2024 TSRS-Compliant Sustainability Report

Güney Bağımsız Denetim ve SMMM A.Ş.
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(Convenience Translation of Independent Practitioner's Limited Assurance Report Originally Issued in Turkish)

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON ÇATES ELEKTRİK ÜRETİM ANONİM ŞİRKETİ SUSTAINABILITY INFORMATION IN ACCORDANCE WITH TÜRKİYE SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Çates Elektrik Üretim Anonim Şirketi;

We conducted a limited assurance engagement on Çates Elektrik Üretim A.Ş. (the "Company") sustainability information for the year ended December 31, 2024 in accordance with Türkiye Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Türkiye Sustainability Reporting Standards 2 "Climate Related Disclosures" ("Sustainability Information").

Our assurance engagement does not cover prior period information or other information linked to the Sustainability Information (including any images, audio files, website links or embedded videos).

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the 'Summary of the procedures performed as the basis for the assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Sustainability Information for the year ended December 31, 2024 is not properly prepared, in all material respects, in accordance with Türkiye Sustainability Reporting Standards published in the Official Gazette dated December 29, 2023, and numbered 32414(M) and issued by Public Oversight Accounting and Auditing Standards Authority (the "POA") . We do not express an assurance conclusion on prior period information or on any other information associated with the Sustainability Information (including any images, audio files, website links, or embedded videos).

Inherent Limitations in Preparing the Sustainability Information

Sustainability Information is subject to inherent uncertainty because of incomplete scientific and economic knowledge. Greenhouse gas emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge. Additionally, the Sustainability Information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts

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Responsibilities of Management and Those Charged with Governance for the Sustainability Information

The Company Management is responsible for:

- Preparation of the sustainability information in accordance with Türkiye Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error
- The Company Management is also responsible for the selection and implementation of appropriate sustainability reporting methods, as well as making reasonable assumptions and developing estimates in accordance with the conditions.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

Responsibilities of the Independent Independent Practitioner Regarding the Limited Assurance of Sustainability Information

Independent Priactitioner is responsible for:the following:

- Planning and performing the engagement to obtain limited assurance whether the Sustainability Information is free from material misstatement due to fraud or error;
- Conducting an independent conclusion based on the procedures we have performed and the evidence we have obtained; and
- Reporting conclusion to the Company Management.

Since independent practitioner is responsible to provide an independent conclusion on the Sustainability Information prepared by the Company management, we are not permitted to be involved in the preparation process of the Sustainability Information in order to ensure that our independence is not compromised.

Professional Standards Applied

We conducted our limited assurance engagement in accordance with Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, "Assurance Engagements on Greenhouse Gas Statements", issued by POA.

Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk management specialists. We have used the work of our expert team to assess the reliability of the information and assumptions related to the Company's climate and sustainability-related risks and opportunities.We remain solely responsible for our audit opinion

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Summary of Procedures Performed as a Basis for theAssurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information, we:

- Inquiries were conducted with the Company's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period.
- The Company's internal documentation was used to assess and review the information related to Sustainability.
- Considered the presentation and disclosure of the Sustainability Information.
- Through inquiries, obtained an understanding of the Company's control environment, processes and information systems relevant to the preparation of the Sustainability Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether the Company's methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Company's estimates.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Onur Ünal, SMMM
Partner

August 19, 2025
İstanbul, Türkiye

A member firm of Ernst & Young Global Limited

Contents

Introduction

Report and Company Information

About the Report

ÇATES Elektrik Üretim A.Ş. (hereinafter referred to as ÇATES) 2024 Sustainability Report has been prepared to convey the company's sustainability and climate change mitigation and adaptation strategies, the practices based on these strategies, governance, strategy and risk management related to climate change risks and opportunities, as well as metrics and targets. It has been prepared in accordance with the Turkish Sustainability Reporting Standards published by the Accounting and Auditing Standards Authority (KGK). This Report is available on the company's website along with other Policies. Accounting and Auditing Standards Authority (KGK). This Report should be considered in conjunction with the other Policies available on the company's website.

Transitional Provisions and Reporting Period

The simplifications and exemptions used by ÇATES under the "Transition Provisions" set out in TSRS 1 Annex E and TSRS 2 Annex C are explained in this section.

TSRS 1 E3, TSRS 2 C3: Companies are not required to provide comparative information in their first reporting period when applying the TSRS. Accordingly, this report for the first reporting period, relating to 2024, does not contain any information comparing it with previous periods.

TSRS 1 E4: "Board Decision Regarding the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS)" Under Provisional Article 2 (and also TSRS E4(b)), companies may report on their sustainability for the first annual reporting period in which they apply the TSRS after publishing their financial reports for the relevant period. Accordingly, ÇATES Elektrik Üretim A.Ş. publishes its TSRS Report no later than the interim financial reporting date. The TSRS-compliant Sustainability Report is published in August 2025, after the financial statements for the period 1 January 2024 – 31 December 2024 have been shared.

Scope of the Report

This report explains ÇATES' sustainability and climate-focused strategies, risk and opportunity management processes, integration with financial planning, and performance achieved in line with sustainability targets. It also includes concrete progress made towards environmental priorities and achievements during the reporting period.

Standards and Frameworks

The first section of ÇATES' 2024 Sustainability Report complies with TSRS 1 General Provisions on Disclosure of Sustainability-Related Financial Information and TSRS 2 Climate-Related Disclosures- Electrical Installations and Power Generators and Climate-Related Financial Disclosures Task Force (Task Force on Climate-Related Disclosures-TCFD) standards.

The following disclosures have been included in Section 2 of the report in accordance with the standards.

- Global Reporting Initiative Standards (GRI)
- United Nations Sustainable Development Goals (UN SDGs)

Audit Approach

Selected Environmental, Social and Governance (ESG) indicators included in the report have been independently audited by Güney Independent Audit and Public Accountancy Inc. in accordance with International Standard on Assurance Engagements 3000- "Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" ("ISAE 3000" Revised) and International Assurance Standard 3410 - "Assurance Engagements Relating to Greenhouse Gas Statements" ("ISAE 3410"). The audit of the report was conducted in accordance with the national legislation and regulations on assurance engagements published by the KGK.

REPORT AND COMPANY INFORMATION

Report Period: 01.01.2024 - 31.12.2024

Trade Registry Information

Trade Registry Number: 8907
Business Title: Çates Elektrik Üretim Anonim Şirketi
Issued Capital: 165,200,000.00 TRY
Registered Capital Ceiling: 300,000,000.00 TRY
Company Registration Date: 19.09.2014
Mersis Number: 0165029763900019

Trading Date on the Stock Exchange (BIST): 7 December 2023
Stock Exchange Traded on: Borsa İstanbul
Market: Stars Market
Trading Code: CATES
ISIN: TRECATS00015
Traded Indices:
BIST Services / BIST Electricity / BIST Star / BIST IPO /
BIST All / BIST All-100 / BIST Participation All / BIST 500

There are no subsidiary companies.

Contact:

www.cates.com.tr
catestermik@cates.com.tr
0 372 264 30 50

Address:
Çatalağzı Thermal Power Plant (ÇATES) Çatalağzı Town Power Plants
Location Necati Yirmibeşoğlu Street Çatalağzı/Kilimli/Zonguldak

The company's ownership structure and breakdown as of the report date are provided below.

Information Regarding Direct Share Ownership of the Company

Partner's Name/Surname/Trade Name	Share in Capital (TRY)	Share in Capital (%)
Parla Enerji Yatırımları A.Ş.	132,150,000	79.99
Publicly Traded	33,050,000	20.01
Total	165,200,000	100.00

Information on Direct Shareholding of Parla Enerji Yatırımları A.Ş.

Partner's Name/Surname/Trade	Share in Capital (%)
Aydem Holding A.Ş.	100.00
Total	100.00

Real and Legal Persons Holding Indirectly more than 5% of the Capital

Partner's Name/Surname/Trade	Share in Capital (TRY)	Share in Capital (%)
Ceyhan Saldanlı	96,074,253.27	58.16
Ali Yağlı	31,453,554.92	19.04

Message from the General Manager

Dear ÇATES Family and Valued Stakeholders,

The year 2024 has taken its place in our history as a year in which we achieved our corporate goals, further strengthened our position in the sector, and took significant steps in the field of environmental sustainability. As ÇATES, we take great pride in playing a critical role in meeting our country's energy needs based on domestic resources.

With the responsibility that comes with being the Republic's first thermal power plant, we remain steadfast in our commitment to energy supply security. In 2024, we exceeded the industry average by increasing our plant's availability rate to over 75%. Thanks to our effective resource management and investments, we have increased our generation capacity while implementing important projects to reduce our environmental impact. We continue to use our resources more efficiently through environmental improvements in our ash storage area and cooling water recycling projects.

Increasing supply security, more effective use of domestic resources and reducing the current account deficit are important objectives in Türkiye's energy policy. In this context, we have made steady progress towards our goal of increasing domestic coal use by accelerating our work at the Çankırı Orta and Zonguldak Bağlık-İnağzı coal fields. We have made our mining activities more efficient and reduced our environmental impact through technological improvements.

We have shaped our long-term strategies to adapt to climate change by assessing climate-related risks and opportunities within the framework of the TCFD (Task Force on Climate-related Financial Disclosures).

Furthermore, we have conducted our sustainability reporting processes in line with TSRS 1 (General Conditions) and TSRS 2 (Climate-Related Disclosures) standards published by the Public Oversight, Accounting and Auditing Standards Authority (KGK), which aim to increase global harmonisation in corporate sustainability reporting. This has enabled us to enhance the transparency and accountability of our activities, ensuring consistency between our financial and sustainability performance.

In 2025, we plan to prioritise energy efficiency, investing more in electric vehicle usage and generation projects based on local resources. We will continue to contribute to environmental sustainability principles by developing low-carbon generation models.

As we leave a year full of successes behind us, we, the ÇATES family, are fully confident and determined about our new goals. I would like to thank all our employees, business partners and valued shareholders who have contributed to ÇATES reaching its current position, and I offer my respects with the wish to build the future together.

Yours sincerely,
Rıdvan Edip AKDENİZ
General Manager
ÇATES Elektrik Üretim A.Ş.

About ÇATES

A Rich History in Energy Generation

Commissioned in 1948 as Türkiye's first base load thermal power plant, ÇATES A Power Plant was decommissioned in 1982 after completing its economic life, and ÇATES B Power Plant was commissioned in its place. The power plant, which joined the Aydem Holding group in 2014, continues to produce energy with increased efficiency thanks to modernisation works. Listed on the stock exchange in 2023, ÇATES has taken its transparency and accountability to the next level, further strengthening its corporate structure in terms of sustainable energy management.

Located in Zonguldak, the power plant is situated in Türkiye's richest coal-reserve region. Its strategic coastal location provides logistical advantages, supporting the continuity of coal supply.

Türkiye's Domestic Energy Power

With its growing industry and increasing energy demand, Türkiye needs reliable and sustainable energy generation more than ever. ÇATES continues to generate electricity from national resources with an installed capacity of 314.68 MW and an annual generation capacity of 2,286 GWh. ÇATES plays a critical role in ensuring electricity supply security and meets approximately 0.6% of Türkiye's total electricity demand.

The Strategic Importance of ÇATES in Türkiye's Energy Security

Contributing to Türkiye's energy security and supply continuity, the Çatalağzı Thermal Power Plant occupies a strategic position in terms of the country's economy and energy management due to the advantages it provides.

Uninterrupted Energy Generation and Energy Supply Security

Thermal power plants provide continuous and reliable energy generation even when renewable energy sources produce variable output depending on natural conditions. Base load power plants have the ability to produce energy 24/7 without interruption as long as fuel is supplied.

ÇATES supports the balanced operation of the electricity grid and contributes to energy supply security through continuous generation. It operates as a key generation point that reduces Türkiye's dependence on external sources for meeting its energy needs and provides uninterrupted energy.

Energy Efficiency and Optimal Utilisation

Thermal power plants have the advantage of being able to operate at full capacity according to the required energy demand. ÇATES operates with a system that can produce at optimum efficiency as long as fuel is available, offering a flexible and efficient solution to Türkiye's energy needs.

Reducing External Dependency with Domestic Energy Sources

By utilising Türkiye's domestic coal reserves for energy generation, ÇATES reduces dependence on imported fuel and ensures more efficient use of energy resources. The power plant contributes to the implementation of national energy policies while strengthening Türkiye's energy supply security.

Total Installed Capacity
314.68 MW

Electricity Generation (Gross)
1,906 GWh

Number of Employees
381

Net Sales Revenue
5,398 million TL

Operating Profit
142 million TL

Employment Rate
75%

Total Assets
9,397 million TL

Vision, Mission, Strategy and Values

Our Values

Sensitivity

While carrying the organization into the future by doing our job in the best way possible, we fulfill our responsibilities towards individuals, society, our country and the environment. We ensure that our work is carried out within the framework of our business ethics while performing our work at the targeted time and quality. We adopt a transparent and accountable working style in accordance with procedures and rules. We speak up if we encounter an unethical or unfair practice. We take into account how our behavior affects others.

Dynamism

We follow the needs of our colleagues and stakeholders that arise under changing conditions, and we make the necessary improvements in our working environment, business conduct system, products and services. We pioneer the electricity sector with the steps we take and guide development and change in the sector. With curiosity in our soul, we try new ways to fulfill products, processes and services more efficiently and quickly in an error-free manner.

Touching Life

People are at the heart of everything we do and every step we take. Continuous development, curiosity, our investigative spirit, and the expertise we have acquired over the years enable us to develop solutions that add energy and value to every moment of life. We allow our colleagues to express their different ideas, value their social needs, and celebrate their successes together. We work to enhance the quality of life of our stakeholders by accurately analysing their needs and expectations.

Milestones

1974

Since the Çatalağzı Power Plant A, which had been started to be built in 1946 with an installed capacity of 129 MWe to meet the increasing electrical energy deficit of our country's industry, would complete its economic life in 1982, it has been decided to establish a new power plant with a capacity of 1x157.34 MWe in the 1974 public investment program

1979

As decided in the public investment program, in addition to Çatalağzı Power Plant A, the construction of Çatalağzı Power Plant B, also known today as Çatalağzı Thermal Power Plant, has begun.

1989

The first unit of Çatalağzı Power Plant B has started its first trial generation.

1990-1991

Unit 1 at Çatalağzı Power Plant B started operating commercially (providing electrical energy to the system) in 1990 and Unit 2 in 1991.

2014

Çatalağzı Thermal Power Plant was put up for sale by tender through asset transfer by the Privatization Administration.

Upon winning the tender organized by the Privatization Administration, Çatalağzı Thermal Power Plant and the immovables used in this power plant were acquired from EÜAŞ through asset sale. Since 2014, Çatalağzı Thermal Power Plant has been operated by the Company.

On December 11, 2014, the Company's share capital was increased from TRY 100,000 to TRY 48,000,000, fully funded in cash.

2017

All of the shares representing the capital of the Company were transferred by Bereket Enerji Üretim A.Ş. to Bereket Enerji Group A.Ş. and Bereket Enerji Group A.Ş. became the sole shareholder of the Company.

2019

In 2019, the title of Bereket Enerji Grubu A.Ş. was changed to Aydem Holding A.Ş. This title change was registered with the trade registry on December 10, 2019, and announced in the TTRG dated December 16, 2019, under number 797

2020

The Company has completed investments in flue gas treatment facilities that will meet the emission values defined by the Ministry of Environment in the relevant legislation.

2021

The Company has obtained the Environmental Permit and License valid for 5 years starting as of June 4, 2021 and still fulfills all its obligations regarding the environmental legislation

2022

The Company's share capital has been increased from TRY 48,000,000 to TRY 85,440,000 on June 28, 2022. All of the increased capital amounting to TRY 37,440,000 has been covered by the capitalization of the capital advances followed under 529 - Other Capital Reserves account, all of which were met in cash by Aydem Holding A.Ş., the sole shareholder of the Company. Published in TTSG dated June 29, 2022 and numbered 10609.

The company acquired the license and operating rights of the Çankırı Orta and Zonguldak Bağlık-İnağzı coal fields on December 19, 2022, and November 28, 2022, respectively, for a price of 67 million TL (amount indexed to purchasing power as of December 31, 2024) for the Çankırı Orta field, and 113 million TL (amount indexed to purchasing power as of December 31, 2024) for the Zonguldak Bağlık-İnağzı coal mine field. As of December 31, 2024, production has not started in the Zonguldak Bağlık-İnağzı field. In 2023, a dryer, screening, and crushing stock facility worth 199 million TL was built in the Çankırı-Orta field.

2023

With the Board of Directors decision dated January 05, 2023band registered on January 13, 2023, the sole shareholding of the Company was transferred to Parla Enerji Yatırımları A.Ş., a 100% subsidiary of Aydem Holding A.Ş.

On January 31, 2023, the Company's capital was increased from TRY 85,440,000 to TRY 140,405,000, all of which was paid in cash. Announced in TTSG dated January 31, 2023 and numbered 10759.

The Company has accepted the registered capital system in accordance with the provisions of the Capital Markets Law No. 6362 and has switched to the registered capital system with the permission of the Capital Markets Board dated May 17, 2023 and numbered 27/620. On July 12, 2023, the Company's transition to the registered capital system was registered and the Company's registered capital ceiling is TRY 300,000,000.

2023 The Company has been listed on Borsa Istanbul since December 7, 2023.

2024

Rıdvan Edip Akdeniz, who was serving as the Director of ÇATES Thermal Power Plant, has been appointed as the General Manager of Thermal Power Plants.

Awards and Achievements

At the League of American Communications Professionals (LACP 2023 Vision Awards, our Sustainability Report was submitted and received

97 out of 100 points,

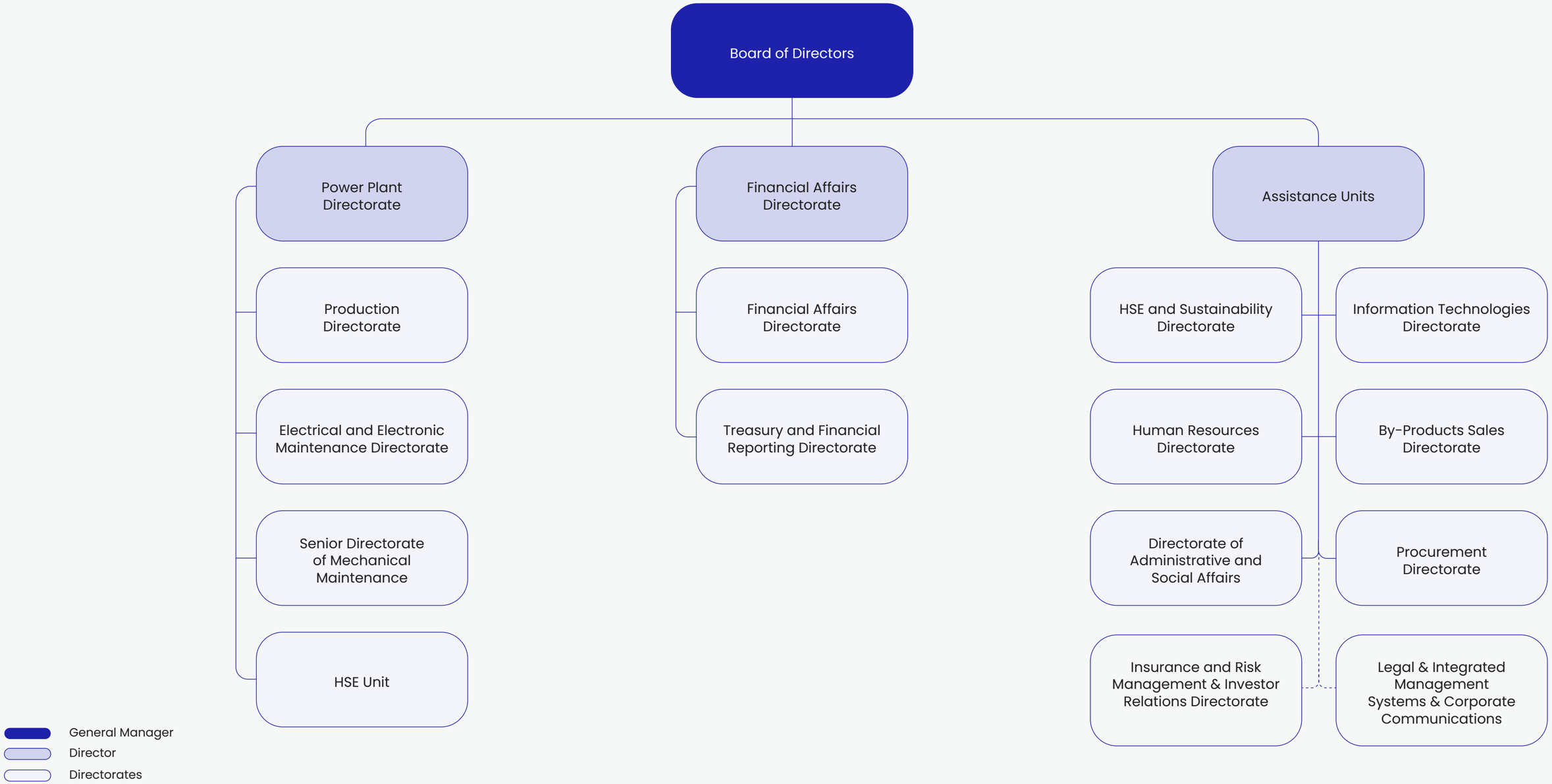
winning awards in three different categories:

Worldwide Silver Award
(Silver Winner Worldwide Award)

Top 50 Reports in the EMEA Region

Ranked Among the Top 20 Reports in Türkiye

Organisational Structure



Governance

Board Members

At ÇATES, effective management of financial and non-financial risks is considered essential for the continuity of sustainable performance and long-term value creation. In addition to the financial impact of risks, their implications for reputation, relationships with regulatory bodies and employees are also carefully analysed and managed.

Management Systems

The ISO 14001:2015 Environmental Management System, ISO 9001:2015 Quality Management System, ISO 45001:2018 Occupational Health and Safety Management System, ISO 50001:2018 Energy Management System, and ISO 27001 Information Security Management System standards are implemented through an integrated approach. Full compliance with environmental legislation is ensured, annual environmental targets are set, and environmental performance is continuously improved.

As part of these efforts, a Compliance Advisory Unit has been established within the company as of October 2024, and the preparation process for the Compliance Implementation Policy is ongoing. The Compliance Advisory Unit provides continuous and up-to-date information on regulatory changes affecting the company and provides regular guidance to ensure that all activities are carried out in compliance with environmental legislation.

Risk Management Under the Leadership of the Board of Directors

Risk management processes are carried out in full compliance with internationally recognised principles, and the CMB Corporate Governance Principles are implemented in their entirety. The Company's Corporate Governance Principles compliance score, which was determined as 8.72 out of 10 in 2023, has increased to 8.86 in 2024. The Board of Directors considers the development of risk management plans and policies to be among its primary responsibilities. It includes members who are experts in environmental matters, and these members regularly update their knowledge and skills through training on best practices in the sector, environmental factors, and international standards.

As of 2024, the Identification of Climate-Related Risks and Opportunities study has been completed, and the company's environmental and operational risks and strategic plans have been assessed from a climate change perspective in line with the methodologies based on the Task-force on Climate-related Financial Disclosures (TCFD). In addition, a special "Sustainability Master Class" training was organised for senior management and board members to develop a strategic perspective on climate and sustainability risks and opportunities; this training covered topics such as corporate risk management, resilience planning and strategic scenario analysis.

Mehmet Akif GÜL
(Chairman of the Board of Directors, Representative of Aydem Holding)

Mehmet Akif Gül graduated from the Metallurgical Engineering Department of Middle East Technical University. Mehmet Akif Gül began his career in 1980 as a shareholder in Elsan Elektrik Gereçleri A.Ş., where he continues to serve as Chairman of the Board of Directors.

With 40 years of experience in the sector, Mehmet Akif Gül has also served as Vice Chairman of the Board of Directors at ADM Elektrik Dağıtım A.Ş. and GDZ Elektrik Dağıtım A.Ş., both part of the Aydem Energy group of companies. He currently serves as General Manager at Elsan and as a Member of the Board of Directors at Tümaş Mermer A.Ş.

Rıdvan Edip AKDENİZ
(Deputy Chairman of the Board of Directors, General Manager)

Rıdvan Edip Akdeniz graduated from the Department of Electronics and Communications Engineering at Kocaeli University Faculty of Engineering in 2005. He began his career at Yatağan Yeniköy Elektrik Üretim A.Ş., where he held positions in Production Management, Measurement Control Engineering, FDG Operations Engineering, and Chief Engineer. He joined Aydem Energy in 2014, serving as Deputy Power Plant Manager at Yatağan Termik Enerji Üretim A.Ş., and then as Senior Manager of Thermal Power Plant Production Planning in 2019. Rıdvan Edip Akdeniz was appointed Director of the Çatalağzı Thermal Power Plant in 2021. In 2023, he was appointed as a Member of the Board of Directors of ÇATES Elektrik Üretim A.Ş. and has been serving as General Manager of ÇATES Elektrik Üretim A.Ş. since 2024.

Baran SALDANLI
(Board Member)

He was born in Denizli in 1988. After graduating from the Industrial and Systems Engineering department at Yeditepe University, he completed an Executive MBA programme at Sorbonne University. In 2011, he worked in production at Tümaş Mermer, in 2013 in the Project Finance department at Aydem Renewable Energy, in 2014 as Regional Manager of the Customer Relations Centre at Gediz Retail and as General Manager at Aydem Retail. Between 2015 and 2018, he managed various projects at Adm Electricity Distribution, Aydem Retail, and Aydem Renewable Energy, and joined the holding management at Aydem Energy in 2018. In addition to his roles at Aydem Energy, Saldanlı has investments in various sectors and has been serving as a member of the Aydem Holding Board of Directors since 2021.

Fatma Elif YAĞLI
(Board Member)

She was born in Istanbul in 1982. She graduated from Bilkent University Electrical and Electronics Engineering Department in 2005. She began her professional career as an engineer at Aydem Renewable Energy. She worked for over three years as a Technical Support Engineer responsible for North America, Europe, the Middle East and Africa at Nortel Networks Netaş. Between 2010 and 2018, she held the position of Energy Sales and Trade Director at Aydem Renewable Energy. Yağlı assumed the role of Board Member at Aydem Holding in 2021 and has served as Deputy Chairman of the Board at Aydem Holding since 2024. She has been Deputy Chairman of the Board at Günder (International Solar Energy Society – Türkiye Chapter) since 2019.

Kemal USLU
(Independent Board Member)

Kemal Uslu graduated from Gazi University with a Bachelor's degree in Physics. He started his public service in 1981 and worked in various positions at TEK, TEAŞ and TETAŞ. Starting in 2000, Mr. Uslu has served as a project manager in the restructuring of the Türkiye electricity market and assumed the positions of TEAŞ Legislation and Tariffs Director, TETAŞ Energy Sales Department Head and Deputy General Manager. Uslu, who is an expert in information technologies, modeling, short/long demand/price wholesale/retail term electricity projections, electricity trade, reflection of risk sharing on contracts, regulated tariffs and project valuation and feasibility studies, has also served as a member of the 10th and 11th development plan special expertise commission on energy supply security and efficiency and as a consultant to TOBB Türkiye Energy Council.

Ayben KOY
(Independent Board Member)

Prof. Dr. Ayben Koy graduated from Istanbul University's Faculty of Economics in 2004 and began working at Istanbul Commerce University in 2012 after eight years of professional experience in the finance sector and other industries. Koy completed her Master's degree in Business Administration at Yıldız Technical University and obtained her PhD in Finance in 2016 at Istanbul University with her thesis on Derivative Markets. Koy was awarded the title of Associate Professor by the Higher Education Council in 2018 and the title of Professor in 2024. She has authored books on derivative markets in both Turkish and English. He has authored numerous works in the field of finance, particularly on derivative markets and capital markets. He teaches at undergraduate and postgraduate levels at universities in Türkiye and abroad. He provides consultancy services to businesses in various areas of finance, including financial management, risk management, risk hedging, and valuation.

Board Committees

The Board of Directors has Audit, Corporate Governance, Early Risk Detection, Investment, and Sustainability committees, which hold regular meetings in a coordinated manner. All committees report directly to the Board of Directors and ensure the integration of sustainability and climate issues into management mechanisms through the following actions:

- Setting corporate and performance targets
- Monitoring progress towards corporate objectives
- Monitoring the implementation and performance of objectives
- Monitoring the implementation of the transition plan
- Overseeing major capital expenditures, acquisitions, and divestitures
- Directing and monitoring employee incentives
- Reviewing risk management policies and providing guidance
- Reviewing strategies and providing guidance
- Reviewing business plans and large-scale action plans and providing guidance
- Reviewing annual budgets and providing guidance

Responsibilities regarding sustainability and climate-related risks and opportunities are integrated into job descriptions and work processes through the Sustainability Governance Procedure and related policies. The Sustainability Governance Structure is defined within the Sustainability Governance Procedure, ensuring that processes are managed in line with the defined actions. Relevant responsibilities, procedures, and policies are carried out regularly and systematically at intervals determined according to the requirements of each process, in accordance with the implementation schedule determined by the authorised bodies. The Sustainability and Environmental Protection Committee (HSE) and the Sustainability Group Manager are responsible for keeping the procedure up to date; it is revised as necessary and enters into force with the approval of the CEO.

Sustainability Committee Responsibilities

The Sustainability Committee operates with the goal of creating long-term value by ensuring that sustainability and climate issues are integrated into business processes at ÇATES. The Committee is primarily responsible for implementing the company's sustainability policies, managing environmental and social risks and opportunities, and developing sustainable business models.

The Committee monitors, evaluates and takes necessary action on all sustainability-related issues, such as climate change, environmental management, occupational health and safety, social impact and governance processes. The Committee's priority tasks include determining and monitoring key performance indicators (KPIs) related to sustainability and climate, managing environmental risks and opportunities, meeting stakeholder expectations, and integrating sustainability strategies into business processes.

The Committee regularly reviews and reports to the Board of Directors on matters such as ensuring the company's compliance with environmental, social and governance (ESG) standards; waste management, energy efficiency, emission reduction and the evaluation of sustainable financial investments.

Work is carried out to manage climate and sustainability-related risks and opportunities, establish stakeholder engagement processes, and continuously improve environmental performance. The Committee supports proactive risk management practices and directs regulatory and preventive activities to develop a culture of employee safety and occupational health. The Committee's responsibilities also include strengthening sustainability-focused relationships with internal and external stakeholders, evaluating audit processes, and monitoring improvement activities aimed at enhancing health, safety, environment (HSE) and sustainability performance.

The Sustainability Committee holds regular meetings every three months to assess the progress of sustainability and climate strategies, monitor developments, and determine necessary actions. Decisions taken at the meetings are documented, shared with relevant departments, and reported to the Board of Directors. At Sustainability Committee meetings, detailed outputs regarding the targets set at the Board of Directors, management and personal levels and their achievement rates are regularly presented to Board members. Performance results in areas such as recordable accident frequency rate, cost reduction, implementation of the Golden Rules project, projects to reduce water footprint, increase in the number of electric vehicles and social responsibility activities are shared.

The Committee plays a guiding role in sustainability reporting, ESG scoring, and alignment with global sustainability trends. Environmental and social risk analyses are conducted regarding the company's operations; these analyses are systematically recorded, reported, and the necessary improvement processes are implemented.

The Sustainability Committee continues its work with the aim of strengthening ÇATES' long-term strategies in the areas of sustainability and climate, improving its environmental and social performance, and ensuring accountability to its stakeholders.

Sustainability Committee		
Chair	HSE and Sustainability Group Director	Executive
Member	Vice Chairman of the Board and General Manager	Executive
Member	Plant Director	Executive
Member	HSE and Sustainability Manager	Executive
Member	Independent Board Member	Non-Executive
Member	Independent Board Member	Non-Executive

Audit Committee Duties and Responsibilities

The Audit Committee is responsible for overseeing ÇATES's accounting system, internal control mechanisms, disclosure of financial information to the public, and independent audit processes. The Committee, established by the Board of Directors and operating in accordance with the Capital Markets Law, the Turkish Commercial Code and the Corporate Governance Circular, undertakes various duties to ensure that the company's financial processes are conducted in an orderly and legally compliant manner.

The Committee manages the independent audit process, selecting the independent audit firm and supervising its work. It monitors the effectiveness of internal audit and internal control systems and evaluates their adequacy, making recommendations to the Board of Directors. The Committee is also responsible for auditing accounting procedures and preparing regular reports to ensure the accuracy of the company's annual and interim reports.

The Committee, which monitors the Company's compliance with legislation, holds extraordinary meetings to evaluate transactions exceeding the specified limits, as well as to monitor compliance with the principles relating to related party transactions. It ensures that internal audit activities are carried out independently and effectively, and monitors the review of internal audit processes and the implementation of necessary improvements.

The Audit Committee submits its opinions and recommendations regarding the Company's internal control system to the Board of Directors, makes the necessary assessments to ensure the accuracy of financial reports, and monitors compliance with internal regulations. It monitors the implementation of policies and procedures related to ethical issues and fraud, and evaluates the effectiveness of the risk management system in cooperation with the Board of Directors.

The Committee reports significant issues related to accounting policies and practices to the Board of Directors and ensures that independent auditors act in accordance with transparency principles. It conducts continuous monitoring and evaluation activities to ensure that financial statements and reports are prepared accurately, to guarantee the accurate transmission of information to stakeholders, and to enhance the reliability of the company's financial processes.

In the event of a public offering of company shares, it supervises the transparent execution of the public offering process and informs the public by making the necessary assessments during the process following the disclosure of financial statements. The Committee utilises the company's resources to perform its duties effectively, obtains expert opinions when necessary, and submits all its work in writing to the Board of Directors.

Audit Committee		
Chairman	Independent Board Member	Non-Executive
Member	Independent Board Member	Non-Executive

Corporate Governance Committee Duties and Responsibilities

The Corporate Governance Committee was established to ensure compliance with ÇATES' corporate governance principles and to support the effective implementation of these principles. The Committee identifies practices that are contrary to corporate governance principles, recommends necessary improvements, and determines conflicts of interest. It carries out work aimed at strengthening the company's corporate governance structure by directing the processes of appointing, training, remunerating, and performance evaluating Board members and senior executives.

The Committee develops policies to enhance the effectiveness and independence of members to ensure the Board of Directors functions more effectively, monitors the adoption and implementation of corporate governance principles, and submits reports to the Board of Directors through annual evaluations.

Working in coordination with the Investor Relations Unit, the Committee ensures that relations between shareholders and the company are managed in a regular and transparent manner. It ensures that shareholders' requests for information are answered in a timely and complete manner, that periodic information meetings are held within the framework of the public disclosure policy, and that general assembly meetings are conducted in accordance with the legislation. It supports the preparation of the company's activity reports in line with corporate governance principles and contributes to efforts to ensure effective communication with investors via the website.

The Committee manages the nomination process for the Board of Directors, ensuring a transparent system for the selection of senior executives and Board members. It develops policies and strategies for identifying, evaluating and developing suitable candidates; it also determines the remuneration principles for Board members and senior executives, monitors performance evaluations and ensures the establishment of a remuneration structure consistent with the company's management policies.

The Committee meets at least four times a year and schedules its meetings to coincide with Board of Directors meetings. Decisions taken at meetings are recorded in writing and reported to the Board of Directors. Working in collaboration with the Investor Relations Unit, which manages processes related to shareholders and investors, it develops recommendations aimed at increasing transparency and accountability in the company's financial and management processes.

Corporate Governance Committee		
Chairman	Independent Board Member	Non-Executive
Member	Independent Board Member	Non-Executive
Member	Investor Relations Manager	Executive

Duties and Responsibilities of the Early Risk Detection Committee

The Early Risk Detection Committee operates with the aim of identifying, assessing and developing appropriate management strategies for risks that could threaten the existence, development and sustainability of ÇATES. The Committee identifies the company's strategic, operational, regulatory compliance, financial and non-financial risks and provides guidance and recommendations to the Board of Directors for managing these risks.

Working on establishing risk management systems across the company, developing organisational infrastructure and improving the functionality of internal control mechanisms, the Committee prepares risk assessment reports to be submitted to the Board of Directors and develops solution proposals that can be implemented to minimise the identified risks. The risk assessment reports prepared by the Committee on a quarterly basis are shared with the independent auditor and relevant committees.

The Committee establishes the Company's risk policies; determines the methods and standards to be used in risk management processes and submits them to the Board of Directors for approval. It determines the policies and indicators that define the Company's risk appetite and ensures that these indicators are monitored regularly. It also evaluates capital and resource management processes in line with the Company's strategic objectives and risk management framework.

The Committee continuously reviews the effectiveness of the Company's risk management and internal control systems, conducts regular assessments of risk management strategies, and reports to the Board of Directors. It also ensures that existing and potential risk factors are systematically identified, monitored, and effectively managed. It develops risk mitigation policies to ensure that potential risks are addressed in line with the company's strategic plans and risk profile, and monitors the implementation of these policies.

The Committee regularly reviews processes to enhance the reliability of information systems and improve management reporting. It evaluates risks identified by internal and independent audits and analyses the effectiveness of actions taken. It monitors the Company's business continuity management processes and provides improvement recommendations when necessary.

The Committee continues its efforts to continuously improve the Company's risk management processes, contributing to the Company's sustainable growth by minimising potential risks that could affect shareholders and other stakeholders.

Early Risk Detection Committee		
Chair	Independent Board Member	Non-Executive
Member	Independent Board Member	Non-Executive
Member	Financial Affairs Director	Executive

Investment Committee Duties and Responsibilities

The Investment Committee operates to evaluate ÇATES' strategic investment decisions, conduct feasibility analyses of projects, and formulate recommendations to be presented to the Board of Directors. In accordance with the company's articles of association, investment and business development projects exceeding 1 million US dollars are reviewed by the Committee, suitability analyses are conducted, and support is provided to the decision-making mechanisms.

The Committee meets regularly every three months and evaluates the status of investment projects. When necessary, it holds additional meetings to present updated analyses to the Board of Directors. Decisions taken at meetings are recorded in writing, documented, and reported to the Board of Directors. All investment decisions are evaluated and approved by the Board of Directors after consulting the Committee.

The Committee assesses whether investments to be made within the company's subsidiaries or affiliates meet strategic, financial and sustainability criteria. A comprehensive assessment is made, taking into account the budget planning, financial analyses and feasibility reports of the projects, to be submitted to the Board of Directors. The Board of Directors has the authority to make investment decisions, and no investment decision is made without the Committee's opinion.

The Committee meticulously examines whether investment processes are consistent with the company's sustainability policies and environmental and social responsibility principles. Key criteria include selecting projects that do not conflict with existing credit and contractual obligations, prioritising investments consistent with long-term growth strategies, and minimising financial risks.

The Committee works in line with established criteria to increase the efficiency of the company's capital investments, prioritise projects with an internal rate of return (equity IRR) above 10%, and make investments that do not exceed a certain percentage of total asset value. Ensuring that revenue dependence on a single customer does not exceed 30% and evaluating projects in terms of environmental, social and governance (ESG) criteria are carried out under the Committee's supervision.

In line with the company's goals of combating climate change and ensuring a secure and efficient energy supply, ESG risks are identified in the investment process, and these risks are regularly monitored and managed. Key investment principles include not investing in projects that could harm UNESCO World Heritage sites or protected natural areas, and not supporting projects that involve child labour or forced labour.

Investment Committee		
Chairman	Chairman of the Board of Directors	Non-Executive
Member	Vice Chairman of the Board and General Manager	Executive
Member	Financial Affairs Director	Executive
Member	Independent Board Member	Non-Executive
Member	Independent Board Member	Non-Executive

Risk-Based Audit and Control Activities of the Internal Audit Function

The internal audit and control activities carried out within ÇATES have a systematic structure designed to assess whether risk management, financial reporting, control and governance processes are carried out in an effective, adequate, efficient manner and in compliance with existing legal and internal company regulations, and whether information systems are managed in a secure and reliable manner. The Internal Audit Function, which carries out its activities within this scope with a focus on sustainability and climate-related risks and opportunities, reports its work to the Audit Committee, composed of independent members, in order to provide reasonable assurance to the Board of Directors, shareholders and other stakeholders. This unit, which derives its authority from the Board of Directors through the Audit Committee, acts as an independent and objective assurance function. The Internal Audit Function ensures that objectives related to compliance with the ethical rules and working principles defined within the company are appropriately defined and sufficiently and effectively implemented, and carries out activities within its area of responsibility.

In accordance with the 2024 Audit Plan, centralised and on-site internal audit activities were carried out within the Company. Audit and control activities were found to be of a nature that could provide a reasonable level of assurance regarding risk management, internal control and governance processes. Agreements were reached with Management on actions to improve the individual control deficiencies identified during the audits, and the timely implementation of these actions was monitored periodically.

Remuneration Policy Supporting Sustainable Performance

ÇATES meticulously manages its remuneration processes in line with its Human Resources Policy and acts in accordance with the principle of equality. The company collaborates with a global and independent remuneration consultant to implement a fair remuneration system based entirely on performance analysis. A working environment has been created where everyone can feel safe, preventing discrimination based on factors such as gender, language, religion, race, sect, belief, nationality or marital status.

The company implements a performance management system that clearly defines KPIs for each employee and department. Promotions and bonuses are determined based on evaluations using these indicators. These indicators are designed to be aligned with the company's strategic objectives. Currently, two of the company's six objectives relate to sustainability. In addition, the objectives of the HSE and Sustainability Directorate include targets related to climate change.

Strategy

ÇATES integrates environmental and social factors into its business processes in line with its long-term value creation objective. Sustainability and climate risks and opportunities are continuously assessed, taking into account critical issues such as climate change, resource management, energy efficiency, waste management, and compliance with environmental regulations. A strategic approach is adopted towards sustainability-related risks, and the resilience of the business model is continuously evaluated.

Risks and opportunities arise from dependencies on ecosystem services and potential impacts on the climate and nature. The identified risks and opportunities are integrated into strategic planning and goal-setting processes. Focus is placed on innovative and sustainable growth opportunities, creating impact across a wide range of areas, from investment decisions to operational activities, innovative projects, and customer and supplier relationships.

Sustainable Business Model

ÇATES embraces economic development, environmental responsibility and social benefit as fundamental principles by integrating sustainability into its business strategies. The company aims to raise awareness of sustainability among its employees and stakeholders and to create a continuously learning and developing organisational structure.

Committed to continuous improvement by implementing management systems that comply with international standards in energy management, environmental protection and occupational health and safety, ÇATES aims to ensure efficiency, continuity and safety in energy generation. The effective use of resources, reduction of carbon footprint, efficient management of water consumption and prevention of environmental pollution are among the company's priority sustainability policies.

ÇATES calculates and reports its emissions as part of its efforts to combat climate change, attaches importance to the sustainable use of water, and raises awareness among its employees on these issues. In line with the principle of transparency, it regularly monitors all its environmental performance and shares it with the public.

The company embraces the fight against corruption within the framework of ethical rules, transparency in business processes, and accountability as fundamental principles. Contributing to local development, creating employment, and preferring local companies in procurement processes as much as possible are among the cornerstones of sustainable supply chain policies.

Committed to enhancing the well-being and loyalty of its employees, creating an inclusive work environment by offering equal opportunities, and maintaining the highest standards of occupational health and safety, ÇATES does not tolerate discrimination among its employees under any circumstances.

Acting with social responsibility awareness, ÇATES aims to collaborate with the community by developing social projects and contributing to the economic and social development of local stakeholders. Placing sustainable efficiency, a people-oriented management approach and environmental awareness at the heart of its business processes, ÇATES is committed to creating long-term value for all its stakeholders and to sharing its sustainability policies with all its employees and the public.

Sustainability and Climate-Related Risks and Opportunities

The effects of climate change and dependencies on ecosystem services cause companies to face different risks in the short, medium and long term. ÇATES defines the short term as 0–1 year, the medium term as 1–3 years and the long term as 3 years and above. This classification is directly linked to the planning periods used in strategic decision-making processes.

The short-term period focuses on determining operational priorities and improving existing processes, while the medium-term period involves planning investment projects, adopting new technologies and implementing strategies aimed at sustainability goals. The long-term period encompasses the implementation of transformation projects throughout the value chain and the realisation of the strategic vision in line with the company's sustainable growth goals.

The sustainability approach is integrated into all decision-making processes, ensuring the monitoring of risks and opportunities that may arise at every stage of the value chain. Environmental, social and economic impacts are assessed holistically to establish a risk-opportunity balance, and strategic decisions are shaped in line with sustainable growth objectives. Direct operations encompass activities carried out under the direct control of ÇATES. This includes the operation of boiler and turbine systems for electricity generation, the management of flue gas treatment systems, the operation of auxiliary units, and the regular maintenance and monitoring of these processes. The upstream value chain encompasses the equipment, material and raw material procurement processes that enable direct operations, as well as the legal regulations, legislative changes and regulatory requirements that affect these processes. The downstream value chain covers post-production stages, such as the transfer of the electricity generated to the national transmission system.

Sustainability and Climate Risks

TSRS 1 Risks				
Risk 1	**Risk Maturity**	**Risk Level**	**Position in the Value Chain**	**Current Business Model and Strategy**
Subject to a potential Emissions Trading System (ETS) and exposure to high financial costs	Medium	Medium	Direct Operations Downstream Value Chain	The company closely monitors the carbon pricing process in Türkiye and continues to operate in line with national policies. Research is being conducted to identify existing technologies for emission reduction, and steps are being taken to develop carbon management strategies. Preparatory processes for cost determination studies are also ongoing. Should costs related to carbon emissions arise, it is anticipated that this cost will be the largest expense item after coal procurement costs. When the ETS is implemented in Türkiye, it is not expected that high costs will arise in the short term, due to the provision of certain amounts of free emission allowances in the initial years and the company's increased technology investments.
Financial Impact of the Risk: Medium Impact				

Short-Term Impacts
No high cost pressure is expected due to free emission allowances. Financial planning is being strengthened by closely monitoring the legislative process.

Medium-Term Effects
Carbon costs may gradually increase as free allowances decrease. The financial impact will be managed through emission-reducing investments.

Long-Term Impacts
With the full implementation of the ETS, carbon costs will become significant. Low-carbon energy investments and emissions management will be critical.

TSRS 1 Risks				
Risk 2	**Risk Maturity**	**Risk Level**	**Position in the Value Chain**	**Current Business Model and Strategy**
Increasing sustainability and environmental regulation requirements, changing reporting expectations, and the growing complexity of integrating management systems with processes	Long	Low	Direct Operations Downstream Value Chain	In line with the company's approach of full compliance with legislation, legal changes are continuously monitored, evaluated from the draft stage of legislation, and necessary actions are taken. The activities of the compliance consultancy are monitored within the holding company, and legal requirements are communicated to all business units and implemented. This year, there have been no situations that could result in criminal sanctions or lawsuits related to climate change. Transparency and consistency are fundamental to the reporting processes. Declarations submitted to ministries, emission measurement reports and periodic activity reports are prepared in full, and KAP disclosures are shared regularly in accordance with SPK obligations. Data accuracy in reporting is controlled by internal audit mechanisms, and quality assurance processes are implemented. Data security and management are carried out in accordance with the rules of the Presidency Digital Transformation Office, and data is stored securely in the E-Depot system. Unauthorised data sharing is prevented under the Personal Data Protection Law, and the IT department ensures data transfer security. Advanced data management systems are used for data processing and reporting, and all processes are managed with up-to-date and verified information. Emission measurement processes are monitored in real time through systems determined by the Ministry, and periodic maintenance of measurement devices is carried out regularly. Preventive controls are applied against the risk of technical failure or incorrect measurement to ensure that accurate data is transmitted. Within the scope of management systems, the effects of climate change are continuously assessed, and risk-opportunity analyses are conducted to ensure their integration into management systems. The impact of climate change on operational processes is addressed within the scope of Change Management, and compliance and adaptation efforts are carried out. Thanks to the effective monitoring mechanisms implemented by the company's legal departments, it is not expected that any legal sanctions will be encountered in the short, medium or long term, including legal compliance requirements, reporting obligations and emission management.
Financial Impact of the Risk: Low Impact				

Short-Term Impacts
Regulatory changes are closely monitored, and compliance processes are proactively managed. As reporting and data security systems are up to date, no sudden financial burden is anticipated.

Medium-Term Impacts
Additional costs may arise in operational compliance processes due to increased sustainability reporting requirements. Financial impacts will be mitigated through the development of digital data management and internal control mechanisms.

Long-Term Effects
Tighter environmental regulations may require additional investments to comply with new regulations. Integrating compliance processes with sustainable management systems will reduce cost risks by providing a long-term competitive advantage.

TSRS 1 Risks				
Risk 3	**Risk Maturity**	**Risk Level**	**Position in the Value Chain**	**Current Business Model and Strategy**
Difficulties in accessing capital/financing due to the increasing necessity to comply with sustainable financing criteria and the inability to meet investor/creditor expectations	Long	Low	Direct Operations Downstream Value Chain	ÇATES responds to communication requests from investors and creditors in line with the principle of transparency and manages all its financial processes with a reliable and accountable approach. In addition to the Sustainability Compliance Principles Report, the company actively participates in national and international initiatives to meet stakeholder expectations and further strengthen its corporate sustainability approach. The company's current financial structure is strong, and as of the balance sheet date, there are no debt obligations to creditors. There is no foreseeable need for short-term financing. The company has the capacity to finance the necessary investments with its own resources and continues its activities without the need for any external credit. A financing need may arise in the medium to long term if investment projects come to the fore. With this possibility in mind, compliance with national and international standards regarding access to sustainable financing sources is ensured, market expectations are closely monitored, and necessary actions are taken in a timely manner. The company is aware of the importance of ESG criteria in the financing access process and is resolutely continuing its work in these areas to maintain investor confidence and its sustainable reputation in the capital markets.

Financial Impact of the Risk: Low Impact

Short-Term Impacts
Thanks to its strong financial structure and balance sheet, no risk of access to finance is anticipated.

Medium-Term Effects
Financing needs may arise from investment projects. Compliance with international standards is being ensured and market expectations are being closely monitored to facilitate access to sustainable financing.

Long-Term Impacts
Compliance with green financing criteria will be critical to maintaining a strong position in capital markets and increasing investor confidence.

TSRS 2 Risks						
Risk 4	**Risk Category**	**Risk Sub-Category**	**Risk Maturity**	**Risk Level**	**Position in the Value Chain**	**Current Business Model and Strategy**
Disruption of operations and supply chain interruptions caused by extreme weather events	Physical	Acute	Long	Low	Upstream Value Chain Direct Operations	Strategies are implemented to prevent operational disruptions due to extreme weather events, including robust stock management, supplier diversification, and increasing operational resilience. Considering the effects of adverse weather conditions on coal shipments and the supply chain, coal stocks are continuously monitored, and technical analyses of coal supplied to the unit are conducted on a shift basis. The levels of critical spare parts are regularly monitored, and necessary measures are taken to ensure they do not fall below the defined threshold values for . Fuel orders are planned according to weather conditions, and shipment processes are managed to minimise risk. A supplier diversification policy has been adopted to reduce supply chain risks and ensure long-term supply security. In addition to coal procurement from the Zonguldak region, alternative supply and stock management strategies are being developed to support the sustainability of logistics processes. A contract has been signed with the Turkish Coal Enterprise (TTK) covering the period from 1 January 2024 to 31 December 2026, guaranteeing a minimum annual supply of 500,000 tonnes of coal. Thanks to this agreement, the company's risk of facing financial impacts from short-term supply disruptions is significantly reduced. In the medium and long term, the financial impacts of operational disruptions due to extreme weather events are mitigated through effective stock management and supply strategies. Occupational health and safety measures are implemented to prevent employees from being adversely affected by extreme weather events, and Emergency Plans include specific procedures for these risks. The company has not directly experienced supply chain disruptions in the past and continues to implement proactive risk management strategies to ensure operational sustainability.

Financial Impact of the Risk: Low Impact

Short-Term Impacts
The supply agreement with TTK secures raw material procurement, limiting sudden cost increases. On the other hand, logistics delays may lead to increased transport costs and temporary declines in operational efficiency.

Medium-Term Impacts
Diversifying alternative supply sources and extending long-term contracts will reduce inventory costs and financial losses resulting from generation downtime.

Long-Term Effects
Increased extreme weather events due to climate change may lead to higher logistics costs and longer supply times. Expanded supply strategies and the creation of additional storage capacity will limit operational disruptions and unexpected cost risks.

TSRS 2 Risks						
Risk 5	**Risk Category**	**Risk Sub-Category**	**Risk Maturity**	**Risk Level**	**Position in the Value Chain**	**Current Business Model and Strategy**
Increased sea and air temperatures reducing energy efficiency and lowering the performance of cooling systems	Physical	Chronic	Medium	Low	Direct Operations	ÇATES implements proactive monitoring and maintenance strategies to maintain the efficiency of cooling systems and prevent efficiency losses. Seawater temperature is continuously monitored via the Continuous Wastewater Monitoring System (SAİS) cabin and the turbine control system, and the impact of potential temperature changes on operational processes is analysed in real time. To prevent efficiency losses, regular cleaning work is carried out on the water intake structure, and infrastructure maintenance is performed periodically to ensure optimal water flow. Motor flow management and energy optimisation processes are monitored, and necessary improvement work is carried out. In cases of vacuum drop and steam flow increase due to high temperatures, the load is reduced to maintain system balance.

Financial Impact of the Risk: Low Impact

Short-Term Effects
As processes are dynamically managed, no financial risk is anticipated in the short term.

Medium-Term Effects
Periodic maintenance and optimisation efforts will reduce additional costs.

Long-Term Effects
Continued global warming could lead to efficiency losses in cooling systems and the need for additional investment. Advanced improvement projects and energy efficiency investments will limit long-term financial risks.

TSRS 2 Risks						
Risk 6	**Risk Category**	**Risk Sub-Category**	**Risk Maturity**	**Risk Level**	**Position in the Value Chain**	**Current Business Model and Strategy**
Increased fire risk due to extreme weather events caused by climate change and the resulting challenges in coal stock management	Physical	Acute	Medium	Low	Upstream Value Chain Direct Operations	ÇATES takes comprehensive measures to manage physical risks caused by climate change and ensure business continuity. Within the framework of the Emergency Plan, pre-determined procedures are implemented against possible extreme weather events, thus protecting employee safety and facility infrastructure. Considering the risk of fire posed by increased temperatures, especially during the summer months, the forest areas within and around the facility are regularly monitored by the fire brigade, and the accumulation of combustible waste is prevented. Smoking areas are located in safe zones, and regular watering is carried out with sprinklers during hot weather. Fire lines, fire detection and extinguishing systems are periodically inspected, and the risk of fire is reduced by ensuring that hazardous areas are regularly cleaned. Continuous monitoring is carried out to prevent coal stockyards from being exposed to high temperatures, and necessary measures are taken . Although the risk of spontaneous combustion is low due to the natural moisture content of hard coal, sprinklers are actively used for humidification in the stockyard. The ignition problem experienced with lignite coal in previous years has been completely eliminated this year by not supplying lignite coal. Coal stock management is planned and continuously monitored to mitigate the effects of extreme weather events.

Financial Impact of the Risk: Low Impact

Short-Term Impacts
No sudden financial losses are anticipated thanks to emergency procedures, fire suppression systems, and regular inspections. Measures taken at coal stockpile sites reduce the risk of operational disruptions.

Medium-Term Impacts
Active monitoring and risk mitigation strategies will prevent unexpected cost increases.

Long-Term Impacts
Infrastructure strengthening and climate-resilient supply strategies will support long-term financial sustainability.

TSRS 2 Risks						
Risk 7	**Risk Category**	**Risk Sub-Category**	**Risk Maturity**	**Risk Level**	**Position in the Value Chain**	**Current Business Model and Strategy**
Difficulties in accessing water resources due to climate change and regulatory restrictions, and water supply risks in operational processes	Physical Transition	Chronic	Long	Low	Upward Value Chain Direct Operations	Water usage and consumption within the facility are regularly monitored, and water management processes are conducted in accordance with sustainability and operational efficiency principles. Raw water used in the system is supplied from a natural spring fed by rain and snowmelt, while seawater is used as cooling water and subsequently discharged back into the sea. Water extraction and usage are continuously monitored, and alternative methods are planned in the event of climate-related water loss. As part of wastewater management, a wastewater treatment plant has been constructed to treat the ash water generated in the ash storage area and discharge it into the sea, with the aim of reducing natural resource consumption. All wastewater generated at the facility is treated in accordance with the regulations and discharged in a controlled manner. Routine inspections are carried out on site to prevent uncontrolled discharge into the receiving environment, all discharge permits are obtained in accordance with legal regulations, and regular analyses of wastewater are performed to monitor compliance with regulations. To ensure the continuity of operational water needs and mitigate potential risks related to the usage rights of the raw water reservoir, water consumption and volume are meticulously monitored. To balance the water consumption of the raw water reservoir and ensure the protection and sustainable management of water resources, the installation of a reverse osmosis system within the facility is planned. In the processes of wastewater management and efficient use of water resources, wastewater treatment plants are regularly maintained and inspected. These operations are carried out by both operating personnel and special maintenance companies to ensure the efficient operation of all equipment. To ensure sustainability in water management, water consumption, wastewater management, and regulatory compliance are continuously monitored and reported through data tracking systems.

Financial Impact of the Risk: Low Impact

Short-Term Impacts
Current water management strategies, combined with continuous monitoring and wastewater treatment investments, do not foresee any significant financial risk related to water supply in the short term. Water resources are meticulously monitored, and their controlled use is ensured.

Medium-Term Impacts
Water supply risks will be managed through the implementation of reverse osmosis systems and planning for alternative water sources.

Long-Term Effects
Water recovery projects and sustainable water management strategies will support operational continuity by reducing the impact of financial risks in the long term.

Sustainability and Climate-Related Opportunities

Opportunities	Opportunity Maturity	Position in the Value Chain	Actions
Resource Efficiency and Circular Economy	Short	Direct Operations Downstream Value Chain	• The company has reduced its carbon footprint within the scope of waste management and the circular economy by offering fly ash as a by-product on the market, while also achieving a significant advantage in terms of material sustainability by reducing the use of natural raw materials. In this regard, as a result of sales and cost optimisations carried out as of 2024, 207,931.22 tonnes of ash were sold, generating revenue of 48,158,678.00 TL. • By switching to an oil-based system in the pumps, water consumption was reduced, resulting in a total water saving of 45 m³ and increased resource efficiency. • As part of water management strategies, the project to treat ash-laden water sent to the ash storage area and incorporate it into cooling water prevents the annual extraction of 876,000 m³ of seawater, increasing the company's capacity to protect natural water resources and build resilience against water stress. • The implementation of rainwater harvesting systems will increase water savings, reduce operational costs and strengthen the ability to adapt to climate change.
Energy Efficiency and Decarbonisation	Medium	Direct Operations	• The renewal of analogue systems with a DCS (Distributed Control System) will enable operational processes to be managed more efficiently through automation, thereby reducing energy consumption and emissions. • Boiler rehabilitation works are planned annually, and this process will reduce carbon intensity by increasing fuel efficiency.

Opportunities	Opportunity Maturity	Position in the Value Chain	Actions
Reputation and Access to Sustainable Finance	Long	Upstream Value Chain Direct Operations	• Ensuring that suppliers also comply with sustainability criteria within the scope of the OHS-Environment specification will enhance brand value by creating a company image that conducts operations with a low carbon footprint in the supply chain. • Training programmes organised to raise employee awareness of sustainability (Aydem Academy and HSE training provided in schools) will enable the company to establish a strong position in the field of social sustainability. • Coastal clean-up activities and biodiversity conservation projects under the Marine Litter Action Plan will position the company as an energy producer that operates in harmony with nature and earn it a reputation as an environmentally friendly institution in the public eye.
Compliance with Regulations and Competitive Advantage in the Fight Against Climate Change	Medium	Upstream Value Chain Direct Operations	• The company's targets to reduce the amount of coal burned for unit electricity generation and electricity consumption will enable it to proactively comply with carbon regulations and international climate policies, thereby avoiding potential carbon taxes and regulatory costs. • Assessing environmental and occupational health and safety criteria in supply chain processes will facilitate compliance with international trade regulations by strengthening green procurement practices. • Investments in cybersecurity and operational resilience will help prevent potential operational disruptions by protecting facilities that play a critical role in energy supply security against digital threats.

Scenario Analysis

Factors such as climate change, the state of ecosystem services, the frequency of extreme weather events, carbon regulations and technological innovations are assessed as risks that could affect ÇATES's business processes.

Scenarios for the environmental and socio-economic future, reflecting different global warming rates and the progress of global efforts to reduce greenhouse gas emissions, are used in conjunction with climate projections that include simulations of global efforts (e.g., the Intergovernmental Panel on Climate Change [IPCC]). In 2024, future physical and transition risks were assessed under two climate scenarios, including Türkiye-specific physical and transition risks, consistent with the IPCC AR6 Working Group's Shared Socioeconomic Pathways (SSP) scenarios. Although there is no specific dataset for macroeconomic parameters, the scenario analyses were conducted by taking into account current macroeconomic indicators and general economic trends.

Scenario Summary AR6 Study SSP-Based Scenarios	**SSP1: Sustainability – Going Green (Low-level challenges for mitigation and adaptation)** **SSP1-1.9:** The world is moving towards the Paris Agreement targets, aiming to limit global warming to between 1.5°C and 2°C by 2100. In this context, emission reduction policies are being implemented consistently, with the goal of achieving net zero emissions by 2050.		**SSP2: The Middle Path (Moderate challenges for mitigation and adaptation)** **SSP2-4.5:** If current policies and commitments largely remain unchanged, global warming is projected to reach approximately 3°C by 2100. While new energy technologies are expected to reduce costs, limited policy intervention is not expected to provide sufficient incentives for innovation or effectively coordinate the global energy transition.	
Estimated Warming (2041-2060)	**1,6 °C**		**2,0 °C**	
Physical Changes	**Acute** - Extreme weather events (storms, hurricanes, floods, etc.) will decrease somewhat, but are not expected to disappear entirely. - Heatwaves and extreme rainfall may continue to affect operations. - Short-term infrastructure damage and disruptions may occur.	**Chronic** - Long-term chronic effects will be less pronounced as global temperature increases will be more limited. - The increase in average temperatures may lead to greater energy consumption by cooling systems. - The risk of sea level rise will be lower.	**Acute** - The frequency and intensity of extreme weather events will increase. - Operational continuity of facilities may be at greater risk due to floods, storms and heatwaves. - Temporary shutdowns may occur at electricity generation facilities.	**Chronic** - Average temperatures will rise more rapidly and energy generation efficiency may decline in the long term. - Rising sea levels may increase infrastructure risks at facilities in coastal areas. - Pressure on water resources may increase.
Transition Changes	**Policy** - Strict carbon regulations and emissions trading mechanisms will be implemented. - Fossil fuel-based generation will be subject to high taxes and emission restrictions. - The company's carbon costs may rise rapidly, and investment in low-carbon technologies may become mandatory.	**Market** - The transition to green energy will accelerate, and demand for fossil fuels will decline rapidly. - Consumers and corporate buyers will begin to favour renewable energy sources. - Companies with a high carbon footprint may struggle to attract investment in financial markets.	**Policy** - As policies will continue at current levels or develop only partially, regulatory pressure will progress more slowly. - Emission regulations will increase, but fossil fuels are not expected to be completely phased out. - The company may continue generation based on fossil fuels for a longer period, but costs may gradually increase due to carbon regulations and international pressure.	**Market** - The use of fossil fuels will continue to decline, but the transition to renewable energy will be slower. - The market may still support fossil fuels, but pressure towards low-carbon energy will increase in the long term. - Short-term financial pressures will be less pronounced as carbon pricing will be implemented more gradually.
	Reputation - Companies with high carbon footprints may suffer a loss of reputation among investors and consumers. - Companies that do not invest in green energy may face challenges in terms of sustainability reporting standards.	**Technology** - Rapid innovation in renewable energy technologies and cost reductions in will rapidly reduce the competitiveness of fossil fuels. - Companies may be forced to invest in technologies such as carbon capture and energy storage. - Digitalisation and smart systems in electricity grids may become mandatory.	**Reputation** - As fossil fuels will continue to be used in the global energy system for a longer period, the reputation risk will be limited. - Corporate customers and ESG-focused investors will continue to encourage low--carbon strategies.	**Technology** - As the transition to low-carbon technologies will be slower, the company can continue to use its traditional systems for a longer period. - However, as renewable energy technologies will eventually become dominant in the long term, the company may lose its competitive edge if it adapts to low-carbon investments too late.

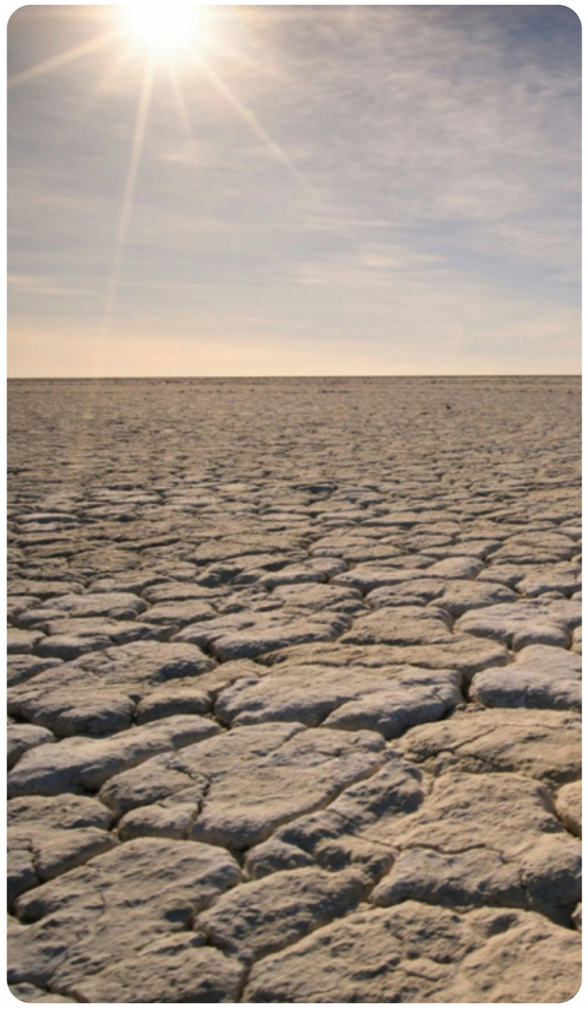
Climate Resilience

ÇATES aims to increase the sustainability and long-term resilience of its operations by conducting a comprehensive assessment of both physical and transition risks in line with climate change scenario analyses. Analyses conducted within the framework of SSP1-1.9 and SSP2-4.5 evaluate how the company can adapt under different climate conditions and its strategic adaptation capacity.

To increase its resilience to the risks identified in climate change scenarios, ÇATES has developed the following strategies:

Resilience to physical risks: Analyses conducted using the WRI Water Risk Atlas have determined that water stress is in the "low-medium" (10-20%) range under current conditions and in the 2030-2050 projections. By maintaining current water management policies, long-term risks to water resources will be effectively managed and operational disruptions related to water consumption will be minimised.

Adaptation to transition risks: In the SSP1-1.9 scenario, where carbon regulations are tightened, investments to reduce carbon emissions and gradual transition strategies to renewable energy will be critical to securing a competitive advantage. In the SSP2-4.5 scenario, where a slower transition is expected, the company will need to optimise its fossil fuel-based operations to manage the transition process flexibly.



Key Uncertainties and Adaptation Capacity

The physical and transition risks posed by climate change involve numerous uncertainty factors. The main areas of uncertainty considered when assessing the business's climate resilience include; Carbon pricing applications under the Emissions Trading System (ETS), the details of which have not yet been finalised in Türkiye; the course of public policies and regulations targeting fossil fuel-based energy generation; estimates regarding the pace of transformation in energy policies; and the potential effects of global macroeconomic fluctuations on investment trends. To adapt to these uncertainties, ÇATES:

- It has the capacity to invest in low-carbon energy technologies to adapt to climate change.
- It is strengthening its resilience to climate risks by optimising its operations through digitalisation and efficiency-enhancing projects (such as the DCS control system).

Under the SSP1-1.9 scenario, tighter global carbon regulations and increased emission management requirements will accelerate transformation in the energy sector. ÇATES is evaluating projects that will increase the efficiency of its current operations by assessing low-carbon energy solutions and is taking the necessary steps to comply with environmental standards. It aims to maintain financial stability and sustainable growth while adapting to changes in the sector.

There has been no financial loss to date in the identified risk categories as of the reporting period. Financial assessments are based on loss scenarios that could arise in the event of a complete or partial cessation of operations, and it is not possible to quantitatively estimate this impact with certainty and reliability under current conditions. Measurement uncertainty stems from the combined and variable effects of the above factors.

Strategic Adaptation and Financial Flexibility in the Short, Medium and Long Term

Current Financial Resources for Managing Climate Risks and Opportunities

- Investments in flue gas treatment plants are considered a strategic step and will help mitigate transition risks.
- Energy efficiency projects and environmental management investments (e.g. water recovery, ash management and digitalisation) will strengthen the company's long-term sustainability by reducing its operational costs.
- Budgets allocated for environmental management provide flexibility to comply with new policy regulations.
- ISO 50001 certification improves energy management processes and reduces the carbon intensity of operations.

Environmental Management

Energy and Emission Management

ÇATES has integrated sustainability goals by structuring its energy management in accordance with the ISO 50001:2018 Energy Management System standard. The company implements a systematic energy management policy aimed at increasing energy efficiency, reducing energy consumption and minimising environmental impacts. It assesses energy-related risks and opportunities within the TCFD framework in terms of physical and transition risks, and in line with the TSRS in terms of low-carbon generation and energy supply security opportunities, integrating them into its management processes.

ÇATES carries out continuous improvement efforts to increase energy efficiency. As a result of optimisation efforts to ensure uninterrupted and efficient energy generation in power plant operations, the availability rate at ÇATES has reached 75%. This rate reflects the reliability of power plant equipment, the effectiveness of maintenance planning, and the success of improvement processes integrated into the energy management system. Achieving a high availability rate in energy generation is considered a critical priority in terms of sustainable energy management and supply security.

Strategic Objectives and Targets

Within the scope of the commitments outlined in ÇATES's Integrated Management System Policy, there are strategic objectives and targets related to Energy Management:

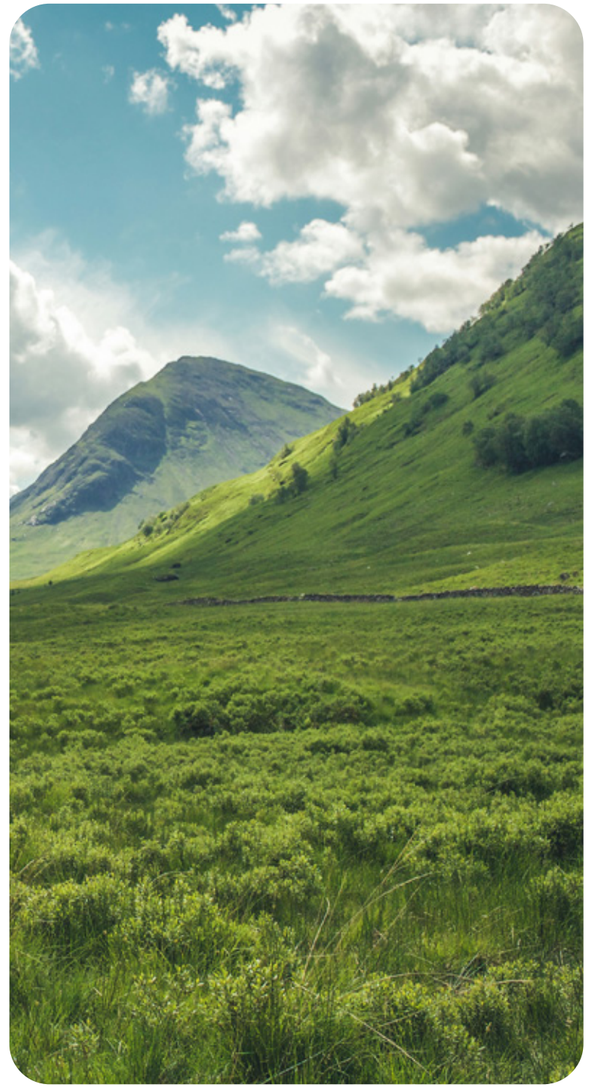
1. Conducting energy status analyses to identify areas for improvement and securing projects that will increase energy performance

- Reducing the amount of coal burned per unit of electricity generated
- Reducing the electricity consumption required per unit of electricity generation
- Monitoring and ensuring the improvement of the factor for achieving planned generation,
- Monitoring and ensuring the improvement of plant efficiency.

2. Determining the requirements for all purchases that may have an impact on the environment and energy efficiency and increasing the purchase of energy-efficient products.

The Energy Efficiency Specification ensures that ISO 50001, the Energy Efficiency Law and the Building Energy Performance Regulation are taken into account in all purchases made by the company. High-efficiency, low-energy consumption and long-life products are preferred in order to increase power plant efficiency and optimise energy consumption.

- IE4 and IE3 class energy-efficient motors are prioritised for electric motors.
- LED lamps are used for lighting.
- Low-loss and high-efficiency models are preferred for transformers and pumps.
- Heat losses are reduced by improving the mechanical insulation of industrial facilities.
- The number of electric vehicles used to transport materials within the facility has been increased instead of diesel vehicles.
- Class A products are preferred for energy-consuming office equipment, and in this context, energy consumption in sleep mode is reduced.
- Life-cycle operating cost analyses are being conducted for energy-consuming equipment.



Emissions Management and Climate Change

ÇATES takes the effects of climate change into account in its energy management processes and takes steps to reduce emissions. The effects of climate change have been added to energy efficiency plans and procedures, and risk analyses have been expanded in this context.

Key steps taken within the scope of emission management:

- Reducing carbon emissions per unit of energy generation by increasing plant efficiency,
- Developing low-emission generation strategies by monitoring fuel consumption data,
- Ensuring full compliance with legal regulations and sustainability standards,
- Monitoring emission reduction performance in management review processes (MRP),
- Implementing sustainable energy policies, taking into account energy supply security and climate change impacts.
- Providing regular training to raise energy efficiency awareness and ensuring all stakeholders contribute to the process.

Continuous Improvement and Future Goals

ÇATES ensures continuous improvement in reducing carbon emissions by evaluating opportunities for improvement in emissions management through Energy Review Reports. The company aims to reduce environmental impacts in line with sustainable energy management, supported by energy efficiency and low-carbon generation. Carbon footprint calculations are carried out in accordance with the ISO 14064-1 standard and the GHG Protocol, and the data for 2024 has been verified by an accredited certification body in accordance with the ISO 14064-3 standard.

Greenhouse Gas Emissions	Unit	2024
Scope 1	tCO_2e	1,924,278
Scope 2	tCO_2e	2,543
Scope 3	tCO_2e	540,267
Total CO_2 emissions	tCO_2e	2,467,088

*Gross emissions have been used in all emission classifications. No offsetting/neutralisation processes have been applied.

Performance in relation to targets

Efforts to increase energy efficiency and reduce emissions have yielded tangible gains in the 2024 performance results. Targets set for reducing the amount of coal burned per unit of electricity generated have been exceeded, resulting in a more efficient fuel consumption structure. The ratio of internal consumption at the power plant to gross generation has also fallen below the target level, thus demonstrating concrete improvements in energy management. Operational sustainability has been supported by exceeding the planned level of total power plant efficiency, and targets have been exceeded in planned generation realisation factors.

Strategic Target	Metric	Target (2024)	Actual (2024)
Reduction in the amount of coal burned per unit of electricity generated	Unit 1 (tonnes/MWh)	0.834	0.744
	Unit 2 (tonnes/MWh)	0.836	0.725
Reduction in electricity consumption required for unit electricity generation	Unit 1 Internal Consumption / Gross Generation (%)	7.44	8.11
	Unit 2 Internal Consumption / Gross Generation (%)	10.01	9.53
Monitoring and improving plant efficiency	Total Efficiency (%)	32.97	33.80
Monitoring and improving the planned generation realisation factor	Unit 2 Planned Generation Achievement Factor (%)	90.00	94.41
	Unit 2 Planned Generation Achievement Factor (%)	90.00	91.63

Water Management

ÇATES carries out work in line with sustainability principles on reducing natural resource consumption and efficient water use, prioritising areas such as wastewater management, water recovery and reducing the water footprint. Water footprint studies for 2024 have been verified by an accredited certification body in accordance with the ISO 14046 Standard. Projects carried out under SDG 12 and SDG 13 aim to reduce water consumption and minimise the impact on ecosystems.

Water management strategies are defined and integrated into corporate processes to ensure efficient water use. Water consumption and sustainability targets have been included in the KPIs of the HSE and Sustainability departments. In this context, rainwater recovery projects are being implemented at ÇATES, and awareness is being raised through sustainability workshops.

Water Efficiency and Recovery Initiatives

In 2024, the construction of an industrial wastewater treatment plant was completed. This plant treats ash water and incorporates it into the existing cooling water system, thereby reducing the pressure on natural water resources. Rainwater collection channels were created in buildings, enabling the reuse of rainwater as part of water recovery projects. The project, completed for four buildings as of 2024, will be expanded in the future with the integration of two new buildings.

Pumps operating with slurry water have been converted to an oily system, optimising water consumption. Thanks to this conversion, **a total water saving of 45 m³** has been achieved, amounting to **approximately 15 m³ per pump.**

Wastewater Management and Legal Compliance

ÇATES ensures that wastewater generated as a result of its activities is treated and monitored through regular analyses in accordance with the Water Pollution Control Regulation. The water discharged from the existing wastewater treatment plants is continuously monitored and reported in terms of compliance with legal standards. The environmental impacts of water use and natural resource consumption are assessed using the Environmental Impact Risk Assessment Table, and an Environmental Impact Assessment (EIA) report is prepared prior to each new activity to analyse the effects on water consumption and use in advance.

Definition and Assessment of Water Management Risks

ÇATES places sustainable water management at the heart of not only its operational processes but also its long-term strategic planning. In accordance with the Sector-Based Implementation Guide of TSRS 2, it has analysed water management risks, evaluated existing control mechanisms, and shaped its future strategies.

Physical risks include drought, flooding, depletion of water resources, seasonal and annual fluctuations in water levels, ecosystem changes, and deterioration in water quality. The short-, medium-, and long-term effects of climate change on water resources have been analysed, and these effects have been integrated into both current operations and future investments.

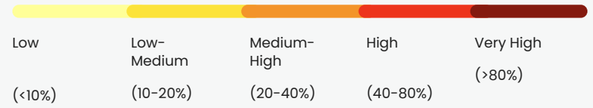
In terms of transition risks, fluctuations in water costs, restrictions imposed by regulatory bodies, public health and safety, and stakeholder expectations were taken into account. These factors contribute to ÇATES shaping its water management policies not only to meet legal requirements but also within the framework of social responsibility and reputation management.

When all ÇATES operations are analysed in terms of water risks and classified using the World Resources Institute's (WRI) Water Risk Atlas, Aqueduct, it has been determined that the current water stress level and the 2030 and 2050 projections are in the "low to medium" range (10-20%) in all scenarios. By continuing to apply the current controls with determination, potential water-related risks will be effectively managed and controlled in the long term.

Future Goals and Projects

The project to treat ash water and include it in cooling water, which is planned to be implemented in the coming years, will prevent the extraction of 876,000 m³/year of seawater, thereby reducing the burden on natural water resources and contributing to the protection of biodiversity. In addition, by revising and implementing the existing osmosis system, it is aimed to improve the quality of raw water taken from the reservoir, thereby reducing chemical consumption and wastewater volume at the treatment plant.

ÇATES will continue to improve its water management strategies, invest in the protection of water resources and sustainable water use, and fulfil its environmental responsibilities.



Risk Management

The fundamental purpose of risk and opportunity management is to ensure the effective use of organisational capabilities and resources to best evaluate opportunities arising within the company and minimise risks. ÇATES's approach encompasses the management of all positive and negative uncertainties that affect the company's ability to achieve its goals and objectives.

The following fundamental steps are followed in risk and opportunity management:

1.Identifying the Risk/Opportunity

2.Assessing the Impact of the Risk/Opportunity

3.Prioritising the Risk/Opportunity

4.Responding to the Risk/Opportunity

5.Monitoring and Reviewing the Risk/Opportunity

In line with these stages, risks and opportunities are continuously assessed, defined actions are implemented, and the effectiveness of the processes is monitored.

Identifying, Assessing and Prioritising Risks and Opportunities

ÇATES conducts risk and opportunity analyses based on probability and impact criteria. In this method, the risk or opportunity score is calculated by multiplying the probability and impact values. The following criteria are taken into account when determining the impact levels of risks and opportunities:

All units identify risks and opportunities in their processes through various methods. These identification methods include surveys, field inspections, meetings/brainstorming sessions, internal/external audits, SWOT-PESTLE analyses, context analyses, data/document analysis, stakeholder expectations, externally sourced documents, legal regulations, APEK-ODİT, suggestion lines, R5, legal processes, customer/employee/supplier/stakeholder complaints, work accidents, near misses, new product launches, engineering changes, process analysis, YGG meetings, and change management.

Impact on quality

Impact on budget

Impact on generation

Company reputation/Social impact

During the impact assessment, the average value of these criteria is taken and entered into the Quality and Integrated Management System Software (QDMS) Process Risk Assessment Module.

Various categories have been created to identify and classify risks and opportunities, including operational, financial, compliance, strategic, managerial, brand/reputation, external environment, and personnel. Climate risks are classified and assessed as physical and transition risks according to the TCFD framework.

Risks are prioritised based on the risk score calculated according to the impact and probability values. Financial and operational impacts were evaluated during the prioritisation process, and financial impact levels were determined in detail accordingly.

Financial Impact Levels

Within the framework of "materiality" outlined in paragraphs 17-19 of the TSRS, businesses are required to disclose material information that could reasonably be expected to affect their future financial adequacy in relation to sustainability-related risks and opportunities. In order to use definitions consistent with the conceptual framework of the TSRS, the materiality threshold selected for ÇATES has been determined by taking into account a certain percentage of turnover, in line with the expectations set out in paragraphs B13-B37 of the TSRS, in addition to qualitative materiality.

Improvement activities are identified and action plans are developed for prioritised risks and opportunities. In accordance with the company's Risk and Opportunity Management Procedure, risks with a severity of 5 must be addressed as a priority; low probability should not be an obstacle to taking action. If the risk outcome is 9 or above, measures must be determined; if the opportunity outcome is 9 or above, actions to increase the probability should be defined. Legal obligations should not be considered as opportunities.

Responding to Risk

To reduce risks to acceptable levels, the risk owner develops an action plan and implements appropriate methods to mitigate the risk's impact. Risk mitigation options include:

Risk Avoidance: A decision is made to completely eliminate risks at unacceptable levels.

Risk Acceptance: The existence of the risk is accepted and continuous monitoring is provided.

Risk Prevention: Measures are taken to eliminate the source of the risk.

Risk Transfer: Responsibility for the risk is transferred to another department/unit.

Responding to Opportunities

Opportunities are identified, prioritised and managed through analyses conducted in departmental processes. Action plans are developed to ensure that opportunities add value to processes and provide maximum benefit.

Opportunity development methods include:

Exploiting the Opportunity: Directly implementing the opportunity to improve processes.

Enhancing the Opportunity: Strengthening the impact of the opportunity through additional actions.

Sharing the Opportunity: Sharing the opportunity with other departments.

Accepting the Opportunity: Integrating the opportunity into processes by observing it.

Considering sustainability and climate change risks, it is assessed that climate change-related risks will be low and manageable in the future. ÇATES uses climate-related scenario analysis to identify climate change and sustainability risks and develop related opportunities. Details of these analyses are explained in the Strategy section at. According to the assessments made, it is predicted that the region will not experience water stress in the 2030 and 2050 projections in terms of climate risks and, in particular, water risks. Therefore, risks related to water resources have been assessed as low. However, the European Union Emissions Trading System (EU ETS) and the associated costs will become more important for the company's risk management in the coming period. Strategic efforts to reduce carbon management and cost risks will continue in this direction.

Review of Risk/Opportunity

Identified risks and opportunities are shared with the Integrated Management System (IMS) Directorate and reviewed during process evaluation meetings.

The monitoring and review of risks and opportunities are carried out to control the effectiveness of applications, identify areas for improvement, and track possible changes. Risks and opportunities are reviewed in the following situations:

- When a new process requirement arises,
- When changes are made to existing processes,
- In the event of regulatory changes,
- When service inadequacies are identified,
- As a result of data analyses,
- When stakeholder satisfaction surveys and complaints are taken into account.

Risks and opportunities are reviewed and updated twice a year (every six months) by departments and shared with the IMS Directorate. During annual process risk and opportunity assessment meetings, process owners and the EYS Directorate review these and make necessary updates to the system.

The follow-up of measures taken through the QDMS Process Risk Module is carried out continuously, and risk management processes are updated and integrated into the company's overall risk management processes.

Metrics and Targets

ÇATES monitors its performance according to specific metrics in order to manage the process of achieving its strategic objectives in a transparent and measurable manner. The defined metrics are used to measure the company's progress and identify opportunities for improvement in the areas of environmental sustainability, energy efficiency, water management, waste reduction, occupational health and safety, and social responsibility.

The metrics are regularly reviewed and reported to assess the company's annual operational performance, ensure compliance with regulatory requirements, and achieve sustainable growth targets. The defined targets are measured within specific timeframes and guide strategic decision-making processes.

Quantitative and qualitative targets have been set in line with both legal obligations and voluntary commitments in order to achieve climate-related strategic objectives. Climate-related targets are structured according to SMART criteria; measurements are tracked through the Climate Performance Management System and evaluated at the end of the year.

The validity period, base year, applicable unit (all directorates or individual), target type (absolute/intensity-based) and purpose (reduction, adaptation, etc.) are determined for each target. Care is taken to ensure that the targets are consistent with international regulations such as the Paris Agreement. Interim and year-end evaluations are carried out during the year; target achievements are analysed and scored according to performance levels. The criteria set for each metric are applied consistently across years; any changes made are clearly justified.

Target achievement data and competency assessments are collected through the Climate Performance Management System and monitored digitally. The outputs generated at the end of the monitoring process are integrated into the organisation's sustainability strategies and provide input for decision-making mechanisms.

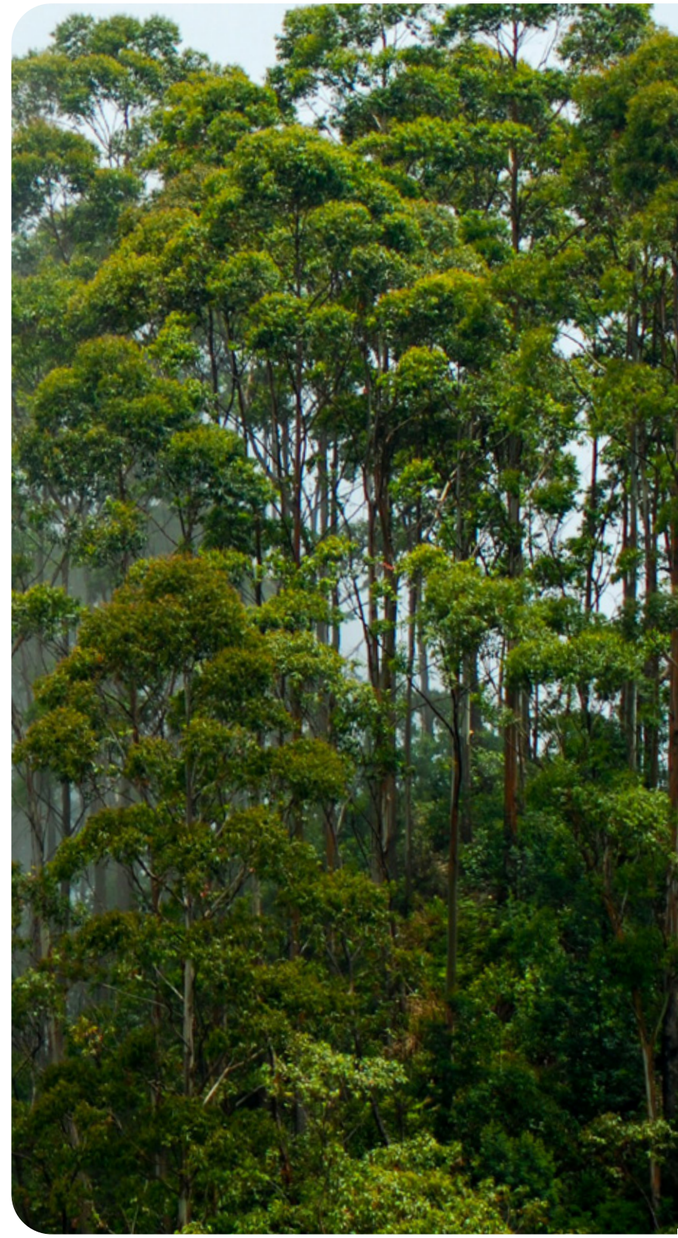
Annual carbon emissions (tCO_2e) and fuel consumption per unit of electricity generated (tonnes/MWh) are monitored within the scope of the criteria defined for each risk and opportunity; water risk is tracked using metrics such as annual water consumption volume (m^3) and water recovery rate; energy efficiency is assessed based on plant efficiency (%), availability rate and internal electricity consumption rate. Opportunity metrics include indicators such as fly ash sales volume (tonnes) and energy consumption reduction rate. Carbon management performance is monitored based on annual CO_2 emissions, and emission reduction efforts are reported within the scope of sustainability reports. To make energy management processes more efficient, a Distributed Control System (DCS) transformation has been initiated, aiming to reduce energy consumption by automating operational processes.

ÇATES sets various performance targets to achieve its strategic objectives and meet the requirements set out in the legislation, and regularly monitors progress. Positive trends have been recorded in critical indicators such as fuel consumption and plant efficiency, and a stable performance has been demonstrated in the generation realisation factor. Details of the targets related to energy and emissions management are elaborated in the performance section on targets.

Within the scope of sustainable use of water resources, it is aimed to prevent the extraction of 876,000 m^3 of seawater per year by treating the ash water sent to the ash storage area and including it in the cooling water. Within the framework of waste management and circular economy, it is aimed to recycle all fly ash as a by-product and reduce plastic use.

To strengthen employee health and safety, the aim is to increase preventive measures against workplace accidents and raise employee awareness. Occupational health and safety performance is monitored through regular inspections and supported by awareness training for employees.

In the area of social responsibility, the aim is to expand projects that contribute to society and to involve employees more in these processes.



TSRS Volume 32. Electrical Installations and Power Generators

Sustainability Disclosure Topics and Accounting Metrics

Energy and Emissions Management[2]	Unit	2024
Scope 1	tonnes CO_2	1,924,278
Scope 2[3]	tonnes CO_2	2,543
Scope 3[4]	tonnes CO_2	540,267

**Discussion of the long- and short-term strategy or plan for managing Scope 1 emissions and emission reduction targets, and analysis of performance against these targets Energy and Emissions Management is covered in detail in the section.*

Water Management[5]	Unit	2024
Mains Water	(m^3/year)	53,250.00
Seawater	(m^3/year)	421,309,872.00
Reservoir Water	(m^3/year)	338,880.85
Water Consumption	(m^3/year)	392,130.85
Percentage of each in regions with High or Extremely High Groundwater Stress	%	The generation facility is not located in an area with excessive water stress.
Number of non-compliance incidents related to water quality permits, standards and regulations	Number	0

**Discussion of the definition of water management risks and strategies and practices to mitigate these risks Sustainability and Climate Risks and Water Management are discussed in detail in the relevant sections.*

Activity Metrics[6]

	Unit	2024
Gross Generation Volume	MWh	1,906,197
Total Wholesale Electricity Purchased	MWh	167,879,630

In order to meet data quality objectives, a data collection strategy incorporating the criteria of timeliness and consistency, completeness, comparability, accuracy and transparency was developed, and raw data was converted into a usable format for the inventory. During the inventory process, emission factors specific to the relevant categories were selected and used from the following sources:

- "Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance"
- "2019 IPCC Guidelines for National Greenhouse Gas Inventories"
- "2006 The Greenhouse Gas Protocol: Scope 2 Guidance"
- "ISO 14064-1"
- "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)"
- Life Cycle Assessment Database Ecoinvent v3.10

[2] The 2024 carbon footprint calculations were performed in accordance with the ISO 14064-1 standard and the GHG Protocol and verified by an accredited certification body in accordance with the ISO 14064-3 Standard. Gross emissions were used in all emission classifications. No offsetting/ neutralisation was performed.
[3] Scope 2 emissions were calculated using a location-based method in accordance with the ISO 14064-1 standard and the GHG Protocol Scope 2 Guide.
[4] Category 1: Purchased Goods and Services, Category 2: Capital Goods, Category 3: Fuel and Energy-Related Activities, Category 4: Upstream Transportation and Distribution, Category 5: Production-Related Waste, Category 6: Employee Business Travel, Category 7: Employee Commuting. The Company does not engage in any activities that generate emissions under categories 8-15 due to the nature of its operations.
[5] The 2024 water footprint calculations have been verified by an accredited certification body in accordance with the ISO 14046 Standard.
[6] The company has not made any significant changes to its business model, activities, or corporate structure.

Relevant TSRS Provisions

The GHG Protocol Guidance on Uncertainty Assessment in GHG Inventories and Calculating Statistical Parameter Uncertainty document was used as a basis for calculating uncertainties in greenhouse gas activity data. Accordingly, the total uncertainty rate for ÇATES' Scope 1 emissions for 2024 was calculated as 4.6%, the total uncertainty rate for Scope 2 emissions as 3.4%, and the total uncertainty rate for Scope 3 emissions as 5.7%. To monitor emission performance, criteria such as absolute greenhouse gas emission quantities (tonnes CO_2e), emission intensity per unit of generation (tonnes CO_2e/MWh), and year-on-year comparative emission change rates are used. Progress metrics are calculated annually using the same methodological approach; the factors and methodologies used in the calculations are selected from the sources mentioned above. Annual emission data are compared with the previous year's values to analyse progress.

Relevant TSRS Provisions	Metric	Current Situation
TSRS 2 29 (b)	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks	High dependence on fossil fuels for electricity generation renders all operations vulnerable to transition risks in the face of carbon regulations and market changes. No financial losses related to these risks were incurred during the reporting year.
TSRS 2 29 (c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks	Regional projections indicate that the area of operation has low vulnerability to physical risks such as drought or flooding. Operations are controlled in a manner that adapts to these conditions. No financial losses related to these risks were incurred during the reporting year.
TSRS 2 29 (d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities	48,158,678 TL
TSRS 2 29 (e)	Capital allocation—the amount of capital expenditure, financing, or investment allocated to climate-related risks and opportunities	811,008.06 TL
TSRS 2 29 (f)	Internal carbon prices	The Company has not undertaken any work on internal carbon pricing.
TSRS 2 29 (g)	Ratio linked to climate considerations in senior executive remuneration	Two of the six targets relate to sustainability targets.

TSRS Index

TSRS 1: General Provisions on the Disclosure of Financial Information Related to Sustainability			
Section	**Relevant Standard Explanation**	**Article Number**	**Relevant Report Section**
Governance	a) Governance body/bodies (may include a board, committee or equivalent body responsible for senior management) or person(s) responsible for overseeing sustainability-related risks and opportunities	TSRS 1 27a.i	Governance Board Members Corporate Governance
		TSRS 1 27a.ii	Risk Management under the Leadership of the Board of Directors Corporate Governance
		TSRS 1 27a.iii	Risk Management under the Leadership of the Board of Directors Corporate Governance
		TSRS 1 27a.iv	Risk Management under the Leadership of the Board of Directors Corporate Governance
		TSRS 1 27a.v	Remuneration Policy Supporting Sustainable Performance
	b) The role of management in governance processes, controls, and procedures used to monitor, manage, and oversee sustainability-related risks and opportunities	TSRS 1 27 b.i	Corporate Governance Risk-Focused Audit and Control Activities of the Internal Audit Function
		TSRS 1 27 b.ii	Corporate Governance
Strategy	a) Risks and opportunities related to sustainability	TSRS 1 30.a	Sustainability and Climate-Related Risks and Opportunities
		TSRS 30.b	Sustainability and Climate-Related Risks and Opportunities
		TSRS 1 30.c	Sustainability and Climate-Related Risks and Opportunities
	b) Business model and value chain	TSRS 1 32.a	Sustainability and Climate-Related Risks and Opportunities
		TSRS 1 32.b	Sustainability and Climate-Related Risks and Opportunities
	c) Strategy and Decision-Making	TSRS 1 33.a	Sustainability and Climate Risks Sustainability and Climate-related Opportunities
		TSRS 1 33.b	Sustainability and Climate Risks Sustainability and Climate-related Opportunities
		TSRS 1 33.c	Sustainability and Climate Risks Sustainability and Climate-related Opportunities

TSRS 1: General Provisions on the Disclosure of Financial Information Related to Sustainability			
Section	**Relevant Standard Explanation**	**Article Number**	**Relevant Report Section**
Strategy	d) Financial position, financial performance and cash flows	TSRS-1 34.a	Sustainability and Climate Risks Sustainability and Climate-related Opportunities
		TSRS-1 34.b	Sustainability and Climate Risks Sustainability and Climate-related Opportunities
		TSRS-1 35.a	Sustainability and Climate Risks Sustainability and Climate-related Opportunities
		TSRS-1 35.b	Sustainability and Climate Risks Sustainability and Climate-related Opportunities
		TSRS-1 35.c.i	Sustainability and Climate Risks Sustainability and Climate-related Opportunities
		TSRS-1 35.c.ii	Sustainability and Climate Risks Sustainability and Climate-related Opportunities
		TSRS-1 35.d	Sustainability and Climate Risks Sustainability and Climate-related Opportunities
	e) Resilience	TSRS-1 41	Scenario Analysis
Risk management	a) Processes and related policies used to identify, assess, prioritise and monitor sustainability-related risks	TSRS-1 44.a.i	Identification, Assessment and Prioritisation of Risks and Opportunities
		TSRS-1 44.a.ii	Identification, Assessment and Prioritisation of Risks and Opportunities
		TSRS-1 44.a.iii	Identification, Assessment and Prioritisation of Risks and Opportunities
		TSRS-1 44.a.iv	Identification, Assessment and Prioritisation of Risks and Opportunities
		TSRS-1 44.a.v	Identification, Assessment and Prioritisation of Risks and Opportunities
		TSRS-1 44.a.vi	Identification, Assessment and Prioritisation of Risks and Opportunities
	b) Processes used by the organisation to identify, evaluate, prioritise and monitor opportunities related to sustainability	TSRS-1 44.b	Identification, Assessment and Prioritisation of Risks and Opportunities
	c) The extent to which and manner in which the processes for identifying, assessing, prioritising, and monitoring sustainability-related risks and opportunities are integrated into the organisation's overall risk management process and inform the organisation's overall risk management process	TSRS-1 44.c	Review of Risk/Opportunity

TSRS 1: General Provisions on the Disclosure of Financial Information Related to Sustainability			
Section	**Relevant Standard Explanation**	**Article Number**	**Relevant Report Section**
Metrics and Targets	a) Metrics required by the relevant TSRS	TSRS-1 46.a	Metrics and Targets
		TSRS-1 46.b	Metrics and Targets
	b) Metrics used by the organisation to measure and monitor sustainability-related risks and opportunities	TSRS-1 48	Metrics and Targets
	c) The organisation's performance in relation to the aforementioned risk or opportunity concerning sustainability, including progress towards its own targets and targets it must achieve in accordance with legislation	TSRS-1 51.a	Metrics and Targets
		TSRS-1 51.b	Metrics and Targets
		TSRS-1 51.c	Metrics and Targets
		TSRS-1 51.d	Metrics and Targets
		TSRS-1 51.e	Metrics and Targets
		TSRS-1 51.f	Metrics and Targets
		TSRS-1 51.g	Metrics and Targets
		TSRS-1 53	Metrics and Targets
General Provisions	Guidance Resources	TSRS-1 54	Report and Company Information
		TSRS-1 55.a	Strategy
		TSRS-1 56	Report and Company Information
		TSRS-1 59	Report and Company Information
	Location of Explanations	TSRS-1 60	Report and Company Information
	Reporting Time	TSRS-1 64	Report and Company Information
	Comparative Information	TSRS-1 70	Report and Company Information
	Statement of Compliance	TSRS-1 72	Report and Company Information

TSRS 1: General Provisions on the Disclosure of Financial Information Related to Sustainability			
Section	**Relevant Standard Explanation**	**Article Number**	**Relevant Report Section**
Judgements, Uncertainties and Errors	General Provisions	TSRS-1 74	Report and Company Information Sustainability and Climate Risks Opportunities Related to Sustainability and Climate Risk Management
	Measurement Uncertainty	TSRS-1 77	Scenario Analysis Metrics and Targets
		TSRS-1 78	Scenario Analysis Metrics and Targets
	Errors	TSRS-1 83	There are no period errors from previous periods.

TSRS 2: Climate-Related Disclosures			
Section	**Relevant Standard Explanation**	**Article Number**	**Relevant Report Section**
Governance	a) Governance body/bodies (may include a board, committee or equivalent body responsible for senior management) or person(s) responsible for overseeing climate-related risks and opportunities	TSRS-1 74	Governance Board Members Corporate Governance
		TSRS-1 77	Risk Management under the Leadership of the Board of Directors Corporate Governance
		TSRS-1 78	Risk Management under the Leadership of the Board of Directors Corporate Governance
		TSRS-1 83	Risk Management under the Leadership of the Board of Directors Corporate Governance
		TSRS 2 6.a.v	Remuneration Policy Supporting Sustainable Performance
	b) Management's role in governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	TSRS 2 6.b.i	Corporate Governance Risk-Focused Audit and Control Activities of the Internal Audit Function
		TSRS 2 6.b.ii	Corporate Governance

TSRS 2: Climate-Related Disclosures			
Section	**Relevant Standard Explanation**	**Article Number**	**Relevant Report Section**
Strategy	a) Climate-related risks and opportunities	TSRS-2 10.a	Sustainability and Climate Risks Sustainability and Climate-Related Opportunities
		TSRS-2 10.b	Sustainability and Climate Risks Sustainability and Climate-Related Opportunities
		TSRS-2 10.c	Sustainability and Climate Risks Sustainability and Climate-Related Opportunities
		TSRS-2 10.d	Sustainability and Climate Risks Sustainability and Climate-Related Opportunities
	b) Business model and value chain	TSRS-2 13.a	Sustainability and Climate Risks Sustainability and Climate-Related Opportunities
		TSRS-2 13.b	Sustainability and Climate Risks Sustainability and Climate-Related Opportunities
	c) Strategy and decision-making	TSRS-2 14.a.i	Sustainability and Climate Risks Sustainability and Climate-related Opportunities Environmental Management
		TSRS-2 14.a.ii	Sustainability and Climate Risks Sustainability and Climate-related Opportunities Environmental Management
		TSRS-2 14.a.iii	Sustainability and Climate Risks Sustainability and Climate-related Opportunities Environmental Management
		TSRS-2 14.a.iv	Sustainability and Climate Risks Sustainability and Climate-related Opportunities Environmental Management
		TSRS-2 14.a.v	Sustainability and Climate Risks Sustainability and Climate-related Opportunities Environmental Management
		TSRS-2 14.b	Sustainability and Climate Risks Sustainability and Climate-Related Opportunities
		TSRS-2 14.c	About ÇATES Sustainability and Climate Risks Sustainability and Climate-Related Opportunities Metrics and Targets

TSRS 2: Climate-Related Disclosures			
Section	**Relevant Standard Explanation**	**Article Number**	**Relevant Report Section**
Strategy	d) Financial position, financial performance and cash flows	TSRS-2 15.a	Sustainability and Climate-Related Risks and Opportunities
		TSRS-2 15.b	Sustainability and Climate-Related Risks and Opportunities
		TSRS-2 16.a	Sustainability and Climate-Related Risks and Opportunities
		TSRS-2 16.b	Sustainability and Climate-Related Risks and Opportunities
		TSRS-2 16.c.i	Sustainability and Climate-Related Risks and Opportunities
		TSRS-2 16.c.ii	Sustainability and Climate-Related Risks and Opportunities
		TSRS-2 16.d	Sustainability and Climate-Related Risks and Opportunities
		TSRS-2 21	Sustainability and Climate-Related Risks and Opportunities
	e) Climate Resilience	TSRS 2 22.a.i	Scenario Analysis Climate Resilience
		TSRS 2 22.a.ii	
		TSRS 2 22.a.iii	
		TSRS 2 22.a.iii.1	
		TSRS 2 22.a.iii.2	
		TSRS 2 22.a.iii.3	
		TSRS 2 22.b	
		TSRS 2 22.b.i.1	
		TSRS 2 22.b.i.2	
		TSRS 2 22.b.i.3	
		TSRS 2 22.b.i.4	
		TSRS 2 22.b.i.5	

TSRS 2: Climate-Related Disclosures			
Section	**Relevant Standard Explanation**	**Article Number**	**Relevant Report Section**
Strategy	e) Climate Resilience	TSRS 2 22.b.i.6	Scenario Analysis Climate Resilience
		TSRS 2 22.b.i.7	
		TSRS 2 22.b.ii.1	
		TSRS 2 22.b.ii.2	
		TSRS 2 22.b.ii.3	
		TSRS 2 22.b.ii.4	
		TSRS 2 22.b.ii.5	
		TSRS 2 22.b.iii	
Risk management	a) Processes and related policies used by the organisation to identify, assess, prioritise and monitor climate-related risks	TSRS 2 25.a.i	Identification, Assessment and Prioritisation of Risks and Opportunities
		TSRS 2 25.a.ii	Identification, Assessment and Prioritisation of Risks and Opportunities
		TSRS 2 25.a.iii	Identification, Assessment and Prioritisation of Risks and Opportunities
		TSRS 2 25.a.iv	Identification, Assessment and Prioritisation of Risks and Opportunities
		TSRS 2 25.a.v	Identification, Assessment and Prioritisation of Risks and Opportunities
		TSRS 2 25.a.vi	Identification, Assessment and Prioritisation of Risks and Opportunities
	b) Information on whether and how the organisation uses climate-related scenario analysis, including the processes it uses to identify, assess, prioritise and monitor climate-related opportunities	TSRS 2 25.b	Identification, Assessment and Prioritisation of Risks and Opportunities
	c) The extent to which and manner in which the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into the organisation's overall risk management process and inform the organisation's overall risk management process	TSRS 2 25.c	Review of Risk/Opportunity

TSRS 2: Climate-Related Disclosures			
Section	**Relevant Standard Explanation**	**Article Number**	**Relevant Report Section**
Metrics and Targets	a) Climate-related metrics	TSRS-2 29.a	Metrics and Targets TSRS Volume-32. Electrical Installations and Power Generators Sustainability Disclosure Topics and Accounting Metrics Activity Metrics
		TSRS-2 29.b	
		TSRS-2 29.c	
		TSRS-2 29.d	
		TSRS-2 29.e	
		TSRS-2 29.f	
		TSRS-2 29.g	
	b) Sector-based metrics associated with other common characteristics that characterise specific business models, activities, or participation within a sector (Guidance on the Sector-Based Application of TSRS-2)	TSRS-2 32	Metrics and Targets TSRS Volume-32. Electrical Installations and Power Generators Sustainability Disclosure Topics and Accounting Metrics Activity Metrics
	c) Climate-related targets	TSRS-2 33.a	Metrics and Targets
		TSRS-2 33.b	Metrics and Targets
		TSRS-2 33.c	Metrics and Targets
		TSRS-2 33.d	Metrics and Targets
		TSRS-2 33.e	Metrics and Targets
		TSRS-2 33.f	Metrics and Targets
		TSRS-2 33.g	Metrics and Targets
		TSRS-2 33.h	Metrics and Targets
		TSRS-2 34.a	Metrics and Targets
		TSRS-2 34.b	Metrics and Targets

TSRS 2: Climate-Related Disclosures			
Section	**Relevant Standard Explanation**	**Article Number**	**Relevant Report Section**
Metrics and Targets	c) Climate-related targets	TSRS-2 34.c	Metrics and Targets
		TSRS-2 34.d	Metrics and Targets
		TSRS-2 35	Metrics and Targets
		TSRS-2 36.a	Metrics and Targets
		TSRS-2 36.b	Metrics and Targets
		TSRS-2 36.c	Metrics and Targets
		TSRS-2 36.d	Metrics and Targets
		TSRS-2 34.e.i	Metrics and Targets
		TSRS-2 34.e.ii	Metrics and Targets
		TSRS-2 34.e.iii	Metrics and Targets
		TSRS-2 34.e.iv	Metrics and Targets

The content in the upper section of the report focuses solely on TSRS-compliant indicators and explanations; the information presented from this section onwards is structured in accordance with GRI standards.

2024 Sustainability Report

Environmental Performance

Circular Economy and Waste Management

Circular Economy and Waste Management

ÇATES aims to reduce natural resource consumption, increase recycling rates, and contribute to circular economy principles by addressing waste management in line with sustainability principles. Separating waste at source, incorporating it into recycling processes, and promoting environmentally friendly practices form the core elements of the company's waste management strategy.

Waste Management Practices

ÇATES has held the Zero Waste Certificate issued by the Ministry of Environment, Urbanisation and Climate Change since 2020. A waste management process fully compliant with current legislation and regulations is implemented to ensure that waste is managed in a manner that does not harm human health or the environment. In this context:

- Waste is separated according to type and collected in accordance with the "Zero Waste" principle and ISO 14001:2015 Environmental Management System standards.
- In compliance with the legislation, waste is temporarily stored on site in secure and leak-proof areas with the approval of the governor's office. Records of all waste are kept, and waste is sent to recovery and disposal facilities with environmental licences. Waste declaration forms are regularly submitted to the Ministry of Environment, Urbanisation and Climate Change system each year.
- In line with the environmental unit's KPI targets, the amount of waste recovered is regularly monitored, and individual targets are set each year with the aim of increasing the recycling rate.
- As of 2024, the use of disposable cups has been discontinued to reduce plastic waste, and glass water thermos flasks have been distributed to employees to encourage the use of water dispensers. This practice aims to reduce plastic consumption and decrease the amount of waste.

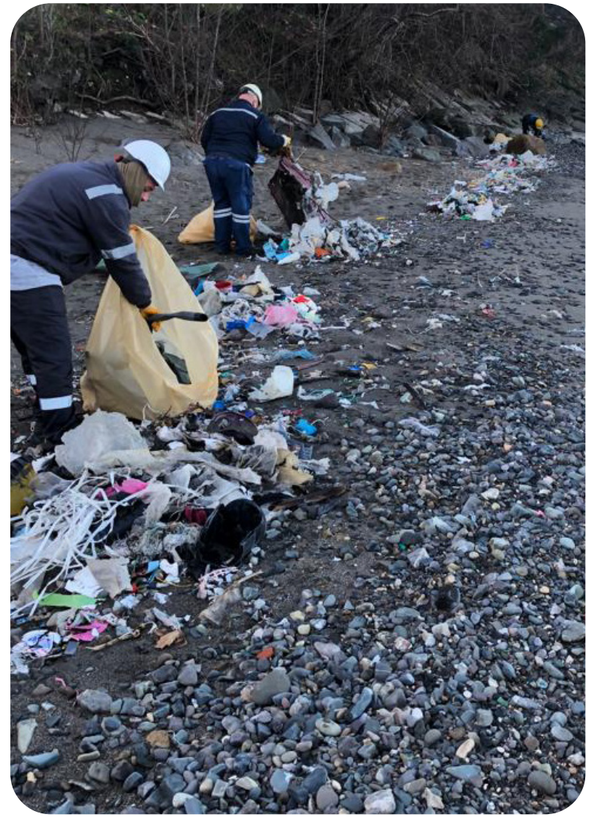
Fly Ash Management and Circular Economy

To minimise the environmental and economic impacts of fly ash, the fly ash produced as a result of combustion is marketed as a by-product through an industrial symbiosis approach and utilised in different sectors. This method, which contributes to the conservation of natural raw material resources, strengthens the integration of waste into the circular economy and also promotes sustainable resource use between industries. In addition, a 120-metre barrier was constructed to prevent floating ash from entering the pumps in the ash dam, and a floating platform was built from waste pipe buoys, resulting in savings of over €15,000.

Prevention of Marine and Coastal Pollution

Within the scope of the Marine Litter Action Plan, ÇATES carries out coastal clean-up activities to prevent marine pollution and protect ecosystems. In line with the 2020-2024 Marine Litter Action Plan, waste brought to the coastal area by storms and waves is cleaned up annually with the participation of employees, minimising negative impacts on the ecosystem. The company will continue to support environmental sustainability by developing waste management and circular economy practices and will remain committed to its goals of reducing natural resource consumption by increasing waste recovery.

In 2024, all **70 tonnes of hazardous** and **374,962 tonnes of non-hazardous** waste generated by power plants were disposed of under appropriate conditions. The total amount of waste decreased by **25.67%** compared to the previous year.



Biodiversity Management

ÇATES carries the responsibility of minimising its environmental impact and supporting the sustainability of natural life while conducting its activities. The company's current environmental policies are shaped with the aim of contributing to the protection of biodiversity, and work is underway to develop a strategy and action plan for biodiversity management in the future.

ÇATES, which has no activities in protected areas, attaches great importance to efforts to protect water resources and reduce its impact on ecosystems. By ensuring that domestic and industrial wastewater is properly treated at treatment plants, the sustainability of aquatic life is supported, and all necessary measures are taken to ensure that drinking and domestic water quality meets legal standards.

The sheet metal cladding outside the unit is being reviewed and any gaps are being closed, thereby preventing birds from entering and being exposed to high temperatures, while also preventing dust inside the plant from spreading outside. The completion and improvement of the sheet metal cladding will be carried out according to the specified schedule. This aims to protect both the bird population and air quality.

In 2023, within the scope of the collaboration with the Foundation for Supporting Forestry Development and Forest Fire Fighting Services, 10,000 saplings were planted in Manisa, and the project was completed in 2024 under the name ÇATES Elektrik Üretim Memorial Forest.

In order to raise awareness about protecting biodiversity and ecosystems, sustainability training was provided in four primary schools in 2024. In the coming period, with the aim of contributing more to future generations, the scope of the education programmes will be expanded and activities will be increased to spread awareness of sustainability.

Social Performance

Contribution to Sustainable Development Goals

ÇATES views sustainability as a fundamental principle guiding its corporate strategy and integrates this approach with its risk management policies. Operating with a focus on continuous development and improvement, the company acts in line with global sustainability goals by contributing directly and indirectly to the United Nations Sustainable Development Goals (SDGs).

Within the framework of the UN SDGs, establishing global peace and prosperity, supporting inclusive and sustainable economic growth, accelerating the transition to clean energy, eliminating social inequalities and reducing poverty are among the priority objectives. The company carries out comprehensive work in the following key areas:

The company's activities, its interaction with stakeholders and its approach to environmental responsibility are carried out within a framework that is consistent with the United Nations Sustainable Development Goals. ÇATES remains committed to achieving these goals and continues to contribute to social development and environmental sustainability without interruption.

ÇATES	Extractive Industries & Mineral Processing (Coal Operations) Power Plants and Power Generators	**Environment** Greenhouse Gas Emissions Air Quality Water and Wastewater Management Waste Management Biodiversity	Comprehensive strategies are implemented in water management, waste reduction and energy efficiency to ensure the protection of natural resources and increase operational sustainability. Innovative solutions are adopted to reduce environmental impacts, and projects aimed at improving emissions management and air quality are implemented. To mitigate the risks posed by climate change, environmentally friendly business models and sustainable generation approaches are being adopted to ensure long-term resilience. Responsible generation and consumption principles are being applied to protect biodiversity and minimise pressure on ecosystems. With its sustainable growth approach, ÇATES is strengthening environmental compliance in its operational processes and supporting long-term transformation in the sector. The work carried out aims to ensure both economic and environmental sustainability by optimising the use of natural resources.	
		Social Capital Human Rights and Community Relations Data Security	A fair and inclusive work environment is provided by prioritizing employee rights, occupational safety, and equal opportunities. Corporate governance and data security are conducted in accordance with the highest ethical and legal standards, and information security is ensured by strengthening the digital infrastructure. The company fulfils its responsibilities to its stakeholders by supporting sustainable growth, technological transformation and social equality, and aims to create long-term value.	
		Human Capital Worker Health and Safety Labour Practices	Employee health and safety is treated as one of the company's top priorities, and comprehensive measures are implemented to ensure a safe and healthy working environment. Workforce safety is maintained at the highest level through systematic risk management aimed at preventing workplace accidents, regular training, and proactive inspections. In line with the principles of diversity and inclusivity, gender equality is supported, and all employees are offered equal rights and opportunities. Continuous improvement processes are implemented to enhance employee well-being, create a decent working environment, and ensure long-term employment sustainability.	
		Business Model and Innovation Business Model Resilience Supply Chain Management Physical Impacts of Climate Change	ÇATES embraces a sustainable and responsible generation approach to enhance the resilience of its business model and strengthen its supply chain processes. Supply security is maintained by diversifying coal sourcing, and suppliers are evaluated according to environmental and occupational safety criteria. To counter the physical effects of climate change, water and air management processes are optimised, and operational sustainability is ensured by implementing energy efficiency and carbon management strategies. Long-term environmental compliance is strengthened through responsible procurement policies and stakeholder partnerships.	
		Leadership and Governance Critical Incident Risk Management	Employee health and safety are prioritised, with comprehensive audits and proactive measures implemented to minimise critical accident risks. Work safety processes are continuously monitored, and emergency plans are updated to ensure preparedness for operational risks. Training, awareness activities and risk management practices continue to be developed to create a culture of safe working, and processes are continuously improved to prevent workplace accidents.	

Stakeholder Engagement

ÇATES conducts its activities in direct and indirect interaction with a wide range of stakeholders. Regular communication is maintained with all stakeholders to ensure that business processes are conducted in a transparent, sustainable and responsible manner. Developing strong and sustainable relationships with these stakeholders, ranging from employees to investors, public institutions and civil society organisations, increases operational efficiency while also contributing to the fulfilment of social and environmental responsibilities. The key stakeholder groups are listed below:

Stakeholders	Communication Channels	Communication Frequency
Employees	Social events	Ongoing
	Management meetings	Ongoing
	Employee training	Ongoing
Shareholders and Investors	Board of Directors meetings	Ongoing
	Committee meetings	Every three months
	Website investor relations section	Ongoing
	General Assembly meetings	Annually
	Email, telephone and meetings	Ongoing
	Sustainability Report	Annual
Holding and Group Companies	Board of Directors meetings	Ongoing
	General Assembly meetings	Annual
Public Institutions and Local Authorities	Sustainability Report	Annual
	Activity Report	Annual
	Online and face-to-face meetings	Ongoing
Suppliers and Subcontractors	Sustainability Report	Annual
	Email, telephone and meetings	Ongoing
Banks and Financial Institutions	Online and face-to-face meetings	Ongoing
	Reporting	Instant
Universities, Research Institutions and Consultants	Online and face-to-face meetings	Continuous
	Conferences	Ongoing
Independent Audit and Rating Agencies	Online and face-to-face meetings	Ongoing
	Reporting	Real-time
Trade Unions, Civil Society Organisations and Sector Associations	Sustainability Report	Annual
	Activity Report	Annual
	Online and face-to-face meetings	Ongoing
Community	Meetings and face-to-face meetings	Instant
	Projects	Instant
Media	Sustainability Report	Annual
	Activity Report	Annual
	Press releases	Ongoing
	Press conferences and face-to-face meetings	Instant

Materiality Assessment

Assessment of Materiality Issues

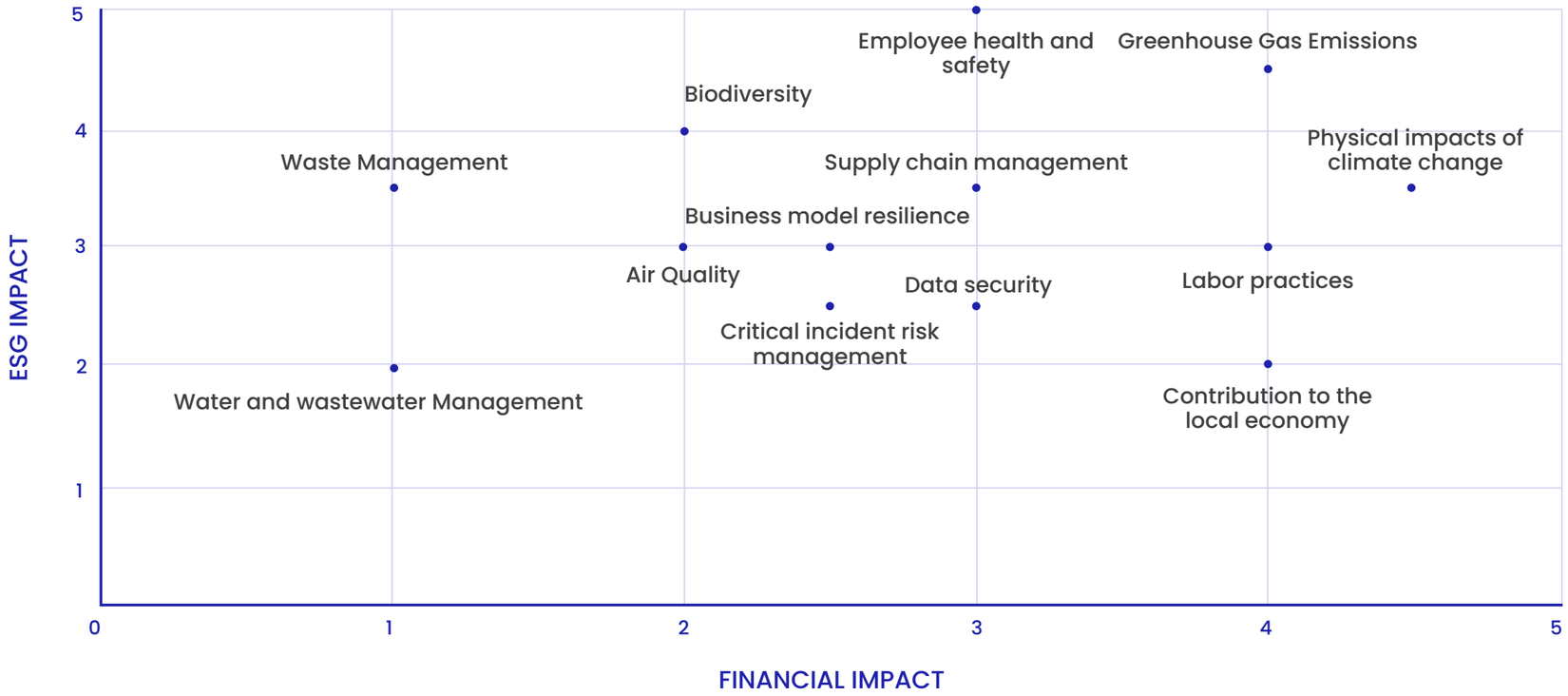
Global Trends and External Environment Analysis

In determining ÇATES's materiality issues, the Sustainability Accounting Standards Board (SASB) Guide and assessments published by organisations such as the World Economic Forum (WEF) at the global and sectoral levels were examined. A comprehensive literature review focusing on global trends, sector developments, competitor analysis and the direction of potential regulations shaped the list of materiality issues, which were aligned with the Turkish Sustainability Reporting Standard (TSRS).

Financial materiality provides a framework for assessing the impact of environmental and social factors on a company's financial performance. The analysis conducted within this framework focused primarily on issues such as greenhouse gas emissions, climate change mitigation and adaptation, labour practices, contributions to the local economy and society, and data security.

Factors such as the pressure of carbon tax regulations and potential increases in emission costs on operational costs, price dynamics that may arise from the competitive advantage of suppliers engaged in low-carbon generation, and the potential impact of climate-related physical risks on generation continuity and asset values were taken into consideration. In addition, the financial implications of social factors such as employee safety, data security and labour practices on the company's reputation management, legal compliance processes and human resource sustainability were analysed.

Based on the findings of the studies conducted, a Materiality Matrix was created to support the company's strategic decision-making processes.



Human Resources Policies and Practices

ÇATES aims to ensure that its employees work in a happy, company culture-bound work environment that everyone wants to be a part of. Human Resources strategies are shaped by an approach that increases participation, reveals potential, and supports transparency, fairness, and continuous development.

The company's human resources policy has been developed to maintain its leading position in the energy sector, maximise the competence and skills of its employees, and meet stakeholder expectations.

Acting with an awareness of its public service responsibility, the company focuses on creating an ethical, environmentally conscious, and innovative workforce. ÇATES clearly states its stance against child labour, does not employ child workers, and takes steps to raise awareness on this issue.

Its human resources approach is managed with an understanding that strengthens employee loyalty and employer branding; employees are offered not only career development but also experiences that enrich their lives. The company encourages its employees' success while supporting them to act in line with team spirit and common goals. Believing that the energy of its employees is the fundamental source of the company's growth and sustainable success, it views its human resources as its most valuable asset.

Culture of Continuous Learning and Development

ÇATES implements a structured training procedure to support the professional and personal development of its employees. In line with the company's strategy and objectives, technical and behavioural competencies are developed to help employees realise their potential. Individual development plans, determined within the scope of performance evaluation processes, are shaped in accordance with corporate sustainability goals.

Training activities are not limited to on-the-job training; classroom and online training are also offered. These programmes, conducted in collaboration with Aydem Academy and external training institutions, ensure that employees acquire the necessary competencies to advance in their careers. The Leadership Development Programme, launched in 2024, supports the leadership processes of middle and senior managers in their career plans. In addition, the newly implemented succession project has established the necessary processes to bring employees closer to their career goals.

Performance Management

ÇATES implements a transparent and effective Performance Management System to objectively and fairly measure the contribution of its employees to company goals. This system, which is based on employee competencies and work results, covers the individual performance evaluation process and is applied to all employees once a year.

The Performance Management System is built on two key elements: "Goals" and "Competencies". The company's strategic goals, priorities, and corporate competencies are shared with all employees, and each employee, together with their manager, sets individual goals and clarifies how these goals will contribute to the company's success. It is essential that goals are measurable and concrete.

Corporate competencies are evaluated by observing employees' attitudes and behaviours in work processes and ultimately influence the performance outcome. Goals that enable employees to identify their areas for development and enhance their professional skills are prioritised throughout the process. The feedback process, a key element of performance management, is actively implemented during the goal-setting and evaluation stages.

Performance evaluation results obtained from the system provide input for human resources processes such as employee development planning, training needs analysis, remuneration management, promotion and rotation decisions. The Performance Management System not only measures individual success but also contributes to the sustainable growth and success of the company by supporting the career development of employees.

A Fair and Inclusive Recruitment Process

The company's human resources policy is based on an employment approach that prioritises equal opportunities. Recruitment processes are conducted in line with the company's strategic objectives and defined competencies. The "right person for the right job" principle is adopted in the candidate evaluation process, and employee selection is carried out independently of factors such as gender, age, ethnicity, nationality, marital status, health status, and physical disabilities.

A transparent approach is adopted in the recruitment process, applying a gender-neutral CV evaluation model, and candidates are assessed objectively based on their skills and experience. Tools such as Personality Inventories and General Aptitude Tests are used in candidate selection to identify the most suitable candidates. To ensure that employees are aware of the various career opportunities within the group and can chart their own career paths, open positions are announced every Monday on the Career Opportunities platform.

ÇATES pursues a sustainable human resources policy by offering its employees development opportunities, occupational health and safety practices, and fair and inclusive recruitment processes. This approach, which increases employee satisfaction, encourages development, and is based on inclusiveness, plays an important role in the company's achievement of its sustainability goals. With its people-centred approach, the company aims to create a better working environment for its employees and to adapt to changes in the energy sector with a strong human resource base.

In 2024, ÇATES supported approximately 50 students in taking their first steps into professional life by offering them internship opportunities. As part of the internship programme, students are provided with orientation training and practical applications to ensure they are better prepared for the business world. Throughout the internship period, training and guidance support are provided to help them gain sectoral knowledge and skills, thereby encouraging young talents to make a strong start to their careers.

Employee Engagement

ÇATES prioritises the motivation and sense of belonging of its employees, aiming to make them feel valued both professionally and socially. Various activities shaped around the company culture and values encourage employees to come together, boosting their work motivation and supporting social interaction.

Embracing diversity and inclusivity as a core value, ÇATES acts on the belief that all employees should have equal access to rights, resources, and opportunities. In line with the principle of equal pay for equal work, it manages its workforce policies in a fair and transparent manner.

Social gender equality efforts within the company are carried out under the “Equal Life” initiative. Launched in 2020, this project addresses and transforms the company’s culture, organisation, training, recruitment processes, and communication strategies from a social gender equality perspective. Awareness-raising events are held each month through online meetings with academics, activists and representatives from the business world.

To strengthen the support provided to female employees, an annual event is traditionally held on 8 March, International Working Women’s Day, where female employees come together to interact with the company’s senior management.

To raise awareness in the field of occupational health and safety and increase employees’ awareness of safe working practices, a quiz, which has become a tradition, is organised as part of Occupational Health and Safety Week. At the event held in 2024, personal protective equipment (PPE) stands were set up, and various games and activities were organised to raise employee awareness. Within the scope of emergency management, cooperation is carried out with AFAD and Başkent Elektrik Dağıtım, and participation is ensured in emergency meetings held periodically. Most recently, in November 2024, a drill was carried out as a support team within the scope of the “Bolu central base earthquake scenario”.

A bicycle parking area has been created at ÇATES to encourage bicycle use, with the aim of supporting sustainable transport habits and reducing the carbon footprint of employees’ transport.

A modern gym has been built to support the physical fitness of the fire brigade and encourage healthy lifestyle habits. This initiative has been implemented with the aim of protecting the physical and mental health of employees and improving their work performance.

A project involving specially designed cat houses has been completed to meet the feeding and shelter needs of stray cats in the operational area.

Occupational Health and Safety Management

ÇATES prioritises the health and safety of its employees and implements an occupational health and safety management system based on a preventive approach in all its activities. All legal requirements under the Occupational Health and Safety Law No. 6331, the Labour Law No. 4857 and related regulations are complied with, and processes are managed in accordance with the ISO 45001 Occupational Health and Safety Management System. Updates are tracked through legal compliance monitoring tables, and regulatory changes are communicated to employees by the compliance consultancy.

Risk Management and Preventive Measures

Existing and potential risks at ÇATES are identified and proactively managed using the "5 Minutes for My Risks (R5)" assessment system, work permit forms, and risk assessment processes. Hazard reports, OHS committee meetings, and online reporting via the HSE Portal are taken into account, and issues not included in the risk assessment are integrated into the processes. Every employee is encouraged to identify and report risks, and projects such as the Golden Rules Campaign are implemented to raise awareness.

Employee participation in risk management has been strengthened, and hazardous situations reported by employees are investigated by the HSE unit, communicated to the relevant units, and acted upon swiftly. Employee reports are taken into account, near-miss reports are rewarded, and committee meetings, management walks, and one-to-one feedback processes are implemented to improve OHS practices.

Audits, Controls, and Training

To ensure the continuity of occupational health and safety:

- Monthly planned safety inspections and behaviour-focused audits are conducted.
- OHS committee meetings are held monthly, and decisions are made to prevent hazardous situations and avoid recurrence of accidents.
- Environmental and OHS assessment meetings are held every 15 days within the company, and the decisions made are implemented by all technical departments.
- Monthly management walks are conducted with the participation of senior management, and feedback is gathered from employees.
- HSE and sustainability information meetings are organised for subcontracted workers.
- Mandatory OHS training required by law is provided to all employees using gamification techniques, and employee feedback is collected through training evaluation surveys.
- Employees can access mandatory legal training and personal development content through the training portal.
- OHS bulletins, regulation updates and decisions taken are shared on OHS and sustainability information boards in common areas.

Incident Management and Continuous Improvement

All data on accidents, near misses, hazard reports, and lost days are recorded and analysed in accordance with international accident/incident investigation and reporting standards. Performance data is processed via the HSE Portal in accordance with ILO and OSHA requirements and is also shared through the accident portal system used across the holding.

Root cause analyses are conducted for incidents that have occurred, and action plans are developed to prevent recurrence. Special training is provided to employees after incidents, and lessons learned are shared with all employees. Incidents are reviewed at committee meetings, and the measures taken are reviewed.

Health Services and Employee Support Programmes

Health services at ÇATES are provided by a full-time workplace physician and healthcare personnel in accordance with legal requirements. The 24/7 health unit has 2 paramedics, 1 emergency medical technician and a patient transport ambulance.

For employee health coverage:

- White-collar employees are provided with special health insurance.
- Blue-collar employees benefit from discounted healthcare services at private hospitals through the TES-İŞ union.

For fire brigade employees, the ÇATES Sports Hall, completed in 2024, aims to prevent inactivity and obesity by encouraging physical activity.

Special Measures for Employees with Disabilities

Special training and emergency plans have been developed for employees with disabilities. Accessibility has been improved within the company through arrangements such as walkways and parking areas.

Health and Safety Culture and Reward Systems

- Employees who report hazards are rewarded, and "Employee of the Month" and "Group Awards" are given every month.
- Traditional knowledge competitions are organised as part of Occupational Health and Safety Week to encourage employee participation.
- A Personal Protective Equipment (PPE) stand has been set up to facilitate interaction with employees.

Golden Rules Campaign

The Golden Rules Campaign, implemented across the holding company, was developed considering the most common workplace accidents and high-risk activities.

As of 2024, training has been completed under the following six main headings:

- Working at Heights
- My Hands Are Safe
- Work Permit / LOTO (Lockout-Tagout)
- Vehicle Use
- Fire Hazard
- Lifting Operations

The Golden Rules Campaign aims to maximise employee safety across all group companies.

As part of the "Golden Rules" project launched to further develop the occupational health and safety culture, the "Working at Height" rule was launched in 2024. Awareness campaigns are being conducted to increase knowledge of the precautions that must be taken for employee safety, and this awareness is being disseminated under the leadership of the power plant director.

Competencies and Certifications

Occupational Health and Safety (OHS) processes are managed by Class A Occupational Health and Safety Specialists holding international certifications such as NEBOSH and IOSH, and are continuously improved by a team of experts. The company employs a full-time Class A Occupational Safety Specialist (HSE and Sustainability Manager), a full-time Class A Occupational Safety Specialist assigned to a solution company, two Class C specialists, and a field technician.

ÇATES aims to promote a proactive safety culture, ensure continuous improvement in occupational health and safety, and maintain its zero accident target.

Supply Chain Management

ÇATES implements effective supply chain management to maximise the efficiency of its operations and support sustainable generation processes. Planning the flow of raw materials, optimising logistics costs and effectively managing generation processes are among its strategic priorities. Potential risks in the supply chain are systematically analysed, and proactive solutions are developed to address demand changes, supplier performance, and potential disruptions in logistics processes.

Sustainable Supply and Compliance Management

ÇATES prioritises environmental and social responsibility criteria in the supply chain and signs contracts with all our suppliers that include occupational health, safety, and environmental compliance conditions within the scope of the OHS-Environment Specification. In this way, our company's sustainability principles are integrated into our suppliers, and a high-standard work culture is established.

Supplier Evaluation and Performance Management

ÇATES considers criteria such as quality, timely delivery, price competitiveness, occupational health and safety, and environmental compliance in its supplier selection process and regularly evaluates supplier performance.

- Supplier evaluation processes are conducted in accordance with the **"Supplier Evaluation Instructions"** and "**Supplier Evaluation Procedure"**.
- The supplier evaluation form used in procurement processes is continuously updated to include environmental and occupational health and safety compliance.
- Supplier performance is evaluated on a scale of 100 points, and companies that meet the specified criteria are added to the approved supplier list.
- Suppliers showing poor performance are subject to a development process, and companies that fail to improve within the specified timeframe are removed from the supply chain.
- Supplier performance is tracked through ERP and SAP systems, ensuring that processes are managed digitally.

In 2024, ÇATES audited a total of 89 suppliers based on environmental and social criteria. Supplier audits are critical to increasing the prevalence of sustainability and environmentally friendly practices in the supply chain. As a result of the supplier relationship evaluation processes, no supplier had their business relationship terminated. During the reporting year, 55 new suppliers were added to the company's supplier portfolio. In 2024, local suppliers constituted 23.67% of the company's supplier portfolio.

Business Continuity and Continuous Improvement

Business continuity plans are developed and implemented to regularly review supply chain processes and ensure continuous improvement. Logistics management, supplier diversity and inventory management processes are optimised in this direction, and strategies are developed to maintain competitive advantage in the sector. Sustainability, quality and occupational health and safety principles are fundamental to supply chain management, and we will continue to develop trust-based, long-term partnerships with all stakeholders.

Cyber Security and Digitalisation Strategies

ÇATES views digitalisation as an integral part of business continuity and is accelerating its digital transformation investments to increase efficiency in energy generation processes, improve data quality and reduce operational risks.

While data collection and analysis processes using traditional methods can be time-consuming and prone to errors, digital platforms enable data to be collected automatically and monitored in real time. This improves data quality and allows for the early detection of potential errors and faster process improvement. The continuous monitoring and management of power plant operations has become more effective through digitalisation.

ÇATES aims to increase energy generation efficiency and achieve cost savings through more effective use of resources with its digitalisation and automation investments. Automation systems enable the real-time monitoring of equipment status and the early detection of potential malfunctions, thereby ensuring business continuity.

Minimising operational risks and maximising work safety through data analytics tools offered by digitalisation are among the priorities. To ensure information security and protect against cyber threats, ÇATES implements the latest security protocols under the ISO 27001 Information Security Management System and raises awareness among its employees in this area.

The company considers data confidentiality, integrity and availability to be one of its top priorities and continuously updates technical and administrative measures to ensure information security. The highest security standards are applied in the processes of obtaining, processing, transmitting and storing information, creating a strong defence mechanism against cyber threats.

The Information Technology Department brings corporate hardware and solutions together with business units and provides 24/7 technical support to ensure uninterrupted user processes. Continuing its work focused on cyber security, uninterrupted communication and sustainability in 2024, the Information Technology team aims to analyse technology needs and implement innovative digital transformation projects.

Future Vision and Digitalisation Strategy

ÇATES closely follows global technology trends in the energy sector, aiming to manage its operations to world standards and increase its competitive strength. Priorities include raising the level of system maturity with infrastructure investments and security solutions, ensuring secure and uninterrupted communication between generation facilities and central units, implementing solutions that facilitate access to business processes, and increasing the company's technology-based added value through all these efforts.

Automation and Digital Control Systems

In line with the goal of digitalisation and increasing operational efficiency, preliminary preparatory work for the Distributed Control System (DCS) project was completed in 2024. In this context, the next step is to sign a contract, followed by the renewal of the DCS system for Unit II and then Unit I.

- With the DCS system, processes will be automated, operational management will become more efficient, and error rates will be reduced.
- Real-time data analysis and automation will enable rapid intervention in generation processes, creating safe and sustainable working conditions.
- This transformation will contribute to reducing generation costs and increasing the overall efficiency of the facilities.
- In 2024, the subcontractor tracking system was activated via the HSE Portal. The records of all subcontractors in the field can be viewed online in the system.

Cybersecurity and Operational Resilience

ÇATES invests in advanced control systems to ensure the continuity of energy supply and to protect against cyber and physical attacks that could threaten national electricity generation. Robust processes and control mechanisms are being established to prevent cyber threats and enhance operational security, and the infrastructure is continuously strengthened with state-of-the-art systems.

Digital Education and Competence Development

In order to integrate the digital transformation process at ÇATES and support continuous development, a learning management system infrastructure has been developed in collaboration with Aydem Academy.

• Employees can access more than 8,000 training courses online, wherever and whenever they want.
• The established system supports individual development while also contributing to the organisation's transformation into an innovative and dynamic structure.

Corporate Social Responsibility

Establishing strong communication with stakeholders to increase the company's social acceptance and strengthen its interaction with the local community in the region where it operates is one of ÇATES's primary approaches. Through stakeholder management conducted within the framework of reconciliation, dialogue and cooperation, the environmental and social impacts of activities are proactively addressed and solutions tailored to needs are developed.

ÇATES, which has undertaken numerous projects to increase education and environmental awareness as part of its social responsibility efforts, participated as a Senate Member in the FOCUS 2024 International Congress held at Zonguldak Bülent Ecevit University.

It also aimed to raise awareness by sharing its sustainability policies with young engineering candidates at the Engineers of the Future Symposium. To raise environmental awareness, coastal clean-up activities are organised with the participation of volunteers during Environment Week, and regular blood donation campaigns are held to support the Red Cross.

As part of Firefighting Week, the work of the central fire brigade is recognised, and firefighting teams provide firefighting training to student interns. In addition, primary school students are provided with environmental awareness and sustainability training, and the sports facilities at Işıkveren Middle School are being renovated to contribute to the students' educational life.

Performance Tables

Total Waste (by type)

Waste	Unit	2022	2023	2024
Hazardous Waste	Ton	66.63	32.74	70.20
Non-hazardous Waste	Ton	585,030	504,500	374,962
Total Waste	Ton	585,097	504,533	375,032

Energy Consumption (by type)

Source	Unit	2022	2023	2024
Gas	Litres	4904	5206	6350
Diesel	Litres	809,167	482,167	188,863
Natural gas	GJ	0	0	0
Fuel Oil	Ton	8,704.675	5,058.17	4,568.58

Water Footprint

Water	Unit	2022	2023	2024
Blue Water Footprint	m^3/year	481,821	324,293	644,315
Green Water Footprint	m^3/year	477,784	628,993	477,784
Grey Water Footprint	m^3/year	328,296	5,500	311,775

Carbon Footprint

Energy and Emissions	Unit	2022	2023	2024
Scope 1	tonnes CO_2	2,004,186.65	1,960,379.53	1,924,277.70
Scope 2	tonnes CO_2	2,308.51	2,678.07	2,542.79
Scope 3	tonnes CO_2	544,066.81	560,692.05	540,267.44

**The discussion of the long- and short-term strategy or plan for managing Scope 1 emissions and emission reduction targets, as well as the analysis of performance against these targets, is covered in detail in the Energy and Emissions Management section.*

OCCUPATIONAL HEALTH AND SAFETY					
Accidents	**Group**	**Unit**	**2022**	**2023**	**2024**
Almost there	Company	Ratio	29.00	33.00	22.00
	Subcontractor	Ratio	18.00	11.00	9.00
Accident frequency rate	Company	Rate	23.94	15.39	12.58
	Subcontractor	Ratio	21.74	3.45	5.62
Death	Company	Number/Year	0.00	0.00	0.00
	Subcontractor	Number/Year	0.00	0.00	0.00
Lost Days	**Group**	**Unit**	**2022**	**2023**	**2024**
Accident frequency rate (IR)	Company	Rate	23.94	15.39	12.58
	Subcontractor	Ratio	21.74	3.45	5.62
Lost Day Rate (LDR)	Company	Ratio	5.44	0.00	3.14
	Subcontractor	Ratio	0.00	0.00	0.00
Absenteeism rate (AR)	Company	Rate	8.10	14.18	3.40
	Subcontractor	Ratio	2.76%	2.47%	1.73%

LABOUR			
By Type of Employment	**Unit**	**2023**	**2024**
White-Collar - Female	Person	8	11
White Collar - Men	Person	38	43
White Collar - Total	Person	46	54
Blue Collar - Female	Person	2	2
Blue Collar - Male	Person	333	325
Blue Collar - Total	Person	335	327
Engineer - Female	Person	1	2
Engineer - Male	Person	16	14
Engineer - Total	Person	17	16
Administrative Staff - Female	Person	7	9
Administrative Staff - Male	Person	22	29
Administrative Staff - Total	Person	29	38
Operations Technician - Female	Person	2	2
Operations Technician - Male	Person	171	169
Operations Technician - Total	Person	173	171
Maintenance Technician - Female	Person	-	-
Maintenance Technician - Male	Person	162	156
Maintenance Technician - Total	Person	162	156
TOTAL		**381**	**381**

Age Distribution	As of 31 December									
	2023					2024				
	Total	18-39	40-49	50-59	60 and above	Total	18-39	40-49	50-59	60 and above
White-collar	46	29	12	3	2	54	32	15	4	3
Engineer	17	11	4	1	1	16	10	3	2	1
Administrative Staff	29	18	8	2	1	38	22	12	2	2
Blue Collar	335	172	111	46	6	327	156	113	50	8
Operations Technicians	173	77	66	28	2	171	73	61	34	3
Maintenance Technicians	162	95	45	18	4	156	83	52	16	5
Total	381	201	123	49	8	381	188	128	54	11

Education Distribution	As of 31 December									
	2023					2024				
	Total	Secondary Education	High School	Undergraduate	Bachelor's degree and above	Total	Secondary Education	High School	Undergraduate	Bachelor's degree and above
White-collar	46	1	2	7	36	54	1	4	7	42
Engineer	17	-	-	-	17	16	-	-	-	16
Administrative Staff	29	1	2	7	19	38	1	4	7	26
Blue Collar	335	7	271	46	11	327	6	265	45	11
Operations Technicians	173	1	148	17	7	171	1	146	17	7
Maintenance Technicians	162	6	123	29	4	156	5	119	28	4
Total	381	8	273	53	47	381	7	269	52	53

LABOUR		PERSON		
Other Groups	**Unit**	**2022**	**2023**	**2024**
Disabled	Women	-	-	-
	Ratio	-	-	-
	Male	11	11	10
	Ratio	3%	3%	3%
By Management Category	**Unit**	**2022**	**2023**	**2024**
Senior Management	Women	-	-	-
	Ratio	-	-	-
	Male	1	1	1
	Ratio	0%	0%	0%
Intermediate	Female	-	-	1
	Ratio	-	-	0%
	Male	4	4	6
	Ratio	1%	1%	2%
Other	Women	1	2	3
	Ratio	0%	1%	1%
	Male	3	11	12
	Ratio	1%	3%	2%
TOTAL		**9**	**18**	**23**

LABOUR		PERSON		
Contract	**Unit**	**2022**	**2023**	**2024**
Percentage of factory workers covered by collective bargaining agreements	Ratio	88%	88%	87%
All Training (by Type)	**Unit**	**2022**	**2023**	**2024**
Professional Development	Hour	335	625	562
Personal Development	Hour	-	-	185
Other (Leadership)	Hour	-	-	73
TOTAL TRAINING HOURS		**335**	**625**	**820**

2024 in Numbers

Summary Items	31 December 2024	31 December 2023
Net Sales Revenue (Million TL)	5,398	7,646
Total Assets (Million TL)	9,397	16,133
Total Investment Amount (Million TL)	0	84
Operating Profit/(Loss) (Million TL)	142	1,414
Gross Electricity Production (GWh)	1,906	2,033
Emre Availability Rate	75	80
Total Number of Employees	381	381
Production Capacity (GWh)	2,286	2,286
Total Installed Capacity (MW)	314.68	314.68

Summary Items	31 December 2024	31 December 2023
Revenue (Million TL)	5,398	7,646
Gross Profit / (Loss) (Million TL)	456	1,210
EBITDA (Million TL)	991	2,422
Operating Profit/(Loss) (Million TL)	142	1,414
Net Profit/(Loss) for the Period (Million TL)	(3,429)	2,197
Earnings per Share / (Loss) (TL)	(20.76)	15.85

2024	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
PTF-TL	1,942.90	1,957.68	2,190.11	1,764.04	2,047.32	2,095.23	2,588.83	2,574.15	2,395.78	2,335.71	2,463.14	2,446.22
PT -USD	64.84	63.85	68.71	54.66	63.59	64.58	78.82	76.76	70.56	68.36	71.70	70.14
2023	**JAN**	**FEB**	**MARCH**	**APRIL**	**MAY**	**JUNE**	**JULY**	**AUGUST**	**SEPTEMBER**	**OCTOBER**	**NOVEMBER**	**DECEMBER**
PTF-TL	3,431.49	2,802.71	2,126.22	1,770.82	1,907.28	1,623.92	1,977.40	2,251.01	2,006.84	2,249.84	2,066.91	2,075.00
PTF-USD	182.96	148.92	112.18	91.80	97.12	70.33	74.95	83.60	74.57	81.00	72.37	71.52

Summary Items	31 December 2024	31 December 2023
Cash and Cash Equivalents (Million TL)	399	1,651
Net Financial Debt/Equity (%)	-3.77	1.55
Net Financial Debt/EBITDA	-0.3x	0.1x

Balance Sheet Items (Millions of TL)	31 December 2024	31 December 2023
Total Assets	9,397	16,133
Total Equity	8,392	11,670
Total Financial Debt	83	1,832
Net Financial Debt	-316	181

Summary Financial Position Statement (TL)	31 December 2024	31 December 2023
Current Assets	1,732,451,233	3,138,034,706
Fixed Assets	7,664,852,173	12,994,999,159
Total Assets	**9,397,303,406**	**16,133,033,865**
Current Liabilities	299,004,644	2,878,546,323
Long-Term Liabilities	706,000,946	1,584,418,601
Equity	8,392,297,816	11,670,068,941
Total Liabilities and Equity	**9,397,303,406**	**16,133,033,865**

Summary Profit or Loss Statement (TL)	31 December 2024	31 December 2023
Revenue	5,397,816,142	7,646,176,781
Cost of Sales (-)	(4,941,323,997)	(6,436,449,306)
Gross Profit / (Loss)	**456,492,145**	**1,209,727,475**
General administrative expenses (-)	(397,127,388)	(321,031,471)
Other income from core activities	101,394,948	548,442,991
Other expenses from core activities (-)	(19,192,733)	(22,969,810)
Operating Profit/(Loss)	**141,566,972**	**1,414,169,185**
Income from investment activities	978,720	--
Expenses from investment activities	(4,525,095,868)	(842,574,948)
Operating profit before finance costs	**(4,382,550,176)**	**571,594,238**
Net Finance Income	49,030,701	887,462,926
Profit before tax from continuing operations	**(4,333,519,475)**	**1,459,057,163**
Tax income /(expense) from continuing operations	904,059,606	737,579,631
Net Profit /(Loss) for the Period	**(3,429,459,869)**	**2,196,636,794**

GRI Index

GRI Index	Explanation	Relevant Report Section
GRI 2: General Disclosures 2021	2-1 Organizational details	Report and Company Information About ÇATES Vision, Mission, Strategy and Values Milestones Awards and Achievements Organisational Structure
	2-2 Entities included in the organization's sustainability reporting	Report and Company Information
	2-3 Reporting period, frequency and contact point	Report and Company Information
	2-4 Restatement of information	Report and Company Information
	2-5 External assurance	Report and Company Information
	2-6 Activities, value chain and other business relationships	About ÇATES Vision, Mission, Strategy and Values
	2-7 Employees	Human Resources Policies and Practices
	2-9 Governance structure and composition	Governance Board Members Board Committees
	2-11 Chair of the highest governance body	Board Members
	2-12 Role of the highest governance body in overseeing the management of impacts	Board Members Risk-Focused Audit and Control Activities of the Internal Audit Function
	2-13 Delegation of responsibility for managing impacts	Board Committees
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Committee Duties and Responsibilities
	2-16 Communication of critical concerns	Stakeholder Engagement
	2-19 Remuneration Policies	Remuneration Policy Supporting Sustainable Performance
	2-22 Statement on sustainable development strategy	Contribution to Sustainable Development Goals
	2-23 Policy commitments	Governance

GRI Index	Explanation	Relevant Report Section
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Governance
	2-27 Compliance with laws and regulations	Board Committees
	2-29 Approach to stakeholder engagement	Stakeholder Engagement
	2-30 Collective Bargaining Agreements	Human Resources Policies and Practices
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment
	3-2 List of material topics	Materiality Assessment
	3-3 Management of material topics	Materiality Assessment
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	By the Numbers 2024
	201-2 Financial outcomes and other risks and opportunities related to climate change	Sustainability and Climate Risks Opportunities Related to Sustainability and Climate
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Sustainability and Climate Risks Opportunities Related to Sustainability and Climate
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Sustainable Business Model
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Circular Economy and Waste Management
	301-2 Recycled input materials used	Circular Economy and Waste Management Performance Tables
	301-3 Reclaimed products and their packaging materials	Circular Economy and Waste Management Performance Tables
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Energy and Emissions Management Table 1. Sustainability Disclosure Topics and Accounting Metrics
	302-2 Energy consumption outside the organisation	Energy and Emissions Management Table 1. Sustainability Disclosure Topics and Accounting Metrics
	302-4 Reduction of energy consumption	Energy and Emissions Management
	302-5 Reduction in energy requirements of products and services	Energy and Emissions Management

GRI Index	Explanation	Relevant Report Section
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management Table 1. Sustainability Disclosure Topics and Accounting Metrics
	303-2 Management of water discharge-related impacts	Water Management Table 1. Sustainability Disclosure Topics and Accounting Metrics
	303-3 Water withdrawal	Water Management Table 1. Sustainability Disclosure Topics and Accounting Metrics
	303-4 Water discharge	Water Management Table 1. Sustainability Disclosure Topics and Accounting Metrics
	303-5 Water consumption	Water Management Table 1. Sustainability Disclosure Topics and Accounting Metrics
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	Biodiversity Management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and Emissions Management Table 1. Sustainability Disclosure Topics and Accounting Metrics
	305-2 Energy indirect (Scope 2) GHG emissions	Energy and Emissions Management Table 1. Sustainability Disclosure Topics and Accounting Metrics
	305-3 Other indirect (Scope 3) GHG emissions	Energy and Emissions Management Table 1. Sustainability Disclosure Topics and Accounting Metrics
	305-5 Reduction of GHG emissions	Energy and Emissions Management Table 1. Sustainability Disclosure Topics and Accounting Metrics
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circular Economy and Waste Management
	306-2 Management of significant waste-related impacts	Circular Economy and Waste Management
	306-3 Waste generated	Circular Economy and Waste Management Performance Tables
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Performance Tables
	401-3 Parental leave	Human Resources Policies and Practices
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety Management
	403-2 Hazard identification, risk assessment and incident investigation	Occupational Health and Safety Management
	403-4 Worker participation, consultation and communication on occupational health and safety	Occupational Health and Safety Management
	403-5 Employee training on occupational health and safety	Occupational Health and Safety Management

GRI Index	Explanation	Relevant Report Section
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	Occupational Health and Safety Management
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety Management
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety Management
	403-9 Work-related injuries	Performance Tables
	403-10 Work-related ill health	Performance Tables
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Performance Tables
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Resources Policies and Practices Corporate Social Responsibility
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Resources Policies and Practices
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Resources Policies and Practices
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	Cybersecurity and Digitalisation Strategies
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management

ÇATALAĞZI
THERMAL POWER PLANT

Çatalağzı Thermal Power Plant (ÇATES)
Çatalağzı Thermal Power Plant (ÇATES)
Çatalağzı Town Power Plants Location
Necati Yirmibeşoğlu Street Çatalağzı/Kilimli/Zonguldak

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Report Design
Mint creative house