



KAZANCI HOLDING



AKSA SUSTAINABILITY BULLETIN

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NEWS FROM AKSA

**AKSA POWER GENERATION
LAUNCHES SOLAR ENERGY
INITIATIVE IN CHINA!**

**TSKB PROVIDES \$80 MILLION IN
FINANCING TO AKSA ENERGY
FOR A SUSTAINABLE FUTURE**

**AKSA ENERGY PUBLISHES
ITS FIRST SUSTAINABILITY
REPORT IN LINE WITH TSRS**

AKSA POWER GENERATION LAUNCHES SOLAR ENERGY INITIATIVE IN CHINA!

Aksa Power Generation has commissioned a grid-connected solar energy system at its production center in China. The project, with an installed capacity of 2.36 MW, contributes significantly to environmental sustainability by generating 2.53 million kWh of electricity annually.



The solar energy system installed at Aksa Power Generation production facility in China has been successfully connected to the grid. The system, with a total installed capacity of 2.36 MW, will generate 2.53 million kWh of electricity per year. This production will prevent 1,072 tons of carbon emissions and provide an environmental contribution equivalent to planting 60,000 trees.

The system will meet 1.88 million kWh of the annual electricity consumption, aiming to reduce the factory's electricity costs by 20%. The system, consisting of 4,987 solar panels installed on a 10,750 m² roof area, offers high resistance to wind and corrosion and stands out with its long-lasting performance.

Aksa Power Generation had also commissioned a similar system at its Çerkezköy Production Facility in 2023. With this investment in Türkiye, 36% of energy needs are met by solar power, and the goal is to increase this percentage to 60% in the coming years.

Continuing its pioneering role in clean energy applications, Aksa Power Generation is determined to continue developing environmentally friendly solutions in line with its sustainability goals.

7 AFFORDABLE AND CLEAN ENERGY



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TSKB PROVIDES \$80 MILLION IN FINANCING TO AKSA ENERGY FOR A SUSTAINABLE FUTURE

TSKB has signed a \$80 million credit agreement with Aksa Renewable Energy, a wholly owned subsidiary of Aksa Energy. The funds will be used to implement three major renewable energy storage projects.



The \$80 million credit agreement signed between TSKB and Aksa Renewable Energy, a wholly owned subsidiary of Aksa Energy, aims to make a strong contribution to Türkiye's sustainable energy transition. The loan will be used for the Kırşehir Alıç Storage Solar Power Plant (50 MWe), the Gaziantep Pamuk Storage Solar Power Plant (40.5 MWe), and the 50 MWe / 50 MWh capacity independent electricity storage facility project to be established in Şanlıurfa.

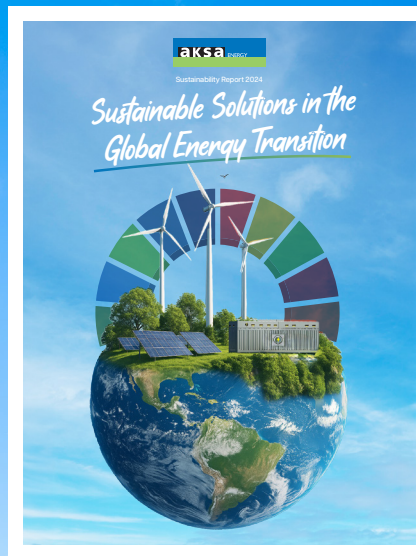
The loan, with a total term of 11 years and a one-year grace period, will provide dedicated financing for three of the 14 projects carried out by Aksa Yenilenebilir Enerji across Turkey, directly contributing to the country's energy supply security and low-carbon development goals.

TSKB has played a pioneering role in sustainable financing, representing 14% of Türkiye's renewable energy capacity with the 476 projects it has supported to date. Aksa Energy, as a pioneer license holder in the field of renewable energy storage, continues to make strategic contributions to Türkiye's energy transformation with investments focused on energy supply security and environmental sustainability.



AKSA ENERGY PUBLISHES ITS FIRST SUSTAINABILITY REPORT IN LINE WITH TSRS

Aksa Energy has published its first sustainability report in line with the Turkish Sustainability Reporting Standards (TSRS), sharing its sustainability performance progress with the public from both financial and non-financial metrics perspectives. The report covers financial and operational developments for 2024, digital transformation steps, climate risks and opportunities, renewable energy investments, and environmental, social, and governance performance. Aksa Energy contributed to sustainable high growth in many areas, from emission reduction to local employment, gender equality to supply chain management.



The report emphasizes Aksa Energy's acceleration of renewable energy investments from a "Sustainable High Growth" perspective. Aksa Energy, which has earned the right to obtain Türkiye's first renewable energy production license with storage, plans to reach over 891 MW of installed capacity in this field. At the same time, the company, which promotes renewable energy production at all its power plants with IREC certificates that certify green energy use, has also significantly reduced its emissions.

Strengthening its corporate social responsibility approach, Aksa Energy has also made progress in areas such as increasing female representation in management and promoting a safe and inclusive working environment.

By the end of 2024, the percentage of women on the Board of Directors reached 25%, while occupational health and safety practices attracted attention with the achievement of 2 million accident-free working hours in the Kazakhstan project.

With this first TSRS-compliant report, Aksa Energy continues to contribute to the sustainable development goals of both Türkiye and the other countries in which it operates. The company, which is leading the energy transition, continues to grow with environmentally friendly and socially conscious projects.



KAZANCI HOLDING SUCCESSFULLY COMPLETES THE UN GLOBAL COMPACT BUSINESS & HUMAN RIGHTS ACCELERATOR PROGRAM

Kazancı Holding has successfully completed the six-month UN Global Compact Business and Human Rights Accelerator Program, strengthening its human rights-focused corporate approach. Progress was made in many areas under the program, from supply chain risks to solution mechanisms.



By participating in the UN Global Compact Business and Human Rights Accelerator Program, Kazancı Holding further advanced its human rights-sensitive corporate governance approach during the comprehensive six-month process. Throughout the program, analyses and actions were carried out on key topics such as gender equality, supply chain management, impact assessment, and complaint mechanisms.

While identifying areas for improvement in detecting and preventing human rights risks in the supply chain, the human rights perspective in corporate policies and practices was made more comprehensive.

Through information sharing, best practice examples, and guidance documents among participating companies, Kazancı Holding brought its human rights strategy more in line with international standards.

Kazancı Holding views this important step as part of its commitment to a more equitable, inclusive, and sustainable future. By integrating a human rights-respecting corporate governance approach into all business processes, it aims to create an impact area encompassing all stakeholders, from employees to suppliers.



€668 MILLION IN SUPPORT FROM THE WORLD BANK AND CLEAN TECHNOLOGY FUND FOR RENEWABLE ENERGY TRANSMISSION IN TÜRKİYE

The World Bank and the Clean Technology Fund have provided a total of €668 million in financing for the Türkiye Transmission System Transformation Project, which will upgrade Türkiye's energy transmission infrastructure to accommodate renewable energy. The project supports the RE 2035 strategy and the 2053 net zero emissions target.



The World Bank approved a total financing package of approximately 668 million euros to support Türkiye's renewable energy transition, consisting of a 625 million euro IBRD loan, a 32.8 million euro Clean Technology Fund (CTF) loan, and a 2 million US dollar CTF grant. The Transmission System Development Project will enable the integration of increasing wind and solar energy capacity into the national grid.

The project, implemented under the 7th phase of the ECARES Program, directly supports Türkiye's strategy to reach 120 GW of renewable installed capacity by 2035, in line with the RE 2035 targets. Comprising three key components—transmission infrastructure development, digitalization, and innovative applications—the project also aims to strengthen Turkish Electricity Transmission Corporation's technical and institutional capacity.

World Bank Country Director for Türkiye Humberto Lopez emphasized that the project will increase energy security, reduce fossil fuel imports, and create green jobs, while Project Leader Yeşim Akçollu stated that this investment will make Türkiye's electricity grid greener, more resilient, and more digital.

Designed in line with Türkiye's Twelfth Development Plan and climate commitments, the Türkiye Transmission System Transformation Project is expected to contribute to reducing greenhouse gas emissions and create thousands of jobs in the renewable energy value chain. With this project, the World Bank and CTF have once again confirmed their long-term support for Türkiye's sustainable development and energy transition goals.



DROUGHT ALERT IN TÜRKİYE: RESERVOIR FILLING RATES AT CRITICAL LEVELS

According to data from the General Directorate of Meteorology and the State Hydraulic Works, many regions of Türkiye have not received sufficient rainfall for a long time. Agricultural production is at risk, and water resources are sounding the alarm.



According to the General Directorate of Meteorology's July 2025 drought analysis, severe meteorological drought is being experienced across Türkiye, particularly in the Central Anatolia, Southeastern Anatolia, and Aegean regions. Over the past 12 months, rainfall has been up to 30% below seasonal norms. According to reservoir capacity data published by the General Directorate of State Hydraulic Works, the capacity of drinking water reservoirs in major cities such as Istanbul, Ankara, and Izmir has fallen below 25%.

Drought poses a major threat not only to water supply but also to agricultural production. In a June 2025 statement, the Ministry of Agriculture and Forestry indicated that crop losses in wheat, barley, and lentil production could be higher than expected.

While there have been noticeable drops in groundwater levels in the Southeastern Anatolia Project Region, farmers are looking for alternative crops due to rising irrigation costs.

Experts point out that factors such as temperature increases due to climate change, irregular rainfall patterns, and unplanned water use are exacerbating the drought. Prof. Dr. Levent Kurnaz from Boğaziçi University's Climate Policy Center stated, "Türkiye is now experiencing the effects of the climate crisis directly, not just indirectly. Changes in rainfall patterns have become structural, not seasonal."

Meanwhile, according to the draft Climate Adaptation Strategy prepared by the Ministry of Environment, Urbanization, and Climate Change, the goal is to prepare integrated drought action plans in all metropolitan cities by 2030. However, the current situation highlights the need for urgent measures to be implemented quickly.



TÜRKİYE ENTERS A NEW ERA IN CARBON TRADING

The Climate Change Directorate has released the Draft Regulation on the Türkiye Emissions Trading System (ETS) for public consultation. The draft consolidates, for the first time, the entire process from monitoring greenhouse gas emissions to carbon pricing under a single framework.



Türkiye is taking another important step towards a low-carbon economy. Published on July 22, 2025, the draft Türkiye Emissions Trading System (ETS) Regulation aims to integrate the monitoring, reporting, and verification process that has been in place in our country for about 10 years with carbon pricing mechanisms. The draft will be open for public comment until August 4, 2025.

The system targets emission intensity per unit of production rather than total emission quantities. This encourages businesses to reduce their carbon footprint per unit while increasing production. Free allowances will be distributed based on the “comparison method,” similar to EU practices.

• **Pilot Period (2026–2027):** It will be limited to sectors covered by the Carbon Border Adjustment Mechanism (CBAM), and all allowances will be allocated free of charge.

• **First Implementation Period (2028–2035):** The scope will be expanded; facilities operating in high-emission sectors such as cement, iron and steel, aluminum, and electricity, and emitting more than 50,000 tons of CO₂ equivalent per year will be included in the ETS.

Facilities will be required to prepare documents such as greenhouse gas emission reports, activity level reports, and monitoring plans each year. In return, market-based flexibility mechanisms such as banking (carrying over to the next period) and borrowing will be introduced. In addition, the predictability of the system will be increased with price corridors that set upper and lower limits on allocation prices.

The new system is highly compatible with the European Union’s carbon market structure. This will both reduce the financial burden on Turkish exporters arising from the ETS and encourage environmental investments through carbon pricing. The system also includes complementary pricing applications and reserve mechanisms for businesses wishing to pay additional carbon prices, facilitating private sector participation.





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