Second-Party Opinion

Aydem Renewables Green Financing Framework

Evaluation Summary

Sustainalytics is of the opinion that the Aydem Renewables Green Financing Framework is credible, impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2025. This assessment is based on the following:

USE OF PROCEEDS The eligible categories, Renewable Energy – Power Generation and Renewable Energy – Electricity Storage, are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7.

PROJECT EVALUATION AND SELECTION Aydem's Finance Department will be responsible for managing the project selection process in collaboration with various business departments and the Sustainability, Health, Safety and Environment teams. Following an evaluation by the Investment Board Committee, the Company's board of directors will provide final approval for projects in line with the Framework's eligibility criteria. Aydem's Risk Management Department conducts environmental impact assessments and project-based risk assessments, covering sustainability and ESG topics on the projects financed under the Framework. Sustainalytics considers the project selection process to be in line with market practice.

MANAGEMENT OF PROCEEDS Aydem's Treasury Team will be responsible for the management of proceeds, with oversight from its board of directors. The Treasury Team will track the allocation of proceeds using Aydem's internal financing accounts. Aydem intends to reach full allocation within three calendar years of each issuance. Pending allocation, proceeds will be temporarily invested in cash and cash equivalents in line with Aydem's Liquidity and Cash Flow Policy. This is in line with market practice.

REPORTING Aydem will report on the allocation of proceeds and corresponding impact in its Integrated Annual Report, which the Company will publish on its website on an annual basis until full allocation, or in case of any material changes and revolving credit facilities, until the maturity date of the relevant instruments. Allocation reporting will include the total amount of net proceeds allocated to eligible projects, the breakdown of proceeds allocated by eligible projects, the balance of unallocated proceeds and the share of financing versus refinancing. Sustainalytics views the Company's allocation and impact reporting as aligned with market practice.

Evaluation date	June 20, 2025
Issuer Location	Denizli, Türkiye

Report Sections

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Introduction

Aydem Renewable Energy AS ("Aydem" or the "Company") is a wholly owned subsidiary of Turkish energy provider Aydem Energy. Established in 1995, Aydem is a pure play renewable energy company headquartered in Denizli, Türkiye. The Company specializes in the development, acquisition and operation of hydroelectric, wind, solar and geothermal power plants. Aydem has 25 renewable energy generation power plants in Türkiye, with an installed capacity of 1,180 MW as of December 2024.[1]

Aydem has developed the Aydem Renewables Green Financing Framework dated June 2025 (the "Framework"), under which it intends to issue green bonds, loans, corporate hybrid bonds,[2] convertible bonds,[3] private placements[4] and project finance and use the proceeds to finance or refinance, in whole or in part, existing or future projects that are expected to increase the renewable energy output in Türkiye. The Framework defines eligibility criteria in the following areas:

1. Renewable Energy – Power Generation
2. Renewable Energy – Electricity Storage

Aydem engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)[5] and the Green Loan Principles 2025 (GLP).[6] The Framework will be published in a separate document.[7]

Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent[8] opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Green Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2025, as administered by LMA, APLMA and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; andThe alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.18, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Aydem's management team to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. Aydem representatives have confirmed that: (1) they understand it is the sole responsibility of Aydem to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Aydem.

[1] Aydem Renewable Energy, "About us", at: https://www.aydemyenilenebilir.com.tr/info/7/about-us
[2] Aydem has confirmed to Sustainalytics that the Company will ensure that the value of the eligible green assets is equal to or more than the net proceeds of the bonds until it remains outstanding; and a call option, if exercised, will only be after full allocation of the bond proceeds.
[3] Aydem has confirmed that full allocation will take place before the conversion date.
[4] Aydem has confirmed that private placements are limited to debt instruments.
[5] The Green Bond Principles are administered by the International Capital Market Association and are available at https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/
[6] The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at https://www.lsta.org/content/green-loan-principles/
[7] The Aydem Renewables Green Financing Framework is available at: https://www.aydemrenewablesinvestorrelations.com.tr/
[8] When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Aydem has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Aydem Renewables Green Financing Framework

Sustainalytics is of the opinion that the Aydem Renewables Green Financing Framework is credible, impactful and aligned with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible categories, Renewable Energy – Power Generation and Renewable Energy – Electricity Storage, are aligned with those recognized by the GBP and GLP.
  - Aydem has communicated to Sustainalytics that eligible projects will be located in Türkiye.
  - Aydem has defined a look-back period of three years for the refinancing of operating expenditures, and research and development expenditures, which Sustainalytics considers to be in line with market practice.
  - Under the Renewable Energy – Power Generation category, Aydem may finance or refinance the acquisition, development, operation and maintenance of renewable energy projects and associated research, land acquisition, leasing,[9] construction, technologies and equipment in accordance with the following criteria:
    - Hydropower projects that meet one of the following 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 an emissions intensity below 100 gCO_2e/kWh or a power density greater than 5 W/m^2; or iii) new facilities operational after 2020 that have an emissions intensity below 50 gCO_2e/kWh or a power density greater than 10 W/m^2. 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.
    - Onshore solar photovoltaic generation.
    - On- and offshore wind generation facilities. Aydem has confirmed to Sustainalytics that the fossil fuel back-up of the offshore wind facilities is limited to power monitoring, operating and maintenance equipment, resilience or protection measures, and restart capabilities.
    - Geothermal energy projects where the life cycle GHG emissions from the generation of electricity are lower than 100 gCO_2e/kWh.
    - Sustainalytics considers the investments under this category to be in line with market practice.
  - Under the Renewable Energy – Electricity Storage category, Aydem may finance or refinance the construction, development, acquisition, maintenance and operation of electricity storage

[9] Aydem has confirmed to Sustainalytics that the leasing costs are limited to capital leases or operating leases with medium- and long-term lease agreements that would exceed the tenor of the bonds or have the same tenor as the bonds issued under the Framework.

facilities, including battery and pumped hydropower storage, directly connected to Aydem's renewable energy facilities.
    - Aydem has confirmed that all new pumped hydropower storage facilities are subject to an environmental and social impact assessment performed by a third party confirming that there are no significant risks or controversies involving the project.
    - Sustainalytics considers the investments under this category to be in line with market practice.
  - The Framework excludes the following activities: i) fossil fuel power plants for power generation; ii) investments that do not comply with the Company's sustainability, environment, occupational health and safety, governance and social policies; iii) projects with an adverse impact on UNESCO World Heritage sites or areas designated for nature conservation; and iv) projects involving child labour and forced labour.
- Project Evaluation and Selection
  - Aydem has established a multistep project selection process. Various business departments will identify potential projects in accordance with the Framework's eligibility criteria. The Company's Sustainability, Health, Safety and Environment teams will subsequently review the projects for alignment with Aydem's Sustainability Policy and material ESG controversies. Eligible projects will then be shortlisted by Aydem's Finance Department.
  - Aydem's General Manager and Financial Affairs Director will submit the projects to the Company's Investment Board Committee for evaluation following approvals from multiple departments, including the Legal and Compliance Team. The Company's board of directors will provide the final approval.
  - Aydem's Risk Management Department conducts environmental impact assessments and project-based risk assessments, covering sustainability and ESG topics on the projects financed under the Framework. Sustainalytics considers these environmental and social risk management systems to be adequate. For additional detail see Section 2.
  - Based on the established process for project evaluation and selection, and the presence of a risk management system, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
  - Aydem's Treasury Team will be responsible for the management of net proceeds and will track their allocation using the Treasury or Financial Affairs departments' accounts through a portfolio approach. The allocation process will be overseen by the board of directors.
  - The Company intends to fully allocate the proceeds of each financing instrument within three calendar years of issuance. Pending allocation, Aydem may temporarily invest unallocated net proceeds in cash and cash equivalents in line with its Liquidity and Cash Flow Policy. The Framework will exclude temporary allocations towards fossil fuel-related activities and those with high negative environmental and social impacts.
  - Aydem has communicated to Sustainalytics that instruments issued under the Framework may include multi-tranche loan facilities. Aydem intends to label only those tranches of such facilities whose proceeds will be allocated according to the eligibility criteria in the Framework.
  - Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - Aydem will report on the allocation of proceeds and corresponding impact in its Integrated Annual Report on an annual basis until full allocation and in the event of any material changes until the maturity date of the relevant instruments. Aydem will publish the Integrated Annual Reports on its website.
  - Aydem has communicated to Sustainalytics that if it obtains revolving credit facilities under the Framework, it will report on allocation until loan maturity.
  - Allocation reporting will include the total amount of net proceeds allocated to eligible projects, the breakdown of net proceeds allocated by eligible projects, the balance of unallocated net proceeds and the share of financing versus refinancing. An external auditor will review the allocation of net proceeds annually until full allocation.
  - Aydem intends to report on the impact in accordance with the ICMA Harmonised Framework for Impact Reporting Handbook, including key performance indicators such as annual renewable energy generation (in GWh), annual energy savings (in MWh or GWh), capacity of renewable

energy plants constructed or rehabilitated (in MW) and number of environmental risk assessments conducted for eligible projects.
- Based on the commitments to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with the Green Bond Principles 2021 and Green Loan Principles 2025

Sustainalytics has determined that the Aydem Renewables Green Financing Framework aligns with the four core components of the GBP and GLP.

Section 2: Sustainability Strategy of Aydem

Contribution to Aydem's sustainability strategy

Aydem's sustainability strategy focuses on the following three key environmental areas: i) achieving near-term GHG emissions reduction and net zero targets; ii) investments in energy efficiency and low carbon technologies; and iii) waste management and biodiversity commitments.[10]

Aydem has established the following near-term GHG emissions reduction targets, which were validated by the Science Based Targets initiative (SBTi) in 2023: i) a reduction of absolute scope 1 and 2 GHG emissions by 51% by 2032 from a 2022 base year; and ii) a reduction of scope 3 GHG emissions from capital goods by 30% within the same timeframe.[11] In addition, the Company aims to reach net zero GHG emissions across its value chain by 2040. The target was validated by SBTi in April 2025.[12]

To achieve its reduction targets for scope 1 and 2 GHG emissions, Aydem intends to improve the energy performance of its facilities by switching to energy-efficient technologies. In addition, the Company intends to replace its vehicles with electric or hybrid vehicles and increase the use of biofuels or low carbon alternative fuels.[13] Regarding its scope 3 emissions, Aydem aims to prioritize local procurement alternatives and integrate the ISO 20400[14] sustainable procurement standard into its future procurement operations. The Company also intends to optimize its logistics and transport processes.

With respect to waste management, Aydem is committed to improving its waste management processes and increasing recycling rates. Between 2023 and 2024, the Company reduced the amount of hazardous waste it generated by 24.63%. Additionally, all of Aydem's power plants have obtained a zero-waste certificate in 2024.[15] Regarding biodiversity, Aydem has established programmes for mammalogy and ornithology monitoring around its wind power sites and fish passages and lifts in its hydropower plants.[16] These include bird and bat migration monitoring in accordance with the European Union Bird and Habitat Directive.[17] In addition, the Company has painted 88 of its wind turbine blades in purple since 2013 to reduce bird, bat and insect collision fatalities.[18]

Sustainalytics is of the opinion that the Aydem Renewables Green Financing Framework is aligned with the Company's overall sustainability strategy and initiatives and will further its actions on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impacts. However, Sustainalytics

[10] Aydem, "Integrated Annual Report", (2024), at: https://www.aydemrenewablesinvestorrelations.com.tr/media/2024%20Faaliyet%20Raporlar%C4%B1/AYDEM_Entegre_Faaliyet_Raporu_2024_EN_1741761700.pdf
[11] Science Based Targets, "Aydem Yenilenebilir Enerji A.Ş.", at: https://sciencebasedtargets.org/target-dashboard
[12] Ibid.
[13] Aydem, "Integrated Annual Report", (2024), at: https://www.aydemrenewablesinvestorrelations.com.tr/media/2024%20Faaliyet%20Raporlar%C4%B1/AYDEM_Entegre_Faaliyet_Raporu_2024_EN_1741761700.pdf
[14] ISO, "ISO 20400:2017 – Sustainable procurement", at: https://www.iso.org/standard/63026.html
[15] Aydem, "Integrated Annual Report", (2024), at: https://www.aydemrenewablesinvestorrelations.com.tr/media/2024%20Faaliyet%20Raporlar%C4%B1/AYDEM_Entegre_Faaliyet_Raporu_2024_EN_1741761700.pdf
[16] Ibid.
[17] European Parliament, "Directive 2009/147/EC of the European Parliament and of the Council", (2009), at: https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A32009L0147
[18] Aydem, "Integrated Annual Report", (2024), at: https://www.aydemrenewablesinvestorrelations.com.tr/media/2024%20Faaliyet%20Raporlar%C4%B1/AYDEM_Entegre_Faaliyet_Raporu_2024_EN_1741761700.pdf

is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving: i) emissions, effluents, and waste generated in construction; ii) land use and biodiversity issues associated with large-scale infrastructure development; iii) occupational health and safety (OHS); iv) community relations; and v) business ethics.

Sustainalytics is of the opinion that Aydem is able to manage and mitigate potential risks through implementation of the following:

- To address risks related to emissions, effluents and waste, Aydem has in place an ISO 14001- and ISO 15001-certified environmental management system,[19,20] which outlines the Company's practices on waste, including chemicals and hazardous waste, water and pollution management.[21,22] The Company conducts environmental impact assessments (EIA) to identify and address potential environmental risks related to new sites.[23] Additionally, Aydem assesses its performance periodically by conducting site visits and internal audits.
- As part of the EIA assessment, Aydem identifies and evaluates the potential impact of project sites on biodiversity, including effects on population dynamics, ecosystems and soil erosion.[24] Additionally, Aydem conducts biological diversity assessments for all its sites. For wind power plants, the Company also conducts biological diversity monitoring studies in spring and autumn. In addition, the Company assesses and reports on soil and excavation materials from temporary sites and operations.[25]
- To mitigate risks related to OHS, Aydem has implemented an ISO 45001- and OHSAS 18001-certified OHS management system.[26,27,28] The system outlines the Company's measures to mitigate, monitor and assess OHS risks, including the use of personal protective equipment, medical checks, work permits and site audits.[29] Aydem's OHS specialist hosts annual OHS training sessions in accordance with Türkiye's Occupational Health and Safety Law[30] and Law on the Organization and Duties of the Ministry of Labour and Social Security.[31] Additionally, Aydem has established the Contractors Occupational Health and Safety Procedures, which require contracting companies to assess OHS risks and implement robust mitigation processes.[32]
- With respect to community relations, Aydem assesses the potential impact of its projects on local communities prior to construction.[33,34] Aydem's expert teams also visit surrounding communities to collect feedback on the projects. The Company has assigned a Public Relations Officer to each power facility to maintain regular communication with local communities.[35]
- To manage risks associated with business ethics, Aydem has a code of conduct that applies to all employees and third parties, and addresses topics including conflicts of interest, bribery, gifts, confidentiality and privacy.[36] The Company has established an Ethics Committee, which is available for internal and external stakeholders to report any violations of the policy.[37]

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[19] ISO, "ISO 14000 family – Environmental management", at: https://www.iso.org/iso-14001-environmental-management.html
[20] ISO, "ISO 50001 – Energy management", at: https://www.iso.org/iso-50001-energy-management.html
[21] Aydem, "Integrated Annual Report", (2024), at: https://www.aydemrenewablesinvestorrelations.com.tr/media/2024%20Faaliyet%20Raporlar%C4%B1/AYDEM_Entegre_Faaliyet_Raporu_2024_EN_1741761700.pdf
[22] Aydem, "General Environment Procedure", at: https://www.aydemyenilenebilir.com.tr/upload/politikalar/General-Environment-Procedure.pdf
[23] Aydem, "Environmental Policy", at: https://www.aydemyenilenebilir.com.tr/info/44/environmental-policy
[24] Aydem, "Environmental Dimension Impact Analysis Procedure", at: https://www.aydemyenilenebilir.com.tr/info/24/policies
[25] Aydem, "General Environment Procedure", at: https://www.aydemyenilenebilir.com.tr/upload/politikalar/General-Environment-Procedure.pdf
[26] ISO, "ISO 45000 family – Occupational health and safety", at: https://www.iso.org/iso-45001-occupational-health-and-safety.html
[27] NQA, "OHSAS 18001 – Health and Safety Management", at: https://www.nqa.com/en-ca/certification/standards/ohsas-18001
[28] Aydem, "Occupatıonal Health and Safety Policy", at: https://www.aydemyenilenebilir.com.tr/info/45/occupational-health-and-safety-policy
[29] Aydem, "General OHS Procedure", at: https://www.aydemyenilenebilir.com.tr/upload/custom/PDF/Politikalar/ENG/ISG.PRS.005_General--OHS-Procedure_EN.pdf
[30] Government of Türkiye, "Act No. 6331 on Occupational Health and Safety", (2012), at: https://natlex.ilo.org/dyn/natlex2/r/natlex/fe/details?p3_isn=92011
[31] Government of Türkiye, "Law No. 3146 amending the Law on the Organization and Duties of the Ministry of Labour and Social Security", (1985), at: https://natlex.ilo.org/dyn/natlex2/r/natlex/fe/details?p3_isn=108047&cs=14lkuiPqA0JKnteAaOE4UV0EuCRIIMyUxT7c0DI95Qav5__82ldmgzCuTZ9LxlCWZ-JhapC5G3jduxH-EFBAp0w
[32] Aydem, "Contractors Occupational Health and Safety Procedure", at: https://www.aydemyenilenebilir.com.tr/upload/custom/PDF/Politikalar/ENG/Contractors-Occupational-Health-and-Safety-Procedure.pdf
[33] Aydem, "Environmental Dimension Impact Analysis Procedure", at: https://www.aydemyenilenebilir.com.tr/info/24/policies
[34] Aydem, "Climate Policy", (2024), at: https://www.aydemyenilenebilir.com.tr/info/24/policies
[35] Aydem, "Integrated Annual Report", (2024), at: https://www.aydemrenewablesinvestorrelations.com.tr/media/2024%20Faaliyet%20Raporlar%C4%B1/AYDEM_Entegre_Faaliyet_Raporu_2024_EN_1741761700.pdf
[36] Aydem, "Code of Conduct and Business Principles", (2024), at: https://www.aydemyenilenebilir.com.tr/info/41/code-of-conduct-and-business-principles
[37] Ibid.

- As a signatory to the United Nations Global Compact, Aydem conforms to its 10 principles, including human rights, labour, the environment and anti-corruption, and transparently discloses its performance regarding these principles to the UN Global Compact.[38] In line with the principles, the Company commits to avoiding any violation of human rights, forced or child labour, environmental degradation and corruption.[39]

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Aydem has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

The use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

Importance of financing renewable energy in Türkiye

The power sector is the largest contributor to Türkiye's GHG emissions, accounting for 30% of the country's CO_2 emissions in 2021.[40] The energy sector's GHG emissions increased by nearly 180% between 1990 and 2022 and are expected to rise further.[41,42] In addition, the energy sector is dominated by fossil fuels (coal, oil and natural gas), which accounted for 85% of the country's energy mix in 2021.[43] As part of its ratification of the Paris Agreement in 2021, Türkiye has committed to achieving net zero GHG emissions by 2053.[44] In 2022, Türkiye further committed to reducing GHG emissions by 41% below business-as-usual levels by 2030.[45] According to the Climate Action Tracker, Türkiye would need to phase out coal-fired power generation and increase renewable electricity generation to 80% by 2030 and fully decarbonize its electricity generation by 2050 to achieve its climate targets.[46]

Solar, wind, geothermal, biomass and hydropower accounted for 15.1% of Türkiye's energy supply in 2023,[47] with the share of renewables in the country's total energy mix increasing by 66% between 2016 and 2023.[48] Türkiye aims to continue this expansion, aiming to commission an additional 10 GW of solar and wind capacity in the period 2017- 2027.[49] The Government of Türkiye estimates that the country's annual wind and solar energy capacity will reach 48,000 MW and 1,527 kWh/m^2, respectively within the same time period.[50] Additionally, the overall Turkish renewable energy generation capacity, excluding hydropower, is expected to increase from 19.1 GW in 2020 to 49.3 GW by 2030.[51] According to Shura, a Turkish energy resource centre, Türkiye needs to invest approximately USD 135 billion in the energy transition between 2022 and 2030, including in renewable energy, energy efficiency and electrification, to achieve its energy transition goal.[52]

Based on the above, Sustainalytics is of the opinion that Aydem's investments in renewable energy projects have the potential to provide a positive environmental impact by reducing carbon emissions and improving energy efficiency while contributing to Türkiye's climate-related goals.

[38] United Nations Global Compact, "The Ten Principles of the UN Global Compact", at: https://www.unglobalcompact.org/what-is-gc/mission/principles
[39] Aydem Renewables, "Aydem Renewables signed UN Global Compact", at: https://www.aydemyenilenebilir.com.tr/info/33/un-global-compact
[40] Climate Transparency, "Türkiye: Climate Transparency Report 2022", at: https://www.climate-transparency.org/wp-content/uploads/2022/10/CT2022-Türkiye-Web.pdf
[41] Turkish Statistical Institute, "Greenhouse gas emissions statistics, 1990-2022", (2024), at: https://data.tuik.gov.tr/Bulten/Index?p=Greenhouse-Gas-Emissions-Statistics-1990-2022-53701&dil=2
[42] IEA, "Türkiye 2021: Energy Policy Review", (2021), at: https://iea.blob.core.windows.net/assets/cc499a7b-b72a-466c-88de-d792a9daff44/Türkiye_2021_Energy_Policy_Review.pdf
[43] Ibid,
[44] UNDP, "UNDP supports Türkiye in charting a course to net zero by 2053", (2021), at: https://www.undp.org/turkiye/press-releases/undp-supports-Türkiye-charting-course-net-zero-2053
[45] Kucukgocmen, A. (2022), "Türkiye Raises Greenhouse Gas Emissions Reduction Target for 2030", Reuters, at: https://www.reuters.com/business/cop/Türkiye-boosts-greenhouse-gas-emission-reduction-target-2030-2022-11-15/
[46] Climate Action Tracker, "Scaling up climate action: Turkey", (2019), at: https://climateactiontracker.org/documents/672/CAT_2019-11-29_ScalingUp_TURKEY_FullReport_ENG.pdf
[47] IEA, "Türkiye", at: https://www.iea.org/countries/turkiye/energy-mix
[48] Ibid.
[49] IEA, "Türkiye 2021: Energy Policy Review," (2021), at: https://www.iea.org/reports/Türkiye-2021
[50] Ibid.
[51] Balkan Green Energy News, "Renewable power capacity in Türkiye to more than double by 2030 to 50 GW", (2021), at: https://balkangreenenergynews.com/renewable-power-capacity-in-Türkiye-to-more-than-double-by-2030-to-50-gw/
[52] Shura, "Executive Summary: Financing the Energy Transition in Türkiye within the Context of the Green New Deal", (2022), at: https://shura.org.tr/wp-content/uploads/2022/06/SHURA-2022-06-Financing-the-Energy-Transition-in-Türkiye-within-the-Contexti.pdf

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Aydem Renewables Green Financing Framework are expected to help advance the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

Conclusion

Aydem has developed the Aydem Renewables Green Financing Framework, under which it may issue green bonds, loans, corporate hybrid bonds, convertible bonds, private placements and project finance and use the proceeds to finance or refinance renewable energy projects in Türkiye. Sustainalytics considers that the eligible projects are expected to provide positive environmental impacts.

The Framework outlines a process for the tracking, allocation and management of proceeds and makes commitments to report on allocation and impact. Sustainalytics is of the opinion that the Framework is aligned with the overall sustainability strategy of the Company and that the use of proceeds categories will contribute to the advancement of UN Sustainable Development Goal 7. Additionally, Sustainalytics is of the opinion that Aydem has adequate measures in place to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that Aydem is well positioned to issue green bonds and loans, and that the Aydem Renewables Green Financing Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2025.

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