aksa | KAZANCI HOLDİNG

AKSA SUSTAINABILITY BULLETIN

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3rd Year

NEWS FROM AKSA

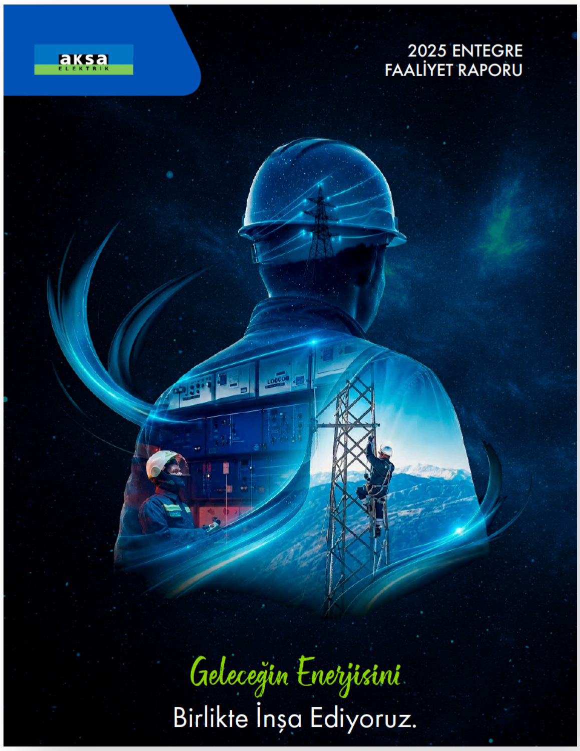
AKSA ELECTRICITY PUBLISHES ITS 2025 INTEGRATED ANNUAL REPORT

AKSA POWER GENERATION PUBLISHES ITS 2025 INTEGRATED ANNUAL REPORT

AKSA ELECTRICITY BECOMES A SIGNATORY TO THE UN GLOBAL COMPACT

AKSA ELECTRICITY PUBLISHES ITS 2025 INTEGRATED ANNUAL REPORT

Aksa Electricity has published its 2025 Integrated Annual Report. In addition to the company's operational performance during the year, the report covers its initiatives in climate change, resource management, digital transformation and R&D.



Alongside its electricity distribution and retail operations, the report provides up-to-date data on the company's sustainability performance. Climate action, energy efficiency, waste management, water conservation and digitalization were among the key themes of the year. As Aksa Electricity continues its work toward its goal of carbon neutrality by 2050, it is also focusing on low-carbon transformation and renewable energy solutions.

Key Sustainability Highlights
• 100% of hazardous waste was recycled.
• 86.6% of non-hazardous waste was recycled.
• A total of 3,181 employees received training on environmental issues, zero waste, waste management and sustainability.
• Total water consumption fell from 59,780 m³ in 2023 to 35,026 m³ in 2025.
• R&D and innovation expenditure reached TRY 36.3 million.
• Sustainability-focused projects accounted for 77% of total R&D investments.

The report also highlights ongoing work to shape the energy infrastructure of the future through R&D projects involving energy storage systems, AI-powered grid applications, digital twin technologies and the electric vehicle ecosystem.

AKSA POWER GENERATION PUBLISHES ITS 2025 INTEGRATED ANNUAL REPORT

Aksa Power Generation has published its first Integrated Annual Report, bringing together its financial and operational performance with its environmental, social and governance initiatives. The report covers the company's global growth journey as well as its work on climate action, energy efficiency, environmentally responsible product development, the circular economy and energy storage.

Covering the company's production facilities in Türkiye, China and Spain, the report presents its 2025 performance in a holistic framework, spanning production, R&D, digital transformation, employee practices and environmental performance. In line with its goals of reducing carbon emissions by 10% by 2030 and achieving net zero by 2050, Aksa Power Generation continues to expand its use of renewable energy and develop lower-emission products.

Key Sustainability Highlights

• Solar energy supplied 25% of the electricity used at the company's operations in Türkiye, while its solar power plants generated 1,717 MWh of clean energy.
• All electricity sourced from the grid was matched with renewable energy through I-REC certificates.
• Total water consumption at the Türkiye and China facilities amounted to 37,222 m^3. The China facility recovered and reused 2,440 m^3 of water.
• The Çerkezköy production facility received a Zero Waste Certificate. A total of 2,215.44 metric tons of non-hazardous waste generated at the facility was sent for recycling.
• A Life Cycle Assessment was completed to evaluate the environmental impacts of generator products from raw material sourcing through to end of life, and the world's first Environmental Product Declaration in the generator industry was published.

The report also details the sustainability-driven transformation of the company's product and solution portfolio. Key initiatives include HVO-compatible generators equipped with Stage V engines, energy storage solutions and the RePower Project, which refurbishes generators that have reached the end of their service life. Aksa BESS signed contracts for three projects with a combined capacity of 172 MWh, while R&D efforts continued to focus on reducing fuel consumption, emissions and noise levels.

AKSA ELECTRICITY BECOMES A SIGNATORY TO THE UN GLOBAL COMPACT

Aksa Electricity has become a signatory to the UN Global Compact.

By joining the initiative, the company affirmed its commitment to the ten universal principles covering human rights, labor standards, the environment and anti-corruption. In addition to placing its sustainability efforts within an international framework, Aksa Electricity further embedded responsible business conduct into its corporate approach.

Aksa Electricity's participation is expected to further broaden the shared approach to sustainability across Aksa Group Companies. Building on the commitment already supported by Kazancı Holding and Aksa Energy, the Group aims to strengthen its sustainability culture and integrate the universal principles into all business processes.

17 PARTNERSHIPS FOR THE GOALS

The UN Global Compact Academy is a digital learning platform that supports UN Global Compact member companies in advancing their progress toward the SDGs and the 10 Principles. It is open to all our employees and offers company-specific sustainability content. You can access the training courses by registering with your Aksa email address.

AKSA ENERGY SECURES USD 124 MILLION IN INTERNATIONAL FINANCING FOR ITS MERSİN WIND POWER PROJECT WITH INTEGRATED STORAGE

Aksa Energy has signed a USD 124 million international financing agreement for a 100.08 MW wind power project with integrated energy storage to be developed in Mersin.

Operating 14 power plants across eight countries with a total installed capacity of more than 3,500 MW, Aksa Energy has established itself as a global energy company and continues to invest in Türkiye's energy transition.

Aksa Energy signed the USD 124 million international financing agreement for its 100.08 MW Mersin wind power project with integrated energy storage. The project holds the distinction of being the first power plant in Türkiye to obtain a license for renewable energy generation with integrated storage.

The 12-year financing, provided by BBVA and backed by a guarantee from the China Export & Credit Insurance Corporation (Sinosure), will support Aksa Energy's sustainable high-growth strategy and further strengthen its renewable energy investments. The agreement will also help diversify the company's financing sources geographically.

Aksa Energy Leads Türkiye's Energy Transition with a Strong Portfolio

Playing an active role in Türkiye's energy transition, Aksa Energy is currently developing 14 renewable energy projects with integrated storage across 11 provinces, representing a total installed capacity of 941 MW. Through investments in wind and solar projects with integrated storage, the company is diversifying its generation portfolio while continuing to support Türkiye's renewable energy transition through projects that strengthen energy security and harness advanced technologies.

AKSA ELECTRICITY LAUNCHES THE “DON’T BILL NATURE” PROJECT

Aksa Electricity launched the “Don’t Bill Nature” project to encourage the use of digital invoices and reduce paper consumption. Implemented across the Çoruh and Fırat regions, the project combines digitalization with the conservation of natural resources.

Under the project, the number of consumers opting for digital invoices reached 1.7 million. Since March, more than 4.9 million invoices have been delivered digitally, generating benefits equivalent to saving approximately 590 trees, conserving 148,000 liters of water and avoiding 25 metric tons of carbon emissions.

If all consumers switch to digital invoices, approximately 30 million paper invoices could be avoided each year. This transition is expected to save the equivalent of around 3,600 trees, conserve 900,000 liters of water and prevent 150 metric tons of carbon emissions.

In collaboration with Ecording, the project also sows a seed on behalf of every consumer who switches to digital invoices. In this way, a simple everyday choice not only reduces paper consumption but also creates a direct environmental benefit.

POLICY OF THE MONTH

GLOBAL CORPORATE GOVERNANCE POLICY

Trust begins with sound decisions.

Our Global Corporate Governance Policy provides a shared framework for our decisions and ways of working, wherever we operate.

Our approach to governance is built on

Fairness • Transparency • Accountability • Responsibility.
These principles guide how we conduct business, from the decisions we make to the relationships we build with our stakeholders.

We act ethically.

We take a Zero Tolerance approach to misconduct.

We manage authority and responsibilities effectively.

We value the segregation of duties across decision-making, implementation and control processes.

We treat control as an integral part of our work.

We build robust and reliable processes through risk management, compliance, internal control and audit mechanisms.

We continually strive to improve.

We are committed to continuous improvement in our corporate governance practices.

Strong governance is the foundation of sound decisions, trusted relationships and sustainable success.

KAZANCI HOLDİNG

EARTH'S BLACK BOX TO RECORD THE CLIMATE CRISIS

Earth's Black Box, currently under construction in Tasmania, Australia, is being developed to preserve climate change data over the long term. The project aims to document environmental changes taking place around the world, together with the responses to those changes.

Inspired by the flight recorders used to investigate aircraft accidents, the project will store extensive climate-crisis data inside a durable steel structure. The system is expected to continuously record a wide range of datasets, including temperature changes, carbon emissions, sea-level rise, climate reports and global developments.

Designed to run on solar power, the structure will continue collecting data for many years. The project team describes it as an archive that will record not only environmental indicators but also the measures and decisions taken by humanity in response to climate change.

The primary purpose of Earth's Black Box is to create an objective record of the impacts of climate change and help future generations better understand this period. Beyond serving as a data repository, the project is also seen as a symbolic initiative designed to raise public awareness of the climate crisis.

Earth's Black Box will therefore be an unusual initiative combining the functions of a scientific data archive, a time capsule and a public-awareness tool.

13 CLIMATE ACTION

THE WORLD'S ANNUAL NATURAL RESOURCE BUDGET WAS EXHAUSTED ON JULY 30

Earth Overshoot Day fell on July 30 this year. The date marks the point at which humanity's annual consumption of natural resources exceeds the amount the planet can regenerate within the same year.

According to calculations by the Global Footprint Network, humanity had exhausted the planet's natural resource budget for 2026 by July 30. Consumption during the rest of the year therefore draws down natural resource stocks and places additional pressure on ecosystems.

Current consumption patterns are estimated to require the resources of approximately 1.73 Earths, indicating that humanity is using natural resources faster than they can regenerate.

Experts note that improving energy and resource efficiency, expanding renewable energy use, reducing food waste and strengthening circular economy practices could help push Earth Overshoot Day to a later date.

13 CLIMATE ACTION

TÜRKİYE ROLLS OUT THE DOA DEPOSIT RETURN SYSTEM NATIONWIDE

Türkiye's Deposit Management System (DMS), a nationwide deposit return scheme, has been launched, marking a new era in the recovery of beverage packaging. Plastic, glass and aluminum containers bearing the DOA logo can be returned at designated collection points, where users receive an incentive payment for each container.

Under the system, beverage containers displaying the DOA mark, which identifies packaging covered by the deposit scheme, are now being collected through return machines across the country. Consumers can support recycling by taking used containers to designated return points.

The system's digital infrastructure allows users to locate the nearest return point through a mobile app, transfer incentive payments to a digital wallet and redeem them using various payment options. The aim is to make recovery and recycling more accessible and user-friendly.

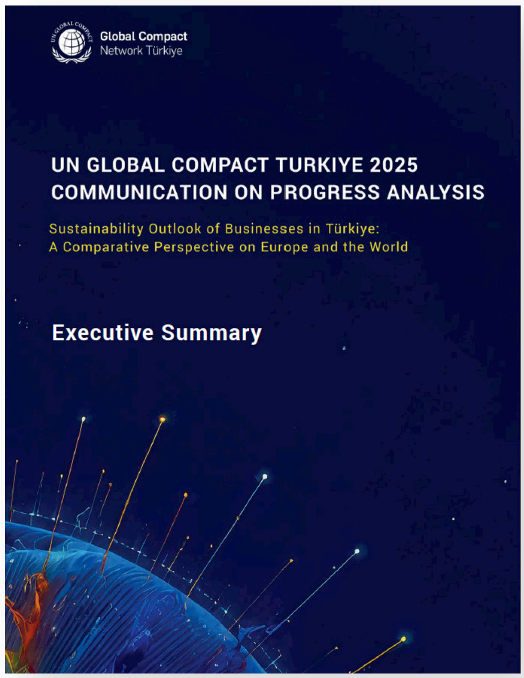
By supporting the separate collection of packaging waste at source, the deposit return system contributes to higher-quality recycling. It also helps return valuable raw materials to the economy, improving resource efficiency and strengthening circular economy practices.

Rolled out nationwide, the system represents an important step toward reducing waste, conserving natural resources and encouraging more sustainable consumption habits.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

TÜRKİYE'S BUSINESS COMMUNITY GAINS MOMENTUM ON SUSTAINABILITY

UN Global Compact Türkiye's 2025 Communication on Progress Analysis shows that companies in Türkiye are increasingly treating sustainability as a strategic area for managing risks and opportunities. Across many indicators relating to governance, the environment, human rights and anti-corruption, companies are approaching European and global averages and, in some areas, outperforming them.



In the area of governance, 69% of companies in Türkiye publish an annual statement on sustainable development, while 58% issue a statement on zero tolerance for corruption. The share of companies mapping critical business partners as part of their risk management processes has reached 78–81%, while 44% link senior executive remuneration to environmental performance.

The analysis also highlights notable results in environmental performance. Policies covering energy and resource use and waste management are in place at 84% of companies. While 74% have a water policy, 68% have begun measuring Scope 3 emissions. The share of companies increasing their renewable energy investments stands at 59%, above both the European and global averages.

Priority issues in human rights and labor standards include safe working conditions, gender equality, non-discrimination, and the prevention of child labor and forced labor. The share of companies providing anti-corruption training to all employees has also risen to 74%.

At the same time, extending policies to suppliers and across the full value chain, involving SMEs more effectively in the transition, and broadening the adoption of science-based targets and net-zero transition plans remain key areas for improvement. Increasing board independence and diversity, and measuring water stress and biodiversity risks more comprehensively, are also identified as priorities for the period ahead.

TÜRKİYE ANNOUNCES ITS 2026–2029 GREEN FINANCE ROADMAP

Türkiye's National Green Finance Strategy and Action Plan has been published. Comprising three main objectives, 11 targets and 45 actions, the plan aims to facilitate access to finance for sustainable investments, strengthen the monitoring of climate risks across the financial system and improve the reliability of corporate data.

Measures planned for 2026 include publishing the Türkiye Green Taxonomy Regulation, developing a common template for financial and sustainability reporting, strengthening the sustainability assurance standard and finalizing secondary regulations for the Türkiye Emissions Trading System. Guidelines for green, social and sustainability-linked capital market instruments are also expected to be issued during the year.

Further steps include expanding the use of TSRS, establishing green public procurement criteria and developing a stress-testing framework for climate and environmental risks in the banking sector. By 2028, a mechanism is planned to give banks access to verified, facility-level emissions data from companies, while sector-specific guidance will be issued to address greenwashing risks.

The roadmap indicates that sustainability data will play an increasingly decisive role in financing decisions. Companies that track their emissions in a verifiable way, strengthen their alignment with TSRS and manage green transition projects against measurable targets are expected to be better positioned to access new financing instruments.

ECO MYTHS

MYTH 7:

Paper Bags Are Always Better Than Plastic Bags

Paper bags are often seen as the greener choice because they break down more readily than plastic bags and remain in the environment for less time. The fact that plastic waste can persist for many years in oceans and natural habitats further reinforces the perception that paper bags are the safer alternative.

However, a product's environmental impact is not determined solely by what happens after it is discarded. Its raw materials, the energy and water used in production, how it is transported from the factory to the store, how many times it can be reused and what happens at the end of its useful life all matter. Comparing the environmental impact of different bags therefore requires a full life-cycle perspective.

Paper bag production requires timber, water and energy. Because paper bags are heavier and bulkier than plastic bags, they may require more space and energy to transport; their vulnerability to water can also shorten their useful life and limit reuse. Plastic bags are lighter and more durable, but they can persist in the environment for long periods and gradually break down into microplastics, posing risks to ecosystems and wildlife. These impacts are compounded when plastic bags do not enter the appropriate recycling stream. Both materials therefore carry environmental burdens at different stages of their life cycles.

The real question is therefore not "Paper or plastic?" but "How many times will this bag be used?" The environmental difference between a single-use paper bag and a single-use plastic bag may be smaller than commonly assumed. Reusing a bag you already have, by contrast, avoids the raw materials, energy and water required to produce a new one.

The outcome also depends on whether the bag is made from recycled material, how durable it is and whether it enters the appropriate waste stream at the end of its useful life. There is therefore no single "greenest bag" for every situation. The best choice depends on how the bag is used, how often it is reused and the recycling infrastructure available locally.

In short, paper bags may offer certain advantages over plastic bags, particularly if they are released into the natural environment, but they are not automatically the most sustainable option. The greatest environmental benefit comes from using what you already have for as long as possible rather than buying a new product.

A small note for conscious choices:

Taking a reusable cloth, mesh or durable shopping bag with you, declining a bag for small purchases and reusing bags already available at home are among the most practical ways to reduce reliance on single-use bags. Remember: the most environmentally friendly bag is often the one you already own and use again and again.

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