KAZANCI HOLDİNG | aksa

AKSA SUSTAINABILITY BULLETIN

OCTOBER 2024

NEWS FROM AKSA

AKSA ENERGY PUBLISHED ITS SUSTAINABILITY REPORT FOR 2023

AKSA GENERATOR DIGITALIZES OCCUPATIONAL SAFETY

KAZANCI HOLDING PUBLISHES GLOBAL CORPORATE GOVERNANCE POLICIES PAGE!

AKSA ENERGY PUBLISHED ITS SUSTAINABILITY REPORT FOR 2023

Aksa Energy took an important step towards its goal of contributing to the future of our planet and society by sharing its 2023 Sustainability Report with the public. With this report, the Company shared Scope 1, 2 and 3 emissions with its stakeholders for the first time.

Aksa Energy is committed to continuously improving its sustainability performance as part of its "Sustainable High Growth" strategy. This strategy is an indicator of how much importance the company attaches to both its environmental and social responsibilities.

Aksa Energy continues to work to produce more responsible and sustainable solutions at every step it takes. The 2023 Sustainability Report stands out as a concrete reflection of these efforts. The emission data in the report also reveals the company's commitment to transparency and accountability.

AKSA GENERATOR DIGITALIZES OCCUPATIONAL SAFETY

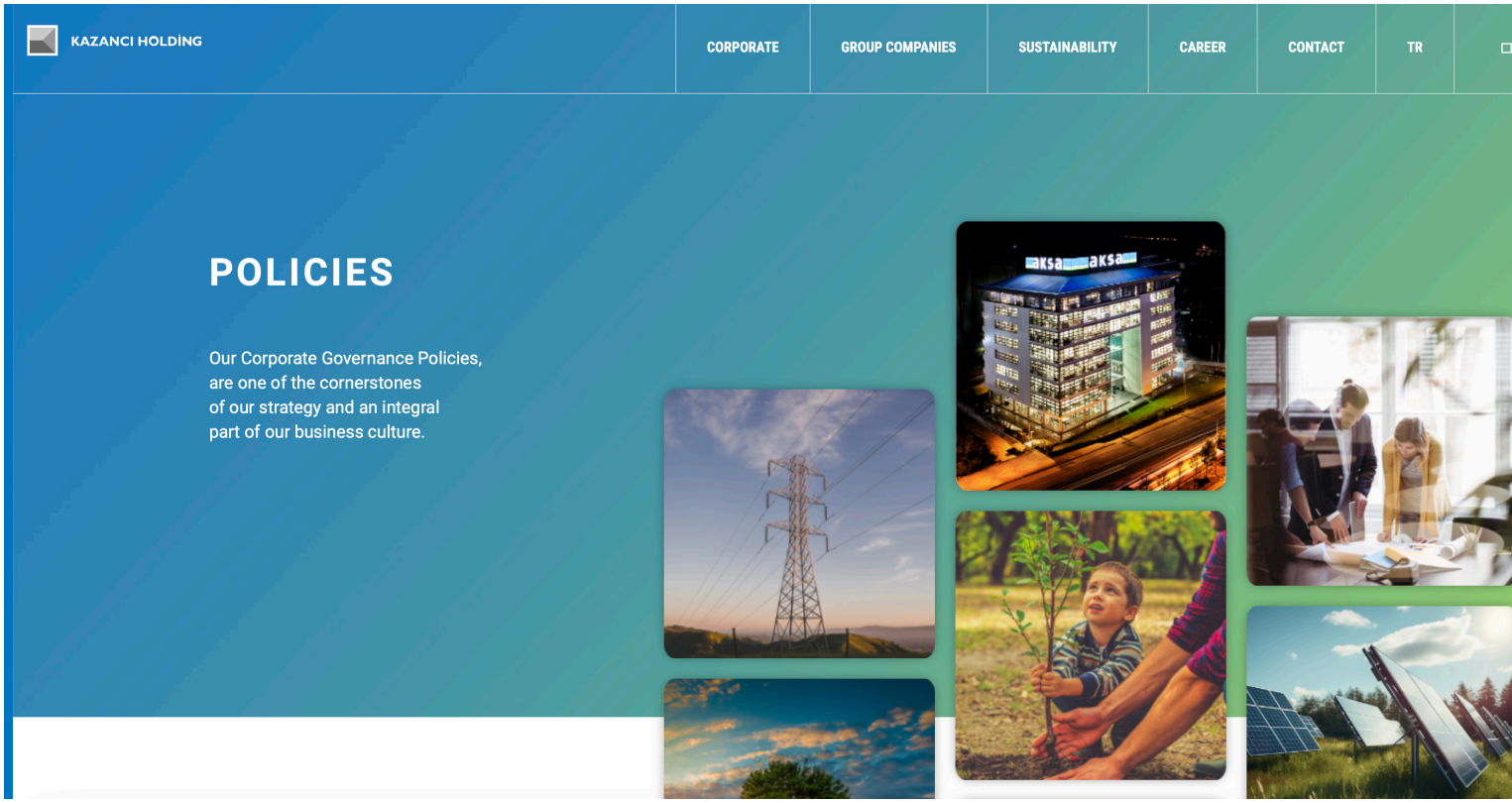
Aksa Power Generation's "Near-Miss Notification System", developed to increase employee safety at the plant, has been digitized with QR code technology. While employees used to report hazards through forms, they can now quickly and easily report them on their cell phones by scanning the QR code.

With the new QR Near Miss Application, employees can instantly report dangerous situations and movements by scanning the QR codes on the banners hanging in the field with their mobile phones. This innovation enables more effective management of the occupational health and safety process and makes it possible to record incidents more quickly. Employees can now report hazards as soon as they notice them, thus taking an important step in preventing possible occupational accidents.

The QR Near Miss Application aims to improve occupational health and safety processes. Thanks to this digital system, it is aimed to increase the rate of employees reporting risks in the workplace and to conduct more comprehensive data tracking. This innovation for the safety of both employees and the workplace takes safety measures forward in line with the factory's sustainability goals.

KAZANCI HOLDING PUBLISHES GLOBAL CORPORATE GOVERNANCE POLICIES PAGE!

Kazancı Holding launched its website to announce its Global Corporate Governance Policies in line with its vision, mission and core values. These policies demonstrate the Holding's determination to adopt the best governance practices on a global scale, while aiming for a more effective, transparent and responsible management approach in all business processes.



The Holding raises its governance standards on a global scale with these policies prepared on the basis of sustainability, transparency, accountability, ethical management and responsibility principles. With this step, the Holding aims to strengthen its innovative management approach in the Holding's business world and to further reinforce its sense of reliability and responsibility towards its stakeholders.

The policies not only increase the effectiveness of management processes, but also provide clear guidance for all employees and business partners. Kazancı Holding aims to create a stronger management culture throughout the organization with these policies that encourage responsible behavior at all levels.

The published corporate governance policies enable the Holding to conduct all its business processes in a more effective, ethical and transparent framework, and are an important step towards strengthening its reputation at both national and international levels. These policies constitute the basic building blocks for the company's future success.

SUSTAINABILITY THROUGH THE EYES OF OUR MANAGERS

AKSA GENERATOR TAKES LEADING STEPS IN SUSTAINABILITY WITH ITS 2030 STRATEGY

As AKSA Generator, Türkiye's largest generator manufacturer, we continue to move forward with the 2030 Strategy we have prepared in line with the Global Sustainability Goals. This strategy provides a comprehensive roadmap covering not only our production processes but also our environmental, social and governance responsibilities.

In particular, we attach great importance to our efforts to comply with the requirements and directives of the European Green Deal. The transformation process brought about by this agreement presents an important opportunity for us on the road to sustainability, and we take this opportunity to harmonize our activities both locally and globally with the green transformation.

In this context, we have taken great steps to identify and control our greenhouse gas sources. In 2023, we calculated in detail the carbon footprint of our production facilities in Türkiye and China and our Central Service operations. These calculations were completed in 6 categories in accordance with ISO 14064 Corporate Greenhouse Gas Emissions Calculation and Reporting standard. This reporting process once again demonstrates our commitment to transparency and enables us to better manage the environmental impact of our operations.

We closely analyze our production and consumption in every region where we operate and develop various projects to increase efficiency and optimize energy use. We are aware of the critical role of uninterrupted energy in every aspect of life and with this awareness, we offer our stakeholders alternative products with low emissions, environmentally friendly and compatible with sustainability approaches. While expanding our product range day by day, we are proud to assume a leading role in the sector with innovative and sustainable solutions.

Gözde YALÇIN
Global Quality and Sustainability Manager

BY 2030, NEARLY HALF OF THE WORLD'S ELECTRICITY DEMAND WILL BE MET FROM RENEWABLE ENERGY SOURCES

According to the International Energy Agency's 2024 Renewable Energy Report, with the rapid expansion of solar power, renewables will meet almost half of global electricity demand by the end of this decade.

The International Energy Agency's (IEA) 2024 Renewable Energy Report shows that more than 5500 GW of new renewable energy capacity will be added globally between 2024 and 2030, almost three times the increase between 2017 and 2023. In line with current market trends and government policies, the majority of global renewable capacity is expected to come online in the coming years. At the same time, it is also one of the fastest growing countries among major economies.

Solar power is expected to drive 80 percent of the growth in global renewable capacity by 2030, thanks to the construction of large-scale plants and a surge in rooftop installations. The wind sector is also poised to rebound, with the rate of expansion doubling over the 2024-2030 period. Around 70 countries are on track to meet or exceed current renewable energy targets for 2030. However, full realization of current targets will require governments to reduce financing costs through bold plans and international cooperation.

TURKIYE TARGETS 120 THOUSAND MW OF WIND AND SOLAR ENERGY BY 2035

Alparslan Bayraktar, Minister of Energy and Natural Resources, announced that Türkiye aims to reach 120 thousand MW of wind and solar energy installed capacity by 2035.

Stating that 80 billion dollars of investment is required for this target, Bayraktar emphasized that electricity demand will reach 510 TWh and Türkiye's goal of becoming a net energy exporter.

By September 2024, the share of renewables in electricity generation rose to 59%. The minister noted that 70,000 MW of capacity has been allocated for investors and the current wind and solar capacity is about 31,000 MW.

On October 28 and November 4, it was announced that new projects will be commissioned through YEKA competitions. Türkiye plans to build 90 thousand kilometers of transmission lines and 45-50 new substations to strengthen its electricity transmission infrastructure. An investment process of 108 billion dollars is envisaged for all these targets.

WASTE PROBLEM LOOMS AS SOLAR ENERGY GROWS

The rapid increase in Türkiye's solar energy capacity will bring with it a serious problem of solar panel waste in the coming years. Experts point out that the recycling of this waste is of great environmental and economic importance and emphasize that Türkiye needs to take urgent steps in this regard.

While Türkiye's solar energy investments are increasing rapidly, the environmental problems that this growth will bring with it are also on the agenda. Expert Researcher Tayfun Hiz from METU Solar Energy Application and Research Center (METU GUNAM) stated that Türkiye will face a large amount of solar panel waste between 2030 and 2035. Hız said that 800 thousand tons of solar panel waste will emerge as more than 40 million photovoltaic modules currently in operation complete their lifespan.

Türkiye's solar capacity is expected to reach 52.9 GW by 2035. This will lead to 2.4 million tons of solar panel waste by 2060. Failure to recycle the panels will create both economic loss and environmental risk. Photovoltaic panels contain valuable materials such as glass, aluminum, high-purity silicon and silver, 90 percent of which can be recycled.

Although there is no clear solution on how to cover the cost of recycling in Türkiye, Tayfun Hiz says that the European Union's "polluter pays" principle can be taken as an example.

COUNTDOWN TO COP29: CLIMATE SUMMIT TO TAKE PLACE IN AZERBAIJAN

The COP29 Summit, a critical step in the fight against the global climate crisis, will be held in Azerbaijan between November 11 and November 22, 2024.

The COP29 Summit aims to take into account different perspectives by ensuring the participation of international stakeholders in the fight against climate change. This process creates a platform to develop inclusive solutions by emphasizing the importance of the views of all parties.

The strategy of the Summit is built on two pillars. The first pillar is called "raising ambition", which encourages bold implementation of national plans and a commitment to transparency. The second pillar is called "enabling action" and emphasizes the critical role of finance to reduce emissions and adapt to climate change.

The ultimate goal of COP29 is to avoid exceeding a 1.5°C temperature rise and to achieve deep, rapid and sustainable emission reductions. With the window of opportunity rapidly closing, urgent action is needed to achieve this goal, with everyone playing their part and leaving no one behind. In this context, the COP29 process offers an opportunity to come together to tackle the climate crisis.

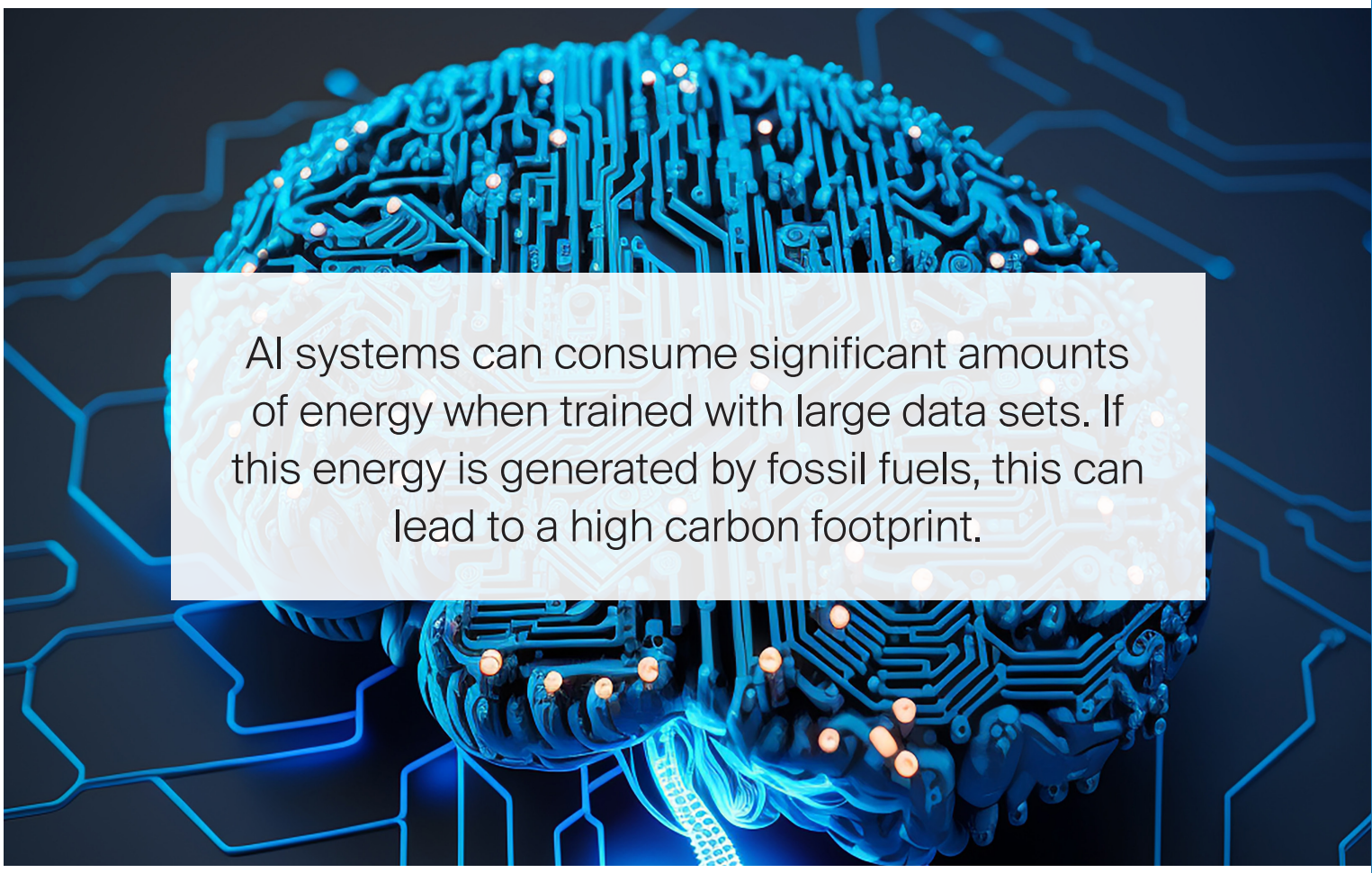
WORLD FARM WOMEN'S DAY: WOMEN'S ROLE IN AGRICULTURE AND THE CLIMATE STRUGGLE

The United Nations declared October 15 as "International Day of Farm Women" in 2007. Rural women are responsible for half of the world's food production and are of great importance for gender equality and human rights. They play a critical role especially in combating climate change through sustainable agricultural practices.

Women farmers play vital roles in many areas, including boosting agricultural development, improving food security and reducing poverty. But because they do not have equal rights with men, they earn less income and experience more food insecurity. Increasing women's productivity in agriculture can make a big difference in the fight against poverty and hunger.

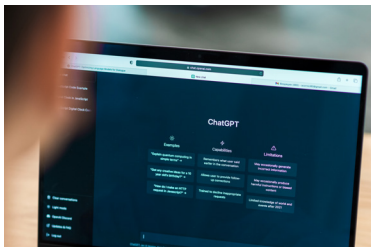
For indigenous women in particular, limited access to resources, land rights, credit, education and technology reduce their capacity for agricultural production. At the same time, the gender wage gap can be as high as 40% in rural areas, making it even more difficult for women to access livelihoods. Despite this, the leadership of women farmers contributes greatly to mainstreaming sustainable agricultural practices and building the resilience of communities in the fight against climate change. Empowering women farmers is therefore seen as a critical step not only for gender equality, but also for achieving global sustainability goals.

DID YOU KNOW THESE?



AI systems can consume significant amounts of energy when trained with large data sets. If this energy is generated by fossil fuels, this can lead to a high carbon footprint.

With AI applications on the rise, it is estimated that water consumption in cooling systems could be between 4.2 and 6.6 billion cubic meters in 2027. This reflects the amount of water required to prevent equipment from overheating during the development and operation of AI models.



It was stated that the training of GPT-3, one of the artificial intelligence technologies, consumed 1287 megawatt-hours of electricity and caused 502 tons of carbon dioxide emissions.

Data centers worldwide currently account for about 2% of total energy consumption. However, this is expected to rise to 3-4% by 2030.

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Rüzgarlıbahçe Mahallesi, Özalp Çıkmazı No:10
34805 Kavacık Beykoz - İSTANBUL/TÜRKİYE
T. 0216 681 00 00 | F. 0216 681 57 84

kurumsalyonetisimvesurdurulebilirlik@aksa.com.tr

EDITOR-IN-CHIEF

Betül Işıklar
Nazlı Hilal Yedekçi

EDITOR

Nazlı Hilal Yedekçi
Aziz Utku Şirin

NUMBER 15

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