



KAZANCI HOLDİNG



SUSTAINABILITY BULLETIN

JANUARY 2024



HIGHLIGHTS

Visit to Aksa
Memorial
Forest

Cooperation for
Biodiversity

We Became a
Signatory to the
UN Global
Compact

Visit to Akxa Memorial Forest



Kazancı Holding went above and beyond in celebrating the Republic of Türkiye's 100th anniversary when it came to sustainability and environmental preservation principles.

On October 29, Akxa donated 10,000 saplings to the General Directorate of Forestry for the memory of today and the future for 10,000 employees, creating the Akxa Memorial Forest.

Akxa Volunteers, together with officials from the General Directorate of Forestry, visited the Akxa Memorial Forest in Şile, received information on the health and development of saplings and closely examined the saplings.



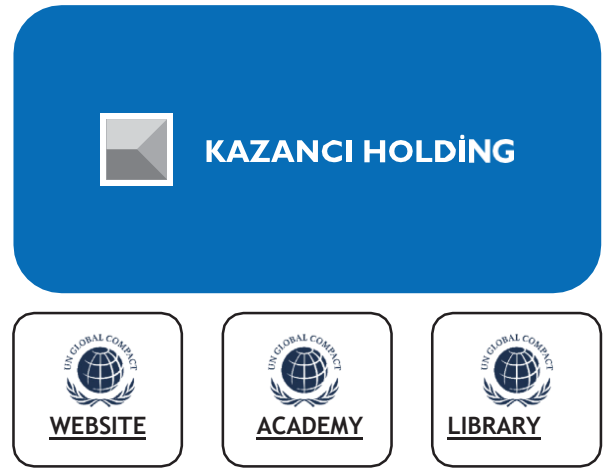
Kazancı Holding Signs Global Compact for Leadership in Global Responsibility

In 2023, Kazancı Holding raised the bar one step further in the areas of sustainability and social responsibility worldwide and became a signatory to the United Nations Global Compact.

The Global Compact provides a framework that includes the commitments of companies on issues such as human rights, labour standards, environmental protection and anti-corruption, which are the basic principles of the business world.

Kazancı Holding's participation in the Global Compact emphasises that the holding does not only focus on its financial achievements, but also strengthens its commitment to ethical values, social justice and environmental sustainability principles. With this step, the company has once again demonstrated its commitment to looking after the welfare of not only today but also future generations.

One of the advantages of being a signatory to the Global Compact is that company employees have access to free training and resources. As Aksa employees, you can benefit from the resources of the Global Compact Academy and Global Compact Library given in the link on the right by becoming a member with your company e-mail addresses.



Cooperation for Biodiversity



Focusing on its sustainability goals, Kazancı Holding came together with the university delegation as part of its cooperation with Isparta University of Applied Sciences for the protection of the Anatolian leopard. During the meeting held at AKSA Headquarters, the details of the protocol and possible new collaborations were discussed.

At the meeting, Naci Ağbal, Vice Chairman of the Board of Directors of Kazancı Holding, stated: "At Kazancı Holding, we attach special importance to biodiversity projects as part of our 2030 sustainability goals. In the meeting we held with Isparta University of Applied Sciences, which we know conducts important studies in this context We exchanged views on different projects that we can realise as part of our cooperation.

As a result of the meeting, which we believe was very useful, we have taken the first step towards biodiversity projects that will contribute to Kazancı Holding's 2030 Sustainability targets."



Isparta University of Applied Sciences Rector Prof. Dr. Yılmaz Çatal stated, "As a university competent in sustainability, we come together with Kazancı Holding, which cares about sustainability. We exchanged views to add new ones to the bilateral agreements we have made in this field. We agreed to continue our bilateral cooperation," he said.



Fırat Electricity Distribution Co: supported the "Energetic Education for Saving" Project



As part of Energy Efficiency Week, Fırat Electricity Distribution Co. came together with our children, whom it sees as the leaders of the future, and realized an important social responsibility project.

. The company supported Elazığ Provincial Directorate of National Education's "Energetic Education for Saving" project and provided children with information on how to use limited energy resources more effectively and efficiently.

As part of the event, an interactive training was organised with children. Company representatives informed children about energy efficiency, saving measures and environmentally friendly behaviours and aimed to raise awareness on how they can take responsibility for a sustainable world in the future.



Fırat Elektrik Dağıtım AŞ contributes not only to energy distribution but also to the education of children in line with its responsibility towards the society and contributes to future generations to become individuals who are conscious about energy use. The company continues to work for a greener and healthier world, emphasising its belief that a sustainable future is only possible through education.

Çoruh Electricity Distribution Co. Trained Children as part of Energy Efficiency Week



ÇORUH Elektrik Dağıtım AŞ (EDAŞ) came together with children as part of Energy Efficiency Week and organised an informative event on the efficient use of limited resources.

In this special event, company officials provided information on energy efficiency and sustainable use to children, who are the guarantee of the future. The event, which was organised to teach children environmentally friendly habits and to emphasise the importance of energy saving, aimed to offer an interactive learning experience to the participants.



What is Akxa Green Energy? What Do Green Energy Certificates Do?

Since the Industrial Revolution until today, the concept of energy has been one of the most discussed and debated issues.

For this reason, it would not be wrong to say that the need for energy use has increased in direct proportion.

In order to prevent future generations from being adversely affected, every country and every institution should produce with the awareness of its responsibility and ensure sustainable development. While countries are doing their share in line with this awareness, mechanisms have also been established for real and legal persons within their borders to support the transformation to clean energy. In this context, one of the most accessible support mechanisms is "Renewable Energy Certificates".

As AKSA Electricity, we offer electricity supply service from renewable sources and Renewable Energy Certificate service with "Akxa Green Energy" for our customers who want to supply environmentally friendly electricity.

The electricity reaching you through power transmission lines is a mixture of different sources. Distinguishing renewable energy from these sources the origin of the electrical product you have chosen must be documented in order to be able to identify and prove it. With the YEK-G and I-REC certificates we provide as AKSA Elektrik, the source of renewable electricity is proved with documents.



Producers included in the Renewable Energy Certificate systems YEK-G and I-REC certify the electricity produced in renewable energy facilities, proving the renewable source of electricity. By certifying that the electricity purchased as an electricity consumer is supplied from renewable energy sources, contribution is made to carbon footprint reduction and sustainability activities.

As AKSA Elektrik, approximately 1,000GWh of Renewable Energy Certificates have been provided to date. We will continue to be a solution partner for our customers to reduce their carbon emission rates within the scope of sustainability.

Alican GÜLER
Akxa Electricity
National Sales



II. National Energy Efficiency Action Plan Published

In order to realise the net zero emission target by 2053, Türkiye has adopted Türkiye's Energy Efficiency 2030 Strategy and the Energy Efficiency Strategy II published by the Ministry of Energy and Natural Resources. The National Energy Efficiency Action Plan sets various steps and targets in the field of energy efficiency for the period 2024-2030. The plan focuses on harmonisation with the European Union and taking into account energy efficiency targets under the European Green Deal and the Climate Act.

In the document, various measures are planned under 7 main headings and 61 sub-headings. Measures range from increasing the use of renewable energy to improving the infrastructure of the electricity market. Taking into account the economic impacts, it is aimed to reduce energy consumption per GDP by 15% and to reduce greenhouse gas emissions by 100 million tonnes of CO2 equivalent. In order to achieve these targets, a total investment of USD 20.2 billion is planned for the period 2024-2030, some of which will be supported through public resources.

it is aimed to reduce primary energy consumption by 15% and to achieve 37.1 MTEP energy savings by reducing primary energy consumption by 16%.

At the same time, greenhouse gas emissions are expected to be reduced by 100 million tonnes of CO2 equivalent.



In the energy sector, Türkiye's Energy Sector Strategy includes topics such as the efficient functioning of the heat market, the implementation of efficiency standards for natural gas infrastructure, and the roll-out of smart meters. In addition, strategies such as expanding the use of LEDs, increasing energy efficiency in electricity transmission/distributor activities and promoting renewable energy systems are also prominent. The development of hydrogen technology, the promotion of sectoral use of green hydrogen and the support of domestic technologies are among the main elements of the strategy. With this comprehensive strategy, Türkiye aims to increase energy efficiency, move towards sustainable energy sources and reduce carbon emissions.



Türkiye Sustainability Reporting Standards (TSRS) entered into force.

Public Oversight, Accounting and Auditing Standards Authority (POA), sustainability reporting Türkiye Sustainability Reporting Standards, which adds a new dimension to the Turkish Sustainability Reporting Standards, was published in the Official Gazette and put into effect.

The published standards are detailed under two main headings, namely TSRS S1 General Provisions on Disclosure of Sustainability-Related Financial Information and TSRS S2 Climate-related Disclosures. These standards were derived from the internationally recognised IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures and were opened for public consultation in November 2023.

The new regulation is designed to cover all banks except those in the Savings Deposit Insurance Fund. In addition, enterprises with an asset value exceeding TL 500 million, an annual net sales revenue exceeding TL 1 billion and a number of employees exceeding 250 were required to comply with the reporting standards.

As part of the standards, transitional rules were also determined. In particular, the submission of comparative information will not be mandatory in the first implementation period. Similarly, the obligation to report Scope 3 emissions will not apply in the first two-year period. This innovative approach provides organisations with the opportunity to aims to increase awareness in the sector by allowing flexibility in the process of adaptation.



According to the resolution on the implementation of the Turkish Sustainability Reporting Standards, "Sustainability Reporting" has been made mandatory as of 01/01/2024 for the companies that exceed the threshold values of at least two of the following criteria in two consecutive reporting periods among the companies subject to the specified scope.

Threshold values determined as part of TSRS:

Number of employees: 250 people

Asset total: 500 Million Turkish Lira

Annual net sales revenue: 1 Billion ₺

To understand whether their company is TSRS mandatory;



TO UNDERSTAND WHETHER TSRS IS MANDATORY FOR COMPANIES :

Link to the board resolution on the scope of application of Turkish sustainability reporting standards (TSRS):



BOARD RESOLUTION

Compost Obligation for Organic Waste in France



France is preparing to take a sustainable step with 'compulsory composting' rules, a brand new environmental regulation from 1 January 2024. In this framework, recycling of organic waste will become mandatory in French households. This step aims to raise France's environmental awareness and encourage public engagement on sustainability.

In a new environmental initiative supported by the French Government's Green Fund, municipalities are preparing to raise awareness and support residents in sorting organic waste. Households and businesses will be required to sort organic waste, including food waste, vegetable peels, expired food and garden waste, into special small bins or at municipal collection points.

The scheme was previously targeted at those generating more than five tonnes of organic waste per year and is being expanded to encourage general community participation. This step towards a Green Future stands out as an important initiative not only in terms of environmental sustainability, but also to contribute to raising public awareness on environmental issues.



Endemic Plant of Türkiye : Schrenkiella Parvula in Space



Türkiye's first space traveller Alper Gezeravcı will take part in an important experiment called "Extremophyte". As part of the experiment, the responses of the Schrenkiella Parvula plant, which grows endemically in Salt Lake, to salt and other stress factors in the space environment will be examined.

Led by Prof. Dr. İsmail Türkan, Acting Dean of Yaşar University Faculty of Agricultural Sciences and Technologies, the team will investigate how the plant's tolerance to high salinity changes under microgravity with the Extremophyte experiment.



The experiment, which will be conducted on the International Space Station, will continue in Türkiye and will shed light on the adaptation of plants to microgravity and high salinity.

Prof. Dr. İsmail Türkan stated that the "Extremophyte" experiment will contribute to our understanding of the life strategies of plants in space conditions by carrying the knowledge of Türkiye's biodiversity and endemic plants into space.

This meaningful experiment will strengthen Türkiye's role in space exploration and will be a step towards raising international awareness on the protection and sustainability of biodiversity in our country.



Carbon Terms to Know:

CARBON FOOTPRINT: It refers to the amount of CO₂e (carbon dioxide equivalent), a metric measuring greenhouse gases emitted into the atmosphere as a result of the production, consumption and activities of an individual, organisation or product. This metric is used to guide sustainability efforts by assessing environmental impacts. A lower carbon footprint encourages environmentally friendly and sustainable practices.

CARBON NEUTRAL It refers to the situation where an individual, organisation or process reduces or offsets its greenhouse gas emissions so that it is not emitted to the atmosphere on a net basis. In this case, various sustainability measures are taken to reduce the amount of greenhouse gases emitted per unit or to compensate for the negative effects of emissions. Becoming carbon neutral usually involves various strategies such as energy efficiency, use of renewable energy and carbon offset projects.

CARBON ZERO: It refers to the situation in which an individual, organisation or process completely eliminates greenhouse gas emissions and emits no greenhouse gases to the atmosphere on net. Carbon neutrality is achieved through sustainability efforts and the intensive adoption of green practices. This aims to minimise the carbon footprint and compensate for the remaining emissions.

CARBON TRADING: It is a system that emerged as a mechanism to control greenhouse gas emissions and involves the trading of greenhouse gas emission quotas. In this system, a given country, company or industrial facility is entitled to emit a certain amount of greenhouse gases in order to meet the set emission targets. These rights can be bought and sold through trade. Carbon trading aims to find economically efficient and sustainable solutions while incentivising emissions reductions.

CDP (CARBON DISCLOSURE PROJECT) OR CARBON TRANSPARENCY PROJECT:

It is an independent organisation that measures the climate change and environmental sustainability performance of companies and cities. In collaboration with a range of investors and corporate partners around the world, CDP asks companies, cities and other organisations to disclose their environmental impacts, such as greenhouse gas emissions, water use, forest management, and share the strategies they have developed to address them. The aim of CDP is to help companies and cities improve their environmental performance and raise awareness of sustainability by providing transparent information to investors, consumers and other stakeholders.

CARBON TAX: An environmental tax imposed on companies or individuals to incentivise them to reduce greenhouse gas emissions. This tax is used to support efforts to reduce carbon emissions and to incentivise sustainable practices.

CARBON MARKET: It is a trading platform created to regulate and reduce greenhouse gas emissions. In this market, companies or countries can buy and sell emission rights to meet or exceed set emission quotas. The carbon market promotes a more effective reduction of greenhouse gas emissions through emissions trading. The aim of this system is to reward organisations that reduce emissions and encourage sustainable practices.

