHS rules and regulations throughout the year and work processes, and that this situation would be monitored by all committee members.

Since Aksa Power Generation switched from OHSAS 18001 to ISO 45001, the company modified its OHS Policy as follows:

Aksa Power Generation knows that its success is based on a safe and healthy working environment and the wellbeing of its valued employees.

Aksa Power Generation aims to conduct its business activities in accordance with applicable national laws and regulations in line with the principle of safe working.

#### **Health and Safety**

It aims offering safe working conditions and secure their continuity to ensure that the employees, suppliers and contractors related to their activities are not injured and lead a healthy life.

#### **Leadership**

Aksa Power Generation aims to see Occupational Health and Safety efforts as a key part of its main responsibility and to closely follow developments related to health and safety.

#### **Employee Participation**

Aksa Power Generation undertakes to contribute to Occupational Health and Safety activities with all its employees.

#### **Improvement**

With the participation of all its units, it undertakes to improve the ISO 45001 Occupational Health and Safety Management system and processes in accordance with changing conditions and requirements.

#### **Continuity**

Aksa Power Generation undertakes to eliminate the dangers and to reach safe solutions by evaluating risks.

#### **AKSA ELECTRICITY**

Aksa Elektrik meets the conditions for occupational health and safety practices for all its employees and stakeholders as part of the Occupational Health and Safety Law No. 6331 with an approach that focuses all activities on serving to people and with the awareness of being a responsible institution while performing electricity distribution and sales services in every province and district of its license regions. Upon the Occupational Health and Safety Law No. 6331, it also implemented and certified the international standard ISO 45001:2018 Occupational Health and Safety Management System.

## Occupational Health and Safety

**At Aksa Electricity, the necessary measures are taken with the “employee health and safety first” and OHS Training is provided regularly as face-to-face and remote training sessions.**

**Aksa Electricity Companies can manage all activities and report their work with the OHS Software program which have been implemented since 2019.**

### **OHS Policy**

Accordingly, the Company bases its OHS policy on the respect shown to people and the environment.

Aksa Electricity takes all necessary measures in line with the “Employee Health and Safety First” principle during electricity sales and distribution activities.

### **OHS Policy of Aksa Electricity:**

- To identify, assess and control potentially dangerous situations to which employees and other relevant parties in the operation field may be exposed, and to share them with all employees,
- To select protective materials in accordance with occupational health and safety standards while choosing equipment, raw materials and work tools,
- To prevent occupational accidents and occupational diseases,
- To meet and follow the primary and secondary legal requirements and other conditions related to occupational health and safety, and to improve the management system continuously,
- To determine the annual targets in the effective implementation of occupational health and safety and ensure that employees receive the training support they require within the scope of their responsibilities,
- To periodically review the hazards and risk elements in terms of occupational health and safety within the Company’s activities, and to take measures as needed,

- To reduce risks to an acceptable level in accordance with emergency action plans (e.g. earthquake, fire, flood, civil defense),
- To ensure participation of the employees in decision-making processes by including them in the management system, and to receive their opinions,
- To recognize and ensure that successful implementation of occupational health and safety is possible only through the participation of all employees and by making it a part of corporate culture.

### **Assessment of OHS Risks**

Aksa Electricity Companies perform all of their works within the framework of the legislations and strictly adhere to the applicable laws, rules and regulations related to OHS and conduct regular risk assessments. As part of this, the prior OHS risks are brought under control by reviewing them every year with proactive approaches.

### **OHS Trainings**

Regarding health and safety of its employees as the major priorities, Aksa Electricity Companies give OHS Training periodically as face-to-face training or remote training.

### **OHS Software Program**

Aksa Electricity Companies can manage all activities and report their work with the OHS Software program which have been implemented since 2019. With OHS software;

- Notification of dangerous situations/near misses and events,



**Aksa Tourism ensures that OHS culture is adopted at its facilities where it renders service with the occupational health and safety principles, as a work manner and continues to work on building up these principles further.**

## **Aksa Agriculture will carry on the periodical training sessions in the upcoming period with the aim of avoiding occupational accidents and occupational diseases and increasing employee awareness on OHS.**

- Risk analysis studies,
- Debit and controls of personal protective equipment,
- Annual study and annual evaluation reports,
- Planned OHS training programs,
- Planned health examinations,
- Field OHS audits,
- Maintenance and checking of equipment that requires periodic controls,
- Announcements of OHS instructions,
- Corrective activities as a result of the observations,
- Tracking of the actions can be performed and reported.

### **AKSA AGRICULTURE**

Aksa Agriculture organized renewal and repeating training as part of OHS at İnanlı and Gelemen Enterprises during the year. Work instructions and PPE (Personal Protective Equipment) forms were prepared for all employees over the course of the training. The Company will carry on the periodical training sessions in the upcoming period with the aim of avoiding occupational accidents and occupational diseases and raising compliance with the rules by increasing employee awareness on OHS. Aksa Agriculture also aims to boost the measures taken against the possible risks in operations through risk analyses and revision of emergency action plans.

### **AKSA TOURISM**

Aksa Tourism has a quite sensitive approach to Occupational Health and Safety measures both for its employees and the guests accommodating at its hotels. The Company carries out operations by paying maximum attention to OHS measures and rules. In this regard, it works on updating the emergency action plan, completing the direction signs and emergency lighting in the assembly area, preparing scenarios, including the evacuation plans which contain the whole facility and performing various drills against the possible disasters.

Aksa Tourism activates corrective preventive activity forms with the participation of all departments to mitigate and hinder occupational accidents. Risk assessment analyzes are performed with the participation of all employees involved in the production processes and by taking the opinions of expert teams. Results of the assessment are reported.

Aksa Tourism ensures that occupational health and safety principles are adopted at its facilities as part of the work culture and continues to work on building up these principles further.

# VALUES

**THAT INTERLOCK US  
BASED IN LINE WITH  
THE COMMON GOALS  
NOURISHING US**

## **Strategies and Corporate Culture**

Corporate risk management is integrated into the strategies and corporate culture of Kazancı Holding.

---

## **Strategic Priority**

Kazancı Holding adopted the strategic priority of enhancing its domestic product and service quality with investments.

---

## **Compliance with Policies**

Compliance with applicable laws, rules and regulations, the Articles of Association, internal regulations and policies is monitored in all kinds of transactions and actions.



## Our Values

# SET OF VALUES

# GROWING WITH CONFIDENCE

**Kazancı Holding's set of values are grounded on the features that interlock in line with the common goals, brought the Company to present and will ensure its unity in the future as well.**

Since its founding in the 1950s, Kazancı Holding has strived to offer reliable and high quality products and services. The trust our stakeholders place in our brand has driven our aspiration to achieve better each day and to continuously expand the value we create.

Forming the basis of our corporate culture, our values have been shaped in light of us over a half-century of experience. We did not simply establish values and follow them. Instead, we embraced what nurtured us, what brought us together toward shared goals, what moved us forward to where we are today, and what will keep us together in the future.

These experiences helped form Kazancı Holding's values. Our corporate values incorporate all the elements of our vision and mission statements, which serve as a compass for the Company. Kazancı Holding's values also define our culture, our ways of doing business and our future objectives. As we unified employees from diverse cultures, countries and backgrounds under the umbrella of Kazancı Holding values, we have based our competencies on these values.

### **Our Core Values are at the Heart of Our Competencies**

#### **We are committed to our company and core values.**

- We safeguard the interests of the Company in all business activities and processes.
- We strive to use our individual strengths in a way that facilitates the Company's success.
- We feel responsible for the results the Company can achieve.
- We are committed to the Company's goals and our fellow employees.

#### **We pursue efficiency and other benefits in all our business activities.**

- We contribute to customers' achievements.
- We encourage our employees to make most of their potential.
- We continuously improve our products and business processes.
- We are well aware of our social responsibilities and contribute to Turkey's economy as an organization that respects people and the environment. We adopt an innovative and sustainable environmental approach in all our business activities.

### **We build our relationships on respect.**

- We value and trust each other.
- We promote open, honest and direct feedback and mutual communications.
- We respect diversity and value every individual regardless of their religion, language, race or gender.

### **Using time efficiently, we make decisions and take action swiftly.**

- We do not resist change; we embrace change and see it as beneficial to the Company.
- We are proactive when it comes to matters that pertain to our business. We assume responsibility, consider the risks, and demonstrate courage in taking the initiative for the business to run smoothly.
- We generate ideas and suggestions to identify, prevent, and resolve problems, or improve the situation at hand when necessary.
- We actively seek out opportunities and take action within our area of responsibility.



## Strategic Goals

# SUSTAINABILITY-DRIVEN STRATEGIC GOALS

**The primary objective of Kazancı Holding is to ensure the long-term sustainability of the Group's operations by striking a balance between return, growth and risk.**

**The Board of Directors of Kazancı Holding is committed to performing its activities in a transparent, accountable, fair and responsible manner.**

Kazancı Holding's Board of Directors reviews the Holding's strategic goals every year, sets targets for the following year, and executes the necessary action planning to achieve these targets.

The primary objective of Kazancı Holding is to ensure the long-term sustainability of the Group's operations by striking a balance between return, growth and risk. At its periodic meetings, the Board of Directors conducts a comparative analysis of the financial performance of the Group Companies and their budgets and examines whether these strategic targets are being met. The Board of Directors also aims to develop new business strategies, make investment decisions and revise previous decisions in line with the new opportunities and needs identified.

As a global energy group, Kazancı Holding's strategic domestic priority is to increase the quality of its goods and services through investments, whilst its international priority is to expand its presence in more countries.

The Board of Directors of Kazancı Holding is committed to performing its activities in a transparent, accountable, fair and responsible manner. The Board of Directors monitors compliance with applicable laws, rules and regulations, the Articles of Association, internal regulations and policies in all kinds of Holding transactions and procedures.

**KAZANCI HOLDING'S  
INTERNATIONAL PRIORITY  
IS TO EXPAND ITS  
PRESENCE IN MORE  
COUNTRIES.**



## Risk Management, Internal Audit and Control

To deliver the highest possible value to its stakeholders, Kazancı Holding places utmost importance on the early detection and effective management of corporate risks that may pose a threat to its existence. Corporate risk management is well integrated into the Company's strategies and corporate culture. Kazancı Holding aims to ensure that all employees focus on risk management, opportunities and obligations alongside their everyday work responsibilities. The workforce is expected to contribute to the Company's sustainable growth in this way. Kazancı Holding focused strongly on improving the effectiveness of risk management processes to sustain the risk assurance provided to the stakeholders in the intense internal and external competitive environment and to effectively manage the ever-increasing uncertainties caused by global developments.

The Board of Directors of Kazancı Holding is responsible for consolidated monitoring of all risks associated with Group Companies and making holding-wide decisions related to these risks. In the decisions taken by the Board of Directors, risk, return and growth balance are considered together with global developments, and risk management strategy is adhered.

Financial and strategic risks faced by Kazancı Holding are managed centrally, and the CFO Office assists the different levels of management in this regard. Operating in an investment-oriented sector, the

Holding finances its investments via long-term syndication loans. Developments in the market, liquidity, exchange rate and interest rate risks are monitored regularly. When deemed necessary, the financial risks and opportunities faced are effectively managed through policy adjustments. Protective instruments are purchased within the framework of the policies set by the senior management; meanwhile, efforts are expended to limit the extent of risk exposure to the Holding. The CFO Office engages in various activities such as determining and implementing measures related to potential risks, and managing and monitoring these in accordance with a risk management system, and reporting these efforts to the Board of Directors. Group Companies are required to adapt this model to their own organizations, monitor the risks of their enterprises, and take measures to counteract these risks.

Kazancı Holding's risk management and internal control system is regularly reviewed and audited to achieve the following objectives:

- Protecting company assets,
- Ensuring compliance with laws, rules, regulations and agreements,
- Operational efficiency and productivity,
- Accuracy and reliability of financial and operational information,
- Controlling or preventing of any reported activities and operations that have a significant risk factor, in the context of proposals accepted by the management.

The results of the Company's activities, the extent to which targets are met, and identification and reporting of associated risks faced by the Company are evaluated at Board of Directors meetings, which are periodically held with the participation of the relevant managers.

Kazancı Holding's Internal Audit Department strives to assess and improve the effectiveness of its control and governance processes. Internal Audit reports its activities to the Board of Directors. With a risk-focused approach, audits are conducted regarding the reliability of the financial reporting system; the compliance of the Holding and Group Companies with legal and internal regulations; the effectiveness and efficiency of their activities; and the security and reliability of their IT systems. Both central internal audit activities and on-site internal audit activities were carried out in 2020.

The audits verified that the effectiveness of internal control and corporate governance processes was at an adequate level. Additionally, the audits recommended various actions to the management units about specific control shortcomings that were identified and monitored whether the actions were implemented on time.

# Code of Ethics

Code of Ethics of Kazancı Holding aim to form the framework of the standards that need to be followed by employees of the Holding and all Group Companies on their duty. Great importance is attached to compliance of the managers and employees at all levels who act on behalf of Kazancı Holding, with code of ethics.

## 1. MAIN ETHICAL PRINCIPALS

### 1.1. Respect for Human

Respecting human rights and freedoms is our primary principle.

### 1.2. Integrity, Honesty, Transparency

Whilst conducting our operations, any transactions within the impact area are overseen by the principles of integrity, honesty, and transparency.

### 1.3. Impartiality, Fairness

We approach all our stakeholders with fairness and impartiality without distinction.

When fulfilling our duties and responsibilities, we do not discriminate individuals based on language, race, color, gender, political views, beliefs, religion, caste, or similar differences.

When making decisions, we decide independently of persons and institutions outside of the corporation.

### 1.4. Confidentiality

We make sure that confidential information relating to our corporation and all stakeholders is kept private. We share confidential information within the scope of predetermined authorizations with relevant individuals.

### 1.5. Public Good and Respect for Environment

All our operations embrace the principles of looking out for the public good and respecting the environment as well as profitability.

### 1.6. Compliance with Global Principles

Kazancı Holding's mission and objectives are in accordance with the fundamental principles of the UN Global Principles Agreement, which we follow when conducting our operations.

## 2. OUR RESPONSIBILITIES

### 2.1. Legal Responsibilities

We conduct all our activities in Turkey and abroad within the scope of the Republic of Turkey laws, international laws, and legal regulations of the countries with which we are doing business; we provide authorities with the information they request in an accurate, complete, and intelligible manner.

### 2.2. Responsibilities to Customers

We operate with the aim of providing the fastest service to our customers in line with their requirements and demands. We approach our customers with respect, politeness, fairness, and equality.

### 2.3. Responsibilities to Employees

We approach employees in a fair and honest manner, and pledge to provide a workplace that is non-discriminatory, safe, and healthy. We will not allow any of our employees to be subjected to mobbing, and we place importance on the business life-private life balance.

We make the necessary efforts for the personal development of our employees and support them should they wish to volunteer in suitable social and public activities and social responsibility projects.

### 2.4. Responsibilities Towards Shareholders

We place paramount importance on the sustainability of our Company and the goal of creating value for our shareholders. To this end, we refrain from taking unnecessary or unpredictable risks and aim for sustainable profitability. We act within the framework of financial discipline and accountability and manage our Company's resources and assets with efficiency and prudence. We inform our shareholders, the public, and relevant institutions regarding financial results, strategies, investments and risks in a timely, accurate, complete, and intelligible manner.

### 2.5. Responsibilities to Suppliers/ Business Partners

We behave in a fair and respectful manner to our suppliers/business partners, and take the necessary care to fulfill our obligations in a timely manner. We do not give out confidential information about individuals and institutions we do business with.

### 2.6. Responsibilities to Competitors

We compete actively only in legal and ethically sound markets, and we refrain from unfair competition.

We support competitors' efforts that will benefit the good of the public and wish to be included in any related structures.

### 2.7. Responsibilities to the Public and Humanity

It is important for us to protect human rights, the environment, and democracy and to eradicate corruption and crime. We act sensibly as leaders in social issues and become involved in efforts that will benefit the public. In Turkey and other countries in which we undertake international projects, we show sensitivity towards national and regional customs and the cultural fabric. We do not give out nor receive goods and services in exchange for bribes, ostentatiously costly gifts, etc.

## 3. CODE OF ETHICS TO BE FOLLOWED BY EMPLOYEES

It is the primary responsibility of all employees to ensure that our Company remains synonymous with professionalism, honesty, and trustworthiness, and that such values are promoted even further. In this context, standards of ethical conduct expected from employees have been outlined below:

- Always obeying the laws,
- Fulfilling one's duties in line with fundamental ethical and human values,
- Behaving with fairness, good intentions, and understanding in all relationships to create mutual benefit,

## Code of Ethics

- Never obtaining ill-gotten gains or receiving or handing out bribes from any individual or institution regardless of the circumstance,
- When fulfilling duties, acting in a manner suited to the relevant work ethics principles and any other supporting practical principles,
- Unless explicitly instructed to do so, refraining from actions, statements or written communications which might render the Company responsible,
- Refraining from behaviors which might disturb and/or cause harm to other employees, not disrupting the work flow,
- Being attentive to all tangible and intangible assets of the Company, including information and information systems so as to protect them from possible loss, harm, misuse, abuse, theft, and sabotage,
- Refraining from exploiting working hours and company resources directly or indirectly for personal gain and/or political activities or gain.

### 3.1. Asset and Information Management

#### 3.1.1. Intellectual Property Rights

- Making sure the relevant legal procedures are initiated and completed in time to secure the intellectual ownership of newly developed products, processes, and software,
- Refraining from -knowingly- making unauthorized use of patents, copyrights, trade secrets, brands, computer software or other intellectual and industrial property rights belonging to other companies.

#### 3.1.2. Information Management

- Ensuring all legal records are kept in the proper manner,
- Not responding to requests of information from third parties regarded as classified by the Company unless given approval by the executive management,

- Taking the necessary care so that the Company's declarations and reports reflect the reality of the situation.

#### 3.1.3. Confidentiality

- Acting with the awareness that financial and commercial secrets, information which might weaken the Company's competitive edge, personnel rights and information, and agreements with business partners are confidential and making sure they are kept as secure and private,
- Not sharing any information derived or any documents possessed as part of one's job with unauthorized individuals or authorities within or outside the Company regardless of the purpose, refraining from using those for speculation directly or indirectly,
- Not using information unavailable to the public regarding the Company, its customers, and other individuals and companies with which the Company conducts business other than its intended purpose under any circumstances, refraining from sharing those with third parties unless the necessary permissions are obtained.

### 3.2. Refraining from Conflict of Interest

Conflict of interest refers to any kind of advantage created for oneself, one's relatives, friends, or any other person or establishment one might have a relationship with and the state of having a financial or personal interest, which will or might hinder employees from fulfilling their duties in an impartial manner.

#### 3.2.1. Not Performing Transactions for One's Own Benefit or the Benefit of Relatives

If employees' own shares in another company or partake in investments thereof, they are obligated to inform this when they are recruited. Employees must inform their immediate supervisor about any changes which might occur in their circumstances, or any other issues

which might be regarded as conflict of interest, and the information must be shared with at least two supervisors with higher seniority.

- Not creating unfair advantage for oneself, one's relatives, or third parties by using one's title and authority,
- When making personal investments, taking care to not create conflict of interest with one's current employer,
- Ensuring that any personal investments or other pursuits outside of one's duties do not hinder the amount of time and attention allocated to one's present job duties, and refraining from such situations which might prevent focusing on major tasks,
- If an employee and a person with decision-making authority in the customer/supplier company involved in the same project are immediate family, the immediate supervisor must be informed and written permission must be obtained,
- Informing the immediate supervisor and obtaining written permission in the event of discovering that his/her relatives have shares or financial interests in another company with which the Company has business relations.

#### 3.2.2. Representation and Attending Events

Attendance at events organized by individuals or establishments with which the Company has or could potentially have a business relationship which are not open to the general public (except conferences, receptions, promotional events, seminars etc.), and which might influence or be regarded as being influential in the decision-making process, such as sports events, national/international trips, etc. are subject to the approval of the Group President or the Group Vice President.

#### 3.2.3. Receiving Gifts

When conducting relations with private or official individuals or establishments that wish to commence or continue a business relationship with the Company:

Any gift, money, checks, properties, free holidays, special discounts, and the like that put the Company and the person

who accepts a gift under obligation is unacceptable. Gifts that are valued over TRY 50 and that are predicted to not affect the decisions to be made may be accepted upon prior notification made to a senior manager. In this manner, the total value of gifts that can be accepted may not exceed the amount of TRY 500.

### 3.2.4. Insider Trading

Knowing that trying to obtain any type of commercial gain including the direct or indirect trading of shares in the stock exchange by using confidential information relating to our Company or by providing third parties with such information is illegal, and must never be attempted.

### 3.2.5. Doing Business outside the Company

Employees cannot accept permanent or temporary, paid or unpaid, official or private duties without permission by the Company, and cannot engage in trade.

### 3.3. Employee Health and Occupational Safety

Our Company's goal is to ensure occupational safety and employee health in all aspects at the workplace and during working hours.

- Employees comply with rules and instructions in this regard and take the necessary precautions.
- Employees are not to keep in the workplace any possession or material which can put the workplace and/or employees in danger or which is illegal.
- Apart from those in possession of a valid medical certificate, employees are not to keep any tranquillizing, addicting, physically or mentally limiting or disrupting substances at the workplace, and will not perform their job or remain in the workplace under the influence of such substances.

## 4. IMPLEMENTATION PRINCIPLES FOR CODE OF ETHICS

### 4.1. Notification Obligation Concerning Violations

- Employees are expected to notify the relevant managers/departments when faced with any behavior which they regard as incompatible with the law or in-house regulations, without the fear of being subjected to a negative reaction.

- Employees must warn colleagues who behave in a manner incompatible with the law or in-house regulations.
- Employees are obligated to report any situation which they perceive or suspect to be incompatible with the law or unethical.
- Reports by employees about illegal or unethical activities are investigated by the authorized person(s) in the shortest time possible.
- When a company employee is found to have performed a transaction or behavior that is unethical, the repercussions will be determined by the Ethics Committee.
- Anyone who reports a behavior can rest assured that they will receive a response and will not face any repercussions due to their report.

### 4.2. Ethics Hotline

When a situation that contravenes the Code of Ethics is observed/discovered at any unit of the Group/Company, the 0850 511 11 12 Ethics Hotline must be called.

Calls to this line concern behaviors outlined above which can be considered unethical or arouse suspicion.

- The hotline is completely independent. Calls are shared only with the Audit Directorate and the Board of Directors.
- Any information given is completely confidential.
- When submitting a report, information must be clear and detailed, and must be solidified by specifying the person, time, and location concerned, as well as by providing documents.
- A report must not be regarded as revealing another's secrets, placing them in a difficult situation, or gossip.
- Calls are anonymous. Callers are not mandated to give out their name.
- The phone line is open 24/7.

### 4.3. Ethics Committee

The Audit Directorate begins the inquiry concerning the subject of the violation reported to the ethics line. When the inquiry is complete, the Ethics Committee is invited to a meeting to reach a decision.

The Committee reaches a resolution, puts it into practice and registers it in the resolutions ledger. The Committee can reach a resolution with a majority of votes.

After the resolution is reached, within six business days, it is communicated to the employee and any necessary action is taken. Until the Ethics Committee clarifies the issue, it is assumed that the issue is unbeknownst to the employer and that the employee is innocent of the matter at hand.

The Ethics Committee is formed of the following personnel:

- Member of the Holding's Board of Directors,
- Relevant Group President,
- Relevant Department's Director for matters concerning joint units within the Holding,
- Audit Director,
- Human Resources Director,
- Legal Director.

The following penalties are given for the breach of the rules of ethical conduct:

- In case of a willful misconduct, dismissal as per the related articles of Labor Law, and initiation of legal action if it is necessary. (Beneficial things done in the past by the person who knowingly gains unfair advantage cannot constitute a reason for partial or complete remission.)
- If there is no abuse of power or if it is a case of negligence due to carelessness or ignorance, a written or verbal warning depending on the severity of the impacts.

## 5. VALIDITY

The Code of Ethics shall become effective as of 29.09.2017. In all other situations not outlined above, the Company's Disciplinary Code and the Company's Senior Management are consulted when making a decision.

## 6. PUBLIC DISCLOSURE

Kazancı Holding is obligated to present its Code of Ethics to the public and all its employees. In case of any change in the Code of Ethics, the same obligations apply.

## Information Security Policy

# CONFIDENTIALITY, INTEGRITY AND ACCESSIBILITY

**For the utilization of Company assets, transactions are carried out by taking into consideration the information classifications which are determined as per legal requirements, confidentiality, integrity and accessibility concepts, and the risks.**

For the execution of Kazancı Holding's business processes, only Kazancı Holding information resources are used. The basis of the utilization of these resources is directly related to the research, development, service and managerial/administrative activities of Kazancı Holding. Utilization of Kazancı Holding resources cannot be contrary to what is legally required and Kazancı Holding's policies and procedures. For the utilization of Company assets, transactions are carried out by taking into consideration information classifications, which were determined as per legal requirements, confidentiality, integrity and accessibility concepts, and possible security risks specific to them.

Kazancı Holding's Information Security Policy is implemented under the topics below:

### Personal Use

Kazancı Holding personnel are obligated to obey relevant the Republic of Turkey laws, particularly Law no. 5651, international law, and general ethical codes when using and providing all information systems and communication means, including the internet and voice communication. Staff members refrain from performing actions that are not included in their job descriptions, such as providing unauthorized access to information and tools they possess and looking for weaknesses.

### Accountability

Access information and tools assigned to a user cannot be shared with anyone under any circumstances, including technical staff.

### Internet Use

Users shall not provide information about the Company's location and phone number, employee names, titles, email addresses and other personal information when posting on internet discussion groups, chat rooms, and other forums, unless necessary for their job requirements or legal obligations. Internet access is provided in accordance with the connection settings and access restrictions provided by Kazancı Holding. Internet users do not have access to illicit or unlawful sites.

### Use of Electronic Messaging Services

Electronic messaging rules are the same regardless of whether the exchange takes place in written or face to face. Electronic messaging is used when face to face communication is not possible. When sending messages to a group of recipients in the address list, one shall ensure that all recipients would like to receive the outgoing message.

### Office Equipment, Printed Documents, and Portable Data Storage Devices

When printing highly confidential documents, users shall print out with PIN code or ID card to avoid

the document being read or seized by unauthorized individuals. Regardless of whether they are confidential or not, and whether they are stuck in the machine, originals and copies of documents shall not be abandoned inside printers or photocopiers.

### Surveillance and Recording Activities, Privacy

Kazancı Holding reserves the right to examine any information kept on its systems and relayed through Kazancı Holding systems. Personal information of the users stored on Kazancı Holding systems or transmitted through Kazancı Holding systems are processed in accordance with the Law No. 6698 on the Protection of Personal Data.

### General Data Protection and Classification Responsibilities

Information exchange within Kazancı Holding can take place only amongst users who require access to the data because of their job requirements. Sharing of information with public institutions and members must be done by competent employees in accordance with the legal requirements.

### Violation Notification

When employees determine any actions that are not compatible with Kazancı Holding's policies and procedures, they shall notify them via the Information Security Page, Violation Notification Form immediately.





**KAZANCI HOLDING**

**KAZANCI HOLDING**

Rüzgarlıbahçe Mahallesi, Özalp Çıkması No: 10  
34805 Kavacık Beykoz - ISTANBUL/TURKEY

T +90 (216) 681 00 00

F +90 (216) 681 57 84

[www.kazanciholding.com.tr](http://www.kazanciholding.com.tr)