



CONTENTS



ABOUT THE REPORT03

Corporate Profile04

- General Manager Message05
- Company Milestones06
- Corporate Profile07
- Organizational Structure08
- ÇATES at a Glance09
- Our Corporate Values10
- Sector Outlook11
- Business Ethics and Corporate Governance12



EMPLOYEES AND SOCIAL INVESTMENTS26

- Employees and Human Resources Practices27
- Occupational Health and Safety28
- Supply Chain Management29
- Stakeholder Relations30



CORPORATE SUSTAINABILITY MANAGEMENT13

- Sustainable Business Model15
- Sustainability Policy16
- Integrated Management System17
- Material Sustainability Topics18
- Sustainability Goals19



DIGITALIZATION34

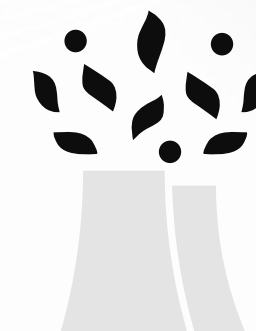
APPENDICES36

- Performance Indicators37
- GRI Content Index40
- TCFD Index46
- Sustainability Principles Compliance Report47



ENVIRONMENTAL SUSTAINABILITY21

- Environmental Sustainability at ÇATES22
- Emission Management23
- Water Management24
- Waste Management25



ÇATALAĞZI
THERMAL POWER PLANT

An aerial photograph of the Çatalağzı Thermal Power Plant. The plant features a large central building with a red roof, several tall smokestacks with red and white stripes, and various auxiliary buildings. It is situated on a hillside overlooking a body of water. A green field with a helipad is visible in the foreground. The image is partially obscured by a large white triangle on the right side, which contains the text.

Çatalağzı Thermal Power Plant providing uninterrupted power to Turkey

With the courage we take **FROM OUR PAST**,
we are constantly working for a **SUSTAINABLE
FUTURE** and we are gaining more momentum
every year.

About the Report

Operating under Aydem Energy since 2014, Çatalağzı Termik Santrali (Çatalağzı Thermal Power Plant – ÇATES) continues its devoted efforts to contribute to the energy supply continuity of our country. The powerplant successfully maintains its significant position in Turkey's energy generation portfolio. ÇATES has increased its efforts towards sustainability goals and, within this framework, it presents the sustainability performance report for its operations in 2023.

Reporting Period

The 2023 ÇATES Sustainability Report, which covers the operating period between 1 January to 31 December 2023, provides a detailed assessment of sustainability-related issues by meticulously examining the environmental, economic and social impacts of Çatalağzı Thermal Power Plant..

Report Scope

ÇATES has intensified its efforts to minimize the environmental impact of its operations in order to contribute to the continuity of energy supply. In this process, attention is paid to the efficient use of resources to align its environmental performance in line with the specified standards. Planned actions are managed in harmony with environmental risk assessments, considering their environmental, social and economic impacts. Within this framework, ÇATES aims to maintain its leading position in the energy sector, focusing on sustainability goals and minimizing environmental impacts.

The report content has been prepared with reference to the GRI Sustainability Reporting Standards, the requirements of the Task Force on Climate-Related Disclosures (TCFD) methodology and the Turkish Sustainability Reporting Standards (TSRS) published in December 2023. The sustainability report, which ensures the effective participation of stakeholders, offers a rich content with an understanding of co-operation and shared responsibility. With its management strategy focused on operational excellence, ÇATES aims to make a significant contribution to sustainable development by leading the sector.

ÇATES' environmental approach focuses on reducing environmental impacts while ensuring the continuity of energy. It aims to minimize environmental, social and economic risks by regularly monitoring its actions. By continuing our efforts in line with these objectives, ÇATES plans to maintain its leading position and focus on future sustainability targets.

We aim to be the leader in the energy sector in which we operate by continuously improving our performance in economic, environmental and social areas, taking into account the inputs and expectations of our stakeholders in every field in which we operate, and through our systematic and foresighted efforts throughout the report.

Contact Us

The 2023 ÇATES Sustainability Report has been prepared in both Turkish and English and the data and information contained in the report have been subjected to limited assurance by an Independent Audit Firm. You can send your opinions, suggestions and feedbacks about the report to catestermik@cates.com.tr.

Company Information



Trade Name:

ÇATES ELEKTRİK ÜRETİM A.Ş.

Trade Registry Year:

19-09-2014



Address:

**Çatalağzı Termik Santrali
(ÇATES)Çatalağzı Beldesi
Santraller Mevkii
NecatiYirmibeşoğlu Caddesi
Çatalağzı/Kilimli/Zonguldak**

Trade Registry Number:

8907



Website:

<https://www.cates.com.tr/>

Mersis Number:

0165029763900019



Tax ID

1650297639

Traded on the Stock
Exchange:

BIST



Sector:

Electric power generation

Stock Code:

CATES



Corporate Profile





General Manager Message

We made significant progress in 2023 towards achieving our targets. We focus on sustainable profitability by closely monitoring changes in our sector and market dynamics. We continue to work on enhancing our financial strategy and corporate value, supporting growth investments and steadily strengthening our financial infrastructure.

Our fundamental principle is to build our business model on foresight, mutual trust and long-term partnership, and to ensure long-term sustainable success for our shareholders, employees and all other stakeholders.

Through the 2023 Sustainability Report of ÇATES, we aim to convey to you our commitment to put sustainability at the center of our operations and provide insight of the path we will follow on our journey to establish sustainability. We consider the responsibility entrusted to us by all stakeholders in our sphere of influence in all our activities and endeavor to accelerate the sustainability agenda at every stage of our operations.

Electricity is a critical element for industrial and economic progress and a driving force for sustainable development. Recently, global warming has become an significant issue affecting the business practices in the energy industry worldwide. The coming periods addressing climate-related risks will require alignment and mutual support among all key stakeholders. The energy sector plays a crucial role in this process. As one of the leading organizations in the Turkish power generation market, we are determined to take our responsibilities in this process and be a pioneer in the sector. In this context, we are structuring our activities in a way to ensure sustainable profitability and predictability for all stakeholders.

In 2023, our company achieved 2,033 GWh of gross energy generation, the highest electricity generation in the last 16 years.

Hamdi ALP

Chairman of the Board of Directors / General Manager

Climate change is considered as one of the highest priority sustainability issues at ÇATES. We approach this issue very seriously. We are committed to managing emissions and aligning with international standards. We continuously review our efforts and set more ambitious targets to achieve our goals. In this regard, I would like to emphasize that ÇATES remains committed to achieving its climate targets."

By prioritizing issues important to our company and stakeholders, identifying new opportunities that will provide long-term returns, and ensuring the robustness of our balance sheet, we will continue to follow the path that leads our company towards sustainable growth.

We prioritize planning to minimize environmental and social impacts throughout our operations and evaluate all aspects of the problems that threaten our world. Aware of our responsibility in taking climate change under control, we use our competence and sectoral experience to minimize the environmental and social risks of our operations.

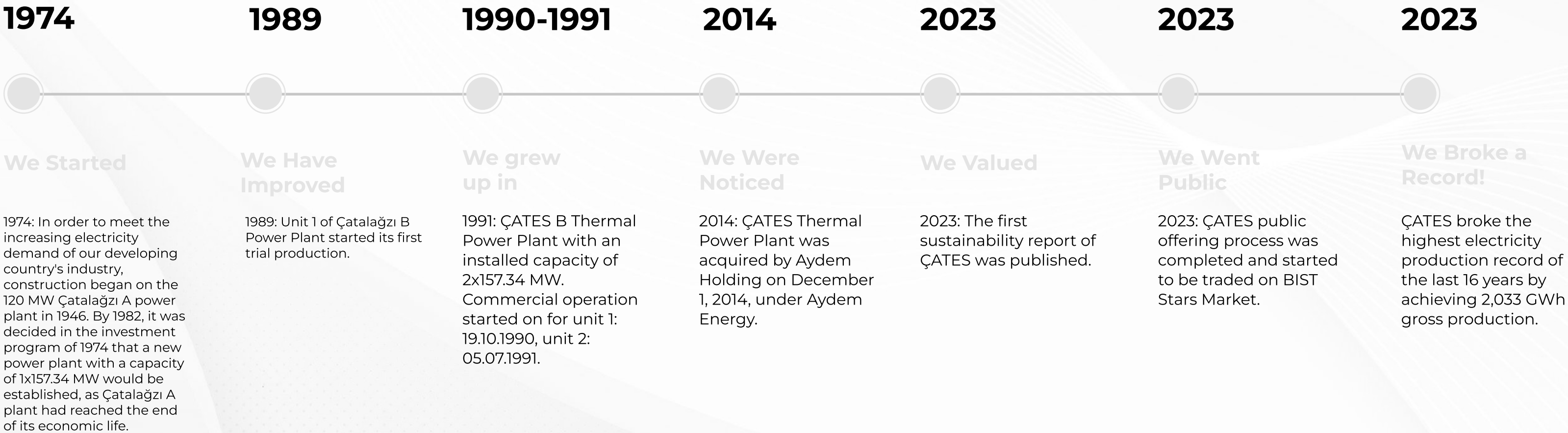
In 2023, we achieved successful results by showing resilience to global and national developments. As we did last year, we will continue to work and produce for a secure energy supply by sustaining our achievements this year.

I would like to express my sincere gratitude to all our stakeholders for their utmost trust in our commercial efforts. Your support has played a crucial role in consistently and continuously improving our business results and thus contributing to the development of the country's energy supply security.

“ In 2023, our Company broke the highest electricity generation record of the last 16 years by achieving 2,033 GWh gross generation. ”

Company Milestones

“ÇATES from Past to Present”





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 1990 after the ÇATES A power plant reached the end of its economic life. Privatized in December 2014, the plant continues its production within Aydem Holding.

Today, ÇATES continues its electricity generation activities with national resources with a total installed capacity of 314.68 MW and an annual energy generation capacity of 2,286GWh.

Our power plant, which uses national resources to ensure electricity supply security, meets approximately 0.6% of Turkey's electricity demand.

The first thermal power plant of the Republic of Turkey

Çatalağzı Thermal Power Plant, located in the northwest of Zonguldak province, is an electricity generation facility and was established for thermal energy production. Construction of the plant began in 1974 and was completed in 1989. ÇATES contributes significantly to regional and national energy security by having a total installed capacity of 314.68 MW. In this context, it plays an important role in strategically meeting Turkey's energy needs.

Total Installed Capacity 314.68 MW

The power plant consists of two units, each equipped with 157.34 MW turbine generators. The total installed capacity of the power plant is 314.68 MW and generates an annual average of 2,286 GWh of electricity.

Aydem Energy Subsidiary

ÇATES, a subsidiary of Aydem Energy, not only contributes to Turkey's energy supply security, but also carries out activities to reduce its environmental impact and implement renewable energy generation strategies for sustainable energy production..

ÇATES not only focuses on its economic activities, but also the social development of the region and its employees. For this purpose, the social investments it has made over the years have been gathered under a single roof and are carried out in a more institutionalized and effective manner. With the "Aydem Equal Life" and "Aydem Academy" programmes within Aydem Energy, it contributes to social transformation and makes a difference in many areas."

Availability rate at ÇATES is 80%.

Operational sustainability at ÇATES is carried out in parallel with efficient operations. In this context, the availability rate, one of the most critical data indicating the efficiency of the power plant in the sector, increased by 4% in 2023 compared to the previous year, reaching 80%.

Domestic Production

Çatalağzı Thermal Power Plant, Turkey's first and only domestic hard coal power plant, is distinguished from its counterparts by its location in Zonguldak, which has the richest coal reserves in Turkey, and its coastal location. Utilizing national resources to ensure electricity supply security, the power plant meets approximately 0.6% of Turkey's electricity demand.

Strategic Importance of ÇATES

Uninterrupted Energy Generation



Thermal power plants contribute to maintaining production balance by generating electricity consistently throughout the year. This steady output contrasts with renewable sources, which can vary depending on factors like weather conditions. As a result, thermal power plants play a crucial role in forming the backbone of the electricity system by providing stable electricity production.

Supply Security



Base load power plants, which can generate electricity 24/7 as long as there is an energy source, provide uninterrupted generation independent of any other conditions.

Energy Efficiency



Thermal power plants can operate at full capacity as long as there is fuel available, allowing them to achieve the desired efficiency.

National Energy Source



Converting local coal reserves into energy with human-oriented and eco-friendly technologies contributes to reducing energy dependency.

Organizational Structure



General Manager



Hamdi ALP

Chairman of the Board of Directors /
General Manager

Board of Directors



Mehmet Akif GÜL

Board Member



Rıdvan Edip AKDENİZ

Board Member
Power Plant Director



Emirhan KARAYAY

Board Member

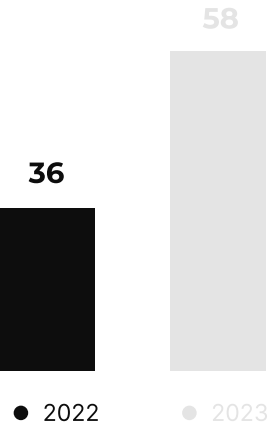


Engin KAVAS

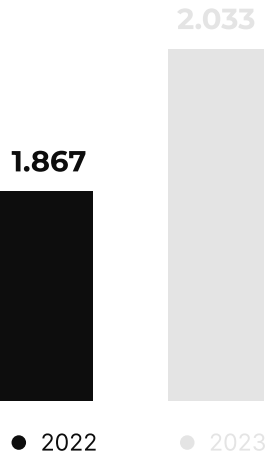
Board Member

ÇATES at a Glance

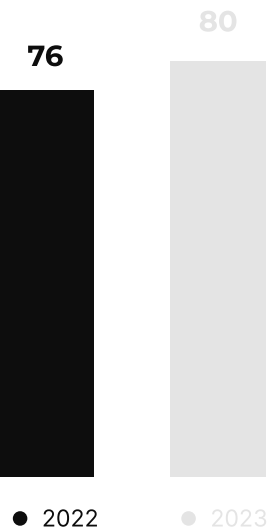
Total Investment Amount
TL million



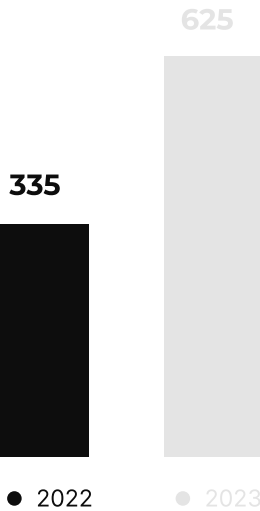
Electricity Generation (Gross)
Thousand MWh



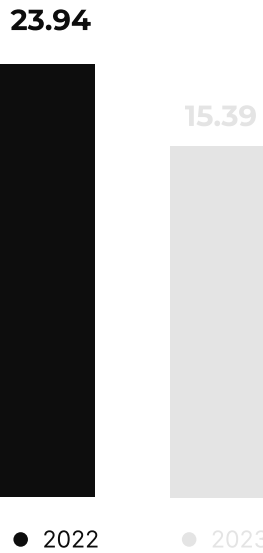
Availability Rate
%



Employee Trainings
Hours



Accident Frequency Rate
%



49 Years
of Experience



314.68 MW
Total Installed Capacity



382 People
Total Number of
Employees



2,286 GWh
Production Capacity

Our Corporate Values



Responsiveness

We carry out our work to the best of our ability, guiding our organization towards the future. We fulfill our responsibilities towards individuals, society, our country, and the environment. We ensure that our work is done within the targeted time and quality, maintaining our business ethics. We adopt a transparent and accountable working style in accordance with procedures and rules. If we encounter unethical or unfair practices, we raise our voice. We consider how our behavior affects others.



Dynamism

We follow the needs of our colleagues and stakeholders that arise under 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. Fueled by curiosity, we try new ways to fulfil products, processes and services more efficiently, quickly and error-free.



Touching Life

"Human" is at the core 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 analyzing their needs and expectations.



Sector Outlook

According to projections, the world population is expected to increase by 2 billion, from 7.7 billion to 9.7 billion, by 2050. This significant growth will considerably increase energy demand, drastically impacting the global energy market.

According to a report published by the International Energy Agency, electricity demand worldwide is expected to increase by 3 per cent per year between 2023 and 2025.

Energy demand is expected to more than double from 25,000 TWh to 52,000 to 71,000 TWh by 2050 due to various factors such as the growth in energy needs of emerging economies, electrification of the global economy (especially in transport) and the impact of digitalization.

In all scenarios, global energy demand is projected to grow across sectors

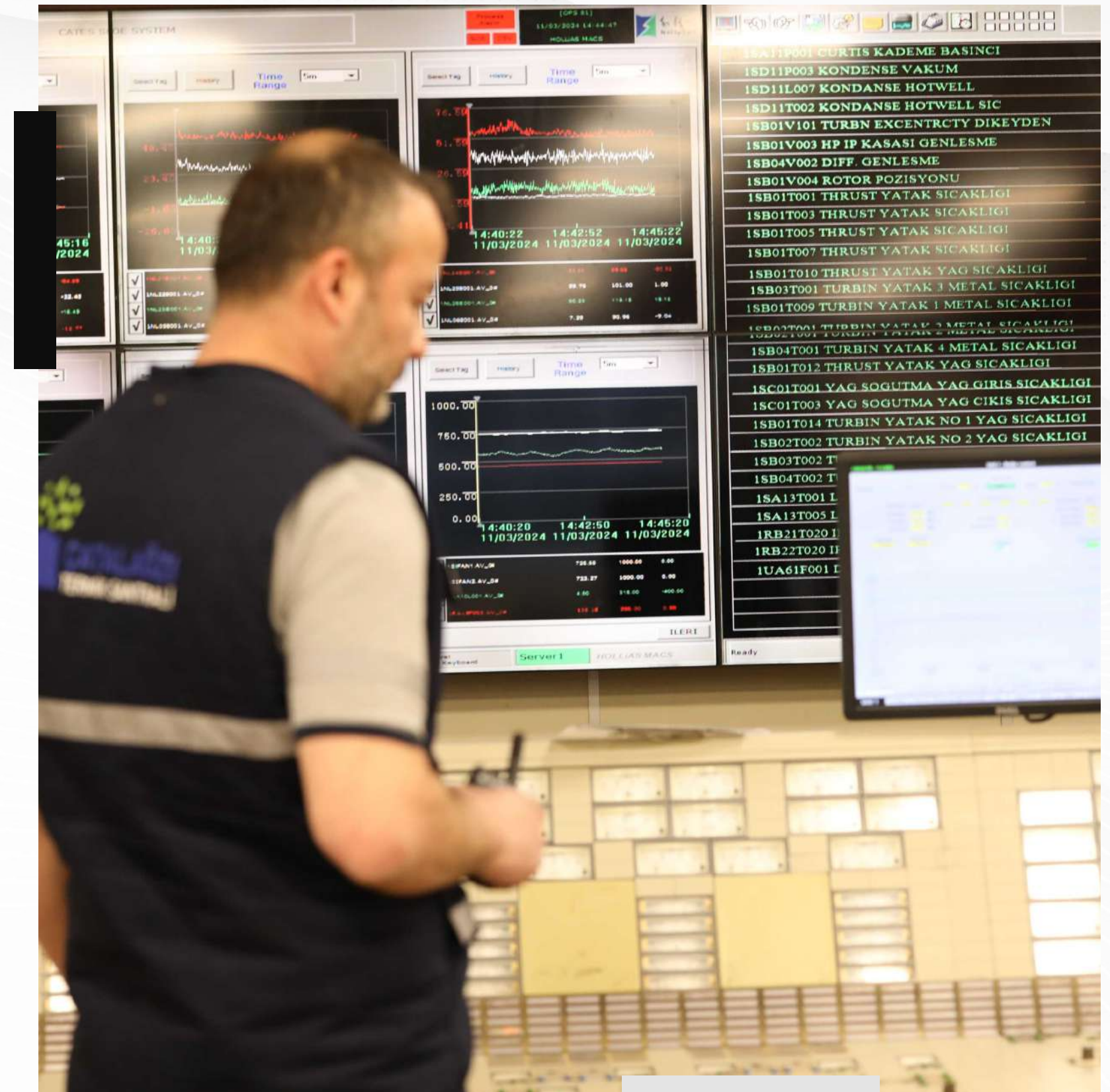
Coal, as a traditional energy source with broad availability, held a significant market share in 2023. According to the World Coal Association report, coal remains the world's largest energy source, generating 37 per cent of global electricity.

Increasing demand for electricity in developing countries, development of new thermal power projects, and advancements in combustion technologies are the factors and opportunities driving the thermal power sector. Although unconventional energy sources such as wind, solar, and hydropower are being adopted on a global scale, the majority of developing economies still rely on thermal power plants. This is likely to lead to market growth over the next five years. Moreover, advancements in combustion technologies are expected to provide growth opportunities to the market over the period.

However, the emergence of eco-friendly technologies, strict regulations on greenhouse gas emissions, and decreasing incentives and subsidies for coal-fired power generation and tightening of regulations are also seen as factors hindering the growth of the sector during the same period.

Since 2022, the Russia-Ukraine crisis and the sanctions imposed to affect global energy policies have led to sharp increases in energy prices. According to the World Energy Outlook Report published by the International Energy Agency (IEA), the impact of the Russia-Ukraine crisis on energy markets and policies is expected to continue in the upcoming period.

By closely monitoring all developments in the sector as well as national and global agendas, ÇATES evaluates their potential impact on its activities. Strategic and operational decisions are made with these developments in mind. In this context, global energy policies, national energy and industrial strategies, carbon pricing, and the operational and physical effects of climate change are all integrated into the decision-making processes.





Business Ethics and Corporate Governance

Good and strong corporate governance is the cornerstone of effective management control in an organization. Governance structures and processes should ensure that the company is accountable to its shareholders and that senior management oversight and control is assured.

ÇATES has comprehensive structures, policies and procedures to implement an effective corporate governance approach. We consider ethical behavior as the cornerstone of corporate governance. We rely on our code of ethics to guide our employees to always do the right thing and to help establish behavior in line with our culture. Along with our code of governance and ethical behavior, we have structured an effective internal control structure, guided and coordinated by our compliance function.

Audit Committee

The main purpose of the Committee is to oversee the Company's accounting system and its practices, the functioning of the internal control system, the public disclosure of the Company's financial information, the effectiveness of the Company's internal audit and independent audit activities and the Company's compliance with the relevant legislation. The Committee also undertakes the duties assigned to it by the Articles of Association and the Communiqué.

The Committee aims to contribute to the continuous development of the internal control system, transparency, accountability, fairness, predictability and effectiveness of the level of compliance with the legislation and internal regulations within the Company through its oversight function and its recommendations regarding the implementation. Committee:

- (i) Subject to the approval of the Board of Directors, the selection of the independent audit firm, the independent audit process and the supervision of the work of the independent auditor,
- (ii) Approval of annual audit plans,
- (iii) Supervision of the performance, effectiveness and adequacy of internal audit and internal control management systems,
- (iv) Submitting evaluations in writing to the Board of Directors to ensure the accuracy of the Company's annual and interim reports and accounting procedures,
- (v) Oversight of compliance with laws and regulations,
- (vi) Oversight of the Company's compliance with the Principles Regarding Related Party Transactions and fulfilling the responsibilities imposed on it within the framework of the relevant principles, and in particular in this context, fulfilling the duties and responsibilities specified in Article 8 of these principles and providing support to the Board of Directors in these matters

Corporate Governance Committee

The main purpose of the Committee is to oversee the Company's accounting system and its practices, the functioning of the internal control system, the public disclosure of the Company's financial information, the effectiveness of the Company's internal audit and independent audit activities and the Company's compliance with the relevant legislation. The Committee also undertakes the duties assigned to it by the Articles of Association and the Communiqué.

The Committee aims to contribute to the continuous development of the internal control system, transparency, accountability, fairness, predictability and effectiveness of the level of compliance with the legislation and internal regulations within the Company through its oversight function and its recommendations regarding the implementation. Committee:

- (i) Establishment of a transparent system for preparing, evaluating, and training recommendations for the appointment of members to the Board of Directors and senior executives with administrative responsibilities, and setting policies and strategies in this regard.
- (ii) Ensuring the effectiveness and independence of the Board of Directors within the scope of corporate governance principles.
- (iii) Ensuring the acceptance and implementation of corporate governance principles within the Board of Directors.
- (iv) Conducting annual evaluations within the scope of corporate governance principles and submitting the results to the Board of Directors.
- (v) Making recommendations regarding the functionality of the Board of Directors and its committees.
- (vi) Oversight of the Investor Relations unit.
- (vii) Establishing principles and fundamentals for evaluating compensation and performance payments for members of the Board of Directors and senior executives with administrative responsibilities.
- (viii) Making recommendations to the Board of Directors regarding compensation and performance payments for members of the Board of Directors and senior executives.

Early Detection of Risk Committee

The Committee assists the Board of Directors in early detection of risks that could jeopardize the Company's existence, development, and continuity, by implementing appropriate risk management strategies and fulfilling other duties assigned by legislation.

The Committee is responsible for:

- (i) Identifying current and potential operational, strategic, compliance, financial, and other risks, periodically assessing them, taking relevant measures connected to these risks, ensuring their effectiveness, and overseeing them,
- (ii) Establishing risk management systems and setting up organizational infrastructure for risk management within the Company, enhancing the functionality of related systems, and preparing recommendations for their development,
- (iii) Providing solution proposals regarding risks to the Board of Directors and the audit committee.



CORPORATE SUSTAINABILITY MANAGEMENT



Corporate Sustainability Management

Our strong and flexible business model is the foundation of our ability to successfully overcome the challenges faced by the energy sector.

As ÇATES, we believe that conducting our activities with integrity, fairness, equality, and transparency is of utmost importance. Based on this belief, we have a solid governance structure that enables us to meet the expectations of our stakeholders without compromising our core principles.

Our corporate governance approach is based on conducting cost-benefit analysis for potential environmental, social and regulatory risks and assessing the impact of identified risks on business continuity..

As Çatalağzı Thermal Power Plant, we continue to take strategic and concrete steps to achieve our country's 2053 net zero target by adapting to changes in global trends. While sustainability enables us to develop new business models and increase our long-term competitiveness by integrating it into our business strategies, it also offers short and medium-term benefits such as new revenue opportunities, better understanding of customer behavior, managing climate risks and opportunities, and reducing supply chain costs.



ÇATES Sustainability Committee

Our commitment to sustainability governance supports our company's leadership role and vision of being an exemplary institution. By adopting a transparent, accountable, and stakeholder-focused approach, our journey towards achieving sustainability goals is supported by a robust management structure. Under the leadership of our board of directors, the sustainability committee, which meets periodically, ensures the continuity of strategies and evaluates performance. The committee also ensures the integration of all priority elements into ESG (Environmental, Social, Governance) parameters, the continuity of operations, and decision-making mechanisms.

The ÇATES Sustainability Environment, Occupational Health and Safety Committee is the highest governance structure where sustainability issues are addressed.

At ÇATES, we aim to integrate sustainability issues into our decision-making mechanisms and business processes to ensure long-term value creation for all stakeholders. The Sustainability, Environment, Occupational Health and Safety Committee, established for this purpose, operates as a Committee, chaired by the General Manager, serves as the official body that reviews and approves the sustainability activities of our Company.

The purpose of the Committee is to develop a culture of sustainability and occupational health and safety that covers the Company's employees and all operating facilities. This includes ensuring operational continuity while promoting and enhancing a safe behavior approach.

The Sustainability, Environment, Occupational Health and Safety Committee reviews and evaluates recommendations brought forth by the Sustainability Working Group and employees tasked with sustainability-related issues while deciding on the company's strategic direction and action plans.

To enhance the effectiveness of our company's sustainability structure, a sustainability team has been established within the HSE and Sustainability Directorate. This sustainability team is responsible for coordinating the efforts carried out under the main heading of sustainability within the Sustainability Working Group.

The Committee is responsible for the evaluation of targets and key performance indicators ("KPI") on sustainability, OHS, environmental and social issues.

A comprehensive monitoring and reporting system has been established to measure and evaluate our sustainability performance. The Sustainability Committee regularly submits reports to the Board of Directors, accelerating the company's decision-making processes and enabling us to adapt our sustainability efforts to our business strategy faster.

At ÇATES, we continue our journey by taking the necessary steps under changing global conditions and adhering more closely to sustainability principles.

The Committee is responsible for evaluating the targets within the scope of sustainability, OHS and social investment programmes.

The Committee is responsible for evaluating targets and assessing key performance indicators (KPIs) in sustainability, OHS, environmental and social issues. The Committee is chaired by the General Manager and consists of the Plant Director, HSE and Sustainability Group Director, HSE and Sustainability Manager and HSE and Sustainability Manager. In case there are items on stakeholder engagement and social impact on the meeting agenda of the Committee, the Human Resources Manager also participates.

SUSTAINABLE BUSINESS MODEL



Financial Responsibility

Sustainability investments and initiatives are comprehensively evaluated from a financial perspective, strengthening ÇATES' financial robustness while maximizing our environmental and social impacts.



Leadership and Culture

Our Board of Directors' embrace of sustainability creates a positive transformation in ÇATES' corporate culture. This leadership leads to a deeper awareness of sustainability issues and the dissemination of effective practices.



Commitment

Our Board of Directors directly assumes responsibility for leading ÇATES in adopting a long-term and steadfast approach to sustainability. Through this commitment, we establish a strong foundation to achieve our sustainability goals while reinforcing our commitment to leave a better world for future generations.



Integration and Compliance

Our sustainability initiatives and goals are integrated with our overall strategy, strengthening the vision of ÇATES. Through integration and compliance, sustainability principles are easily integrated into our business processes and decision-making mechanisms.



Effective Risk Management

Our governance structure proactively addresses corporate and climate-related risks, ensuring ÇATES to move confidently into the future. Effective risk management reinforces our strategic planning and strengthens the sustainability of our business.



Reputation Management

ÇATES effectively manages stakeholder relationships, establishing strong connections with the outside world. This leadership approach strengthens our company's reputation and enables us to communicate our commitment to sustainability to our stakeholders.



Sustainability Policy

ÇATES is committed to building a sustainable future, aware of our corporate responsibilities, and implementing our sustainability policy to fulfill these obligations. Our policy aims to address each and every aspect of our company activities with an inclusive approach based on economic development and environmental sustainability.

By creating an organizational structure based on training and continuous learning, we aim to raise the awareness of our employees and stakeholders on sustainability and to maintain customer, employee and supplier satisfaction based on sustainability criteria.

While developing our quality, environment, occupational health and safety and energy management systems with a continuous improvement approach, we prioritize the efficient use of energy resources and process inputs, waste reduction, recovery and pollution prevention. We shape our activities and investments within the framework of ethical rules and principles for the protection of environmental, social, natural and cultural heritage.

With our risk-oriented thinking approach, we aim to act proactively rather than reactively, to use energy efficiently by constantly monitoring our energy consumption and to effectively manage our emission emissions in the fight against climate change.

We are working to raise awareness among both our employees and stakeholders about water consumption and efficient use through awareness and reporting activities. In combating corruption, we strictly adhere to ethical rules to develop our sustainability strategies, contributing to the social and economic development of the community and local stakeholders.

We are committed to enhancing the well-being of our employees and their loyalty to the company, serving the society with our social responsibility approach by providing equal opportunities and maintaining our cooperation, and not discriminating by providing equal rights to all our employees. Thus, we recognize and value the diversity and richness of all our stakeholders.

ÇATES Sustainability Policy has been announced to all our employees and stakeholders and made publicly available.

Integrated Management System

As ÇATES, our aim is to provide our employees with a process and success oriented work environment where they can advance their personal development and careers, increase the value we add to our stakeholders and employees, and ensure sustainable profitability.

The scope of ÇATES Integrated Management System includes all activities involving our employees, customers, contractors, visitors, interns, suppliers, delegated employees, and both private and official organizations that come for audits and calibration, encompassing thermal power plant operation, electricity generation, and sales of fly ash.

Under our Integrated Management System, we effectively implement the requirements of ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, ISO 27001 Information Security Management System, and ISO 50001 Energy Management System to fulfill our identified objectives and policies. Continuous improvement and ensuring sustainability of the system are among our top priorities.

Taking all measures to protect the environment by making our own investments to reduce the environmental impacts caused by the products/raw materials used is among our prioritized targets. Maintenance and repair work at our treatment facilities are regularly conducted to minimize environmental impacts such as wastewater and emissions resulting from our operations. We also meticulously monitor compliance with legal regulations through regular monitoring activities.

Rehabilitation works to ensure energy efficiency in our boilers are planned and carried out annually. In addition to our ISO 9001, ISO 45001, ISO 14001, ISO 27001 and ISO 14001 certificates, ISO 50001 energy management system certificate was obtained in 2023to enhance the effective management of our activities.

The Integrated Management System covers our employees, customers, contractors, visitors, interns, suppliers, employees on assignment, private or public organizations coming for audit and calibration.



Material Sustainability Topics

The materiality matrix reflects the demands of stakeholders as well as a self-assessment process to identify value-creating issues and to maximize the benefit provided to all stakeholders.

By analyzing industry developments, our business strategies and other factors, a list of material issues relevant to our company has been created. Each issue was assessed for its importance to the company, stakeholders and society, as well as its impact on factors such as company strategy and sustainable profitability.

How Do We Manage?

One of the main topics in our business continuity is to provide an accident-free and safe working environment for each of our employees. ÇATES has a health and safety management system that sets out responsibilities and requirements to minimize operational risks in different areas.

As a Company that values our individual differences and perspectives, we promote and maintain a culture of inclusion. Training, competence development, recruitment and employee engagement strategies are managed through internal policies.

Our company values guide our code of business ethics and encompass our standards and ethical practices that form the basis of all our business relationships.

Since the day we started our operations, we have been working with all our strength for reliable and efficient energy production as required by our business. Through our socio-economic projects, we aim to support sustainable development and strive to be a transformative force for positive impact across our entire value chain.

With the investments we make with a focus on digitalization and innovation, we carry out the necessary work for efficient and safe energy production throughout our entire value chain.

In combating climate change, which has become a global issue, we are undertaking activities aligned with our country's 2053 Net Zero Emission Goals while playing a critical role in ensuring energy supply security. With an approach that considers the needs of the environment and future generations, we support efficient and secure energy supply for our country.

We closely monitor the risks and opportunities presented by our sector by maintaining our financial discipline and maximizing our economic performance. We aim to produce energy efficiently and safely by managing our financial and non-financial risks in the most accurate way

Our Priority Issues	SDGs to which we directly contribute/ Related SDGs			
Occupational Health and Safety				
Inclusion, Diversity and Talent Management				
Ethics, Transparency and Compliance				
Social Investments				
Digitalization				
Combating Climate Change and Adaptation				
Management of Ecosystem Impacts				
Sustainable Profitability				

Sustainability Goals

ÇATES acknowledges the serious threat posed by human-induced climate change. While ensuring continuity in the supply of essential energy needs, ÇATES is ready to play a significant role in energy transformation.

ÇATES closely monitors the impacts of global energy policies on Turkey's energy supply security, alongside the country's net zero targets. We operate with a business model that ensures energy security while supporting the transition to a low-carbon economy. As we move towards carbon neutrality, we promote sustainable growth transformation and create shared value.

Our company aims to demonstrate active management to minimize the major negative environmental and social impacts of its operations while developing its economic growth potential. ÇATES' sustainability strategy is built around a set of long-term commitments that reflect the core elements of its corporate culture and strategy.

ÇATES conducts a comprehensive assessment to identify potential negative impacts that may affect the achievement of its strategic priorities.

By assessing climate-related transition and physical impacts, ÇATES aims to integrate the operational and financial implications of these impacts into decision-making processes with a holistic approach. This approach of ÇATES aims to overcome the challenges and opportunities associated with the transition to a lower carbon future, while protecting its operations and creating long-term value for its stakeholders.

The assessment process of climate change-related impacts has been conducted with contributions from all our organizational units, evaluating potential impacts for both transition and physical risks. The impact categorization aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

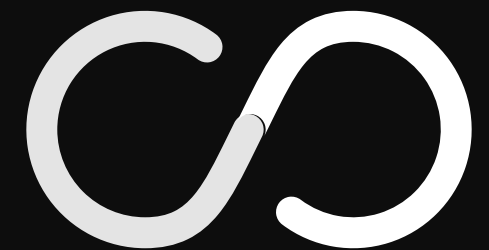


Climate Related Impacts	Management Approach
Being subject to a possible carbon pricing system and incurring high financial expenses	The financial impact arising from the carbon cost associated with emissions is projected to be the second-highest cost after coal costs. Our Company closely follows the process regarding carbon pricing in Turkey. It is planned to take the necessary steps for cost determination studies in the upcoming period.
Changing investor and creditor expectations and failure to meet green financing requirements	Investor and creditor communications and inquiries are transparently addressed. In addition to the Sustainability Compliance Principles Report, the Company is a party to national and international initiatives that demonstrate stakeholder expectations and the Company's approach to the issue.
Interruption of operations due to extreme weather events	Our coal stocks are continuously controlled by taking into account the negativities that may be experienced in coal shipment and coal production of our suppliers in adverse weather conditions. For our fuel orders, planning is made according to weather conditions and shipments are organized in a way to take minimum risk.
High costs that may be incurred to develop decarbonization studies in the context of low carbon energy production	We are monitoring technological changes and advancements in the sector. Various initiatives are underway to enhance efficiency and improve coal productivity as part of efforts to reduce greenhouse gas emissions.
Disruptions in the supply chain due to extreme weather events	Our company achieved a record-high electricity production of 2,033 GWh in 2023, marking the highest production in the last 16 years. To prevent supply chain interruptions, we are diversifying suppliers to mitigate this impact. Additionally, our company has signed an annual minimum coal supply contract with the Turkish Hard Coal Enterprises Directorate General (TTK) covering the period from January 1, 2024, to December 31, 2026, for 500,000 tons of coal.

Climate Related Impacts	Management Approach
Exposure to lawsuits or other legal sanctions with increasing sensitivity to climate change	We ensure full compliance with regulations across all business units, actively engaging from the draft stage of legislation to take necessary actions. This year, regarding climate change and related legislation, we have not encountered any penalties, sanctions, or legal actions.
Failure to meet reporting expectations in sharing data with the public, failure to ensure consistency between reports	In line with our company's approach to full compliance with the legislation, reporting requirements are followed sensitively. Our declarations to the relevant Ministries, measurement and periodical reports are prepared in a complete and transparent manner to meet the requirements. In line with our Capital Market Borard (CMB) legislation obligations, our periodical activity reports and Public Disclosure Platform (KAP) updates regarding important changes are shared transparently.
Increasing sea water temperature that decreases productivity	The sea water temperature is continuously monitored from the SAIS (Continuous Wastewater Monitoring System) cabinet and the turbine control system. In order not to affect efficiency, the water intake structure is regularly cleaned.
Exposure of coal stockyards to high temperatures/sunlight leading to hazardous operational conditions	The coal used as fuel in the power plant does not cause combustion due to its moisture content. To eliminate all negative effects, the stockpile area is continuously monitored by observers. There are sprinklers in the coal stockyard for humidification purposes.
Failure to achieve the targets set within climate change management systems	In the organizational context and in line with stakeholder expectations, climate change-related issues are addressed across all management systems. Risk-opportunity assessments are conducted to evaluate the positive/negative impacts of climate change on management systems. Additionally, within the scope of Change Management, the effects of climate change on management systems are evaluated.



ENVIRONMENTAL SUSTAINABILITY





Environmental Sustainability at ÇATES

Effective environmental management of ÇATES provides a framework for managing and minimizing impacts on ecosystems and creating a business that uses resources efficiently and adopts circular economy principles. As ÇATES, we are committed to conducting our operations in an environmentally safe and responsible manner. Our aim is to continuously monitor, identify and address the negative impacts that our business may have on the environment.

Minimization of environmental impacts

ÇATES continuously monitors the impact of its operations on the environment and directs its activities accordingly. At the core of our business, we focus on reducing emissions that may cause environmental pollution, disposing of our wastes responsibly and supporting the biodiversity surrounding our operations.

We operate using efficient production methods to ensure that the environment is protected and developed. Our goal is to protect and ensure the sustainability of the environment in which we operate instead of preventing its existence.

Taking all measures to protect the environment by making our investments to reduce the environmental impacts arising from the products/raw materials used is among our priority targets. In order to minimize our environmental impacts on the ecosystem such as wastewater, emissions, etc. arising from our activities, maintenance and repair works are regularly carried out in our treatment facilities, and follow-up studies are carried out on compliance with legal regulations through regular monitoring studies. In addition to our ISO 9001, ISO 45001, ISO 14001 and ISO 27001 certificates, ISO 50001 energy management system certificate was obtained in 2023 for more effective management of our activities.

At ÇATES, we conduct out multi-faceted studies to determine the direct and indirect impacts of our activities on the environment. This approach is crucial for proactively addressing and managing most of our impacts.

As part of our environmental management efforts, ÇATES made approximately 14 million TL in environmental investments and expenditures in 2023.

Our environmental focus is guided not only by the relevant legislation and regulations, but also by our internal policies. We believe that it is important to exceed the requirements of national legislation and in this way, we can accurately assess the potential of our Company to reduce its environmental impacts.



Water

Recognizing the growing concern about water scarcity, we see water efficiency as one of the most important issues in all our activities. Our goal is to continuously develop processes and systems where we can consume less water while reliably meeting our demand. In particular, we endeavor to ensure that the water we use is discharged at the same quality or better.



Waste

The main principle underlying our approach to waste management is defined as 'avoidance, recovery and disposal'. In this context, we strive to avoid the generation of excess waste, recover waste for another purpose and dispose of the remaining waste responsibly, with a focus on recycling where possible.



Biodiversity and rehabilitation

ÇATES focuses on monitoring and assessing the impacts arising from our activities, aiming to protect local ecosystems and biodiversity surrounding our operations. Our goal is to actively implement projects that support the ecosystems surrounding our operational areas.



Environmental management and monitoring

Our environmental management system has been developed to protect the environment by proactively identifying potential risks and meeting legal requirements. At ÇATES, we aim to meet internationally recognized standards. In addition, our company is not located in a protected or restored area.



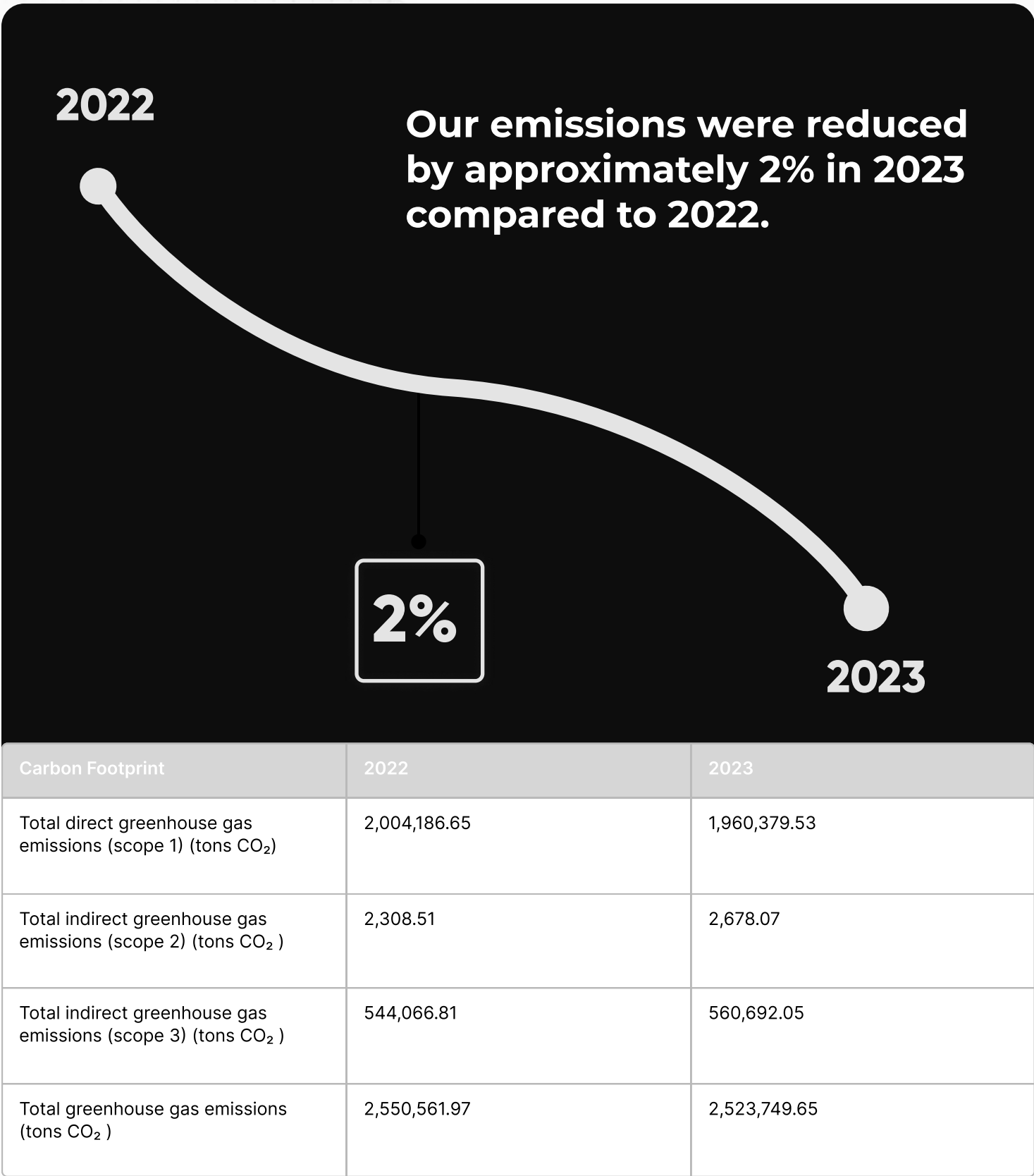
Energy and Emission Management

Our power plant efficiently manages raw material procurement, and through disciplined coal management and handling of coal residues on-site, we procure coal across a wide range of calorific values. By burning coal within the upper limits allowed by our design to maintain the calorie value, we reduce the amount of coal consumed per MW and operate more efficiently. As a result, our direct emissions decreased by approximately 2% in 2023 compared to 2022.

To enhance energy efficiency and reduce greenhouse gas emissions, new vehicles within our facilities are selected to be electric. Sensor faucets are used in lavatories across our buildings to prevent water wastage. Lighting preferences within the facility are being transitioned to LED lighting for energy conservation purposes. To protect the ecosystem, our wastewater undergoes treatment in domestic and industrial treatment plants, ensuring discharge standards are met before release. Additionally, insulation materials are applied to the exteriors of our buildings to enhance energy efficiency.

Another option to reduce the negative effects of emissions is to create new sink areas by increasing new forest areas. In this context, within the scope of the protocol signed with OGEM-VAK in 2023 to protect, improve and support the sustainable use of ecosystems, ensure sustainable forest management, combat erosion and increase forest presence and sink areas, 10,000 saplings were donated and a memorial forest was established in Manisa Region. Within the scope of compliance with national legislation, greenhouse gas emissions have been calculated and submitted to the Ministry of Environment, Urbanization and Climate Change since 2016.

Within the scope of the protocol signed with OGEM-VAK in 2023 with the aim of protecting, improving and supporting the sustainable use of ecosystems, ensuring sustainable forest management, combating erosion and increasing forest presence and sink areas, 10,000 saplings were donated and a memorial forest was established in Manisa Region.





Water Management

ÇATES is aware of the critical importance of access to clean water both globally and locally, recognizing the significant value of conserving water resources and other ecosystems throughout our operations and in our community. Understanding that climate change continues to pose a serious threat to water scarcity, we aim to optimize our water consumption throughout our business activities.

At our facility, where domestic biological wastewater and industrial wastewater are treated, we focus on the sustainability of aquatic life, the conservation of water resources, and the accessibility of sanitary drinking and utility water for every individual. We ensure compliance with legal requirements to meet these goals.

At our power plant, where industrial and domestic biological wastewater treatment facilities are located, we fulfil our compliance obligations by focusing on legal and regulatory requirements for the sustainability of life in water, the protection of water resources and the accessibility of sanitary drinking and potable water conditions for every individual. Beyond the applicable legislation, water management is also evaluated according to international standards. At ÇATES, water footprint calculations for 2023 have also been completed. Water footprint calculations were made and verified according to ISO14046 Standard and The Water Footprint Assessment Manual method.

Water footprint calculations were made and verified according to The Water Footprint Assessment Manual method.



14046



Waste Management

At ÇATES, our waste management approach is based on reviewing relevant processes to prevent and minimize waste at its source. When it is not possible to prevent or reduce waste, recycling options are evaluated. Throughout our operations, we successfully implement waste management and circular economy practices.

In 2023, all of our waste was handled by licensed recycling facilities. To successfully establish waste management, the reduction of single-use plastics is among our main targets. In 2024, it is aimed to start using water dispensers in offices and the cafeteria, to provide glass bottles and glasses to employees for their use, and to prevent plastic waste generation due to the use of plastic bottles.

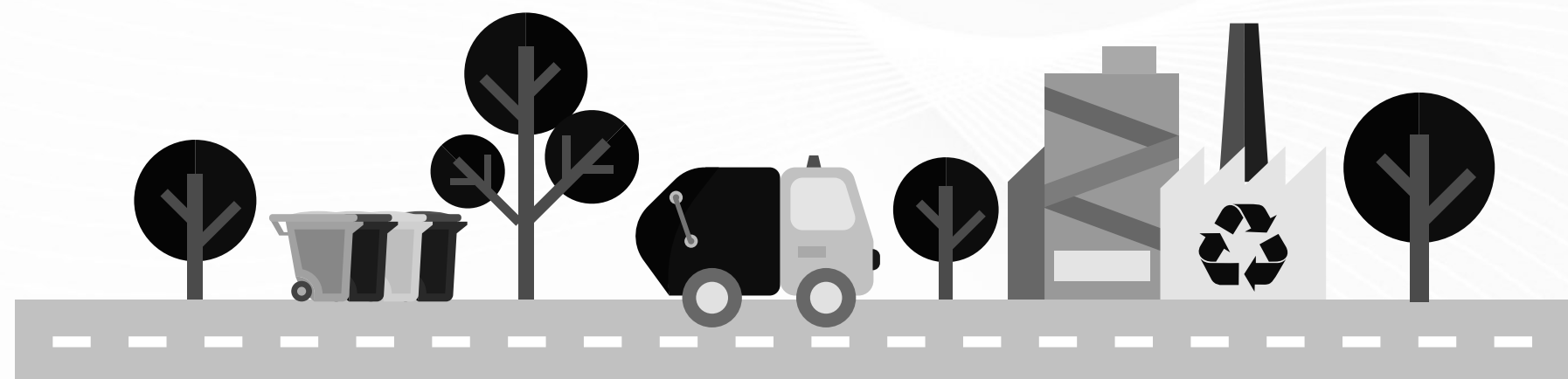
In our facility, paper, plastic, glass, and metal packaging waste generated from product usage is collected in color-coded bins designated for recycling. This waste is regularly sent to the nearest certified recycling companies. Hydraulic and other oils used during maintenance are passed through oil separators and reused several times, resulting in both cost savings and a reduction in waste quantity.

Since 2020, ÇATES has held the Zero Waste Certificate issued by the Ministry of Environment, Urbanization, and Climate Change. As part of the zero-waste initiative, waste sorting bins with color codes have been placed in the administrative building, cafeteria, infirmary, and training hall. Personal trash bins have been removed to ensure the effective use of these zero-waste bins. The waste collected within the facility is stored in a designated area with a temporary waste collection permit, sorted by waste codes, and sent to authorized firms for recovery, recycling, and disposal.

Our company incorporates waste reduction and recycling initiatives into our environmental policy as part of the zero-waste program. Additionally, the environmental unit tracks the amount of recovered waste as part of their KPI targets. On an individual level, goals are set each year to increase the amount of recovered waste.

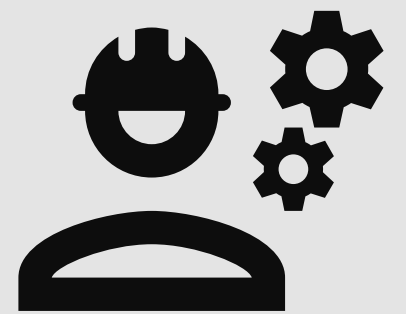
In addition to waste management, another activity that contributes to the circular economy is industrial symbiosis practices. Industrial symbiosis is an inter-company co-operation in which two or more businesses working independently of each other come together and use the by-product of one as the raw material of another in order to increase both environmental performance and competitiveness. This business model contributes to regional development by enabling a more sustainable use of resources, reducing emissions and waste disposal costs, generating income from waste or by-products and creating new business opportunities. In this context, our fly ashes formed as a result of coal combustion are sent to cement and concrete plants as by-products and alternative raw materials.

Our company incorporates waste reduction and recovery as key aspects of our zero-waste policy. Additionally, the Environmental Unit monitors the amount of recovered waste as part of its KPI targets. Each year, personal goals are set to increase the amount of waste recovered, ensuring continuous improvement in our waste management efforts.





EMPLOYEES AND SOCIAL INVESTMENTS



Employees and Human Resources Practices

Employee motivation is prioritized 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. At ÇATES, 88% of employees are covered by collective labor agreements.

In line with our sustainability vision, we support continuous development by adding value to the development of our employees. In 2023, the number of training hours per person at ÇATES tripled compared to the previous year.

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 labor. In this context, child labor is not employed at ÇATES. No cases of discrimination were encountered and recorded during the reporting period.

In order to meet the most basic needs of our working mothers and facilitate their working lives, the lactation room project was implemented in our company in 2022.

“

In line with our sustainability vision, we support continuous development by valuing the growth of our employees. In 2023, the number of training hours per person at ÇATES tripled compared to the previous year.

”

Football Tournament Started

ÇATES Elektrik Üretim A.Ş. has initiated its first football tournament this year, aiming to make it a traditional event. The tournament, featuring teams comprised of employees from ÇATES Elektrik Üretim A.Ş. and Entek Elektrik İnşaat A.Ş., began on November 7th at a special astroturf field in Kozlu. The children who came to watch their fathers in the tournament also had a pleasant time with the entertainment prepared for them.

Celebration to the Architects of Our Success

On December 5th, in celebration of World Engineers Day, we honored our colleagues working as engineers at the Çatalağzı Thermal Power Plant with gifts. We shared specially designed engineering pens and notes containing a congratulatory message from the General Manager of Thermal Power Plants with our engineer friends.

We are Together with Our Laboring Women

The traditional Women's Day breakfast, held annually for International Women's Day on March 8th, was once again celebrated this year with the participation of our female employees. During the breakfast, where all female employees gathered, we gifted specially prepared bracelets to our women in honor of the day's significance.



LABOR FORCE				
Contract	Unit	2021	2022	2023
Percentage of factory employees included in collective labor agreements	Ratio	89%	88%	88%

Trainings	Unit	2021	2022	2023
Professional Development	Hour	120	335	625

In line with our sustainability vision, we support continuous development by adding value to the development of our employees. In 2023, the number of training hours per person at ÇATES tripled compared to the previous year.

Occupational Health and Safety

We are increasingly committed to the effective implementation of ÇATES' occupational health and safety systems, processes and mechanisms covering all our employees, contractors, business partners, visitors and the environment in which we operate. The development of these systems is of great importance to provide a safe and healthy working environment for all our employees at our plant. In doing so, we strive to minimize health and safety risks and thus improve our company's performance in this regard. This system, in which we integrate occupational health and safety practices into all critical business activities, includes the principles and processes necessary to help create a safe and healthy workplace in our company. While the operations of ÇATES are certified with the ISO 45001 standard with the goal of 'zero accidents', occupational health and safety practices are combined with the Integrated Management System.

Life Safety Philosophy

Life Safety is the foundation of our business and one of the most important components of our corporate value. We give the highest priority to life safety in all our commercial activities.

As ÇATES, our first priority while ensuring sustainable production is to value our employees. The principle of. "No job is so important and urgent that it jeopardizes the safety of human life" forms the basis of creating a safe working environment in our corporate culture. With this in mind, our Company attaches great importance to its employees and adopts safe and efficient processes to support sustainable production. In line with this vision, we aim to strengthen occupational safety and effectively integrate sustainability.

Our organization operates with a commitment to comply not only with national legal standards, but also with global business and practice standards. We effectively use carefully prepared risk analyses, work authorization documents and tools such as R5 (5 minutes for risks) to assess existing risks and potential risks in our business processes. The primary goal of our company is to create a sustainable business structure by minimizing risks and to achieve a level of preparedness that can respond effectively in the event of an emergency. This comprehensive approach strengthens our perspective and shapes our occupational health and safety strategy.

Developing Safety Culture

We raise awareness of all our employees through trainings on emergencies and risk management, and after completing risk assessments, various campaigns are organized to turn these risks into opportunities. Continuous improvement in our safety standards is targeted through Behavior-Oriented Audits and Monthly Planned Safety Checks conducted within the framework of the Life Safety and Environment Committee. At ÇATES, all employees are committed to full compliance with the HSE and Sustainability Policy. These efforts aim to create a sustainable work culture in our workplace. All employees are responsible for the activities carried out by ÇATES within the scope of occupational health and safety.

Safe and Stable Operations

We make every effort to ensure that our thermal power plant is monitored 24/7 and operates in a safe and stable manner. We carry out inspections to quickly detect any operational disruptions and keep security at a high level.

Promoting Healthy and Balanced Life

As part of our efforts to promote initiatives aimed at preserving and enhancing our employees' health, our company has a health unit with a legally required workplace physician and a full-time health professional. The health unit operates around the clock to provide services at any time of the day.

During the reporting period, "Stop Smoking Campaign" was organized and employees were trained by the Yeşilay (Turkish Green Crescent) together with the workplace physician. After the training, our employees who wanted to quit smoking were directed to the Smoking Cessation Polyclinics of hospitals with the guidance of our health unit and their follow-up was ensured. Employees who quit smoking were rewarded.



Supply Chain Management

Our company believes that success can be achieved through a proper supply chain management in order to maximize the efficiency of its operations, and accordingly, it implements strategic steps such as effective planning of raw material flow, reduction of logistics costs and optimal production planning. This approach plays an important role in line with our goals of increasing customer satisfaction and maintaining our competitive advantage. In addition, thanks to our ability to effectively manage potential risks in our supply chain, we continuously improve our ability to cope with challenges such as demand changes, supplier issues and logistical disruptions.

Our strategy of establishing reliable and high-quality supplier relationships is crucial for the smooth operation of our supply chain. In this context, the supplier evaluation form used within our procurement unit allows us to meticulously assess critical factors such as environmental and occupational health and safety compliance. This form is utilized in full compliance with supplier evaluation instructions and is continuously updated to ensure adherence to our standards.

We regularly review our supply chain processes and strengthen our business continuity by making continuous improvements on these processes. This effort contributes to our company's progress based on solid foundations in order to increase customer satisfaction and maintain its competitive advantage in the sector.



We regularly review our supply chain processes and continually make improvements to strengthen our business continuity.



Stakeholder Relations

A secure and stable electricity generation is the key to the development of our country and our economy. In addition to providing electricity by considering the needs of the region in which it operates, ÇATES also works to promote economic and social progress. In order to be an effective corporate citizen, ÇATES actively supports community work and social activities.

In the dynamic atmosphere of corporate sustainability, the development of strong and effective stakeholder relationships is an important part of the journey towards responsible and ethical business practices. Active stakeholder engagement and utilizing appropriate communication channels help to build reputation and increase efficiency. At the heart of our commitment and dedication to sustainability is the importance and understanding we place on the well-being of our stakeholders. In line with our goal of enhancing stakeholders' welfare, we carefully consider the strategies and practices we create to improve the relationships we build with a transparent and mutually beneficial perspective. In this context, we explain in detail the approaches we adopt in the areas of interaction, communication and cooperation.

International Working Women's Day Celebrated with "Love Workshop" and "Laughter Yoga" Activities

8 March International Working Women's Day was celebrated with various activities with all our female employees at Yatağan, ÇATES and Entek. After lunch, our female employees participated in "love workshop" and "laughter yoga" trainings to strengthen their sense of solidarity and unity. The personal development training led by Happiness Designer Gizem DAĞ focused on understanding one's own value, self-love and utilizing personal time.

It sounds like a very inspiring event! Starting with the positive effects of laughter on human psychology and then moving into practical sessions where dreams were put down on paper seems like a great way to encourage personal reflection and goal-setting. Ending with a meaningful activity that emphasizes the invisible connections between individuals and strengthens their mutual needs sounds very enriching. Gizem Dağ's motivational speech urging participants not to delay in pursuing their dreams and to take action must have been quite inspiring.

Our General Manager of Thermal Power Plants celebrated International Women's Day and expressed his belief in the development of our power plant and our country under the leadership of strong women. TES - İŞ Trade Union crowned this meaningful day by distributing carnations to our female employees who took part in the event, emphasizing the power of women. The event ended with the congratulations of all valuable women on March 8, International Working Women's Day.



Çatalağzı Thermal Power Plant came together with its stakeholders on 14 March Medicine Day

14 March is accepted as the date of the beginning of modern medicine and is also celebrated as the medical holiday. As Çatalağzı Thermal Power Plant, in accordance with our understanding of social responsibility, we visited Mr. Erol ÜNAL, our in-house physician, at his place of duty and celebrated the 14th of March Medicine Day.

Ramadan Food Packages from ÇATES to Earthquake Victims

Çatalağzı Thermal Power Plant delivered Ramadan food packages to Zonguldak Kilimli District Governorship within the scope of the aid campaign organized for earthquake victims. Kilimli District Governorship thanked ÇATES for this meaningful support provided to the earthquake victims. The aid parcels, which were prepared to alleviate the difficult conditions of our citizens living in the earthquake zone, were delivered through the Kilimli District Governorship. Çatalağzı Thermal Power Plant contributes to the welfare of the society by putting its sustainability mission into practice with the importance it attaches to stakeholder relations.

Visit of Gökçeşey Vocational High School Students to ÇATES

Gökçeşey Vocational High School students visited the Çatalağzı Thermal Power Plant, where they gained detailed information about the electricity generation processes. Prior to the visit, the students received Personal Protective Equipment (PPE) including helmets and vests, along with Occupational Health and Safety (OHS) training. Guided by engineers, they toured the plant facility, observing firsthand the stages of electricity production and receiving information. The students and teachers expressed their satisfaction with the visit and conveyed their thanks to the ÇATES management for providing this opportunity.

Energy Efficiency Week: Awareness Raising and Training at ÇATES

As ÇATES, within the scope of our "Energy Efficiency Week" activities, we aimed to raise the awareness of our employees on sustainable energy use. To this end, we organized a series of informative activities and interactive surveys on the importance of energy saving.

Among the activities organized within the company, the quiz prepared on energy saving attracted great interest. The competition consisted of a questionnaire containing questions that reinforced our employees' knowledge on energy consumption and saving. Employees who gave correct answers were rewarded with various gifts as a small but meaningful part of this awareness-raising effort.



Fire Safety and Emergency Training for our Interns

ÇATES places great importance on raising awareness of young interns on occupational health and safety. Within this framework, applied fire extinguishing training organized by our HSE and Sustainability Directorate was implemented as an awareness programme for our interns.

In addition to their internship, training has been provided to help interns adapt to a safe working environment and learn what to do in emergency situations. During these sessions, conducted by our firefighting unit's expert personnel, practical knowledge of fire safety and extinguishing techniques was imparted. The training emphasized the importance of safety in production processes and conveyed the message that occupational health and safety should be applied not only in the workplace but also in every aspect of life.



Atatürk Commemoration Ceremony

The death anniversary of Gazi Mustafa Kemal Atatürk was commemorated at Çatalağzı Thermal Power Plant. At the ceremony held in the administrative building, employees came together to commemorate Atatürk and stood in silence. The ceremony ended after the Turkish National Anthem. General Manager of Thermal Power Plants Hamdi ALP emphasized the meaning and importance of the day and said, "We commemorate the Great Leader Mustafa Kemal Atatürk with love, respect and longing. Inspired by Atatürk's principle of 'the one who loves his homeland the most is the one who does his duty the best', we are trying to fulfil our duty for our country in the best way possible." ÇATES adopts a sustainability approach focused on corporate commitment, social cohesion and contribution to national values.



Environment Week Special "I am the Most Environmentally Friendly Quiz Contest"

ÇATES organized a unique initiative named "I Am the Most Environmentally Friendly: Award-Winning Quiz" during the Environment Week from June 5th to 9th to enhance sustainability awareness. This event, held internally as a quiz competition, was designed to increase environmental awareness among employees.

This interactive competition, which was organized in three stages and required immediate answers to environment-themed questions via SMS, attracted great interest among our employees. The competitive competition between the participants who reached the final round provided pleasant moments that reinforced knowledge and environmental awareness.

The winners received their awards from ÇATES Director Rıdvan Edip Akdeniz and became representatives of the company's environmental commitment. In his speech during the event, Mr. Akdeniz thanked all the participants and particularly appreciated the finalists and their environmental awareness. He also underlined that environmental awareness is a discipline that starts from the family and extends to business and social life, and emphasized the importance of a sustainable environmental awareness in the workplace.



4th Year of Blood Donation Initiative

ÇATES continues its initiative to support the Turkish Red Crescent (Kızılay) with regular blood donations in its fourth year as part of its ongoing social responsibility projects. Aimed at promoting a culture of blood donation, ÇATES' active employee participation in these blood drives strengthens Kızılay's blood stocks and contributes significantly to societal solidarity. This process underscores ÇATES' strategies to strengthen stakeholder relations and emphasize its vision of community awareness.



ÇATES Fire Department Stands by the Local Community

As in 2022, ÇATES fire teams continued to stand by the local community in 2023. Responding swiftly, ÇATES firefighters intervened in a house fire in Çatalağzı Center, bringing the fire under control promptly. The always prepared fire teams not only take preventive measures against potential fire risks within the organization but also provide immediate support to local community requests. In the incident in Çatalağzı, the teams quickly reached the scene, ensuring the fire was contained before it could escalate. Residents noticed the fire for unknown reasons and promptly called ÇATES Fire Brigade for assistance. The local community expressed their gratitude to ÇATES Fire Department for their rapid and effective response, voicing their satisfaction with the assistance provided.



Strong Support from ÇATES to LÖSEV for the Third Year

ÇATES actively supports the third annual satsuma tangerine sales campaign of the Foundation for Children with Leukemia (LÖSEV). Participating in the campaign by offering LÖSEV tangerines to its employees at lunch and dinner, ÇATES not only provides financial support, but also contributes to a sustainable social responsibility project by raising awareness. The campaign aims to contribute to the local economy and adopt an environmentally friendly approach.



Employees Competed for OHS Week

This year, Occupational Health and Safety Week, celebrated annually from May 4-10, was marked at ÇATES with a knowledge quiz involving all employees. The event aimed to raise awareness about occupational health and safety topics by posing questions covering these areas to all employees. ÇATES Director Rıdvan Edip Akdeniz awarded prizes and plaques to the winners of the quiz, expressing gratitude to all participants: "Occupational health and safety are essential for our workplace, and I find such events valuable for increasing awareness in these areas. It's also very gratifying to see the strong interest from our employees." The Maintenance Unit of the Milling Department took first place in the competition, followed by the Boiler Maintenance Unit in second place and the Measurement Control Unit in third. At the conclusion of the event, all participants received an occupational health and safety certificate as a memento, and the event concluded with a group photo session.



Happy Fire Brigade Week

ÇATES celebrated the Fire Brigade Week of the employees working in the fire department within the scope of the Fire Brigade Week celebrated between 24 September - 1 October. During the Fire Brigade Week celebration accompanied by a cake, personalized mug cups were presented to the personnel as a gift to mark the meaning and importance of the day. The fire brigade personnel expressed that they were happy with the celebration of the fire brigade week and the interest shown to them.

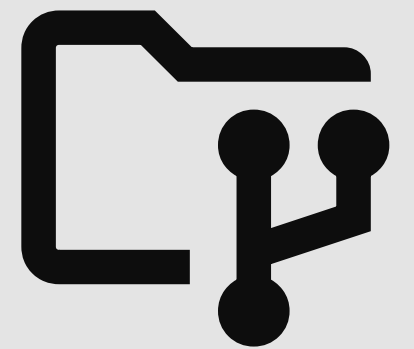


Quality Week Celebrated at ÇATES

Çatalağzı Thermal Power Plant organized an award-winning quiz competition within the scope of Quality Week. In the quiz competition organized by the Integrated Management Systems Unit to draw attention to the Quality Week, employees competed with each other by answering questions prepared on quality management systems and standards. Speaking at the award ceremony, Integrated Management Systems Chief Engineer Dr Fatma TARAF explained the historical journey of quality and emphasized that businesses and societies can get better quality outputs by using quality tools. ÇATES Thermal Power Plant Director Rıdvan Edip Akdeniz congratulated Tülin YILMAZ AKUÇ, who made the draw among those who scored full points to determine the winner of the Quality Week quiz award ceremony, and said: "Our aim is to provide added value to our country while realizing this at world standards, and for this, we would like to thank the Integrated Management Systems Unit, which undertakes this task in our institution, for bringing us together within the scope of the quality week." The employees who got full points by knowing all the questions were as follows; Tülin YILMAZ AKUÇ, Burak ALTAY. At the ceremony, the employees who made 1 and 2 mistakes were also awarded by the unit managers. Every year, the second week of November is celebrated as Quality Week in the world.



DIGITALIZATION





Digitalization

As a Company with strategic importance in the continuity of energy supply, we are aware that we have a special responsibility to protect our facilities against cyber and physical attacks that could jeopardize national electricity generation. At ÇATES, we invest in technologies that create robust processes and control systems to prevent and deter such threats and strengthen our resilience against attacks.

The replacement of the analogous control system with Distributed Control System (DCS), which is also translated as distributed control system in our language, will be carried out within the 2024 investment plan in order to increase digitalization and efficiency. Automating the control of the process with a Distributed Control System (DCS) helps to manage processes more efficiently, while controlling errors and enabling rapid intervention. With the construction of the DCS control system, the process will run more efficiently, production costs will be reduced and safe operation will be ensured.





APPENDICES



Economic Performance Indicators

	2022	2023
Revenue (TL million)	6415	5296
Gross Profit/ (Loss) (TL million)	1533	1087
EBITDA (TL million)	2020	1678
Net Financial Debt/ Shareholders' Equity (%)	62.81	0.56
Operating Profit / (Loss) (TL million)	1574	1215
Net Profit / (Loss) for the Period (TL million)	2978	1122
Net Financial Debt/EBITDA (TL million)	1.85	0.03
Earnings / (Loss) per Share (TL)	35.17	6.79
Net Financial Debt (TL million)	3734	46

Environmental Performance Indicators

Total Waste (by Type)	Unit	2022	2023
Hazardous Waste	Ton	66,626	32,738
Non-Hazardous Waste	Ton	585,030	504,500
Total Waste	Ton	585,097	504,533
Energy and Emissions			
Non-Renewable Direct Energy	Unit	2022	2023
Diesel/Motor oil	Liter	19	18.76
LPG	GJ	7	4
Fuel Oil	Ton	8,061	5,385
Non-Renewable Indirect Energy	Unit	2022	2023
Electricity	kWh	163,152	184,322
Emissions			
Greenhouse Gas Emissions	Unit	2022	2023
Direct CO ₂ Emissions (Scope 1)	tCO ₂ e	2,004,186.65	1,960,379.53
Indirect CO ₂ Emissions (Scope 2)	tCO ₂ e	2,308.51	2,678.07
Indirect CO ₂ Emissions (Scope 3)	tCO ₂ e	544,066.81	560,692.05
Water			
Total Volume of Water Withdrawn	Unit	2022	2023
Mains water	m ³ /year	28,214	27,674
Sea water	m ³ /year	231,137,292	251,676,000
Pond water	m ³ /year	250,601	304,394
Water Consumption	m ³ /year	2,715,198	2,149,402
Water Footprint	Unit	2022	2023
Blue Water Footprint	m ³ /year	481,821	324,293
Green Water Footprint	m ³ /year	477,784	628,993
Grey Water Footprint	m ³ /year	328,296	5,500

Social Performance Indicators

LABOUR FORCE				
By Employment Type	Unit	2021	2022	2023
White Collar - Female	Person	9	8	8
White Collar - Male	Person	29	38	38
Blue Collar - Female	Person	-	2	2
Blue Collar - Male	Person	295	325	334
TOTAL		333	373	382

By Gender	Unit	2021	2022	2023
Male	Person	324	363	72
	Ratio	97%	97%	97%
Female	Person	9	10	10
	Ratio	3%	3%	3%
TOTAL		333	373	382

By Age	Unit	2021	2022	2023
18 - 30 years old	Female	4	5	2
	Ratio	1%	1%	1%
	Male	31	48	64
	Ratio	9%	13%	17%
31 - 40 years old	Female	2	3	6
	Ratio	1%	1%	1%
	Male	117	138	142
	Ratio	35%	38%	38%
Between 41 - 50 years old	Female	1	2	2
	Ratio	0%	1%	1%
	Male	98	102	111
	Ratio	29%	28%	30%
Between 51 - 60 years old	Female	2	-	-
	Ratio	1%	-	-
	Male	73	68	49
	Ratio	20%	19%	13%
Over 60 years old	Male	5	7	6
	Ratio	2%	2%	2%
TOTAL		333	373	382

By Contract	Unit	2021	2022	2023
Percentage Of Factory Employees Included In Collective Labor Agreements	Ratio	89%	88%	88%

Employment and Turnover	Unit	2021	2022	2023
New hires - Total	Person	70	57	98
White Collar	Person	12	14	12
Blue Collar	Person	58	43	86
Resigned - Total	Person	54	10	91
White Collar	Person	11	2	12
Blue Collar	Person	43	8	79
Total new hires	Person	70	57	98
Total resigned	Person	54	10	91

All Trainings (By Type)	Unit	2021	2022	2023
Professional Development	Hour	120	335	625

OCCUPATIONAL HEALTH AND SAFETY				
Accidents	Unit	2021	2022	2023
Near Miss	Number	21	29	33
Accident Frequency Rate	Ratio	20.73	23.94	15.39

Lost Days	Unit	2021	2022	2023
Rate Of Lost Days Due To Work Accidents	Ratio	8.06	5.44	0.00
Absenteeism Rate (AR)	Ratio	4.50%	8.10%	14.18%

Occupational Health and Safety Trainings	Unit	2021	2022	2023
Company Employees	Person*Hour	10,234	12,130	12,551
Subcontractor Employees	Person*Hour	868	1,229	1,783
Total OHS Trainings	Person*Hour	11,101	13,359	14,334



Limited Assurance Statement



LIMITED ASSURANCE STATEMENT

Verification Scope

Necessary verification activities were carried out to independently verify the compliance of GRI performance disclosures (environmental and social indicators) in the Elsan Elektrik Gereçleri San. Tic. A.Ş. 2023 Sustainability Report prepared by Elsan Elektrik Gereçleri San. Tic. A.Ş. for the year ended 31 December 2023 with the GRI Standard at a limited confidence level.

This Statement of Assurance covers the data and information relating to the performance disclosures assessed within the scope of the work described below.

Environmental Indicators

Total amount of waste (by type) (tons)

Total amount of waste (by type) (tons)

Non-renewable direct energy quantities

Non-renewable indirect energy quantities (kWh)

Energy supplied from renewable energy sources (kWh)

Direct CO₂ Emissions (Scope 1) (tonnes CO₂ e)

Indirect CO₂ Emissions (Scope 2)) (tonnes CO₂ e)

Indirect CO₂ Emissions (Scope 3) (tonnes CO₂ e)

Total volume of water withdrawn (m³ /year)

Water Footprint (m³ /year)

Social Indicators

Number of female and male employees by type of employment

Number of female and male employees by type of contract

Number of employees by management category

Number of employees by gender and age

Percentage of employees included in collective labour agreement (%)

Number of employees who quit their jobs by gender and age

Total training hours by training topics (hours)

Occupational health and safety training hours

Near miss

Kazakh frequency rate

Number of fatal accidents

Rate of lost days due to work accidents

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Page | 1



Verification Activities

The accuracy and responsibility for the information contained in the Sustainability Report lies with Elsan Elektrik Gereçleri San. Tic. A.Ş. and Unity Belgelendirme Muayene ve Test Hizmetleri Ltd. Şti. did not participate in the preparation of this report. The responsibility of Unity Belgelendirme Muayene ve Test Hizmetleri Ltd. is to verify the accuracy and reliability of the information available and to provide independent assurance of the underlying systems and processes used to obtain, analyse and review this information.

The procedures we perform are based on our professional judgement and include research, interviews, observation of processes performed, review of documentation, analytical procedures, assessment of the appropriateness of measurement methods, review of reporting policies and reconciliation of underlying records.

The limited assurance procedures we carry out are as follows:

1. Interviews were conducted with the persons responsible for the relevant environmental and social indicators.
2. It includes the control and verification of environmental and social performance reporting data with reference documents.
3. The source data used for the preparation of environmental and social indicators have been evaluated and selected specific examples of calculations have been redone.
4. Limited testing was carried out on a sample basis for the compilation and preparation of environmental and social indicators prepared by the Company.
5. It covers the evaluation of data and information management systems in terms of collecting, combining, analysing and reviewing data.

Limited Assurance Statement

Unity Certification has planned and implemented verification studies in order to collect the information, explanations and evidence required to provide limited assurance in line with the processes and procedures applied.

In line with the procedures we have carried out and the evidence we have obtained, the GRI performance disclosures (environmental and social indicators) in the Company's 2023 Sustainability Report until 31 December 2023 have been verified and approved in all material aspects by the verification team.

Restriction

This report has been prepared to assist in the reporting of the Company's sustainability performance and activities, including the results. We authorise the inclusion of this report in the 2023 Sustainability Report for the year ending 31 December 2023 so that the Company can demonstrate that it has fulfilled its responsibilities by having a limited independent assurance report prepared on the performance data. To the extent permitted by law and with our prior written approval, we do not accept any responsibility to any person or organisation other than Elsan Elektrik Gereçleri San. Tic. A.Ş. in relation to the study or report we have carried out, except in cases expressly agreed upon.

UNITY CERT

Abdulkadir ÖZDOĞAN / Lead Verifier

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Page | 2

For the Content Index – Essentials With Reference option Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting with reference to the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the English version of the report.

Statement of Use	Çatalağzı Thermal Power Plant has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021



CONTENT INDEX ESSENTIALS

SERVICE

WITH REFERENCE OPTION

2024

GRI
Content
Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Corporate Profile, p.8, ÇATES at a Glance, p.9
	2-2 Entities included in the organization’s sustainability reporting	About the Report, p.3
	2-3 Reporting period, frequency and contact point	About the Report, p.3
	2-4 Restatements of information	About the Report, p.3
	2-5 External assurance	Limited Asurance Statement, p.39
	2-6 Activities, value chain and other business relationships	Corporate Profile, p.7, Our Corporate Value, p.10
	2-7 Employees	Employees and Human Resources Practices, p.27
	2-8 Workers who are not employees	Confidentiality constraints
	2-9 Governance structure and composition	Organizational Structure, p.8, Business Ethics and Corporate Governance, p.12
	2-10 Nomination and selection of the highest governance body	Organizational Structure, p.8, Business Ethics and Corporate Governance, p.12
	2-11 Chair of the highest governance body	Organizational Structure, p.8
	2-12 Role of the highest governance body in overseeing the management of impacts	Organizational Structure, p.8, Business Ethics and Corporate Governance, p.12
	2-13 Delegation of responsibility for managing impacts	Organizational Structure, p.8, Business Ethics and Corporate Governance, p.12
	2-14 Role of the highest governance body in sustainability reporting	Corporate Sustainability Management, p.14
	2-15 Conflicts of interest	Confidentiality constraints

GRI

Content

Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Corporate Sustainability Management, p.14 Material Sustainability Issues, p.18
	2-17 Collective knowledge of the highest governance body	Confidentiality constraints
	2-18 Evaluation of the performance of the highest governance body	Business Ethics and Corporate Governance, p.12
	2-19 Remuneration policies	Employees and Human Resources Practices, p.27
	2-20 Process to determine remuneration	Confidentiality constraints
	2-21 Annual total compensation ratio	Confidentiality constraints
	2-22 Statement on sustainable development strategy	Sustainable Business Model, p.15, Material Sustainability Issues, p.18
	2-23 Policy commitments	Sustainability Policy, p.16, Integrated Management System, p.17
	2-24 Embedding policy commitments	Sustainability Policy, p.16, Integrated Management System, p.17
	2-25 Processes to remediate negative impacts	Confidentiality constraints
	2-26 Mechanisms for seeking advice and raising concerns	Confidentiality constraints
	2-27 Compliance with laws and regulations	Business Ethics and Corporate Governance, p.12,Environmental Sustainability at ÇATES, p.22
	2-28 Membership associations	Stakeholder Relations, p.30
	2-29 Approach to stakeholder engagement	Material Sustainability Issues, p.18, Stakeholder Relations, p.30
	2-30 Collective bargaining agreements	Employees and Human Resources Practices, p.27

GRI

Content

Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Sustainability Issues, p.18
	3-2 List of material topics	Material Sustainability Issues, p.18
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Sustainability Issues, p.18
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, p.28
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, p.28
	403-3 Occupational health services	Occupational Health and Safety, p.28
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, p.28
	403-5 Worker training on occupational health and safety	Social Performance Indicators, p.38
	403-6 Promotion of worker health	Social Performance Indicators, p.38
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, p.28
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, p.28
	403-9 Work-related injuries	Social Performance Indicators, p.38
	403-10 Work-related ill health	Social Performance Indicators, p.38
Inclusion, Diversity and Talent Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Sustainability Issues, p.18
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employees and Human Resources Practices, p.27, Social Performance Indicators, p.39
	404-2 Programs for upgrading employee skills and transition assistance programs	Employees and Human Resources Practices, p.27, Social Performance Indicators, p.39

GRI

Content

Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employees and Human Resources Practices, p.27
Ethics, Transparency and Compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Sustainability Issues, p.18
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Sustainability Policy, p.16
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics and Corporate Governance, p.12
Social Investments		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Sustainability Issues, p.18
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Stakeholder Relations, p.30

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
Combating Climate Change and Adaptation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Sustainability Issues, p.18
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and Emissions Management, p.23
	302-2 Energy consumption outside of the organization	Environmental Performance Indicators, p.37
	302-4 Reduction of energy consumption	Energy and Emissions Management, p.23
	302-5 Reductions in energy requirements of products and services	Energy and Emissions Management, p.23
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emission Management, p.23
	305-2 Energy indirect (Scope 2) GHG emissions	Emission Management, p.23
	305-3 Other indirect (Scope 3) GHG emissions	Emission Management, p.23
	305-5 Reduction of GHG emissions	Emission Management, p.23
Management of Ecosystem Impacts		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Sustainability Issues, p.18
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Waste Management, p.25
	301-2 Recycled input materials used	Waste Management, p.25, Environmental Performance Indicators, p.37
	301-3 Reclaimed products and their packaging materials	Waste Management, p.25

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, p.24
	303-2 Management of water discharge-related impacts	Water Management, p.24
	303-3 Water withdrawal	Water Management, p.24, Environmental Performance Indicators, p.37
	303-4 Water discharge	Water Management, p.24, Environmental Performance Indicators, p.37
	303-5 Water consumption	Water Management, p.24, Environmental Performance Indicators, p.37
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, p.25
	306-2 Management of significant waste-related impacts	Waste Management, p.25
	306-3 Waste generated	Waste Management, p.25
Sustainable Profitability		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Sustainability Issues, p.18
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance Indicators, p.37
	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability Goals, p.19,20
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Stakeholder Relations, p.30
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management, p.29
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sosyal Performans Göstergeleri, sf.38
	401-3 Parental leave	Employees and Human Resources Practices, p.27
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employees and Human Resources Practices, p.27
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management, p.29
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management, p.29

TCFD Index

TCFD Main Headings	Recommended Disclosures	Report Page
Governance - Disclose the organization's governance around climate-related risks and opportunities.	A. Describe the board's oversight of climate-related risks and opportunities.	14
	B. Describe management's role in assessing and managing climate-related risks and opportunities.	14
Strategy - Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	20
	B. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	20
	C. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	15
Risk Management - Disclose how the organization identifies, assesses, and manages climate-related risks.	A. Describe the organization's processes for identifying and assessing climate-related risks.	19
	B. Describe the organization's processes for managing climate-related risks.	15
	C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	15
Metrics and Targets - Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	19,23
	B. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	23
	C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	23

Sustainability Principles Compliance Report

		COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION REGARDING PUBLICLY DISCLOSED INFORMATION (Page number should also be specified) /LINK
		YES	NO	PARTLY	INTEREST LESS		
	A. General Principles						
	A1. Strategy, Policy and Objectives						
A1.1	Material environmental, social and corporate governance (ESG) issues, risks and opportunities have been identified by the board of directors.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 21-25
	ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Labour Policy, etc.) have been established and disclosed to the public by the board of directors.			X		The relevant policies are included on the website and in the 2022 Sustainability Report.	https://www.cates.com.tr/politikalar/index.html
A1.2	Short and long term targets determined within the scope of ESG policies are disclosed to the public.			X		It is disclosed in the 2022 Sustainability Report, without specifying the period.	2022 Sustainability Report - Page 18
	A2. Implementation/Monitoring						
A2.1	Committees and/or units responsible for the execution of ESG policies and the highest level responsible persons in the partnership related to ESG issues and their duties are identified and disclosed to the public.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 16,17
	Activities carried out by the responsible committee and/or unit within the scope of the policies are reported to the board of directors at least once a year.	X				The activities that have been performed are presented to the Board of Directors periodically through the HSE and Sustainability Committee.	2022 Sustainability Report - Pages 16,17
A2.2	Implementation and action plans have been established and disclosed to the public in line with ESG objectives.			X		In the 2022 Sustainability Report, priority areas have been identified. In the 2023 Sustainability Report, more detailed information will be shared.	2022 Sustainability Report - Pages 21-25
A2.3	ESG Key Performance Indicators (KPIs) and the level of achievement of these indicators on an annual basis are disclosed to the public.		X			Levels of achieving KPIs on a yearly basis are not shared.	
A2.4	Activities to improve the sustainability performance of business processes or products and services are disclosed to the public.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 30-37

Sustainability Principles Compliance Report

		COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION REGARDING PUBLICLY DISCLOSED INFORMATION (Page number should also be specified) /LINK
		YES	NO	PARTLY	INTEREST LESS		
	A3. Reporting						
A3.1	Information on the Company's sustainability performance, targets and actions is provided in the annual reports in an understandable, accurate and sufficient manner.	X				It is disclosed in the 2023 Activity Report.	
A3.2	The Incorporation has publicly disclosed information on which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 22,23
A3.3	Lawsuits filed against and/or finalised on ESG issues, which are important in terms of ESG policies and/or will significantly affect the activities, are disclosed to the public.	X				The Company has not become a party to any lawsuit. The management approach and related statements regarding regulatory compliance are disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 17, 30-32, 36, 37
	A4. Verification						
A4.1	ESG Key Performance Measures of the Incorporation have been verified by an independent third party and disclosed to public.					Greenhouse gas calculations have been verified. It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Page 31
	B. Environmental Principles						
B1	The Company has publicly disclosed its policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programmes in the field of environmental management.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 26-33
B2	Restrictions on the scope of the report, reporting period, reporting date, reporting date, reporting conditions regarding the environmental reports prepared for the provision of information on environmental management are disclosed to the public.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Page 1
B3	A2.1.						
B4	Environmental targets included in the rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (such as board members, managers and employees) are disclosed to the public.		X			Environmental targets included in the relevant reward systems are not disclosed to the public.	

Sustainability Principles Compliance Report

		COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION REGARDING PUBLICLY DISCLOSED INFORMATION (Page number should also be specified) /LINK
		YES	NO	PARTLY	INTEREST LESS		
B5	It is publicly disclosed how prioritized environmental issues are integrated into business objectives and strategies.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 16,17, 21-25
B6	A2.4.						
B7	It is publicly disclosed how environmental issues are managed and integrated into business objectives and strategies, including suppliers and customers along the partnership value chain, including the operational process.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 16,17
B8	It is disclosed to the public whether the relevant institutions and non-governmental organizations are involved in the policy-making processes and the cooperation with these institutions and organizations.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 39-43
B9	In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts), information on environmental impacts is disclosed to the public in a periodically comparable manner.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 30-33
B10	Details of the standard, protocol, methodology and base year used to collect and calculate the data are publicly disclosed.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 30-33
B11	The increase or decrease of environmental indicators for the reporting year in comparison with previous years is disclosed to the public.			X		The last 3-year progress of environmental performance indicators other than greenhouse gas emissions was shared in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 30-33
B12	Short and long term targets have been set to minimize environmental impacts, and these targets and progress against the targets set in previous years have been disclosed to the public.		X			The company has initially issued a Sustainability Report for the reporting year 2022. This benchmark will be included in future reports in the upcoming years.	
B13	A strategy for combating the climate crisis was established and planned actions were publicized.		X			A climate crisis mitigation strategy has not been developed.	

Sustainability Principles Compliance Report

		COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION REGARDING PUBLICLY DISCLOSED INFORMATION (Page number should also be specified) /LINK
		YES	NO	PARTLY	INTEREST LESS		
B14	Programmes or procedures have been established and disclosed to the public in order to prevent or minimize the potential negative impact of products and/or services on the environment.			x		It is disclosed on the website and in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 20,26,27
	Actions have been taken to reduce the greenhouse gas emissions of third parties (e.g. suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.		x			No activities are being carried out for third parties regarding the subject.	
B15	Environmental benefits/gains and cost savings provided by initiatives and projects to reduce environmental impacts are disclosed to the public.	x				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 30-33
B16	Energy consumption (natural gas, diesel, petrol, LPG, coal, electricity, heating, cooling, etc.) data are disclosed to the public as Scope-1 and Scope-2.		x			The total values of Scope 1 and 2 emissions have been disclosed to the public in a verified manner. However, the breakdown of these values has not been disclosed.	2022 Sustainability Report - Pages 31
B17	Public disclosure was made about the electricity, heat, steam and cooling produced in the reporting year.		x			These data have been considered within the measurements of carbon and water footprint. However, the breakdowns have not been disclosed to the public.	2022 Sustainability Report - Pages 31, 32
B18	Studies on increasing the use of renewable energy and transition to zero or low carbon electricity have been carried out and disclosed to the public.		x			No work has been done on this matter.	
B19	Renewable energy production and utilization data are publicly disclosed.		x			The company does not generate renewable energy. Usage data for renewables has not been disclosed to the public due to incomplete information regarding the exact proportion.	
B20	Energy efficiency projects were carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects was disclosed to the public.		x			Efforts are underway within the company to increase energy efficiency, but this data has not been disclosed to the public.	
B21	Water consumption, the amount of water withdrawn from underground or above ground, if any, recycled	x				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Page 32

Sustainability Principles Compliance Report

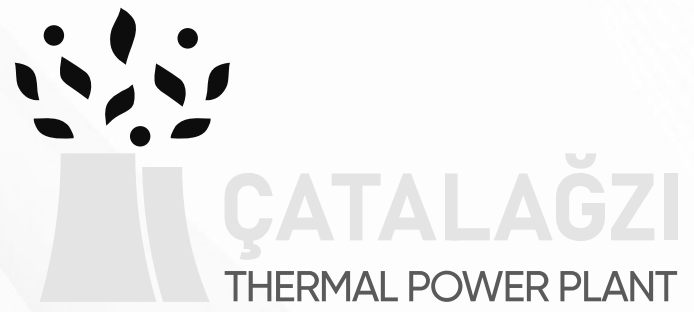
		COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION REGARDING PUBLICLY DISCLOSED INFORMATION (Page number should also be specified) /LINK
		YES	NO	PARTLY	INTEREST LESS		
	and discharged, sources and procedures are publicly disclosed.						
B22	It is publicly disclosed whether its operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).		x			The company is not part of any carbon pricing scheme. This information has not been disclosed to the public.	
B23	Information on carbon credits accumulated or purchased during the reporting period has been disclosed to the public.				x	Since there are no accrued or purchased carbon credits, this information has not been shared.	
B24	If carbon pricing is applied within the partnership, the details are disclosed to the public.		x			There is no publicly disclosed carbon pricing activity within the Company.	
B25	Platforms where the Incorporation discloses its environmental information are publicly disclosed.	x				2022 Sustainability Report is publicly available.	
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.1	A Corporate Human Rights and Employee Rights Policy has been established to cover the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation, the responsible persons for the implementation of the policy have been determined and the policy and responsible persons have been disclosed to the public.			x		It is disclosed in the Human Resources Policy on the website.	https://www.cates.com.tr/politikalar/insan-kaynaklari-politikasi.html
C1.2	Considering the supply and value chain impacts, fair labor, improvement of labor standards, women's employment and inclusion issues (such as non-discrimination on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc.) are included in the policy on employee rights.			x		It is disclosed in the Human Resources Policy on the website	https://www.cates.com.tr/politikalar/insan-kaynaklari-politikasi.html
C1.3	Measures taken along the value chain to protect the rights of segments sensitive to certain economic, environmental, social	x				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 39-43

Sustainability Principles Compliance Report

		COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION REGARDING PUBLICLY DISCLOSED INFORMATION (Page number should also be specified) /LINK
		YES	NO	PARTLY	INTEREST LESS		
	factors (low-income segments, women, etc.) or minority rights/equal opportunities are disclosed to the public.						
C1.4	Progress in preventing and remedying discrimination, inequality, human rights violations, forced labor and child labor was made public.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Page: 38
C1.5	Investments in employees (training, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management issues are included in the policy on employee rights.			X		It is disclosed in the Human Resources Policy on the website	https://www.cates.com.tr/politikalar/insan-kaynaklari-politikasi.html
	Mechanisms for resolving employee complaints and disputes have been established and dispute resolution processes have been determined.	X				It is disclosed in the Code of Ethics and Code of Conduct document on the website and in the 2022 Sustainability Report.	2022 Sustainability Report - Page: 19 https://www.cates.com.tr/politikalar/etik-kurallar-ve-calisma-ilkeleri.html
	Activities carried out during the reporting period to ensure employee satisfaction have been disclosed to the public.		X			Efforts are underway to ensure employee satisfaction, and this metric is being measured; however, these efforts have not been disclosed to the public.	
C1.6	Occupational health and safety policies have been established and disclosed to the public.	X				It is disclosed in the Human Resources Policy on the website.	2022 Sustainability Report - Page 38 https://www.cates.com.tr/politikalar/insan-kaynaklari-politikasi.html
	Measures taken to prevent occupational accidents and protect health and accident statistics are publicly disclosed.			X		All information other than the accident statistics is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Page: 36
C1.7	Personal data protection and data security policies have been established and disclosed to the public.	X				It is disclosed on the website.	https://www.cates.com.tr/kvkk.html
C1.8	Ethics policy has been established and disclosed to the public	X				It is disclosed on the website.	https://www.cates.com.tr/politikalar/etik-kurallar-ve-calisma-ilkeleri.html
C1.9	Explains its activities within the scope of social investment, social responsibility, financial inclusion and access to finance.			X		Partially disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Page 40-45
C1.10	Informative meetings and training programmes were held for employees on ESG policies and practices.			X		Training sessions are organized to inform employees about HSE policies and practices. While general information about the	2022 Sustainability Report - Page 5

Sustainability Principles Compliance Report

		COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION REGARDING PUBLICLY DISCLOSED INFORMATION (Page number should also be specified) /LINK
		YES	NO	PARTLY	INTEREST LESS		
						conducted sessions has been shared, detailed breakdowns of the trainings have not been provided.	
	C2. Stakeholders, International Standards and Initiatives						
C2.1	A customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public.				X	Although customer satisfaction is not measured, the company's activities are always based on absolute customer satisfaction	
C2.2	Information on communication with stakeholders (which stakeholder, subject and frequency) is disclosed to the public.			X		This information has been partially addressed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 20, 21, 40
C2.3	International reporting standards adopted in reporting are explained.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Page: 1
C2.4	Principles adopted in relation to sustainability, international organizations, committees and principles of which the Company is a signatory or member are disclosed to the public.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 5,20
C2.5	Developments were made and studies were carried out to be included in the sustainability indices of Borsa Istanbul and/or international index providers.		X			No additional development or work has been conducted on this matter specifically.	
	D. Corporate Governance Principles						
D1	Stakeholders' opinions were consulted in determining the measures and strategies in the field of sustainability.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report - Pages 16,17
D2	Social responsibility projects, awareness-raising events and trainings were carried out to raise awareness about sustainability and its importance.	X				It is disclosed in the 2022 Sustainability Report.	2022 Sustainability Report – Page 39-43



Sustainability Report **2023**

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