KAZANCI HOLDİNG

SUSTAINABILITY BULLETIN

MAY 2024

NEWS FROM AKSA

KAZANCI HOLDING LAUNCHES SUSTAINABILITY TAB ON ITS WEBSITE

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STRATEGIC APPROACH TO SUSTAINABILITY

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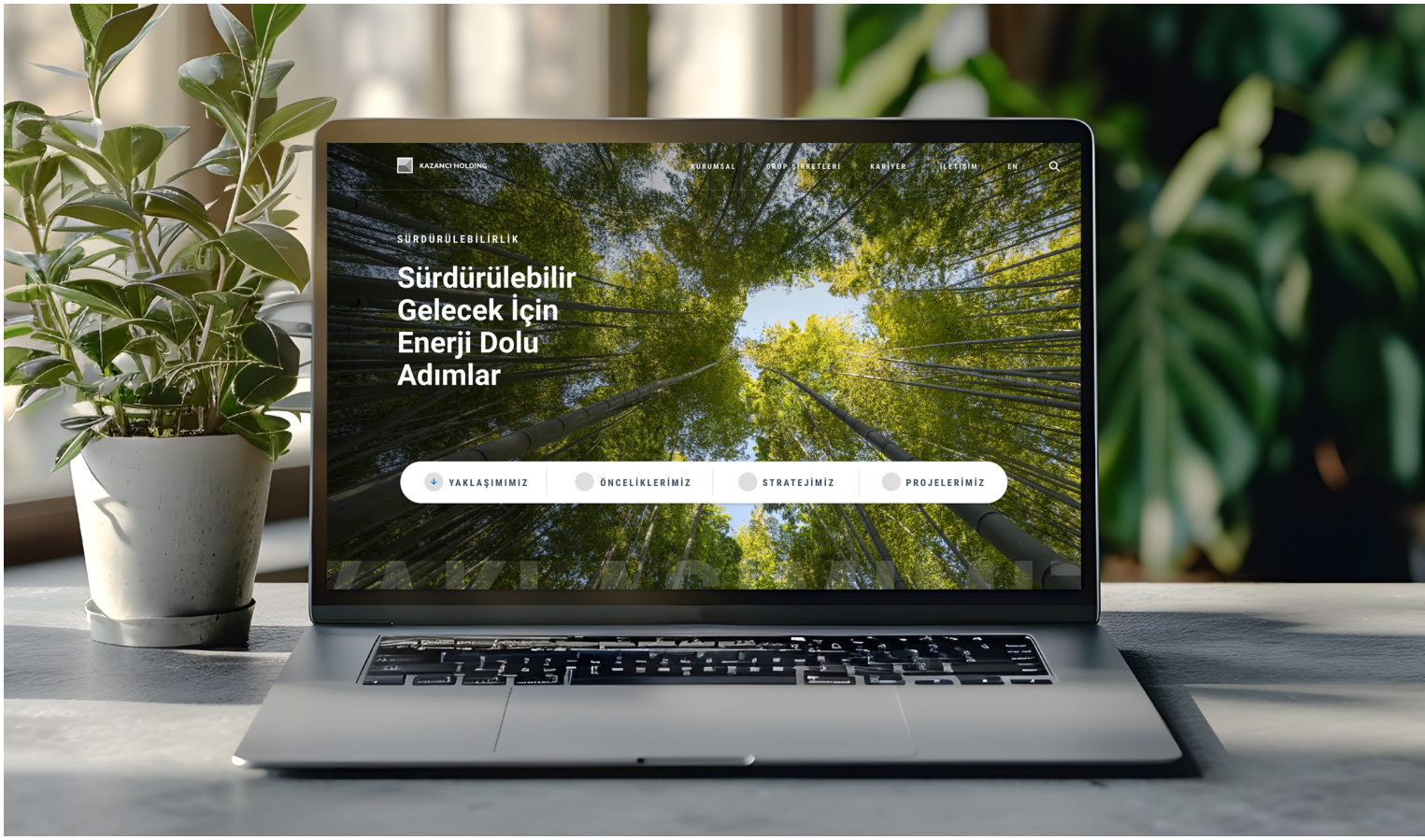


Through the Sustainability tab on Kazancı Holding's website, Aksa will be able to openly communicate with the public about all the steps it will take to fulfil its 2030 Global Sustainability Strategy, as well as about its monthly sustainability bulletins, priorities, and projects that have already adopted and will continue to implement its sustainability approach.

The Holding's sustainability vision, mission, and values were incorporated into the design of Tab. Stakeholders will be able to access their sustainability priorities and monitor the Holding's sustainability performance more closely thanks to the tab.

The transparency and accountability concept shall be adhered to by Kazancı Holding by maintaining regular updates and accessibility to its sustainability tab. The Holding hopes to enhance its social effect and solidify its position as a major leader in sustainability in this way.

AKSA NATURAL GAS WON THE LOW CARBON HERO AWARD FOR THE FIFTH CONSECUTIVE YEAR

At the 9th Istanbul Carbon Summit, organized for the 9th time this year by Istanbul Technical University (ITU) in cooperation with the Sustainable Production and Consumption Association (SÜT-D) and the Ministry of Environment, Urbanization and Climate Change, Aksa Natural Gas received the Low Carbon Hero award for the fifth time in a row for its "Natural Gas is Greening" project. Aksa Natural Gas Marketing and Corporate Communications Manager Selin Samuk received the award. Kazancı Holding Corporate Governance and Sustainability Group Manager and Aksa Natural Gas Sustainability team also attended the summit and award ceremony.

The "Natural Gas Goes Green" initiative by Aksa Natural Gas seeks to lessen the carbon footprint associated with the distribution, production, and use of natural gas. Through the promotion of energy-efficient and renewable energy-based practices, the project seeks to reduce the negative environmental effects of natural gas use.

The award that Aksa Natural Gas has received is a testament to the Company's dedication and accomplishments in sustainability. This accomplishment serves as a source of inspiration for other companies and sets a significant example for sustainability in the natural gas sector.

IMAGES OF WILDLIFE WERE CAPTURED ON PHOTO TRAPS IN THE PROJECT CARRIED OUT JOINTLY BY KAZANCI HOLDING AND ISPARTA UNIVERSITY OF APPLIED SCIENCES

Within the scope of the wildlife and biodiversity project carried out jointly by Kazancı Holding and ISIBU in the field of sustainability, many images were captured by photocatchers.

The objective of the initiative is to safeguard the environment and enhance biodiversity. Photo traps are established within the project's framework to safeguard natural habitats, enhance biodiversity, and maintain ecosystem equilibrium. The objective is to safeguard the natural habitat of creatures that are in danger of extinction in the region and/or to ensure that they continue to live a normal life with the aid of the images obtained.

SUSTAINABILITY THROUGH THE EYES OF OUR MANAGERS

STRATEGIC APPROACH TO SUSTAINABILITY

The strategic sustainability approach has recently emerged as a management model that integrates environmental, social and governance factors to ensure the long-term success of companies. This approach aims to ensure that companies not only generate profits, but also meet the needs and expectations of their stakeholders. A strategic sustainability approach helps companies gain competitive advantage and reduce their risks. Companies that incorporate sustainability principles into their business processes and decision-making mechanisms become more resilient and adaptable.

Reducing the company's operational impact on the environment is a crucial component of this strategy. A strategic sustainability approach should include environmental measures including waste management, water conservation, energy efficiency, and carbon footprint reduction. Businesses invest in clean, new technologies and establish eco-friendly supply chains in order to guarantee environmental sustainability. Such activities improve a company's reputation in addition to cutting costs.

Another dimension of the strategic sustainability approach is social responsibility. Themes such as employee welfare, social contribution and respect for human rights constitute the social dimension of this approach.

Companies create social value by collaborating with communities and supporting social projects. This increases employee loyalty and reinforces the long-term success of the company.

A strategic sustainability approach also includes effective corporate governance. Good governance requires a management structure that prioritizes transparency, accountability and ethical values. Effective governance increases stakeholder trust and ensures the long-term success of the company.

At Kazancı Holding, we have defined our Sustainability Strategy, approach and roadmap in our Aksa 2030 Global Strategy in full compliance with global best practices. At Kazancı Holding, we are committed to building a sustainable future by adopting a strategic sustainability approach and creating value for both internal and external stakeholders.

Betül IŞIKLAR

Corporate Governance and Sustainability Group Manager

CDP TURKEY AND KGK SIGN COOPERATION PROTOCOL

CDP Turkey and the Public Oversight, Accounting and Auditing Standards Authority (KGK) signed a cooperation protocol. The scope of the protocol envisages a cooperation between CDP Turkey and KGK on developing strategies and raising awareness at the national level on risks such as climate change, water resources and deforestation. In addition, a common understanding was developed and a cooperation protocol was signed in order to encourage mutual exchange of knowledge and experience.

CDP has decided to partner extensively with the IFRS Foundation to integrate the ISSB's new climate-related disclosure standard into its platform. The integration of ISSB's IFRS S2 standard into CDP questions in 2024 will be an important step in helping thousands of CDP-reporting companies prepare for mandatory reporting. In the meantime, companies reporting to the CDP will already be compliant with the standards issued by the POA.

In the future, CDP Turkey and KGK aim to continue their work on various issues including the organization of trainings, events, seminars and workshops, cooperation in joint projects and the transfer of institutional knowledge and experience.

EUROPEAN PARLIAMENT ADOPTS NET-ZERO INDUSTRY LAW

Europe needs significant clean energy technology to meet its 2030 and 2050 climate targets. However, Europe has to outsource much of this technology and many non-EU countries are taking steps to increase their clean energy production capacity.

In this context, the "Net-Zero Industry Bill", informally adopted by the European Parliament, sets a target of meeting 40 percent of Europe's annual energy needs from net-zero technologies by 2030, based on National Energy and Climate Plans (NECPs), and achieving 15 percent of the global market value of these technologies.

These technologies include renewable energy sources, nuclear power, industrial decarbonization, grid power systems, energy storage technologies and biotechnology. The law will simplify the permitting process by setting maximum timelines for projects to be permitted. It also envisages the creation of "Net-Zero Acceleration Valleys" initiatives, which will speed up the permitting process by transferring part of the evidence gathering for environmental assessments to member states.

The law was adopted by 361 votes to 121 with 45 abstentions. It now needs to be formally adopted by the Council to become law.

GUIDANCE ON SECTOR-BASED IMPLEMENTATION OF TSRS 2 PUBLISHED

Turkish Sustainability Reporting Standards (TSRS) 2 was put into effect by the Public Oversight Authority.

Based on the 7 main sector and 77 sub-sector specific standards of the Sustainability Accounting Standards Board (SASB), which were consolidated into the International Sustainability Standards Board (ISBB) structure, the ISSB technical working group prepared a draft of the Guidance on the Sector-Based Application of TSRS 2, which is a guiding source for businesses in determining climate-related disclosures and metrics for 68 sub-sectors.

The objective of the Guidelines is to ensure disclosure of sustainability-related financial information that can reasonably be expected to affect cash flows, access to finance and cost of capital of entities in the short, medium and long term.

EPİAŞ AND EEX SIGN A MEMORANDUM OF UNDERSTANDING TO DEVELOP AN EMISSIONS TRADING SYSTEM (ETS) IN TURKEY

According to the statement made by EPİAŞ, EEX, the energy exchange that has been organizing emission allowance auctions since 2010, and EPİAŞ, Turkey's energy exchange, will establish a partnership to develop an ETS system that will ensure the establishment of a carbon market in Turkey and harmonization of practices with the European Union. A memorandum of understanding on this cooperation was signed by the parties.

EPİAŞ General Manager Taha Meli Arvas emphasized that the ETS is a very important tool for countries to achieve their climate change and "green transformation" goals. "As Turkey's energy exchange, we are determined to establish our carbon market, cooperate with European energy markets and develop and operate a well-functioning ETS. I believe that this new cooperation with EEX will contribute greatly to our common goal of establishing an effective and efficient ETS in Turkey in line with EU practices."

INVESTMENTS IN CLEAN ENERGY TECHNOLOGIES STRENGTHEN THE ECONOMY

According to the International Energy Agency's "Advancing Clean Technology Manufacturing" report, increasing investments in the production of clean energy technologies, particularly solar panels and batteries, have become a strong economic driver globally. These investments contribute to the emergence of new industries and employment opportunities.

The "Advancing Clean Technology Manufacturing" report identifies global investment in the production of the five main clean energy technologies - solar panels, wind power, batteries, electrolyzers and heat pumps - reaching US$200 billion in 2023.

Spending on solar panel production more than doubled last year, while investment in battery production increased by nearly 60 percent. The increase for solar panels is in line with the capacity required in 2030 according to the International Energy Agency's net zero emissions scenario.

The report states that many projects under construction will soon be operational. In 2023, around 40% of investments in clean energy generation were directed to plants that will be commissioned in 2024. For batteries, this rate rises to 70%.

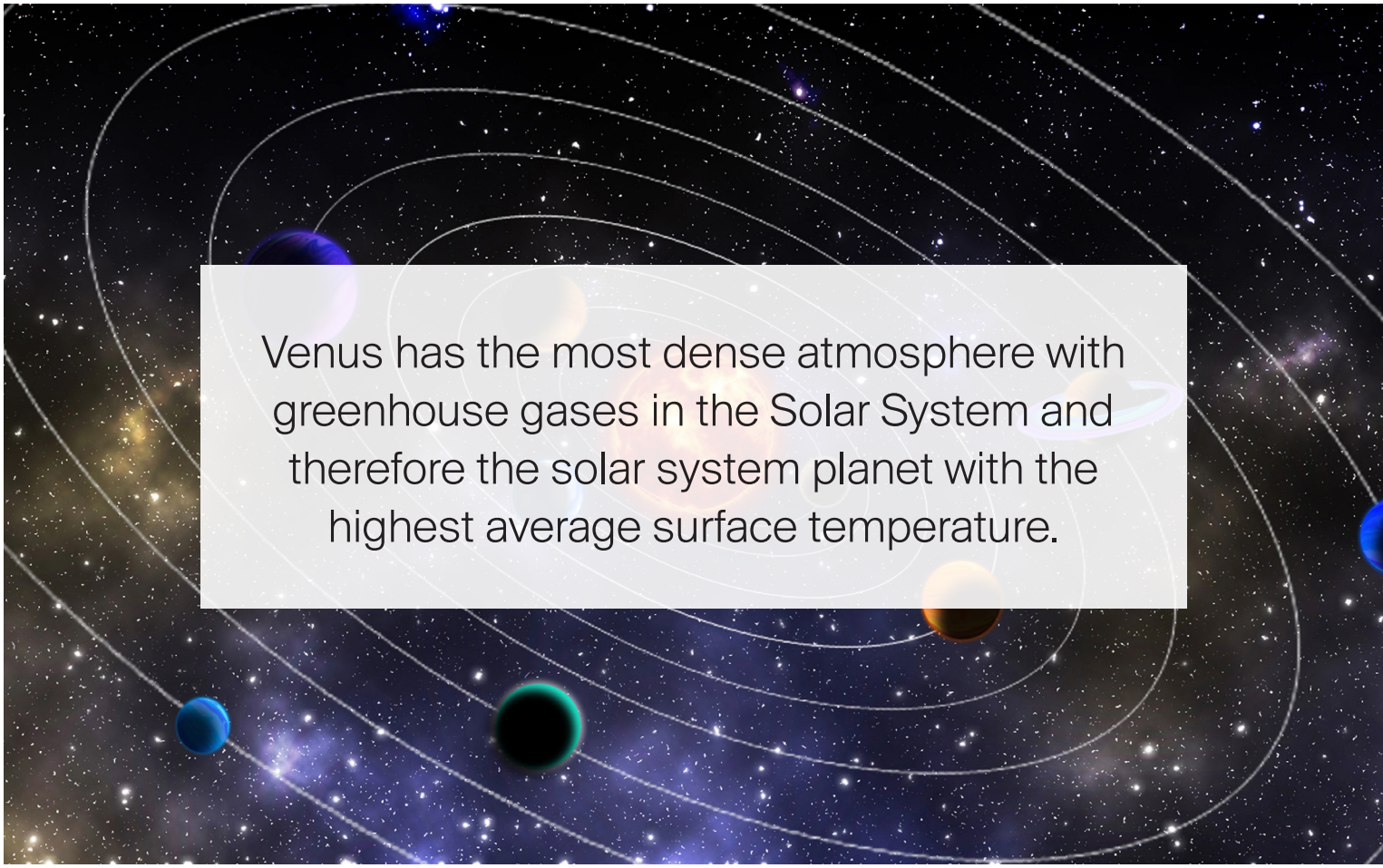
GLOBAL SALES OF ELECTRIC VEHICLES EXCEED 13 MILLION

According to data from the International Council on Clean Transportation, global sales of electric vehicles will exceed 13 million units in 2023, accounting for more than 15% of new light commercial vehicles sold worldwide. China, Europe, the US and India collectively represent around 88% of EVs sold globally.

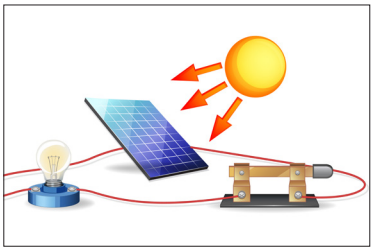
China remained the largest EV market, representing 33% of new LDV sales with more than 7 million units sold. Europe's sales share remained stable at 21%, while the US exceeded 1 million units for the first time, reaching 1.4 million units at the end of the year. India doubled its sales to more than 100,000 EVs and reached 2% of new LCV sales in 2023.

With the growth of the electric vehicle market, environmental benefits such as reduced local air pollution and lower carbon emissions have been achieved. With the spread of electric vehicles, harmful gases released into the atmosphere have decreased and important steps have been taken in the fight against climate change.

DID YOU KNOW THESE?



Venus has the most dense atmosphere with greenhouse gases in the Solar System and therefore the solar system planet with the highest average surface temperature.



Solar energy technologies collect the sun's rays to generate heat or electricity. Solar energy is utilized in the form of light, heat and electricity.

Wind energy currently meets 2% of the world's electricity needs. Compared to other electricity generation techniques, wind turbine technologies have a very low environmental impact.

Solar energy is almost 200 years old. In 1839, Alexandre Edmond Becquerel discovered the 'photovoltaic effect', also known as solar energy, where electricity is generated directly from sunlight.

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