	SUSTAINABILITY COMMITTEE OPERATING PRINCIPLES	Document No:	ÇTS.İSG.PRS.009
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1. ESTABLISHMENT

These operating principles (“Operating Principles”) determine the scope of duty and operating principles of the Çates Elektrik Üretim A.Ş. (“**Company**”) Sustainability, Environment, Occupational Health and Safety Committee (“**Committee**”).

2. PURPOSE AND SCOPE


As Çates Elektrik Üretim A.Ş., our purpose is to include sustainability issues in decision-making mechanisms and business processes in order to create long-term value for all stakeholders. The Sustainability, Environment, Occupational Health and Safety Committee, which was established for this purpose, is a Committee chaired by the General Director, and it officially reviews and approves the Company’s sustainability activities.

The Sustainability, Environment, Occupational Health and Safety Committee meets quarterly to follow-up the progress made and to provide information for all sustainability works. The committee is structured to integrate sustainability matters and opportunities into all activities, products and services. Additionally, this structure ensures that all work carried out is consistent with internal policies and relevant legislation. The duty of the Sustainability, Environment, Occupational Health and Safety Committee is deciding on the strategic direction and action plans of the Company. The Committee shall review and decide on recommendations from the Sustainability Operation Group and employees working on sustainability-related issues. Decisions made by the committee are shared with other units. The committee also ensures the integration of all prioritized elements into EMS (ESG) parameters, products, services and decision-making mechanisms. A full-time sustainability team has been established within the HSE and Sustainability Department in order to make the Company's sustainability structure more effective. The sustainability team is responsible for coordinating the works carried out under the topic of sustainability in the Sustainability Operation Group.

The purpose of the Committee is to ensure the proactive adoption and development of a safe behavioral approach, including environmental regulations and activities, by developing a culture of sustainability, life, occupational health and safety covering the Company's employees and all operating facilities. Additionally, it is to inform the Board of Directors regarding preventive/reformative measures, areas that may create opportunities and activity results to ensure the implementation of sustainability principles. The Operating Principles include all social, environmental, occupational health and safety matters that will be evaluated by the Committee.

The Committee is responsible for the evaluation of objectives and the evaluation of key performance indicators (“KPIs”) in sustainability, OHS, environmental and social matters.

PREPARED BY	APPROVED BY
TG HSE and Sustainability Manager	TG HSE and Sustainability Director

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3. DEFINITIONS

ESG (Environmental, Social and Governance): Environmental, social and governance

OHS: Occupational health and safety

KPI: Sustainability, social, environmental and OSH key performance indicators.

LTI: Lost time incidents

HSE: Health, Safety and Environment

4. ESTABLISHMENT AND MEMBERSHIP

The Committee consists of the General Director, Power Plant Director, HSE and Sustainability Group Director, HSE and Sustainability Director and HSE and Sustainability Manager. The Chair of the Sustainability Operating Group, determined by the HSE and Sustainability Group Director, shall also attend the committee, contribute to the issues on the agenda, and record the meeting notes. In case the committee's meeting agenda includes stakeholder participation and social impact, the Human Resources Director shall also attend the meeting. The General Director shall be the chair of the Committee.

Committee members are designated by the General Director. The term of office cannot exceed three years, and committee members whose term of office has ended can be reappointed.


All resources and support needed for the Committee to fulfill its duties are provided by the General Director. The committee may invite managers and consultants deemed necessary to meetings and get their comments. The committee takes advantage of the comments of experts and consultants when necessary.

5. MEETINGS

It is essential that the Committee holds a meeting every three months. The committee meets with the absolute majority of the members present, and decisions are made by the majority of the members present at the meeting.

The Committee shall put all its operations into writing and record them, and report them to the General Director, including information on the results of the Committee's operation and meetings. Minutes of Committee meetings are approved by Committee members and kept together with the decisions of the Committee.

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The Company's HSE and Sustainability Manager or a member appointed by the committee or the Chair of the Sustainability Operation Group assumes the responsibility of a Rapporteur, reporting to the Committee Chair. The Rapporteur shall present the agenda and relevant documentation to the Committee members prior to the meeting. The Rapporteur shall ensure the attendance of people that the chair requested. The Rapporteur shall record the meeting minutes and decisions and distributes them to interested parties. The Rapporteur is responsible for the administrative organization of the meetings, distribution of the meeting minutes to the committee members and recording the decisions in minutes.

6. DUTIES AND RESPONSIBILITIES

The Committee follows-up, reviews and revises sustainability, OHS, environmental and social issues, including but not limited to the matters below, issues relevant action plans prepared by the Sustainability Operation Group and, if necessary, reports the relevant matters and processes to the General Director:

- Carrying out activities in order to understand the needs of stakeholders regarding sustainability;
- Inspecting the operation of the Sustainability Committee, and providing guidance in all matters, especially sustainability-related policies, activities and processes;
- Managing sustainability priorities, ensuring integration with the Strategy and following-up targets;
- Following-up activities related to critical success factors;
- Providing guidance in relations with internal and external stakeholders;
- Acting as a development center for different stakeholders;
- Providing support regarding ESG principles and evaluating risk and opportunity analyses;
- Examining the risks around sustainability
- Tracking OHS performance and targets, taking into account the feedback from the OHS Board and field personnel;
- Evaluating the planning and making decisions in order to realize the suggestions that will ensure continuous improvement and development in environmental activities;

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- Evaluating the feedback regarding performance in the environmental and social field, energy consumption, waste management, environmental, and social risks;
- Evaluation of KPI implementation and related matters;
- Evaluating planned management walks and inspection results through efforts to popularize OHS culture;
- Following-up and reporting training activities on OHS, environmental and social matters;
- Preventing occupational accidents and diseases, following-up efforts to create healthy and safe work environments, setting targets for performance measurement, and reporting the data and information provided by the relevant units to the committee chair;
- Determining, measuring, following-up, recording, supervising and reporting the environmental and social risks and impact dimensions of the Company's operations;
- Enhancing organizational resilience through continuous improvement of OHS performance, including proactive risk prevention, regulatory preventive activities, near misses, unsafe situations and behavior, and LTI;
- Sustainability report and ESG scoring.

7. AMENDMENT

The authority to make amendments to the Sustainability, Environment, Occupational Health and Safety Committee Operating Principles is on the General Director and HSE and Sustainability Group Director.

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