

# **Enerjisa Üretim**

## **Green Finance Framework**

*10<sup>th</sup> October 2024*

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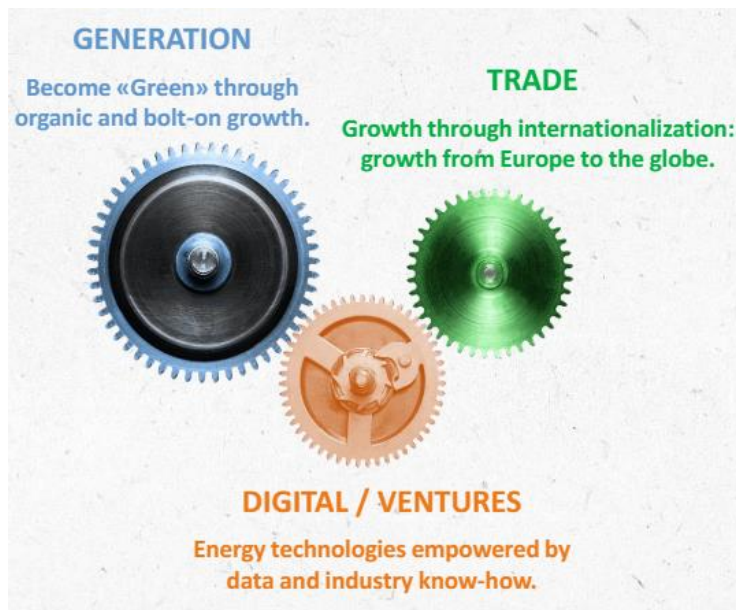
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## 1. Sustainability at Enerjisa Üretim

### 1.1 Introduction

Enerjisa Üretim is Türkiye's market leader in private sector electricity generation, with currently-installed generation capacity totalling ~3.8GW<sup>1</sup> across 5 different technologies. Enerjisa Üretim's share in Türkiye's installed capacity has risen to 4%, and among private sector players in the free market Enerjisa Üretim's share has risen to 5%. Enerjisa Üretim aims to reach an installed capacity of over 5 GW in 2026 thanks to ongoing new power plant investment.

Enerjisa Üretim is jointly owned by E.ON (50%) and Sabancı (50%), and consists of three primary segments – **Generation**, **Trade** and **Digital/Ventures**.



### Generation

Within the segment of energy generation, one of Enerjisa Üretim's strategic priorities is to ensure that new investments are made in the field of renewable energy.

On the generation side, Enerjisa Üretim intends to expand its asset fleet from the current ~3.8GW capacity to ~5.2GW by 2026, from investment only in renewables (specifically wind and solar energy). This will take the total renewable energy capacity from the current ~1.77GW to ~3.16GW, or ~60% of the total generation capacity.

#### Active Renewable Power Plant List

Enerjisa Üretim owns and operates the following generation assets at present.

Power Plant	Technology	Location	Installed Capacity (MW)	Year of Commissioning
<b>12 Hydroelectric Power Plants (~1350 MW)</b>				
Arkun Dam and HEPP	Hydro	Artvin	245.0	2014

<sup>1</sup> As of 2023

Power Plant	Technology	Location	Installed Capacity (MW)	Year of Commissioning
Çambaşı HEPP	Hydro	Trabzon	44.1	2013
Dağdelen HEPP	Hydro	Kahramanmaraş	8.0	2013
Doğançay HEPP	Hydro	Adana	62.0	2017
Hacıninoğlu HEPP	Hydro	Kahramanmaraş	142.0	2011
Kandil HEPP	Hydro	Kahramanmaraş	208.0	2013
Kavşak Bendi HEPP	Hydro	Adana	191.0	2013
Köprü HEPP	Hydro	Adana	156.0	2013
Kuşaklı HEPP	Hydro	Adana	20.0	2013
Menge HEPP	Hydro	Adana	89.0	2011
Sarıgül HEPP	Hydro	Kahramanmaraş	103.0	2013
Yamanlı II HEPP	Hydro	Adana	82.0	2015
<b>2 Solar Power Plants (~9 MW)</b>				
Bandırma SPP	Solar	Balıkesir	2.0	2017
Karabük SPP	Solar	Karabük	7.0	2017
<b>9 Wind Power Plants (~413 MW)</b>				
Akhisar WPP	Wind	Akhisar	55.0	2011
Akköy WPP	Wind	Akköy	25.2	2023
Aydos WPP	Wind	İstanbul	16.6	2021
Balıkesir WPP	Wind	Balıkesir	143.0	2012
Çanakkale WPP	Wind	Çanakkale	29.9	2011
Çeşme WPP	Wind	Çeşme	18.9	2015
Dağpazarı WPP	Wind	Mersin	39.0	2012
Dikili WPP	Wind	Kocaeli	7.2	2021
Erciyes WPP	Wind	Kayseri	78.6	2022

Table 1: Current renewable energy generation assets in operation

### YEKA-2 Tender

The YEKA framework was introduced in 2016 as an incentive mechanism to promote renewables infrastructure in Turkey. There have been 5 tenders to date in wind and solar, of which Enerjisa Üretim was awarded tender RES-2 in 2019 – this will be a 1,000 MW wind power project that is currently under construction in the regions of Aydın, Balıkesir, Çanakkale and Muğla. Each region will generate incremental capacity of 250 MW, and in total the GHG abatement associated with the project is estimated as ~2.3mm tCO<sub>2</sub>/year. The Commercial Operations Date for this project is between 2023-2026 across the different components of this project.

Enerjisa Üretim's ambition to grow generation capacity to over 5 GW is largely supported by this project. Enerjisa Üretim has completed the Environmental Impact Assessment (EIA) processes in all YEKA WPP-2 projects for which pre-licenses have been obtained.

	Balıkesir	Muğla	Çanakkale	Aydın	Total
<b>Optimized Capacity</b>	250 MW	250 MW	250 MW	250 MW	1000 MW
<b>Capacity Factor</b>	48.0%	32.5%	44.5%	36.3%	-
<b>Annual Generation</b>	1,061 GWh	718 GWh	984 GWh	802 GWh	3,564 GWh
<b>Unit COD</b>	2025	2026	2025	2025	-
<b>Licensed Date</b>	Until 2072	Until 2072	Until 2072	Until 2072	Until 2072

Table 2: YEKA-2 Project Highlights

### **Trade**

In addition to energy generation, Enerjisa Üretim is also an international energy & green commodity trader, trading a diversified portfolio of power, gas, carbon and green environmental commodities

across the globe. In 2023, trading volume in the CESEE and CWE regions exceeded 20 TWh.

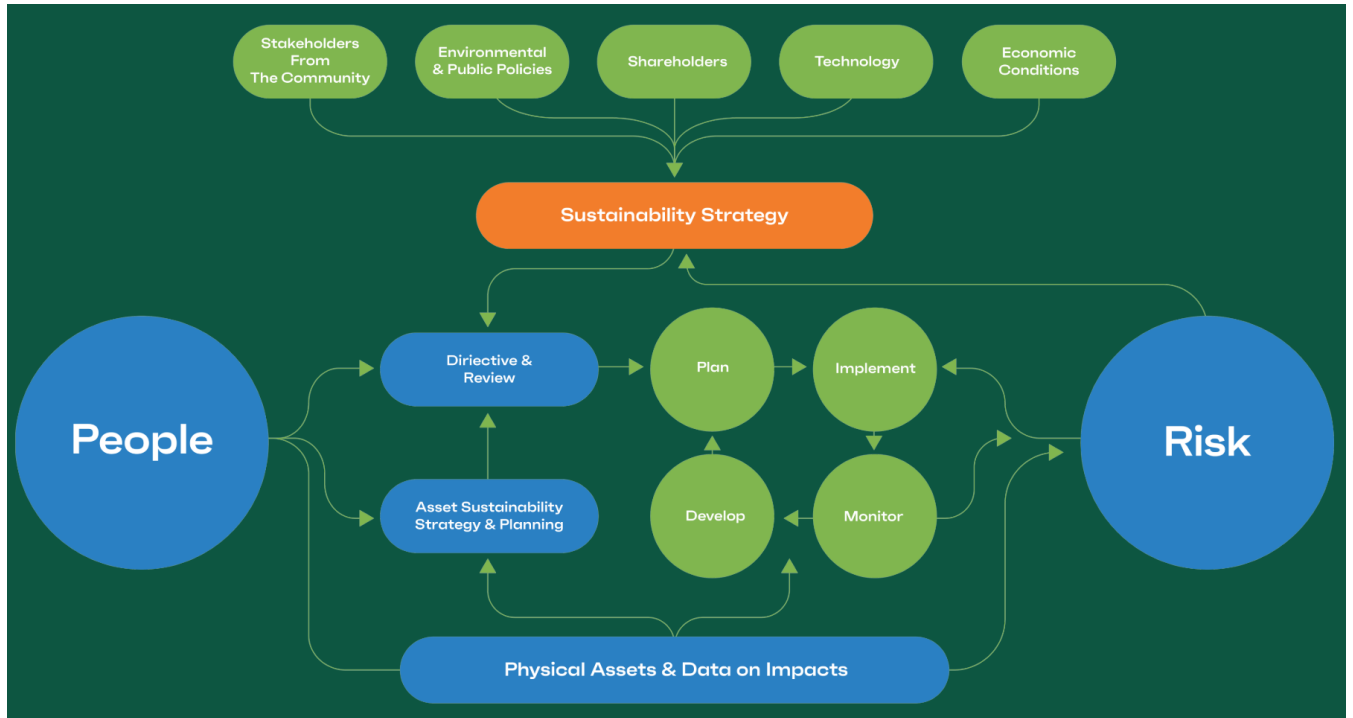
Enerjisa Üretim take an active role in the following topics:

- Electricity trading in organized and unorganized energy markets in Türkiye and Europe
- Participation in cross-border electricity capacity tenders
- Natural gas trade
- Switchboard imbalance management services
- Special solutions for renewable power plants on the market
- Customer solutions for the end consumer
- International carbon and green energy trade

## Digital/Ventures

Enerjisa Üretim applies advanced technology expertise, industry know-how, and proven and co-generated technologies

## 1.2 Sustainability at Enerjisa Üretim



Sustainability criteria is central to Enerjisa Üretim's project development processes and investment decisionmaking at all power plants, to ensure that the adopted approach is sensitive to the needs of society and employees, supports global transformation and ensures the long-term continuity of Enerjisa Üretim's business model. Enerjisa Üretim considers climate change and biodiversity as critical areas, and carries out necessary work regarding these issues accordingly.

As evidence of the importance of sustainability to Enerjisa Üretim, 10% of the CEO's performance is directly tied to the achievement of Enerjisa Üretim's sustainability goals, while an additional 20% is indirectly-linked.

Enerjisa Üretim prioritises people in all processes thanks to the work carried out in the fields of occupational health and safety, employee loyalty, gender equality, ethics and talent management. While implementing all these studies, Enerjisa Üretim shares projects with internal and external

stakeholders in order to manage processes with shared wisdom.

Enerjisa Üretim is guided by the National Legislative Guidelines and Equator Principles processes that focus on the management of environmental and social issues. These principles provide an international guidance framework for analysing and managing both environmental and social risks in financing of projects.

By conducting detailed environmental and social impact analysis in accordance with National Legislative Guidelines and Equator Principles, Enerjisa Üretim acts in communication and co-operation with local stakeholders and carries out projects that meet high-level sustainability standards. This approach allows Enerjisa Üretim to act at par with international standards, stretching beyond the mere obligations of governments.

Enerjisa Üretim meticulously evaluates the environmental and social impact of projects, manages risks effectively, and maintains open and transparent communication with local communities, protecting cultural heritage, supporting biodiversity and leading the fight against climate change.

## **Climate Change and Environment**

Enerjisa Üretim will achieve its net-zero carbon target by 2045 at the latest and continue its decarbonization journey by growing in renewable energy while transforming existing assets.

In this process, Enerjisa Üretim aims to reduce Scope 1+2 emissions by 18% in 2026 compared to the reference year of 2021 (2021 base year data was 458 g/kWh), and decrease Scope 3 emissions by 20% until 2035 compared to the 2022 reference year.

## **Select Sustainability Initiatives**

Enerjisa Üretim is fully committed to preserving the environment and contributing to society, as evidenced by the following select initiatives which highlight this commitment.

### Sapling Planting

Enerjisa Üretim has consistently planted saplings year after year, and are dedicated to planting ten thousand times the age of the organisation annually. Since 2019, nearly 1 million saplings have been planted, creating a carbon sink for generations to come.

Based on OGEM-VAK data, Enerjisa Üretim is consistently ranked as the leading private sector company planting the most samplings, and aims to have planted 1.5 million saplings by 2025.

### Agrivoltaics

In 2022, Enerjisa Üretim introduced the innovating Agrivoltaic initiative, which aims to achieve synergy between the agriculture and energy sectors. Through a pilot project, Enerjisa Üretim has successfully integrated agricultural activity and energy production within the same square metre of space. This allows for the maximisation of land use, for both agricultural produce and renewable energy generation, while also providing a distinctive avenue for advancing sustainable agriculture and energy solutions.

The project scope entails the seamless combination of solar energy and sustainable agriculture by installing dispersed and elevated solar panels within agricultural fields. The panels serve as protective shields for the agricultural production, against the impact of harsh weather conditions, thereby promoting more efficient crop growth.

## Womentum

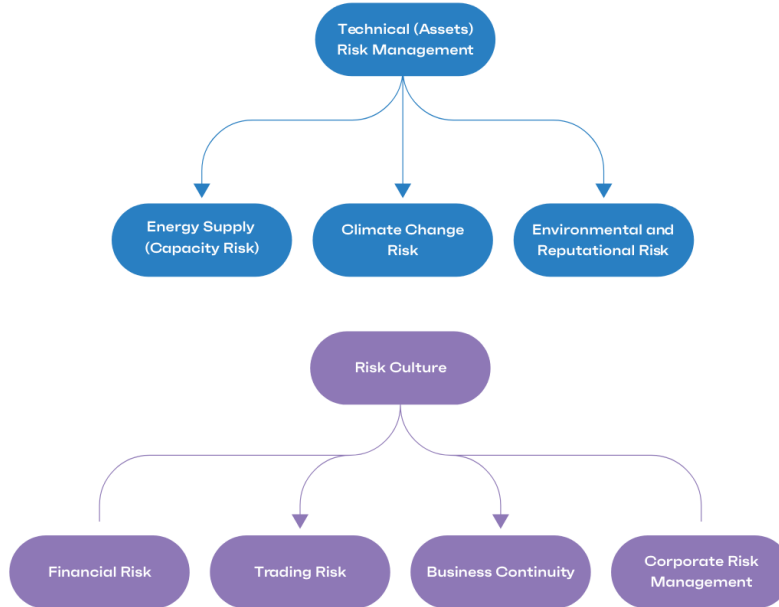
Enerjisa Üretim has taken a proactive approach to identifying the specific training and support that women may require when entering the energy sector and the broader business arena – and in response have created the Womentum project. This project is designed to equip female students, embarking on their journey into the business world, with the necessary tools and insights for a successful transition into their careers. The program employs a wide spectrum of content, ranging from personal development to sustainability, basic finance training to insights into energy markets, and the acquisition of digital skills. The project won recognition in the Employer Brand Management for Talent Acquisition Category at the PERYÖN Value for People Awards 2022.

## **Sustainability Governance**

Enerjisa Üretim has established a streamlined and effective sustainability governance structure, comprising two key components: the Sustainability Steering Committee, which holds an oversight and evaluation role, and the Sustainability Management Committee, responsible for the execution of targets and initiatives.

## **1.3 Risk Management Approach**

Enerjisa Üretim is exposed to a range of risks, encompassing technical risks stemming from assets, market risks, counterparty risks, and operational risks related to involvement in the electricity and natural gas sectors. The integrated approach to risk management is designed to identify, evaluate, and mitigate these risks and opportunities that may impact our operational, strategic, and financial plans. Through various methodologies, Enerjisa Üretim aims to effectively manage risks while harnessing the potential benefits associated with identified opportunities.



Within the organization, two distinct departments are responsible for managing risks in their respective domains. The Technical Risk Management department oversees technical risks associated with assets, while the Risk Culture department is focused on managing commercial, financial, and corporate risks, as well as ensuring business continuity.

Enerjisa Üretim's approach to risk management extends beyond a technical and methodical



perspective, to also include its cultural dimension. In an environment characterized by rapid change and uncertainties, integrating risk management into daily decisionmaking processes becomes imperative. Enerjisa Üretim is actively enhancing Enterprise Risk Management Organization practices to align with the evolving needs of the future. Additionally, Enerjisa Üretim is undertaking initiatives to cultivate a dynamic and adaptable risk culture that can thrive in forward-looking environments.

## **Technical Risk Management**

With Technical Risk Management, Enerjisa Üretim aims to identify and eliminate risks that may harm people and the environment, create legal non-compliance and reduce the availability of power plants, as well as identify and realize opportunities that can create value. In this respect, Enerjisa Üretim evaluates the effects of technical risks and opportunities in the fields of OHS, environment, reputation and finance.

Risk identification consists of two main processes, namely internal and external. Internal audit processes are planned and carried out by functions for methodical and systematic risk detection. In this context, respective hazard detection methods (HAZOP, FMEA, etc.), recommended at international standards in all locations, are implemented by experts with different specialities such as the manufacturer's expert, risk analysis expert, etc. based on the technical need. Externally managed risk detection processes include credit provider reviews, insurance audits, internal audit process and ISO management systems.

Enerjisa Üretim carries out risk assessment studies using Bow-tie analysis for the solar power plants planned to be established in various fields within the scope of the combined electricity generation facility. Enerjisa Üretim classified the developments that may be encountered throughout the process into 38 categories in 12 separate sub-processes. In a workshop where legal issues, project management and technical issues were examined in detail, Enerjisa Üretim put forward a documentation and operational system that may serve as a guidance for the hybrid power plant projects in which there is close interest.

In 2022, Enerjisa Üretim attained the ISO 55001 Asset Management Certificate for the Synchronous and Hydroelectric Power Plants, at the Bandırma Base and WPPs. Enerjisa Üretim's dedication to excellence in asset management continued in 2023, with the journey to secure this certification for the Tufanbeyli Power Plant.

As part of the ISO 55001 Asset Management System, Enerjisa Üretim's Strategic Asset Management Plans are designed to incorporate comprehensive medium and long-term risk assessments. To further underscore the commitment to sustainability and align it with the risk management framework, Enerjisa Üretim has undertaken risk analyses for all power plants. Additionally, Enerjisa Üretim has initiated preliminary investigations to monitor climate change-related risks, adhering to the guidelines set forth by the Task Force on Climate-related Financial Disclosures (TCFD).

## **Sustainable Supply Chain Management**

Enerjisa Üretim strives to increase the domestic supply rate and reduce both environmental and social impact. In line with its focus on creating a sustainable supply chain, Enerjisa Üretim carried out sustainability assessments of selected suppliers in 2023. During this evaluation, Enerjisa Üretim calculated the sustainability indices of suppliers in the areas of corporate governance, environmental management, social responsibility, monitoring and reporting respectively, and shared the reports of the evaluation results as well as areas of improvement with the relevant business partners.

Enerjisa Üretim optimized our supply chain processes by making purchasing processes more efficient



with the establishment of the Category and Operation Purchasing departments.

By adopting Industry 4.0 innovations, Enerjisa Üretim established the Warehouse Management and Procurement Business Excellence Department, therefore taking the first steps to comply with new generation warehouse management standards by integrating in-warehouse processes with smart technologies.

Enerjisa Üretim came together with more than 50 business partners in the sector at the Business Partners Summit (Supplier Meeting) and interacted with stakeholders on a wide range of issues, ranging from supplier rewards to reputation management, and financial targets to Next strategies regarding purchasing.

With the third phase of the Talos project, Enerjisa Üretim digitalized its routine and low-risk product procurement and launched a self-purchasing robot. Moreover, Enerjisa Üretim accelerated the approval processes thanks to a digital progress payment project.

Thanks to the digitalization of contractor performance evaluations, Enerjisa Üretim initiated an effective and sustainable performance monitoring process for all contractor personnel working in power plants, thus enabling the OHS and technical performances of contractor employees to be better monitored.

#### **1.4 Rationale for Pursuing Sustainable Financing**

Enerjisa Üretim's corporate strategy is strongly aligned with its sustainability ambitions. For this reason, Enerjisa Üretim is establishing this Green Finance Framework, in order to align its funding strategy with its corporate strategy, by establishing the ability to issue Green Financing Instruments which support Enerjisa Üretim's sustainability strategy.

It is Enerjisa Üretim's expectation that the pursuit of Green Financing Instruments under this Framework will also:

- Reinforce the commitments Enerjisa Üretim has made to sustainable goals, particularly with respect to renewable energy generation, in pursuit of the 'Climate Change Mitigation' objective
- Provide green impact investors the opportunity to further diversify their portfolios with an issuer of "dark green" ESG quality, and promote continued engagement between these investors and Enerjisa Üretim
- Facilitate continued enhancement of liquidity and depth in sustainable finance markets; and
- Encourage the development of further Green or Sustainable Finance Frameworks by other issuers

## 2. Framework Alignment with Voluntary Market Standards

This Green Finance Framework ('the Framework') establishes the guidelines under which Enerjisa Üretim can issue Green Financing Instruments. These issuances could include bonds, private placements, and other instruments such as loans, to fund new and existing projects with environmental benefits.

Enerjisa Üretim's Green Finance Framework is aligned with the June 2021 version (with June 2022 Update) of the Green Bond Principles ("GBP")<sup>2</sup>, as published by the International Capital Market Association ("ICMA"), as well as the February 2023 versions of the Green Loan Principles ("GLP")<sup>3</sup> published by the Loan Markets Association ("LMA").

This Framework has been prepared in accordance with the core components and key recommendations of the aforementioned guidelines, namely:

### Core Components

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

### Key Recommendations

1. Green/Social/Sustainable Finance Framework; and
2. External Reviews.

Enerjisa Üretim may update this Framework from time to time and at its discretion, to reflect new market developments, including changes to the ICMA Principles and to relevant environmental and social taxonomies and standards, including the EU Green Bond Standard, with the aim of adapting to, and aligning with, best market practices. In the event of material updates to this Framework, Enerjisa Üretim will consult with its Second Party Opinion ("SPO") provider on the need for an updated SPO.

In addition, on a best-efforts basis and wherever possible, Enerjisa Üretim has taken into consideration the developing EU Taxonomy on environmentally-sustainable economic activities in developing the criteria for certain eligible financings under this Framework.

### 2.1 Use of Proceeds

Under this Framework, Enerjisa Üretim may issue the following funding instruments:

- **Green Financing Instruments**, to finance and/or refinance eligible green projects.

Enerjisa Üretim will allocate an amount equal to the net proceeds from the issuance of Green Financing Instruments to exclusively finance, and/or to refinance, in whole or in part, Green Projects that meet the eligibility criteria set out in this Framework (known as "Eligible Projects").

Enerjisa Üretim intends to make allocations to Eligible Projects where the investment has been made in the project no earlier than the 24 months preceding the date of issuance of the corresponding Green Financing Instrument.

On a best-efforts basis, Enerjisa Üretim intends to allocate an amount equal to the net proceeds

<sup>2</sup> Available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp>

<sup>3</sup> Available at <https://www.lsta.org/content/green-loan-principles>




from the issuance of each Green Financing Instrument within 24 months from the date of issuance.

## Green Eligible Categories and Eligibility Criteria

Below is an overview of the categories of Green Projects contemplated by Enerjisa Üretim under this Framework. Here, Enerjisa Üretim outlines the intended categories of Eligible Projects, as well as the applicable eligibility criteria for each category under this Framework.

Additionally, Enerjisa Üretim highlights how each category may advance specific UN Sustainable Development Goals ("SDGs"), and also maps each category to example economic activities under the EU Taxonomy.

Where possible, and on a best-efforts basis, applicable eligibility criteria have been designed to comply with the technical screening criteria set out in the EU Taxonomy Delegated Act as at the time of this Framework's publication.<sup>4</sup>

Objective	ICMA Category	Eligibility Criteria for Project Selection
Climate Change Mitigation	<b>Renewable Energy</b>	Eligible Projects may include financing related to the construction, development, majority acquisition, maintenance, and operation of the following renewable energy projects:
		1. Electricity generation from solar photovoltaic (PV) technology
		2. Electricity generation from wind power (onshore & offshore)
		3. Electricity generation from hydropower, provided that either: <ul style="list-style-type: none"> <li>a. the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; or</li> <li>b. the power density of the electricity generation facility is above 5W/m<sup>2</sup>; or</li> <li>c. the life-cycle GHG emissions from the generation of electricity from hydropower are below 100gCO<sub>2</sub>e/kWh</li> </ul>
		<u>Environmental Benefits</u> <ul style="list-style-type: none"> <li>• Increased generation of clean energy</li> <li>• Reduced reliance on fossil fuels/non-renewable energy sources</li> </ul>
		<u>Example EU Taxonomy sustainable activities<sup>5</sup></u> <ul style="list-style-type: none"> <li>• 4.1: Electricity generation using solar photovoltaic technology</li> <li>• 4.3: Electricity generation from wind power</li> <li>• 4.5: Electricity generation from hydropower</li> <li>7.6: Installation, maintenance and repair of renewable energy technologies</li> </ul>

## Exclusions

For the avoidance of doubt, Enerjisa Üretim will explicitly exclude from Eligible Projects any financing for purposes within the following sectors:

- Exploration, production/refining and/or storage of fossil fuels, fossil fuel power generation and infrastructure dedicated to the transport of fossil fuels
- Alcohol, gambling, tobacco, and adult entertainment
- Weapons and defense-related goods and expenditures
- Child labour or forced labour
- Any activity that is illegal according to any applicable laws or regulations where the project operates or the financing is utilised
- Nuclear power generation

<sup>4</sup> Available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02021R2139-20230101>

<sup>5</sup> Mapping refers to activities set out in Annex 1 or 2 of the EU Taxonomy (Delegated Regulation (EU) 2021/2139 with respect to climate change mitigation and adaptation, available [here](#).

- Deforestation and degradation of forests

## **2.2 Process for Project Evaluation and Selection**

### **Initial Project Evaluation & Selection – Compilation of Eligible Project Register**

Enerjisa Üretim has established an internal process to evaluate Eligible Projects based on compliance with the eligibility criteria set out in Section 2.1 above.

The evaluation and selection process is governed by Enerjisa Üretim's Green Finance Working Group (GFWG), formed by representatives from the following departments:

- CEO
- CFO
- Treasury and Corporate Finance Department
- Strategy and M&A Department
- Project Development Department
- Sustainability Department

The GFWG is chaired by Enerjisa Üretim's Head of Corporate Finance and Treasury, and forms a key component of the governance around project evaluation and selection under this Framework.

As required, additional attendees can be nominated by the GFWG on an ad-hoc basis. The GFWG intends to meet quarterly. Ad-hoc meetings may also be held as and when required.

The composition of the GFWG may be adjusted over time, under the oversight of Enerjisa Üretim's Head of Corporate Finance and Treasury, to ensure that key stakeholders of projects which have received (or are expected to receive) material allocations under this Framework are integrated into the project evaluation and selection process and related sustainable finance governance.

The GFWG will be responsible for:

- Ensuring the proposed Eligible Projects are aligned with the categories and eligibility criteria as specified in the Use of Proceeds section above, thereby adding them to the Eligible Project Register as appropriate
- Monitoring the Eligible Project Register on a quarterly basis, over the lifetime of the Green Financing Instruments
- Approving any proposed changes to the Eligible Project Register in the event that the projects no longer meet the eligibility criteria (e.g. following divestment, liquidation, technology switch, concerns regarding ongoing alignment with eligibility criteria etc.)
- Reviewing and approving allocation and impact reports
- Overseeing any future updates to the Framework, to ensure Enerjisa Üretim's remains aligned to best market practices, evolving regulations, and investor expectations

All relevant operational teams within Enerjisa Üretim will be provided with the project eligibility criteria under this Framework, and are invited to nominate potentially-eligible projects for further consideration of an allocation against the proceeds of any Green Financing Instrument issued under this Framework.

Potentially-eligible projects will first be submitted to Enerjisa Üretim's CFO, as Acting Head of Investor Relations (until a permanent role has been appointed) who will follow up with nominating teams to clarify any questions and procure any necessary follow-up information.

Any nomination of projects for allocations under this Framework should include any material environmental and social risks associated with the project, how these were assessed, and what the key mitigants are for any residual risks, for the GFWG's ultimate consideration. In addition the nomination should include, where possible, what impact metrics the operational team expects to be able to feed through during the eventual annual allocation and impact reporting cycle.

The projects will then be presented to the GFWG for ultimate evaluation against the eligibility criteria set out in Section 2.1 above, and the final eligibility decision, following which the project will be added to the Eligible Project Register.

Where a project has been determined by the GFWG, following the process described above, to be an Eligible Project, Enerjisa Üretim's CFO, as Acting Head of Investor Relations (until a permanent role has been appointed) will add the project to the Eligible Project Register for the purposes of proceeds tracking, and inform the nominating operational team that its project has been added to the Eligible Project Register.

### **Ongoing Review and Preparation for Annual Reporting**

On an ongoing basis, Enerjisa Üretim's CFO, as Acting Head of Investor Relations (until a permanent role has been appointed) will reach out to all nominating teams in order to reconfirm that projects against which proceeds have been or will be allocated have not changed materially and remain in compliance with the eligibility criteria under this Framework.

Where the consultation with nominating teams indicates that a project previously included on the Eligible Project Register no longer meets the eligibility criteria under this Framework, Enerjisa Üretim's CFO, as Acting Head of Investor Relations (until a permanent role has been appointed) will flag this to the GFWG, and proceeds will be reallocated to eligible projects as soon as possible.

Prior to the preparation of annual allocation and impact reports, Enerjisa Üretim's CFO, as Acting Head of Investor Relations (until a permanent role has been appointed) will reach out to all nominating teams to confirm final project spend and collate impact KPIs. Enerjisa Üretim's CFO, as Acting Head of Investor Relations (until a permanent role has been appointed) will compile the draft allocation and impact report and share with the external reviewer (detailed below in section 3.2). Following external reviewer input, Enerjisa Üretim's CFO, as Acting Head of Investor Relations (until a permanent role has been appointed) will present the draft allocation and impact reports to the GFWG for comment, and will subsequently coordinate report publication.

## **2.3 Management of Proceeds**

Enerjisa Üretim may use proceeds from the issuance of any Green Financing Instruments issued under this Framework for any use as may be specified in the applicable offering document for such issuance. An amount equivalent to the net proceeds of any Green Financing Instrument issuance under this Framework will be applied to Eligible Projects per the eligibility criteria set out in section 2.1 above.

The Eligible Project Register, managed by Enerjisa Üretim's CFO, as Acting Head of Investor Relations (until a permanent role has been appointed), will reflect the working list of Eligible Projects based on the screening process described above, and will indicate the projects against which proceeds from any Green Financing Instrument issuance have been matched.

The Eligible Project Register will therefore reflect the net proceeds from each Green Financing Instrument issuance, the amount of proceeds matched against specified Eligible Projects, and the amount of proceeds remaining to be allocated for each Green Financing Instrument.

Pending disbursement of any proceeds raised from the issuance of Green Financing Instruments, proceeds will be managed in line with Enerjisa Üretim's cash management processes and policies<sup>6</sup>, any form of temporary holding will in all cases be subject to the Exclusions noted above.

## 2.4 Reporting

Enerjisa Üretim is committed to reporting on any Green Financing Instrument issuance under this Framework in line with best market practice.

This reporting includes both allocation and impact reporting annually, until such time as the net proceeds from each issued Green Financing Instrument have been fully allocated against Eligible Projects. Enerjisa Üretim's CFO, as Acting Head of Investor Relations (until a permanent role has been appointed) will assume primary responsibility for Enerjisa Üretim's annual allocation and impact reports which will be subject to review by the Enerjisa Üretim GFWG prior to publication.

Enerjisa Üretim's post-issuance reporting will be made available on Enerjisa Üretim's website.

### Allocation Reporting

Enerjisa Üretim undertakes to make publicly available on its website, no later than 12 months following the date of issuance of any Green Financing Instrument issuance, an allocation report which includes at least the below details.

- Total net proceeds from any Green Financing Instrument (listed by ISIN) which have been allocated to Eligible Projects and the total net proceeds from any Green Financing Instrument issuance which remains to be allocated
- Breakdown of the allocation of net proceeds from Green Financing Instrument issuances between each of the Eligible Green Project categories set out in this Framework
- Split of allocations between past projects receiving allocations in reliance under the refinancing lookback period under the Framework vs new projects initiated post-issuance
- Breakdown of the allocation of net proceeds from Green Bond issuances by ICMA category
- Breakdown of the allocation of net proceeds from Green Bond issuances by UN SDG
- Breakdown of the allocation of net proceeds from Green Bond issuances by geography

In addition, to the above data, the allocation report will confirm:

- That the register of Eligible Projects is up to date
- With respect to previously reported allocations, that proceeds remain applied to projects which meet the eligibility criteria set out in the Framework or, alternatively, that suitable replacement allocations have been made where required due to changes in underlying project eligibility

### Impact Reporting

Enerjisa Üretim will also use its best efforts to provide annual reporting on the expected impacts of the Eligible Projects receiving allocations from Green Financing Instruments issued under this Framework.

Enerjisa Üretim expects its annual impact reporting to be integrated with its allocation reporting




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<sup>6</sup> Enerjisa Üretim anticipate holding proceeds primarily in the form of cash.

described above, and will reflect the recommendations contained in ICMA's June 2023 Harmonised Frameworks for Impact Reporting for Green bonds<sup>7</sup>.

The impact reports published by Enerjisa Üretim will contain, where relevant and feasible, information addressing the positive environmental impacts of Eligible Projects receiving allocations from Green Financing Instruments issued under this Framework, and may include case studies or summaries of Eligible Projects against which proceeds have been matched.

The table below outlines the impact metrics that Enerjisa Üretim intends to use on a best-efforts basis, as applicable and to the extent feasible given the data available to it, in its annual impact reports. This list should be considered non-exhaustive, and Enerjisa Üretim may update these metrics or provide additional metrics in the future.

ICMA Category	Sample KPIs
<b>Renewable Energy</b>   	<p>Annual/Gross GHG emissions reduced/avoided in tonnes of CO<sub>2</sub> equivalent</p> <p>Annual/Gross renewable energy generation in MWh/GWh</p> <p>Additional capacity of renewable energy plant(s) constructed or rehabilitated in MW</p> <p>Number of people benefitting from project</p>

<sup>7</sup> Available at <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf>



### **3. External Review and Verification**

#### **3.1 Pre-issuance: Second Party Opinion**

Enerjisa Üretim has obtained an independent Second Party Opinion ('SPO') in line with international market practice from S&P Global to confirm the alignment of this Framework with the ICMA Green Bond Principles, as well as with the LMA Green Loan Principles.

Enerjisa Üretim will review this Framework on a regular basis, including its alignment to updated versions of the above principles as and when they are released, with the aim of adhering to best practice. Such reviews may result in this Framework being updated and amended, and any material updates are expected to be covered by an updated SPO.

#### **3.2 Post-issuance: Verification of Annual Reporting**

Enerjisa Üretim will engage an independent third party to provide assurance in connection with each annual report confirming the amount of proceeds matched to Eligible Projects and the amount remaining to be matched, as well compliance with the eligibility criteria set out in this Framework.

The annual reports published by Enerjisa Üretim, together with the external assurance report, will be made public on Enerjisa Üretim's website.

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