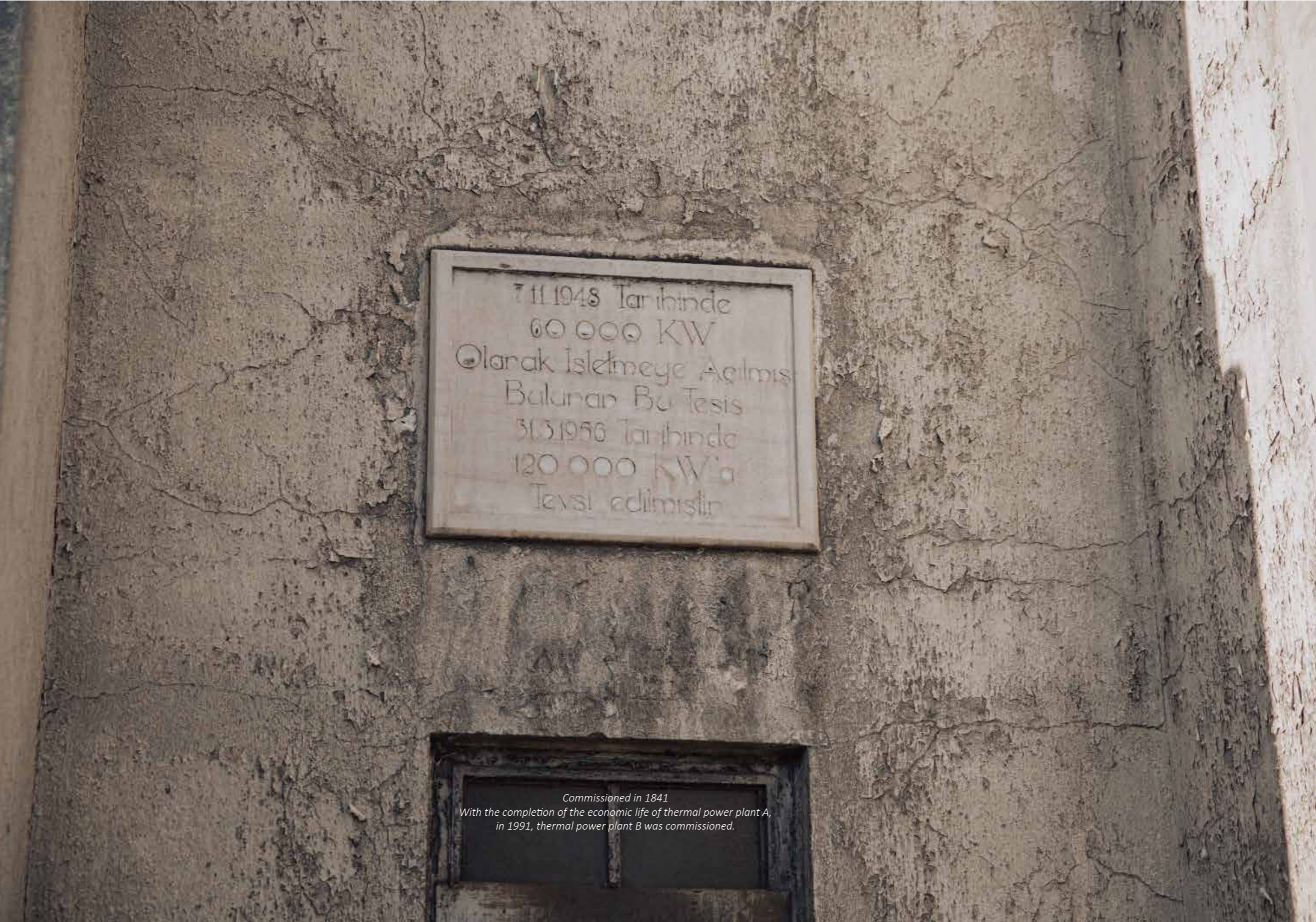




**ÇATALAĞZI**  
TERMİK SANTRALİ

**Sustainability**  
Report **2022**



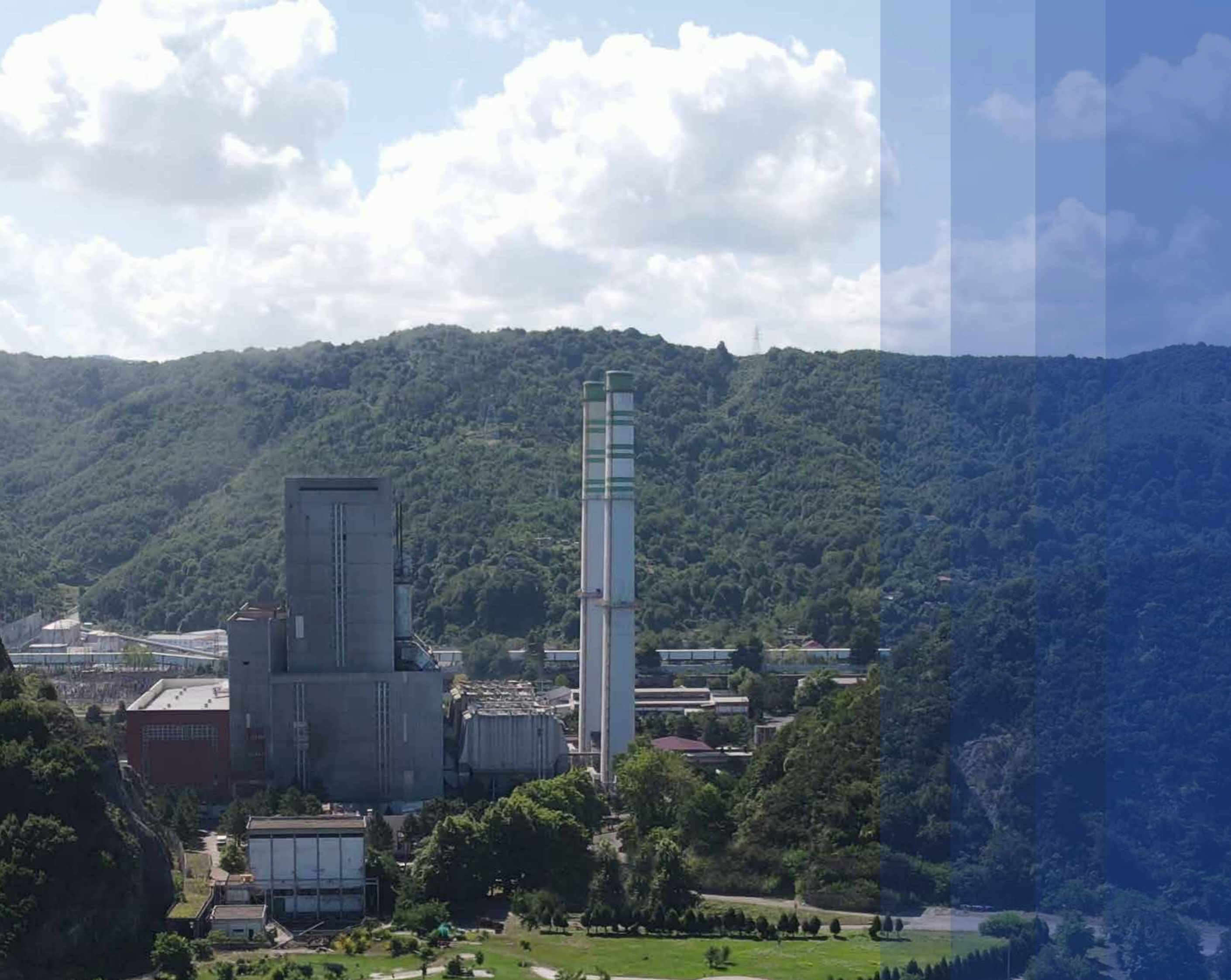
Commissioned in 1841  
With the completion of the economic life of thermal power plant A,  
in 1991, thermal power plant B was commissioned.

## About the Report

Çatalağzi Thermal Power Plant is an important part of Turkey's power generation portfolio. We continue our operational excellence-oriented activities based on an efficient and flexible management strategy, seizing opportunities in the sector. We aim to create lasting and sustainable value for our partners, customers, employees, suppliers and all stakeholders of the society in which we operate. We share our contributions to sustainable development with our stakeholders through the sustainability report we published for the first time this year.

Our report, which covers the operating period of Çatalağzi Thermal Power Plant between 1 January-31 December 2022, addresses the environmental, economic and social impacts of our operations and sustainability focus areas. Our report, which takes into account the energy sector in which we operate and global sustainability trends, has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. In addition, the approach, practices and plans regarding the material issues, which we have created in accordance with GRI's materiality principle and supported by a comprehensive stakeholder engagement, are detailed in our report.

The 2022 Sustainability Report has been prepared in Turkish and English the data and information other than the financial data in the report have not been subjected to any independent external audit process. You can send your opinions, suggestions and feedback about the report to [catestermik@cates.com.tr](mailto:catestermik@cates.com.tr).



## Corporate Profile

## General Manager Message



Dear Stakeholders

Since the day we incorporated Çatalağzi Thermal Power Plant (ÇATES), the first thermal power plant of the Republic of Turkey, into Aydem Holding in December 2014, we have been working for our country, our environment, our employees and our stakeholders by saying “always further”. The fact that ÇATES is one of the leading companies in national energy production, providing uninterrupted power to our country by using our domestic resources since 1948, is both a source of pride for us and a source of motivation to take our services one step further. For this purpose, we have been meticulously carrying out our work since day one.

While increasing our efforts to ensure the continuity of energy in our country, we continuously work to minimise the direct and indirect impacts of our operations on the environment. With our Sustainability Report, which we published for the first time this year, we wanted to share with all our stakeholders our efforts and activities that we show with all our sensitivity for the uninterrupted energy supply of our country.

As ÇATES, we always focus on people while carrying out our activities. Acting in this context, we have established the necessary strategies to realise our business activities within the framework of the health, safety and welfare triangle for a sustainable and safe future.

*Together, we will continue to work for a brighter and more sustainable future.*

Thanks to this strategy, which aims to minimise risks to the safety and health of our employees, we have provided our employees with a healthy, safe and motivating working environment. In this context, we support our employees with training and awareness programmes to prevent occupational accidents, to create the highest standards, and offer new opportunities for continuous development. In 2022, all employees received 15 hours of occupational health and safety training per person and 374 employees received 5.34 hours of technical and personal development training. In addition, we have initiated digitalisation efforts to organise and digitalise corporate archives and ensure document and information security.

As a company operating to ensure the continuity of life, we have increased our availability rate, which is one of the most important indicators of energy production efficiency, well above the sector average with the reinforcement, regular maintenance works and investments we have carried out in our power plant thanks to our know-how and engineering competence. In this respect, Çatalağzi Thermal Power Plant has achieved the highest electricity generation of the last 11 years with 1,867,412 MWh produced in 2022. In addition, this energy produced is the highest amount of energy generated after privatisation. Our availability rate in 2022 was 76%.

We attach great importance to providing a safe, transparent, fair and supportive work environment for our employees based on fundamental rights, freedoms and equal opportunities. We advocate the need for women to be active in economic life at all levels and we are proud to have signed the United Nations Women’s Empowerment Principles (WEPs). We are working on the Equal Life initiative to extend our efforts on gender equality to our internal corporate culture and all our stakeholders. We believe that domestic violence and abuse is a fundamental equality issue and a violation of human rights, and accordingly, on 25 November, the International Day for the Elimination of Violence against Women, we published the Procedure for Combating Domestic

Violence to create an equitable, safe work environment where our employees who are exposed to violence can safely and confidentially seek help, reflecting our zero-tolerance policy against all forms of violence.

In the evaluation conducted by the Great Place to Work Institute®, our employee-oriented approach and practices enabled us to regain the success we achieved in the previous year. While updating our ‘Great Place to Work’ certificate within the scope of this programme, we ranked 18th among companies with 250 to 499 employees in the Turkey’s Best Employers 2022 List as a result of our employees’ evaluation.

We fulfil our responsibility in coordination with state institutions in natural disasters that occur in our country. In recent years, we have supported the disaster areas with our professional teams in natural disasters such as earthquakes, fires and floods that have grieved our country and we will continue to do so. At the same time, we organise trainings on subjects such as fire extinguishing in schools in order to raise awareness of our people about what to do in such situations.

We will continue to work with the awareness of the key role we play in Turkey’s energy production and add value to life with all our sensitivity.

On this occasion, I am very pleased and proud to transparently share with our stakeholders our first Sustainability Report, which was prepared to show the impact we have created in our entire value chain, including our employees, society and the environment, and to convey our work in the field of sustainability, which we started a long time ago and continue to improve and renew ourselves.

Thank you for accompanying us on this journey.

**Hamdi ALP**  
General Manager

## Company Milestones

### “ÇATES from Past to Present”

Since the 120 MW Çatalağzı A power plant, which was started to be constructed in 1946 in order to meet the increasing electrical energy deficit of the developing industry of our country, would reach the end of its economic life in 1982, it was decided to build a new power plant with a power of 1x157,34 MW in the 1974 investment programme.



1974

1986

The expansion of the 1x157,34 MW Çatalağzı B power plant with a second unit of 157,34 MW was approved by the decision of the High Coordination Council for Economic Affairs dated 25.06.1986 and numbered 86\_15.



1991

#### ÇATES B THERMAL POWER PLANT

Unit 1 with an installed capacity of 2x157.34 MW: 19.10.1990,  
Unit 2: Started commercial operation on 05.07.1991.

2014

#### Incorporated into AYDEM Energy

ÇATES Thermal Power Plant was taken over by AYDEM Holding on 1 December 2014.

“Çatalağzı Thermal Power Plant providing uninterrupted power to Turkey”

## Corporate Profile

ÇATES-A thermal power plant, the first thermal power plant of the Republic of Turkey, was established in 1948. ÇATES B thermal power plant was commissioned in 1989 after the ÇATES A power plant reached the end of its economic life. Privatised in December 2014, our power plant continues its production within Aydem Holding.

### *The first thermal power plant of the Republic of Turkey*

Çatalağzi Thermal Power Plant is a power plant located in the northwest of Zonguldak province and uses coal to generate thermal energy. The construction of the power plant started in 1974 and was completed in 1989. The power plant generates electricity by using waste products of the Zonguldak hard coal basin, such as low calorific mix, slurry and light shale extracted by the lavvuarisation method, as fuel.

### **Total Installed Capacity 314.68 MW**

Our power plant has two units consisting of two 157.34 MW turbine generators. The total installed capacity of the power plant is 314.68 MW and we generate an annual average of 2,286 GWh of electricity. Our power plant is recognised as one of the largest thermal power plants in Turkey.

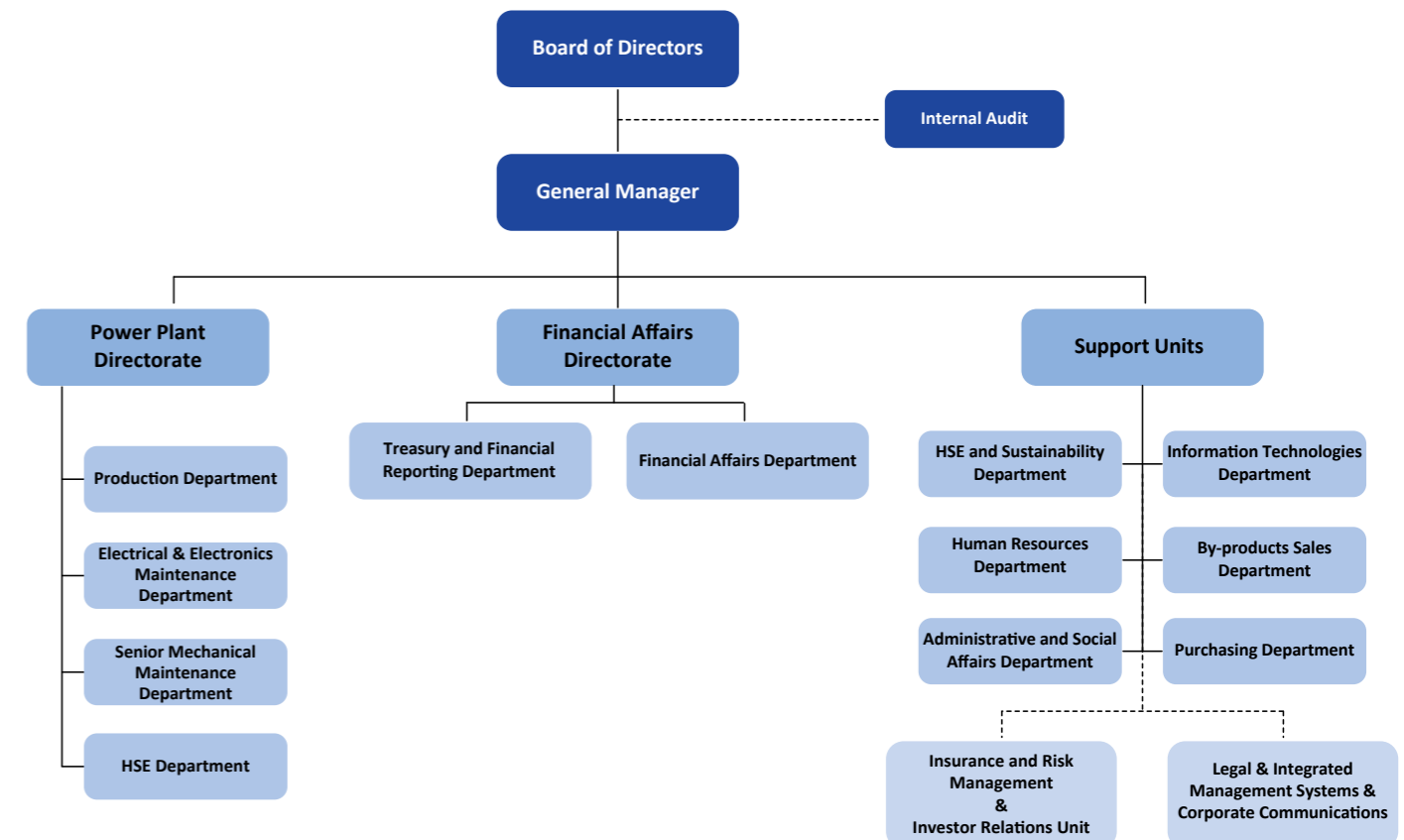
The power plant is owned and operated by Çates Elektrik Üretim A.Ş. The company is a subsidiary of Aydem Energy. The power plant contributes to Turkey's energy supply security and strives to minimise its environmental impact for sustainable energy generation. The power plant pursues strategies such as reducing carbon emissions, increasing energy efficiency and investing in new technologies.

Çatalağzi Thermal Power Plant cares not only about its economic activities, but also about the social development of the region and its employees. For this purpose, the social investments it has realised over the years are gathered under a single roof and carried out in a more institutionalised and effective manner. Aydem Energy makes a difference in many areas by contributing to social transformation with the "Aydem Equal Life" and "Aydem Academy" programmes.

### **Availability Rate at ÇATES is 76%.**

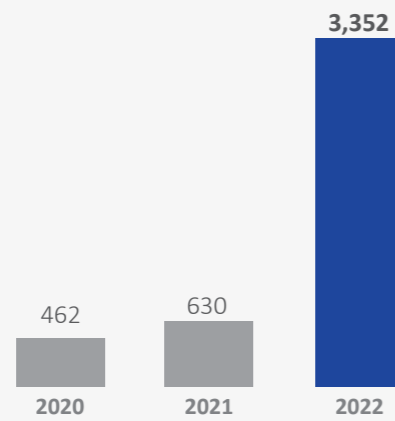
Operational sustainability at ÇATES is carried out in parallel with efficient operation. In this context, the availability rate, which is one of the most critical data indicating the efficiency of the power plant in the sector, increased by 58% in 2022 compared to the previous year and reached 76%.

## Organisation Structure

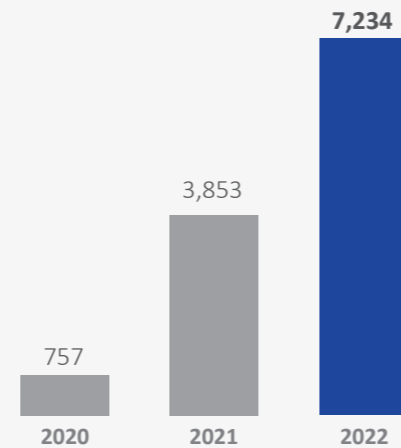


# ÇATES at a Glance

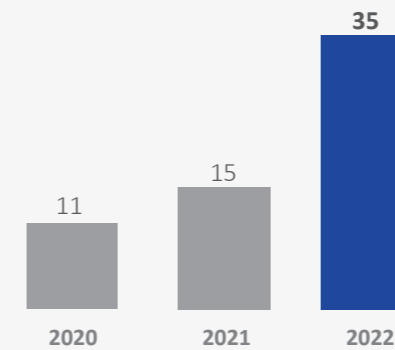
**Net Sales Revenue** Million TL



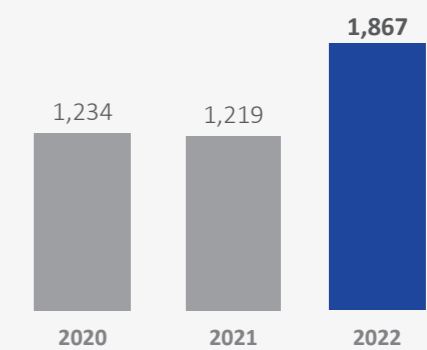
**Total Assets** Million TL



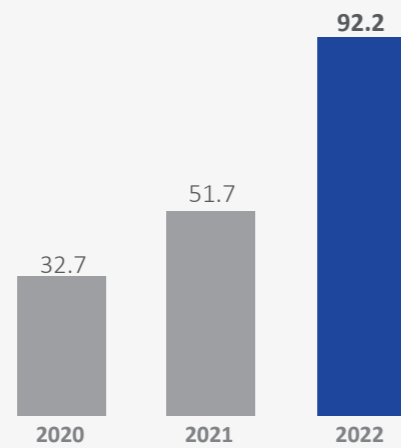
**Total Investment Amount** Million TL



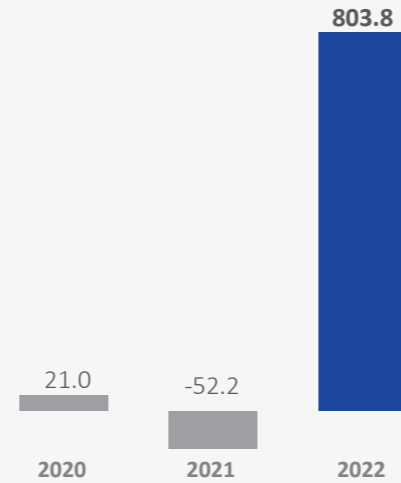
**Electricity Generation (Gross)** Thousand MWh



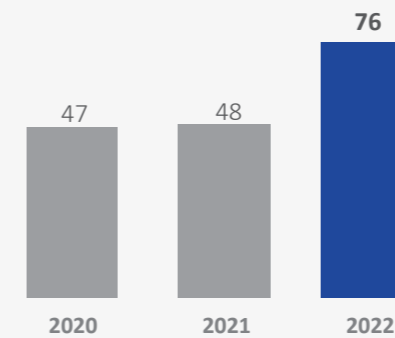
**Economic Value Created for Stakeholders\*** Million TL



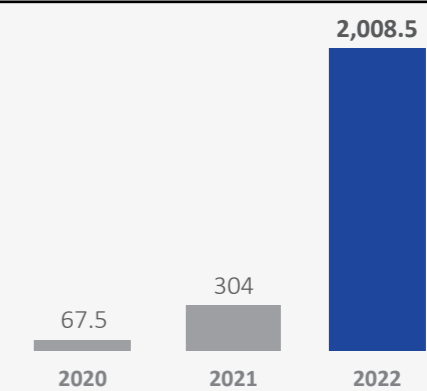
**Operating profit** Million TL



**Availability Rate** %



**Employee Trainings** (person/hour)



**Total Installed Power**  
314.68 MW

**Total Number of Employees**  
373 Kişi

**Production Capacity**  
2,286 GWh

\*Wages and benefits paid to employees, tax and similar payments to the government, social responsibility projects, sponsorships and donations are included.



## Our Corporate Values

### Sensibility

While carrying the organisation to the future by doing our job in the best way; we fulfil 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 in 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 behaviour affects others.

### Dynamism

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

### Touching Life

“Human” is at the centre of every work we do and every step we take. Our continuous development, curiosity, inquisitive spirit and the expertise we have gained 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 improve the quality of life of our stakeholders by accurately analysing their needs and expectations.



# Sustainability Management

# Sustainability Governance Structure

Global trends in sustainability require a new paradigm where the value cycle is considered holistically. It is critical to take strategic and concrete steps to achieve the goal of low emission production. Developing new business models by integrating sustainability into business strategies not only increases long-term competitiveness, but also provides short and medium-term benefits such as new revenue opportunities, better understanding of customer behaviour, management of climate risks and opportunities, and lower costs and risks along the supply chain. As Çatalağzı Thermal Power Plant, we continue our efforts to take the necessary steps under changing and transforming global conditions without slowing down and we approach our activities with a sustainability approach.

In line with our vision of becoming a leading and exemplary organisation in the energy sector, we attach great importance to sustainability governance. In this respect, our company's sustainability strategies, targets, policies and performance are planned, monitored and reported at the board level.

**A transparent, accountable and stakeholder-oriented sustainability approach**

At Çatalağzı Thermal Power Plant, our journey to achieve sustainability goals is supported by a robust governance structure. Our sustainability governance approach includes a transparent, accountable and stakeholder-oriented approach.

*The ÇATES Sustainability Committee is critical for the company to make better decisions and achieve its sustainability goals more effectively.*

Our sustainability activities are among the responsibilities of the Board of Directors and the work carried out is supervised and supported. In 2022, the committee held its first meeting and started to work on the preparation of the sustainability report.

A comprehensive monitoring and archiving system has been established to measure and evaluate our sustainability performance. Our environmental impacts, social contributions and governance practices are continuously measured, data are analysed and results are regularly reported to senior management on a daily, weekly, monthly and annual basis. Our determined performance targets are evaluated within the scope of Key Performance Indicators. This process plays a vital role in enabling our company to make better decisions and achieve its sustainability goals more effectively.

In 2022, the committee held its first meeting. The

aim of the committee is to develop a culture of sustainability, life, occupational health and safety that covers the Company's employees and all operating facilities, and to proactively adopt and develop a safe behaviour approach, including environmental regulations and activities. In addition, it is to inform the Board of Directors about preventive/improvement measures to ensure the implementation of sustainability principles, areas that may create opportunities and operational results. The Terms of Reference cover all social, environmental, occupational health and safety issues to be evaluated by the Committee.

The Committee is responsible for the assessment of targets and evaluation of key performance indicators (KPIs) on sustainability, OHS, environmental and social issues. The Committee consists of the General Manager, Power Plant Director, HSE and Sustainability Group Director, HSE and Sustainability Manager and HSE and Sustainability Manager. The Chairman of the Sustainability Working Group also attends the Committee and contributes to the agenda items and records the meeting notes. If there are items on stakeholder engagement and social impact on the meeting agenda of the Committee, the Human Resources Manager also participates. The General Manager chairs the Committee.

**Integration and Compatibility**

Our strong governance structure flexibly adapts to national and international regulations and regulatory changes.

**Reputation Management**

The leadership of the Board of Directors in managing stakeholder relations strengthens our company's relations with its external stakeholders.

**Financial Responsibility**

A comprehensive financial assessment of sustainability investments and initiatives is also provided.

**Effective Risk Management**

The fact that our governance structure makes strategic plans by taking these risks into consideration enables our company to proactively address climate-related risks.

**Leadership and Culture**

The adoption of sustainability by our Board of Directors reflects positively on our corporate culture. This leads to a more effective awareness and implementation of sustainability issues.



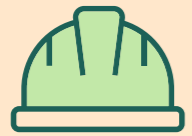

**Stability**

The direct responsibility of the Board of Directors helps our company to adopt a long-term and decisive approach towards sustainability goals.

## Sustainability Goals

Increasing our environmental and social impact and success as well as our financial success in our operations is the result of our sustainability efforts. Our main sustainability goals are to minimise our carbon footprint throughout our operations, to ensure efficient resource utilisation, and to enlarge our corporate handprint where we make our employees and stakeholders feel the power of ÇATES. Accordingly, we attach importance to ensure that the meaningful and measurable targets we set each year in environmental and social areas are in line with our Company's business strategy and Sustainable Development Goals.

Our sustainability goals,

 <p>Reduce our carbon footprint by 2030</p>	 <p>To contribute to the circular economy by recovering ash and slag wastes</p>
 <p>To raise occupational health and safety standards, to continue social contribution projects</p>	 <p>Investing in the training and development of our employees</p>

## Business Ethics and Corporate Governance

*The Code of Ethics and Conduct Procedure defines the basic principles of our ethical perspective.*

At ÇATES, we believe that there is a clear link between the implementation of ethical business standards and successful financial results. As the leader of its sector, we support the establishment of ethical business ethics in every practice in its sphere of influence, which complies with the laws, does not compromise honesty and transparency.

The Code of Ethics and Working Principles we apply at ÇATES is one of the main factors of our reputation and sustainable success in the sector. In this respect, behaving in an unethical manner contrary to the principle of honesty or going beyond the working principles are included within the scope of ethical review or disciplinary investigation. All employees of our company are obliged to act in accordance with these rules.

At ÇATES, our employees are obliged to carry out their responsibilities in accordance with the written laws, by-laws and legislation in force and general tendencies. Our employees may not engage in any illegal activity or inform anyone in this way while carrying out their responsibilities in the Company or performing their daily work.

Our Company's core values and principles guide the rules of business ethics and constitute the standards and ethical practices that form the basis of all business relations and transactions. The Code of Ethics and Code of Conduct defines the rules that our Company and all third parties

and employees acting on behalf of our Company must comply with, employee rights, as well as the company's ethical valuation and basic principles. Questions and notifications received through our communication channels regarding employee responsibilities, confidentiality, protection of personal information of customers, information belonging to company property, information retention, access to confidential information, protection of information on computer hardware, internal and external relations, media relations, conflicts of interest, corporate opportunities, borrowing, bribery, political activities, gifts, donations, transactions made on behalf of the company, company resources, harassment and psychological harassment (mobbing), occupational health and safety and all other basic principles are meticulously examined and resolved.

***The Code of Ethics and Conduct Procedure defines the basic principles of our ethical perspective.***

In this context, "Ethical Rules and Working Principles Procedure", "Ethical Review and Investigation Practices Procedure", "Ethics Committee and Disciplinary Committee Structure and Working Order Procedure" have been published and implemented. Our employees can reach the Ethical Principles Notification Line via e-mail and/or the dedicated telephone line at any time of the day.

## Health Safety Environment (HSE) and Sustainability Policy

As ÇATES, Turkey's leading energy company, our top priority is to provide a healthy and reliable working environment for all our employees by ensuring the highest standards in our company management, and to act with environmental awareness in our internal and external activities.

We manage and organise our processes by integrating the concept of sustainability, which we address with environmental, social and governance dimensions, into our business processes, and by taking our way of doing business that respects

nature and people as the basis of all our activities.

While we continue to work with our 'sustainable', 'innovative' and 'people-oriented' approach for the future of the society we serve, we are a signatory of the United Nations Global Compact (UN Global Compact), the world's largest sustainability initiative with more than 15,000 company members in more than 160 countries.

Our Sustainability Policy consists of the following articles:

- To create and improve effective management systems in all processes in our company in order to provide sustainable service at the level of national and international standards,
- To develop our sustainability strategies by adhering to ethical rules, anti-corruption and compliance principles,
- To create a culture in which safe and healthy working habits are internalised and to provide the necessary resources,
- To integrate the risk management process holistically into all our business processes and to take proactive measures,
- To prefer environmentally friendly and energy efficient products, services and technology, and to realise our investments and activities by taking into account their impact on environmental, social, natural and cultural heritage,
- To take care to protect the environment and prevent pollution with a sustainable development perspective and to improve our recycling methods by reducing waste at its source,
- To increase the loyalty and welfare of our employees, to provide equal opportunities and to maximise employee participation in order to ensure sustainable efficiency,
- To pay attention to the follow-up of sustainability criteria in our supply chain and to spread awareness on sustainability to our entire value chain,
- Taking into account the expectations of our stakeholders on sustainability issues, ensuring the availability of the necessary resources, integrating sustainability into all organisational levels of our company,
- To provide services to the society with our corporate social responsibility approach and to continue our cooperation.

## Material Sustainability Issues

*The materiality matrix reflects the demands of stakeholders as well as a self-assessment process to maximise value creation and benefit to all stakeholders.*

At ÇATES, we regularly conduct internal and external stakeholder assessments to understand the expectations and needs of our stakeholders and to improve our sustainability performance. This study was conducted to determine the sustainability strategy of ÇATES, to receive stakeholders' opinions and suggestions, and to provide guidance on how ÇATES should shape its corporate sustainability vision.

Within the scope of our sustainability reporting, we identified our material issues in environmental, social and economic dimensions through stakeholder and materiality analysis studies conducted in accordance with the GRI Standard. The materiality matrix we created reflects the demands of our stakeholders as well as the issues that create value and a self-assessment process to maximise the benefit provided to all stakeholders. Our ÇATES HSE and Sustainability Department is responsible for the implementation and monitoring of the issues identified in the matrix.

In addition to megatrends, sectoral and national sustainability trends, we identified the material topics included in the sustainability report we published for the first time this year through the insights we received from senior management and the surveys we conducted with our stakeholders. Potential business impacts and stakeholder expectations regarding capital market regulations were analysed through our internal and external stakeholder surveys and desk studies. The topics included in the matrix were determined by considering the correlation between the priorities of the sector, global sustainability trends and the United Nations Sustainable Development Goals.

With the materiality analysis, the expectations of our stakeholders from the Company and the impact of important sustainability issues on ÇATES operations were evaluated. The results of our studies are presented in the Materiality matrix.

## Sustainability Priorities and Sustainable Development Goals (SDGs)

As ÇATES, we evaluate all our environmental, economic and social impacts for sustainable development within the scope of the United Nations Sustainable Development Goals and aim to continuously increase our positive impact on the SDGs. The United Nations invites companies to take action through innovations and co-operation through 17 goals set to manage economic, social and environmental processes until 2030. While we contribute to SDGs with the good practices we implement throughout our operations, we also encourage all our stakeholders in the value chain to support these goals.

**Scale**

We follow the national/international agenda, evaluate global sustainability trends and identify material issues for ÇATES in order to identify and minimise the risks we face and to effectively benefit from potential opportunity areas.

**Determine**

We conducted assessment studies with our stakeholders in order to establish the relationship between our Company's success and our stakeholders' expectations from ÇATES in relation to the material sustainability issues we identified. We have included different categories of internal and external stakeholders in the process in order to achieve homogenous representation and meaningful results.

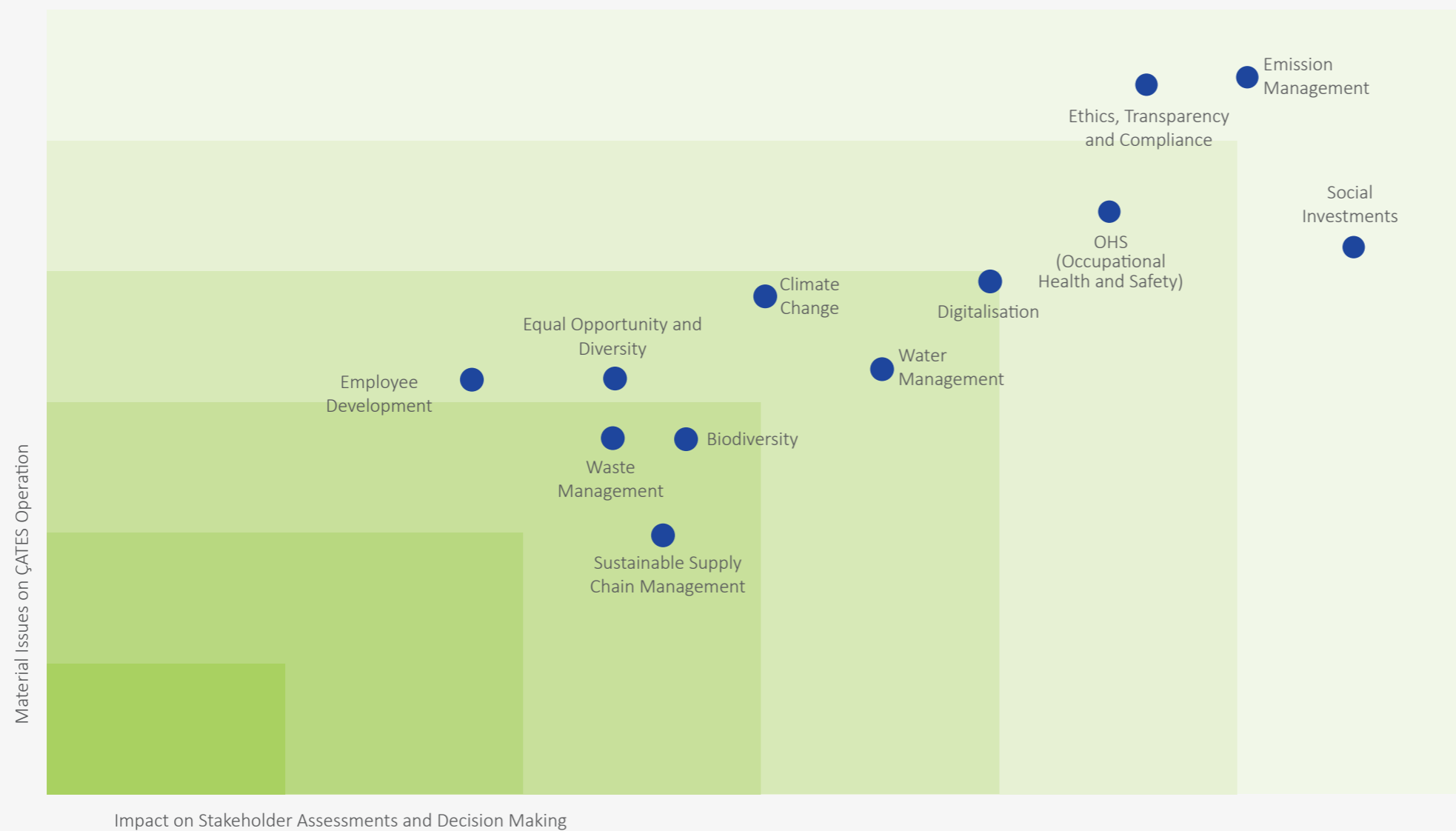
**Manage**

We have included the material issues we identified in line with the feedback we received from our internal and external stakeholders in our business strategies. In this context, the sustainability committee distributes tasks for each material issue and monitors progress.

We have identified specific performance indicators to measure progress in the management of material issues, which enable us to continuously evaluate the effectiveness of our strategy.

Environment	<ul style="list-style-type: none"> <li>• Climate Change</li> <li>• Biodiversity</li> <li>• Waste Management</li> <li>• Water Management</li> <li>• Emission Management</li> </ul>	<p>To positively contribute to and adapt to the impacts of climate change by reducing greenhouse gas emissions throughout the value chain</p> <p>Minimising environmental impacts while moving towards the goal of reducing emissions</p> <p>Reducing the amount of sea water used as cooling water, increasing the efficient use of natural resources</p> <p>Maximising reuse and recycling by reducing waste generation, supporting the transition to a circular economy</p> <p>Sustainability of aquatic life, to ensure the protection of water resources</p>
Employees and Society	<ul style="list-style-type: none"> <li>• Employee Development</li> <li>• Equal Opportunity and Diversity</li> <li>• Occupational Health and Safety</li> <li>• Social Investments</li> </ul>	<p>Respect employee rights and provide a healthy and safe working environment for all employees; encourage stakeholders to provide the same standards</p> <p>To create the best working environment and equal opportunities for all employees by systematically increasing diversity, equality and inclusion</p> <p>Support socio-economic development through effective dialogue and stakeholder engagement in the conduct of its operations</p>
Transparent Governance	<ul style="list-style-type: none"> <li>• Sustainable Supply Chain Management</li> <li>• Digitalisation</li> <li>• Ethics, Transparency and Compliance</li> </ul>	<p>Ensuring transparency, creating a basis for co-operation with critical stakeholders</p> <p>To further strengthen the compliance culture of ÇATES and integrate business ethics practices into the business model</p> <p>Implementing effective, accountable and transparent management practices at all levels</p> <p>To ensure the quality use of data and information by integrating technological innovations into operations and business processes</p>

# Materiality Analysis



- ### Material Sustainability Issues
- Climate Change
  - Biodiversity
  - Waste Management
  - Water Management
  - Emission Management
  - Employee Development
  - Occupational Health and Safety
  - Equal Opportunity and Diversity
  - Social Investments
  - Sustainable Supply Chain Management
  - Digitalisation
  - Ethics, Transparency and Compliance

# Integrated Management System

Our operations at Çatalağzı Thermal Power Plant are carried out with the Integrated Management System. Our internationally recognised certificates ensure that energy is produced safely and efficiently. At Çatalağzı Thermal Power Plant, many areas from our occupational health and management systems to our quality management systems are accredited with ISO certificates. By obtaining these certificates to provide better service to our stakeholders, to help protect the environment and to implement best practices, our Company minimises potential risks in its operations.

*Our Integrated Management System enables us to handle our processes with a risk and opportunity management approach and to use our human, financial and environmental resources efficiently through continuous improvement.*

Corporate culture and communication

**Risk management**  
**Effective decision making**  
**Compliance**  
**Continuous Improvement**  
**Resource use**



### ISO 9001: Quality Management Systems

At ÇATES, we believe that providing safe energy without compromising quality is possible through well-designed workflows. Our ISO 9001 Quality Management System helps to effectively meet the requirements of legislation, regulations and standards. In this context, ISO 9001 Quality Management System is an indication of the

efficiency, processes and structures within our Company are continuously improved. It enables us to achieve cost savings while minimising management risks due to the best implementation of standard requirements in our operations.



### ISO 14001 - Environmental Management Systems

Our company carries out its operations in accordance with ISO 14001 Environmental Management System. ISO 14001 provides a systematic to reduce and manage our environmental impacts, ensure continuous environmental performance, and comply with

applicable legal and corporate requirements. With ISO 14001, which enables environmental performance management at every stage of our operations, we prioritise environmental issues and monitor them continuously.



### ISO 45001: Occupational Health and Safety Management Systems

Our company has ISO 45001 Occupational Health and Safety Management System certification. This certification guides our employees, suppliers and contractors in providing a safe and healthy workplace by enabling them to manage OHS risks and opportunities. As Çatalağzı Thermal Power Plant, we evaluate occupational health and safety impacts with a more proactive approach

to eliminate hazards and minimise safety risks. With the ISO 45001 OHS Management System, our company better monitors key performance indicators in the field of health and safety and evaluates areas open to improvement. The good practices implemented provide a safe environment for our employees and increase the efficiency of operations.



### ISO 50001 Energy Management System

At Çatalağzı Thermal Power Plant, it is critical to use the energy we use throughout our operations under optimum conditions and to identify efficiency points as well as efficient energy production. With our ISO 50001 certificate, we use our energy resources more consciously and reduce

our potential impact on the environment. We constantly review and improve our performance. By adopting innovative technologies and increasing the energy awareness of our employees, we advocate a sustainable energy management approach not only for today but also for our future.



### ISO 27001 Information Security Management System

With our ISO 27001 Information Security Management System, we harmonise the information management processes of our power plant with international best practices. Thus, we ensure both operational efficiency and maximum information security for all stakeholders. At Çates, we closely follow technological advancements

and consider the digitalisation of processes and keeping automation up-to-date as critical indicators for efficient production. The information security discipline offered by ISO 27001 allows our centre to adapt to these technological innovations quickly and safely.



Environmental Sustainability

# Environmental Sustainability at ÇATES

The main objective of our environmental management approach at Çatalağzı Thermal Power Plant is to minimise our environmental impacts, wastes and emissions that occur during energy generation. Our Company, which continues its operations in full compliance with the legislation to which we are subject, uses modern filtration and treatment systems to ensure that emissions are kept under control.

At ÇATES, appropriate systems have been established to minimise our cooling water requirements and to ensure its reuse. In addition, we regularly monitor environmental impacts in cooperation with our stakeholders and local authorities for the protection and sustainability of water resources in our region.

While ensuring that ash, slag and other wastes generated as a result of our process are properly stored, transported and disposed of, we are constantly making improvements to reduce our waste generation. Initiated in 2021, the ash dam rehabilitation project covers the improvement works required within the scope of the relevant article of the Regulation on Landfilling of Wastes and safe storage life extension. By the end of 2023, the project will be completed.

Our company's environmental management approach includes measures to protect human health in addition to its impacts on receiving environments. At ÇATES, we continuously monitor the potential effects of environmental factors such as air and water pollution on human health and take necessary measures. We believe that minimising the risks to human health in our company is critical for the sustainability of the power plant.

Working with the goal of zero environmental accidents, our Company organises awareness and awareness-raising trainings to raise environmental awareness. In addition, events, competitions and award programmes are organised to help employees internalise occupational health and safety culture.

By ensuring that the environmental, social and economic impacts of the planned actions are considered holistically, we carry out our activities together with environmental risk assessments from the investment decision stage. We minimise risks by monitoring actions at regular intervals.

*Within the scope of ash dam rehabilitation works, an investment of 19.6 million TL was made as of the end of 2022.*

## Emission Management

Our company carried its work on emissions beyond the legislation and carried out ISO 14064 Carbon Footprint measurements in 2022.

Investments have been made in the treatment systems required to prevent the formation of sulphur dioxide (SO<sub>2</sub>) and nitrogen oxides (NOx) from combustion in our power plant.

In this context, thanks to the electro filter in the chimneys, dust, DESOx system, SO<sub>2</sub>, DENOx system and NOx parameters meet the limit values specified in the legislation.

Thanks to our sensitivity in full compliance with the legislation, our successful practices and our responsible production approach, no environmental fines were received during the reporting period.

We aim to reduce greenhouse gas emissions by preferring new vehicles to be purchased for use in the field as electric vehicles. The number of trucks used in coal supply, which is the main process of the power plant, has been reduced and coal is shipped via belts and wagons, which cause less emissions.

Carbon Footprint ISO 14064 (tonnes CO <sub>2</sub> e)	2022
Greenhouse Gas Emissions Scope 1	2.003.649
Greenhouse Gas Emissions Scope 2	2.309
Greenhouse Gas Emissions Scope 3	544.067

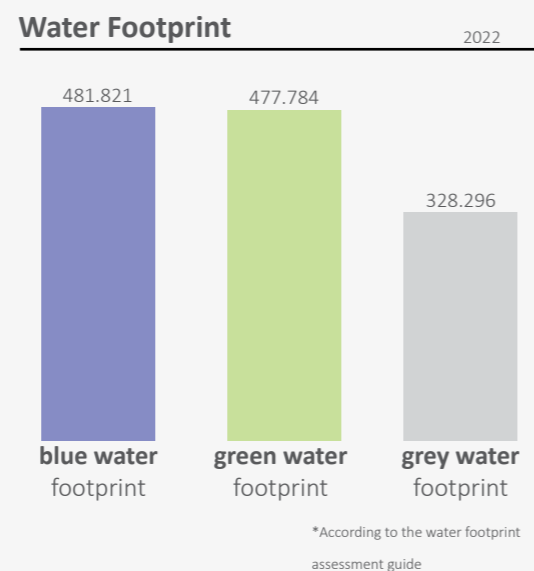
## Water Management

*With the treatment plant investment, 876 thousand m<sup>3</sup> of water usage will be prevented annually.*

Sustainable management of water resources is an important factor for the efficiency of our operations. With this approach, we are working on protecting our water resources and using water more efficiently.

With the aim of reducing the amount of sea water used as cooling water and the consumption of natural resources in our company, all necessary permits have been obtained for the reuse of treated wastewater. With the commissioning of the treatment plant, the annual use of 876,000m<sup>3</sup> of sea water will be reduced. This value is equivalent to 1 year water consumption of approximately 29,200 people.

In our power plant, where industrial and domestic biological wastewater treatment plants are located, compliance obligations are fulfilled by focusing on the requirements of legal regulations for the sustainability of aquatic life, the protection of water resources and the accessibility of sanitary drinking and utility water conditions for every individual. Beyond the applicable legislation, water management is also evaluated in accordance with international standards. At ÇATES, water footprint calculations for 2022 have also been completed. Water footprint calculations were made and verified according to ISO 14046 Standard and The Water Footprint Assesment Manual method.



	Water Withdrawal	Water Discharge
Ground Water (m <sup>3</sup> /year)	-	-
Mains / Surface Water (m <sup>3</sup> /year)	241.553	217.774
Other Receiving Media (Sea Water etc.) (m <sup>3</sup> /year)	239.850	227.858
<b>3rd Party</b>	<b>418</b>	<b>-</b>
<b>Mass Balance</b>	<b>36.190</b>	

## Waste Management

*In 2022, a gain of 9.5 million TL was obtained by recycling waste to the economy.*

At ÇATES, our waste management approach is based on reviewing the relevant processes to prevent and minimise waste at its source, and evaluating recycling options when it is not possible to prevent or reduce waste generation. In this respect, our Company successfully implements circular economy practices in its operations.

As ÇATES, we provide the fly ash generated in the process to cement factories as an alternative raw material within the scope of our efforts to recycle waste into the economy. As a result of this work, 481 thousand tonnes of ash has been recycled

to the economy **in the last three years and the income generated has been approximately 17 million TL.**

We develop good practices for our office waste as well as our process waste. We started to implement the digital transformation project at Çatalağzı Thermal Power Plant in order to organise and digitalise the corporate archives of the companies operating within Aydem Holding and to ensure document and information security. With this application, we aim to support the zero waste process and prevent waste.

	2020	2021	2022
Fly Ash Amount (tonnes)	151.951	167.568	161.609
Efficiency Achieved (Financial-TL)	4.567.737	2.997.571	9.451.712

Thanks to industrial symbiosis at ÇATES, approximately 161 thousand tonnes of waste was recycled to the economy in 2022.



Employees and Social Investments

## Occupational Health and Safety

*In our Company, which values employees and prioritises people, we ensure production sustainability through efficient and safe operations.*

At ÇATES, employee health and safety is one of our highest priorities, and we fulfil national legislation obligations and adopt international business and practices. We evaluate the risks that exist and may occur throughout our operations through R5 (5 minutes for risks), work permit forms and risk assessments. Preventing risks and being ready for emergencies is the main goal of our Company.

We provide training to all our employees on emergencies and risks, and after evaluations are made regarding the issues that pose risks, we carry out campaigns to raise awareness about risks and turn these risks into opportunities. Within the scope of Life Safety and Environment Committee activities, Behaviour Focused Audit and Monthly Planned Safety Checks are carried out. All employees at Çates are committed to comply with the HSE and Sustainability Policy.



## Supply Chain Management



At ÇATES, the success of the efficiency of our operations is directly proportional to the implementation of a correct supply chain management. By accurately planning the flow of raw materials, our company reduces logistics costs and ensures optimum production planning. Successfully managing potential risks in the supply chain, our Company ensures business continuity through its ability to cope with risks such as changes in demand, supplier problems or logistical disruptions, and through continuous review and improvement of supply chain processes.

Establishing long-term relationships with reliable and high quality suppliers is important for the proper functioning of the supply chain. In our supply chain management, we use the supplier evaluation form within the procurement unit processes. With the relevant form, we make evaluations on environment, OHS compliance. The use of the form is carried out according to the supplier evaluation instruction.

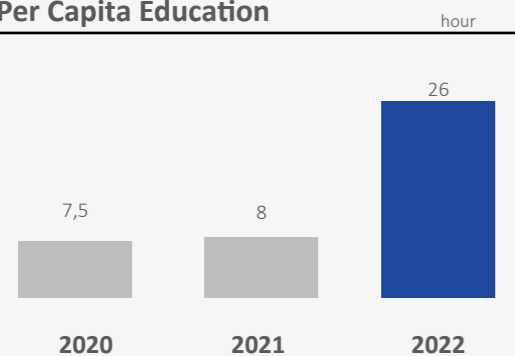
# Employees and Human Resources Applications

Employee motivation is prioritised at ÇATES. With events shaped around our corporate culture and values, where our employees feel valuable, our employees are brought together and motivated socially in addition to their work motivation.

At Aydem Energy, the main shareholder of our company, it is believed that all employees should fully and equally benefit from rights, resources and opportunities, and equally share the responsibilities of life without gender discrimination. This approach has also been adopted by ÇATES. The principle of equal pay for equal work is adopted at ÇATES.

In line with our sustainability vision, we support continuous development by adding value to the development of our employees. In 2022, the number of training hours per person at ÇATES tripled compared to the previous year.

## Per Capita Education



By investing in the individual and professional development of our employees, we reinforce our belief in long-term success and sustainability as a company. ÇATES supports the elimination of child labour. In this context, child labour is not employed at ÇATES. In order to meet the most basic needs of our working mothers and to facilitate their working lives, the milk room project was implemented in our company in 2022.

## Equal Life at ÇATES

At ÇATES, all gender equality-oriented activities in the field of diversity and inclusion are carried out with the "Equal Life" initiative. Launched in 2020, the project works with a team of volunteers to transform the company's culture, organisation, training, recruitment processes, physical conditions, and all messages given within and outside the company with a gender equality approach.

The online meetings organised every month bring together academics, activists and business people to discuss gender equality concepts from different perspectives.

## Football Tournament Started

Çates Elektrik Üretim A.Ş. started the football tournament, the first of which was organised this year to make it traditional. The football tournament, in which teams formed with the participation of all employees of Çates Elektrik Üretim A.Ş. and Entek Elektrik İnşaat A.Ş. competed, started on 7 November at a private carpet field in Kozlu. The children who came to watch their fathers in the tournament also had a good time with the entertainments prepared for them.



## Celebration to the Architects of Our Success

On 5 December World Engineers Day, we celebrated the World Engineers Day of our engineer colleagues working as engineers at Çatalağzı Thermal Power Plant with gifts. We shared with our engineer colleagues with notes containing the celebration message of the General Manager of Thermal Power Plants accompanied by an engineer pen specially designed for our engineers.

## We are together with our Women Employees

On 8 March, all our women employees came together at the breakfast event organised for International Working Women's Day.

Women's Day breakfast, which is traditionally organised every year, was also held this year. At the breakfast, where all women employees were together, wristbands specially prepared for the employees were presented to our female employees to mark the meaning and importance of the day.



## Stakeholder Relations

Successful stakeholder management contributes significantly to the success of the company. Thanks to effective dialogues established with stakeholders, our company increases its social acceptance, maintains its reputation and strengthens its relations with the people of the region where our company operates. This not only positively affects the business environment, but also creates new business opportunities and gives confidence to all other stakeholders.

At ÇATES, we carry out our activities in line with values such as consensus, dialogue and cooperation. Loss of reputation and production is prevented through active stakeholder relations and proper use of communication channels. The needs are met to the extent possible in the light of the information obtained through successful communication with the people of the region in which we operate.



### 23 April National Sovereignty and Children's Day Celebrated Together



We celebrated 23 April National Sovereignty and Children's Day by having fun together with our children. We hosted our children at our 23 April Children's Festival with playgrounds and garden games and animators set up in an area prepared for children in a special astroturf field. Children who attended our festival with their families had fun in garden games and inflatable slides, while their families watched their children and had a pleasant time with our treats. All children were invited to the April 23rd Children's Festival and the children expressed their happiness and thanked Mustafa Kemal Atatürk for gifting this holiday to them. As Çatalağzı Thermal Power Plant, we celebrate 23 April National Sovereignty and Children's Day of all our children, and we are happy to produce Turkey's energy for the future of our children.



### Support from ÇATES to University Students

ÇATES Management sponsored Bülent Ecevit University Automation and R&D Team and supported the students to compete in Teknofest



### Tangerines from LÖSEV

ÇATES Elektrik Üretim A.Ş. supported the sale of "satsuma tangerines" initiated by the Children with Leukaemia Health and Education Foundation (LÖSEV) to support children with cancer by purchasing tangerines. ÇATES management supported the campaign by offering LÖSEV tangerines to its employees at lunch and dinner in the cafeterias.



### Support for Young Talents from Çates

ÇATES management also supported the shooting of a documentary on "Zonguldak", in which Çatalağzi Thermal Power Plant (ÇATES) is also involved. ÇATES management supported the documentary on "The Riches of Zonguldak" shot by Zeynep Sünger, a final year student at Çanakkale University, Faculty of Communication, Department of Radio, Television and Cinema.



### Coastal Cleaning in Çates



Within the scope of Environment Week, coastal cleaning was organised at ÇATES with the participation of volunteers. In the event supported by ÇATES Power Plant Directorate, employees voluntarily carried out coastal cleaning at ÇATES.



### Painting Exhibition of Artist Master

Şaban Komşu, who works as an Electronic Measurement Control master at Çatalağzı Thermal Power Plant (ÇATES), exhibited his cremation artworks. Komşu presented all of his works to the visitors at the exhibition of burning painting at the Fine Arts Gallery under the sponsorship of ÇATES.

### Blood Support for Red Crescent from Çates

In order to support the blood stock in our country, the Red Crescent is supported with regular blood donations. In the project carried out in cooperation with the Red Crescent, the importance of life-saving blood donation is emphasised. ÇATES will continue to support the Red Crescent in the project, which has been successfully carried out for three years with the support of all our employees, in order to popularise the habit of blood donation.



### Çates Support to the Flood Disaster in Kastamonu

ÇATES (Çatalağzı Thermal Power Plant) was not indifferent to the flood disaster that occurred in Kastamonu and caused many people to suffer. ÇATES Management donated 100 thousand TL to the aid campaign organised by Zonguldak Governorship to support the disaster victims in Kastamonu.

### Çates Fire Brigade Teams Participated in Fire Fighting Activities

ÇATES Fire Brigade teams participated in the fire extinguishing works to help the forest fire in Zonguldak Muslu Emirköy. The fire, which is estimated to have started from a house in Muslu Emirköy in the morning hours, expanded its area of influence in a short time and spread to the forest area. Upon this, ÇATES Fire Brigade teams went to the fire area fully equipped and participated in the fire extinguishing works.



### "My hands are safe" at ÇATES

The workplace culture at ÇATES is built on human health, which is prioritised above all else, and the healthy return of all employees to their homes.

The "My Hands are Safe" campaign was launched to raise awareness on occupational safety. At the launch event, which was held with the participation of senior management, it was emphasised that occupational safety culture should be spread in all sites and accidents should be reduced to zero. Within the scope of the campaign, visual materials were prepared to raise the awareness of all employees and employees were informed about occupational safety through short trainings.



### We are in Fire Extinguishing Drills with our children

ÇATES (Çatalağzı Thermal Power Plant) Fire Brigade team gave practical fire extinguishing training to Çatalağzı Işıkviren Secondary School students in the school garden.



## Digitalisation

Digitalisation improves data quality and facilitates traceability. With traditional methods, the process of data collection and analysis can be quite time-consuming and error-prone. By using digital platforms, data can be collected automatically and monitored in real time. This improves data quality and accelerates the detection of errors. As ÇATES, digitalisation is a part of our business continuity. By collecting and analysing data digitally, it is possible to continuously monitor and manage power plant operations.

Constantly evolving technological advances and information security are critical in production processes. The digitalisation and automation investments we have made in our power plant allow us to produce energy more efficiently and sustainably. Thanks to these investments, we optimise our production, use our resources more effectively, and achieve efficiency and cost savings. With the integration of our automation systems, we monitor the status of our equipment in real time and ensure business continuity by detecting possible failures in advance.

We aim to maximise occupational safety by minimising operational risks with the data analytics brought about by automation.

In order to make full use of the advantages brought by digitalisation, we support the importance we attach to information security with the ISO 27001 Information Security Management System. At ÇATES, we continuously review our information security strategies, implement the latest cyber security protocols and train our employees in this regard.



Attachments

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#### Disclaimer of Liability

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