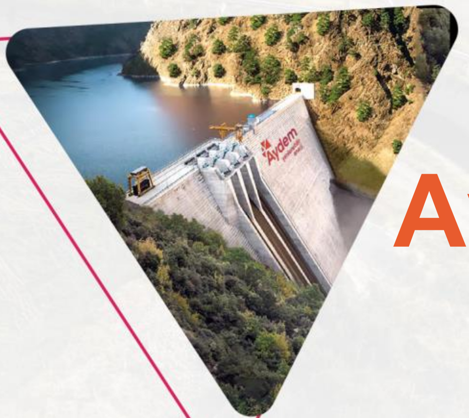

Aydem Renewables Green Financing Framework

June 2025

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Introduction to Aydem Renewables

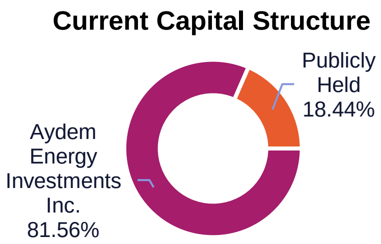
1. Overview

At Aydem Renewables, since our establishment, we have focused on clean and renewable energy, with an approach that considers the sustainability of renewable energy generation, natural resources, environment and the needs of future generations for our world and our country.

In our journey that started with the courageous step we took by establishing Türkiye’s first private hydroelectric power plant in 1995, we are proud of having reached 25 renewable energy power plants, spread throughout Türkiye with 1,180 MW installed capacity today. We are Türkiye’s largest pure-play renewable energy private sector company in terms of installed capacity from 100% renewable energy sources.

With our diverse and comprehensive portfolio consisting of 20 Hydroelectric Power Plants (HPPs), three Wind Power Plants (WPPs), one Geothermal Power Plant and one Hybrid Solar Power Plant (SPP), we generate clean and renewable energy in four regions of Türkiye (Black Sea, Aegean, Mediterranean and Marmara), and we contribute to the energy transformation of our country.

As of 2024, the installed capacity of HPPs account for 72% (852.1 MWm), WPPs for 20% (238.5 MWm), hybrid SPPs for 7% (82.2 MWm) and GPPs for 1% (6.9 MWm).



In 2021, by realizing our public offering, which was one of the turning points for us, we made our investors our partners and created a robust governance structure and company.

By our public offering, Aydem Enerji Yatırımları A.Ş. is our majority shareholder, with 81.56% in our current capital structure, and with the remaining 18.44% of our share capital being publicly held.

1.1. Hydroelectric Power Plants (HPPs)

With our 20 HPPs, we have reached a total installed capacity of 852.1 MW in Türkiye.

Our HPP portfolio covers four different geographical regions that differ in terms of precipitation. 20% (170 MW) of the installed capacity of our portfolio is located in the Aegean region, 44% (376 MW) is in the Mediterranean region, 31% (260 MW) is in the Black Sea region and 5% (46 MW) is in the Marmara region.

1.2. Wind Power Plants (WPPs)

With our three WPPs, we have reached a total installed capacity of 238.5 MW in Türkiye.

1.3. Geothermal Power Plants (GPP)

We have a Geothermal Power Plant with an installed capacity of 6.9 MW in the Sarayköy-Kızıldere area in Denizli, which we commissioned in 2008 in Türkiye’s first high-potential geothermal field discovered for energy generation purposes.

1.4. Hybrid Solar Power Plants (SPP)

Aydem Renewables has commissioned Türkiye’s largest hybrid SPP in Usak in 2023. It is also the first solar power plant in the company’s portfolio with an installed capacity of 82.15MWm.

2. Vision, Mission, Strategy and Values

With our sustainability culture, which we have developed by evaluating the social and economic impact areas, the expectations of all our stakeholders and our corporate strategy, our vision of “Clean energy for a sustainable future” and our mission of “Being Türkiye’s leading renewable energy generator”, we work by considering the sustainability of natural resources, the environment and the needs of future generations.

With our renewable energy-focused approach, we always aim to move our Company forward. At this point, we strive to create the highest value for all our internal and external stakeholders by adding new ones to our achievements. With our innovative investments in renewable energy, we will continue to be Türkiye’s largest private company generating energy from 100% renewable sources and lead our sector. We support the sustainable development of our country by adhering to sustainability, innovation and people-orientation, which are among our corporate focuses, and we continue our efforts with determination to add value to the future.

While producing the “clean energy” of today and the future with sustainability, we continue to work to respect the environment and people, create and share long-term value for our stakeholders and society, strengthen our team, and produce the clean energy of the future with our strong and successful business model.

Supported by our innovation, even in the most unpredictable times, we have introduced Türkiye to many “firsts” with our courage, agility, willpower and understanding of events from different perspectives. Being innovative is our main point of departure while seeking the better for today and the future. With our corporate culture that shapes the energy market with new approaches, we act with an understanding that transforms people’s interest in energy with technological innovations and makes energy more effective in all areas of life thanks to digitalization.

Our business is to serve people within the framework of our human oriented approach. This understanding is at the center of our work as we work to make human life better. We choose to develop by adding value to people. We prioritize and listen to the needs of all our stakeholders. While positioning customer and stakeholder relations at the focal point of our activities, we also generate energy for life with a perspective that works with the highest standards in workplace safety, fulfil all the requirements of being an employer brand, and cares about employee loyalty and satisfaction.

With the above in mind, we highlight below some key achievements and initiatives we have undertaken:

- CDP Global A List for the Third Time: Aydem Renewables has been included in the Global A List in CDP Climate Change and Water Security categories for three consecutive years
- As part of its sustainability strategy, the Company’s efforts on women’s employment and gender equality stand out. Aydem Renewables has adopted the United Nations Women’s Empowerment Principles (WEPs) and expanded its initiatives in this respect with the “Equal Life” project. Advocating a more active role for women in economic life, the company takes concrete steps for social transformation.
- Aydem Renewables transparently discloses its commitment to the 10 principles of the United Nations Global Compact (UNGC) through the “Communication on Progress Report” and improves its commitments. Adopting a sustainability approach in all areas, from investment decisions to operational activities, strengthens the Company’s leadership in the energy sector and serves its goal of creating social benefit.

3. Decarbonisation

Aydem Renewables has taken its place among 5000 companies and financial institutions in the world that have set science-based goals. In 2022, Aydem Renewables committed to submitting both near-term and net-zero targets to SBTi within 24 months. Our near-term target was approved in 2023, and our net-zero target in April 2025. Aydem Renewables’ near-term target is to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 51% and absolute Scope 3 greenhouse gas emissions from capital goods by 30% by 2032 compared to the 2022 baseline. The Scope 1 and 2 emissions are classified in line with the 1.5°C trajectory. Our overall net-zero target is to reach net-zero greenhouse gas emissions across the value chain by 2040.

Aydem Renewables, while taking its place in “The Business Ambition for 1.5°C” campaign led by SBTi and in partnership with UNGC and We Mean Business Coalition, announced that it will also participate in the “UNFCCC Race to Zero” campaign launched by COP26 Climate Action Leaders. To achieve this we have defined energy efficiency and consumption plans

4. Robust Sustainability Governance

As a result of our corporate transformation process, we have an **effective Board of Directors** who go beyond the responsibility of loyalty and care and adopt the principles of **accountability, responsibility, fairness, clarity and transparency**, our **governance, oversight mechanisms** and policies, on the basis of **our corporate governance approach**.

In our activities, we act **in line with all relevant local regulations**, including the “Communıqué on Corporate Governance”[1] of the Capital Markets Board (“CMB”), and consider many of the non-obligatory principles in this regulation as contributions to our corporate governance model and act with this awareness.

As Aydem Renewables, which is currently Türkiye’s **largest pure-play** renewable energy generation company by installed capacity, while continuing to generate the **Clean Energy of the Future**, and with our **sustainable, innovative and people-oriented approach**, we adopt a management approach that considers **environmental, social and governance** criteria in all our strategic and operational decision-making mechanisms for the future of our society and a more sustainable world, through various committees represented at the level of the **members of Board of Directors, General Manager, Assistant General Manager, Directors.**

Aydem Renewables’ governance structure is based on integrating sustainability principles into all its operations and strategic decision-making processes.

Aydem Renewables has established a comprehensive governance framework that meticulously integrates sustainability principles into its operational and strategic decision-making processes. Rooted in environmental, social, and governance (ESG) standards, this framework mandates that all committees report directly to the Board of Directors. These committees are tasked with establishing organizational and performance goals, systematic monitoring of progress, guiding risk management policies, overseeing major capital expenditures and acquisitions, as well as the administration of employee incentive programs.

All risks faced by the company are comprehensively assessed with respect to both financial and non-financial aspects, including those related to sustainability and climate change. While the risk profile is monitored monthly through Key Risk Indicators, a proactive approach is employed to ensure early detection and management of risks. The company also takes strategic steps to manage the economic, social, and environmental impacts of climate change risks on our country and us. In this context, the Company addresses risks and opportunities related to sustainability through the Sustainability, Environment, and Occupational Health and Safety Committee. It prepares the necessary action plans and regularly reports these plans to the Board of Directors. In 2024, the Identification of Climate- and Nature-Related Risks and Opportunities Project has been completed, and the Company’s environmental and operational activities, as well as strategic plans, have been assessed from a climate change perspective based on TCFD (Task Force on Climate-related Financial Disclosures) and TNFD (Task Force on Nature-related Financial Disclosures) methodologies. A behaviour-based safety approach has been adopted throughout the company for the continuous improvement and development of the ESG and HSE culture, and a process encouraging the employee participation has been established accordingly.

Responsibilities for sustainability and climate-related risks and opportunities are integrated into job descriptions and business processes through the Sustainability Governance Procedure and related

[1] The purpose and scope of the regulation is to determine the principles of corporate governance and principles and procedures on related party transactions, which shall be applied by corporations

policies. The Sustainability Governance Structure is defined within the Sustainability Governance Procedure and processes are managed in line with the actions identified. The responsibilities determined by the relevant bodies and authorities are fulfilled at regular intervals within the framework of the procedures and policies.

Moreover, the Investment Committee, which reports to the Board of Directors, evaluates all investment decisions through an ESG-oriented lens, thereby ensuring that renewable energy investments not only foster sustainable power generation but also contribute to Türkiye's clean energy transformation. The Committee carries out studies and makes recommendations to the Board of Directors. This forward-looking approach underpins the rapid deployment of innovative projects, including hybrid power plants, and reinforces the Company's preeminent position within the renewable energy sector.

Sustainability-related key performance indicators (KPIs) are subject to continual monitoring, and performance evaluations are rigorously conducted to ensure that established targets are achieved. Through the coordinated efforts of all committees and the strategic oversight of the Board of Directors, Aydem Renewables consistently implements sustainability-oriented strategies, thereby maintaining its leadership role in the renewable energy sector.

4.1. The Board of Directors

For us, **corporate governance** refers to the way we manage, control and monitor the company and our activities.

The **Board of Directors**, which lead **the integration of our sustainability approach** into all business processes, is the **highest governance authority** responsible for tasks such as overseeing the company's sustainability performance, as well as defining strategic targets, defining the corporate governance strategy, detecting and allocating human and financial resources needed, monitoring the performance of management, and overseeing the company's compliance with legislation, its Articles of Association and internal regulations and policies. Environmental, social and governance criteria are also constantly monitored by the Board of Directors through Key Performance Indicators.

The Board of Directors currently consists of 8 members, six of whom are non-executive members. Three of the non-executive members are independent Board Members. Furthermore, half of the Board's membership is female, including two who are Independent Board members. This composition underscores Aydem Renewables' robust commitment to diversity.

4.2. Committees

Our sustainability governance, which we embed in our corporate governance system and different aspects of which are handled by committees directly reporting to the Board of Directors ("BoD"), is an indicator of our **Company's integrated governance**.

The Early Detection of Risk Committee,

Through the **Early Detection of Risk Committee**, all risks, **including risks related to sustainability and climate change**, in terms of their financial dimensions and their non-financial effects, including their effects on our **employees**, all our **stakeholders, society and environmental impact.**

Investment Committee

We take the most effective decisions for our renewable energy investments, by taking into account **environmental, social and governance criteria** in our investment assessment integrated in our **Investment Committee**. Due to the focus of our business, we contribute to the **fight against climate change and our sustainability approach** with every investment we make.

Sustainability, Environment, Occupational Health and Safety Committee

We consider and thoroughly **evaluate issues related to our own operations and value chain** regarding sustainability through the **Sustainability, Environment, Occupational Health and Safety Committee**, which is a part of our robust corporate governance. We ensure the development and implementation of a safe behavior approach, including in the Company's

environmental regulations and activities and by the Company's sus**tainability, occupational health and safety** culture which includes its employees and all business facilities. At the same time, we inform the **Board Investment Committee**, the **Early Detection of Risk** Committee and the **Board of Directors** about preventative and remedial actions to ensure the implementation of sustainability principles, areas that may create opportunities, and operational results through the Committee.

Corporate Governance Committee

Focuses on strengthening the overall governance framework, ensuring adherence to corporate governance principles, and managing conflicts of interest. It plays a pivotal role in promoting responsible decision-making and transparency, which are critical to sustainable and ethical business practices.

Audit Committee

Assurance is given by the **Audit Committee** regarding internal control environment, audit processes and risk management system of Aydem Renewables. The committee ensures financial transparency and compliance and underpins the governance pillar by verifying that accounting practices and disclosures meet rigorous standards.

4.3. Our Policies

As a part of our governance model, we meticulously construct and implement our Company policies and management system. We ensure that our committees work more effectively with the presence of our policies and, on the other hand, we standardize the management model within the Company.

The policies, that all functions within the company will benefit from, have been formed on the main and related sub-titles such as Risk Management, Sustainability, Environment, Compliance, Human Resources, Occupational Health and Safety and Information Security.

Integrated Management System Policy: We ensure that all internal processes support each other by our **Integrated Management System Policy**. We expect our employees to fully comply with all Company policies, otherwise we take the necessary actions immediately.

Our **Sustainability Policy**, which is a reflection of our understanding of sustainability and that we have created in order for our employees to converge to this understanding, covers all our activities and sustainability issues. It is a guidance document detailing how sustainability issuers should be managed, taking into account environmental, social and governance criteria, remedial actions that can be taken and areas for continuous improvement. We aim to support the sustainable development and growth of our country by implementing this policy. **We touch every sensitive topic in the field of sustainability and determine the necessary criteria for their management with all our existing policies in addition to Sustainability Policy.**

Through our **Environmental Policy**, we focus on adaptation to climate changes, zero waste and supporting sustainability while working to do better for today and for the future in order to protect biodiversity, with the awareness that natural resources are limited. We continue to contribute to the **sustainable growth of our country** and to prepare **a better future for the environment, society and future generations with renewable energy generation**.

We accept the protection of the environment as a fundamental responsibility of its existence, beyond legal requirements by adopting a management approach that focuses on **"Respect for Human and Nature".**

Occupational Health and Safety Policy: Within the framework of our Occupational Health and Safety Policy, issues related to employee health and safety are managed. This is one of the highest priority issues for our Company and is an indicator of our **"people-oriented"** business conduct. With our policy, it is aimed to develop the existing culture within the Company in this area, take proactive actions and manage processes that comply with all legal regulations.

Climate Policy: The policy outlines the company's commitment to addressing climate change through a comprehensive strategy aimed at achieving net zero emissions. The policy integrates climate change management into both current operations and future investment plans by setting ambitious targets for reducing greenhouse gas emissions, enhancing energy efficiency, and increasing the use of renewable energy sources. It emphasizes employee engagement through target-setting and incentives, supports research and development in clean energy technologies, and advocates for transparency via annual sustainability reporting. Additionally, the policy promotes the use of carbon pricing, fosters partnerships with governments, NGOs, and local communities, and provides educational resources to support sustainable practices across its operations and stakeholder interactions.

Water Management Policy: The policy establishes a sustainable framework to address water scarcity by integrating international principles, including the United Nations Global Compact Management Model, into its operations and investments. The policy applies to the company and its subsidiaries and emphasizes a comprehensive understanding of river basin water characteristics, particularly given the reliance on hydroelectric power. It aims to mitigate environmental, social, and commercial risks by ensuring water quality, reducing non-essential water consumption, and safeguarding access to safe water, hygiene, and sanitation for employees and local communities. Additionally, the policy incorporates water management into corporate governance processes through clear performance targets, robust risk management, transparent reporting, and active stakeholder engagement.

Human Rights Policy: We commit to oversee the rights of the people living in the regions where we operate, to comply with national and international laws and regulations regarding Human Rights, to ensure that our business partners also comply, to make decisions in line with the United Nations Universal Declaration of Human Rights in all our investment activities and operations involving these activities, and to organize our activities accordingly, among our employees, not to tolerate discrimination under any circumstances, to value the differences of our employees, to embrace diversity in order to achieve our goals, to provide equal rights for all our employees and to plan equal opportunities, to support women's participation in the workforce, to improve the gender balance in the decision-making mechanisms of our companies, and to promote women in our company's Board of Directors and senior management, to increase the rate of employment, to support the right of our employees to freedom of expression in the workplace by enabling cooperation with non-governmental organizations, not to allow the violation of the safety and health principles of our employees and to take the necessary precautions, to be sensitive to the environment for a liveable and green world, and to consider the principle of nature protection as a priority in all its activities.

Further details and the full list of Aydem Renewables' policies can be found on our website: www.aydemrenewablesinvestorrelations.com.tr/en/corporate-governance/policies

4.4. Double Materiality Analysis

Aydem Renewables' conducts a double materiality analysis, which is an assessment that covers various sustainability issues such as business ethics and corporate governance, occupational health and safety, workplace practices, contribution to the local economy and society, business continuity and reliability, climate change and biodiversity. This analysis is conducted by taking into account the potential impact of material issues on Aydem Renewables' financial performance and environmental, social and governance impacts.

Results of the analysis are visualized on a matrix. The matrix is used in Aydem Renewables' strategic planning and risk identification and serves as an important tool in prioritizing sustainability-related activities.

In Aydem Renewables' two-way materiality analysis, the concept of "impact materiality" refers to the potential impacts of Aydem Renewables' activities on the environment, society and governance, i.e. the broader social and environmental consequences of the company's activities, while "financial materiality" emphasizes the direct impact of material environmental, social and governance issues on Aydem Renewables' financial performance and valuation.

These two perspectives ensure that Aydem Renewables considers both comprehensive impact and financial consequences in its decision-making processes. The concepts of "Materiality in terms of Impact" and "Financial Materiality" are designed to meet all expectations of Turkish Sustainability Reporting Standards (TSRS), International Financial Reporting Standards (IFRS), European Sustainability Reporting Standards (ESRS), Sustainability Accounting Standards Board

(SASB) and Global Reporting Initiative (GRI) standards and regulations within the scope of materiality analysis

5. Rationale for Issuing Green Financing Instruments

Currently we are Türkiye’s largest pure-play renewable energy generation company by installed capacity. In order to contribute to the sustainable growth of our country and to create a better future for the environment, society and next generations with renewable energy generation, and to create more value for all our stakeholders, we aim to increase our installed capacity and maintain our position as the largest pure-play renewable energy company in Türkiye.

In July 2021, Aydem Renewables established our inaugural Green Finance Framework, through which we issued our inaugural green bond; a USD 750mn issuance to finance our activities and highlight our sustainability objectives effectively to fixed income investors with a tool to assess our progress in contributing to climate change mitigation as well as benefitting the society.

In June 2025, Aydem Renewables decided to publish an updated the Green Finance Framework to align with evolving market practice and reinforce our commitment to financing Green Projects that contribute particularly to the objectives of Climate Change Mitigation and Climate Change Adaptation.

Green Financing Framework

Alignment with the Green Bond Principles and Green Loan Principles

As part of our continued commitment to sustainability, Aydem Renewables has developed this Green Financing Framework (the "**Framework**") in accordance with the Green Bond Principles 2021[2] ("**GBP**"), administered by the International Capital Market Association (ICMA), including the updated Appendix I of June 2022, and the Green Loan Principles 2025[3] ("**GLP**"), administered by the Loan Market Association (LMA), the Asia Pacific LMA (**APLMA**) and the Loan Syndications and Trading Association (**LSTA**) under which Aydem Renewables can issue Green Financing Instruments.

Green Financing Instruments include Green bonds, Green loans, Green hybrid bonds, Green convertible bonds, Green private placements and Green project finance where the net proceeds can be exclusively allocated to finance or re-finance in part or in full new and / or existing Eligible Green Projects as defined in this Framework.

For each Green Financing Instrument issued, Aydem Renewables will adopt the following as set out in this Framework:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

This Framework also describes the approach to External Review.

As the Green Bond Principles, the Green Loan Principles, the EU Taxonomy and the green financing market overall evolve, this Framework may be updated or expanded in the future. Any future updated versions of this Framework will either keep or improve the current levels of transparency and reporting disclosures, and will replace this version of the Framework.

1. Use of Proceeds

Aydem Renewables intends to apply an amount equivalent to the net proceeds from any Green Financing Instrument issued by it to finance or refinance, in whole or in part, new and/or existing projects and/or assets meeting the eligibility criteria set out in the table below ("Eligible Green Projects").

Eligible Green Projects may include assets (hereinafter "Assets"), capital expenditure (hereinafter "CapEx", operational expenditures (hereinafter "OpEx) and research and development related expenditures (hereinafter "R&D") associated with the Eligibility Criteria outline below.

Assets and CapEx shall qualify for financing & refinancing with no look-back period, while OpEx and R&D will qualify with a maximum three-year year look-back period.

2 ICMA Green Bond Principles 2021 with 2022 Appendix - https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf

3 LMA, APLMA, and LSTA Green Loan Principles 2025 - https://www.lma.eu.com/application/files/1917/4298/0817/Green_Loan_Principles_-_26_March_2025.pdf

Eligible Green Category	Eligibility Criteria	Alignment with the EU Environmental Objective[4]	Alignment with the UN SDG targets[5]
Renewable Energy – Power Generation	Financing related to the acquisition, development, operation and maintenance of renewable energy activities, projects, assets and associated research & development / construction / production / maintenance costs, including: • Production of wind, solar, hydro and geothermal energy • Land acquisition and leasing as part of project development • Purchase of renewable energy applications and technologies and associated equipment • Construction and maintenance work **Eligibility criteria:** For solar and wind energy, facilities operating at lifecycle emissions intensity lower than 100gCO2e/kWh, declining to 0gCO2e/kWh by 2050, are eligible: • This threshold will be reduced every 5 years in line with a net-zero CO2e in 2050 trajectory • Assets and activities must meet the threshold at the point in time when approval is sought • For activities which go beyond 2050, it must be technically feasible to reach net-zero emissions For geothermal energy, facilities operating with direct emissions intensity lower than 100gCO2e/kWh are eligible. Hydropower projects will meet one of the following eligibility criteria: i) run-of-river projects without an artificial reservoir or with a low storage capacity; or ii) facilities operational before the end of 2020 that have a lifecycle emissions intensity below 100 gCO2e/kWh or a power density greater than 5 W/m^2; or iii) facilities operational after 2020 that have a lifecycle emissions intensity below 50 gCO_2e/kWh or a power density greater than 10 W/m^2. All hydropower projects will have an environmental and social impact assessment performed by a third party confirming that there are no significant risks or controversies involving the project.	**Climate Change Mitigation** 3.1. Manufacture of renewable energy technologies 4.1 Electricity generation using photovoltaic technology 4.3. Electricity generation from wind power 4.5. Electricity generation from hydropower 4.6. Electricity generation from geothermal energy	SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all. SDG 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix. SDG 7.3: By 2030, double the global rate of improvement in energy efficiency. SDG 7.a: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.

4 Aydem Renewables has additionally included a high level alignment with the list of activities included in the EU Taxonomy Climate Delegated Act (Annex 1): https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en

5 UN Sustainable Development Goals https://www.un.org/sustainabledevelopment/sustainable-development-goals/

Renewable Energy – Electricity Storage	Financing related to the construction, development, acquisition, maintenance, and operation of electricity storage including battery and pumped hydropower storage.	**Climate Change Mitigation** 4.10. Storage of Electricity

2. Project Evaluation Process and Decision

The process for the evaluation and selection of Eligible Green Projects uses internal expertise:

- Adherence to the use of proceeds requirement, i.e. the definition of Eligible Green Project in accordance with the eligibility criteria in this Framework, will be confirmed by the relevant Business department(s) within the Company.
- The project fulfilment with Aydem Renewables' Sustainability policy and the absence of any material ESG controversies will be confirmed by the Company's Sustainability, Health, Safety and Environment teams.
- The list of selected Eligible Green Projects will be established by the Company's Business and environmental teams, based on internal expertise, and submitted to the Finance Department for validation and selection.

All Eligible Green Projects undertaken by Aydem Renewables are also subject to the following process and approvals:

- Legal and Compliance team review new projects and give an opinion regarding legal/regulatory requirements.
- Aydem Renewables strives to minimize the negative impacts on the environment by evaluating the environmental impacts of its projects in detail through Environmental Impact Assessment (EIA) and other legal processes. These processes ensure that projects are in line with sustainability principles and demonstrate its commitment to reducing environmental impact. Project-based Risk assessments are performed, and risks and opportunities are evaluated by the Risk Management Department by taking into account Sustainability and ESG risk issues. While the Sustainability, Environment, Occupational Health and Safety Committee is not directly responsible for these specific assessments, it plays a key role in shaping the company's overall sustainability framework. This includes setting sustainability KPIs, guiding ESG integration across operations, and providing strategic oversight—thereby indirectly contributing to the risk assessment process.
- General Manager and Financial Affairs Director submit the project to the Investment Committee in order for an investment decision to be taken.
- The Investment Committee evaluates the Investment Project proposals and reports its evaluation and proposal for the relevant investment to the Board of Directors. The relevant reporting is prepared by taking into consideration the project fundamentals and feasibility analyses, project financing analyses, budget approval and investment criteria.
- The Board of Directors is authorized to make investment decisions regarding Investment Projects. However, the Board of Directors cannot take an investment decision on the relevant Investment Project without the opinion of the Investment Committee.
- KPI results of the investment project and the actualized internal rate of return of the investment project are monitored and reported to the company management and Investment Committee and Board of Directors periodically.
- The action plans in the project-based Risk Assessments are monitored by the company management, Investment Committee, Early Detection of Risk Committee and Board of Directors.

Investment Projects must be carried out in accordance with the following exclusionary criteria:

1. Not investing in power plants using fossil fuels for power generation;

2. Not making investments that do not comply with the Company's sustainability, environment, occupational health and safety, governance and social policies;
3. Not having any conflict with obligations under existing agreements, including loan agreements;
4. Any asset under construction, development and/or construction has an internal rate of return (IRR) of not less than 10%;
5. The investment amount of any asset is not more than 20% of the Total Asset Value excluding investments that are considered to have a strategic and significant impact on the long-term policies and growth plans of the Company;
6. The total investment amount of the assets under construction is not more than 25% of the Total Asset Value;
7. Avoiding concentration of counterparty risk by ensuring that revenues from a single customer are not more than 30% of total revenues;
8. Not investing in projects with an adverse impact on UNESCO World Heritage sites or areas designated for nature conservation. (e.g. Wetlands of International Importance under Ramsar Convention) and
9. Not investing in projects involving in child labour and forced labour.

3. Management of Proceeds: Allocation Process and Register

The company's financing transactions are carried out on the basis of the Board of Directors' authorization.

System of tracking the funds

An amount equivalent to the net proceeds of the Green Financing Instruments will be recorded in the Company's financing (Treasury/Financial Affairs Department) accounts. The Treasury team intends to allocate an amount equal to the net proceeds from the Green Financing Instruments to Eligible Green Projects using a Portfolio approach.

Aydem Renewables will strive to ensure that the amount of Eligible Green Project Portfolio is at least equal to the proceeds of outstanding Green Finance Instruments within 3 calendar years of issuance.

Pending full allocation, the net proceeds of the Green Financing Instruments will be kept in the cash and cash equivalents account in accordance with our internal liquidity/cash flow policy. For the avoidance of doubt, any net proceeds will not be invested in fossil fuel related projects.

4. Reporting

With respect to its Green Financing Instrument(s), Aydem Renewables commits to publish on its website an allocation and impact report(s) annually, and until full allocation of the net proceeds, and in the event of any material changes until the maturity date of the relevant instrument(s). The allocation and impact report(s) will be made available in Aydem's Integrated Annual Reports, to be published on its website.

Additional impact data on the key performance indicators below may also be disclosed in Aydem's interim and annual operational reports.

Allocation Reporting

Aydem Renewables will provide information on the allocation of the net proceeds of its Green Financing Instruments. The information will contain at least the following details:

- The total amount of net proceeds allocated to Eligible Green Projects;
- Breakdown of allocation of net proceeds by Eligible Green Project;

- Breakdown of allocation between refinancing and financing; and
- Any unallocated net proceeds.

Impact Reporting

Aydem Renewables intends to align its impact reporting with the approach described in the ICMA Handbook – Harmonised Framework for Impact Reporting (June 2024)[6].

Where possible, Aydem Renewables will aim to provide the following impact metrics as a part of its annual reporting.

KPIs regarding Renewable Energy Generation

- Capacity of renewable energy plants constructed or rehabilitated in MW
- Expected renewable energy generation (GWh/year)

KPIs regarding Energy Efficiency

- Annual energy savings in MWh/GWh (electricity)
- Investments for energy optimization

KPIs regarding Project Management

- Completion percentage of Eligible Projects

KPIs regarding New Area Consumption

- New area usage for Eligible Projects

KPIs regarding biodiversity protection

- Number of Environmental Risk Assessments in the context of Eligible Green Projects

KPIs regarding Complaints regarding Eligible Green Projects from Society

- Number of fair complaints received

KPIs regarding Government / Local Authority Approval

- Number of completed local/ Government authority approvals.

5. External Reviews

Pre-issuance:

Aydem Renewables has retained Sustainalytics to provide a Second Party opinion on the Green Financing Framework, to confirm alignment with the GBP and GLP. The Second Party Opinion is available on Aydem Renewables Investor Relations website: https://www.aydemrenewablesinvestorrelations.com.tr/en

Post-issuance:

Aydem Renewables will request on an annual basis, starting one year after issuance and until full allocation, an assurance report on the allocation of the Green Financing Instrument(s) net proceeds to Eligible Green Projects, provided by its external auditor.

[6] https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf