



Corporate Governance Compliance Rating Report



Biotrend Çevre ve Enerji Yatırımları A.Ş.

13 April 2023

Validity Period : 13.04.2023-13.04.2024

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Biotrend Çevre ve Enerji Yatırımları A.Ş.

has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871

The criteria, established for the companies whose shares are traded at BIST, are organized separately as First Group, Second Group and Third Group companies and investment partnerships, taking into consideration the group distinctions stated by CMB's Corporate Governance Principles in Item 2 - Article 5 of communiqué no II-17.1, published in the Official Gazette on 03.01.2014.

The Corporate Governance Compliance Rating Report issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. is based on 106 copies of documents, data and files transmitted by the concerned firm electronically, including data open to general public and examinations made by our rating experts on site.

Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Directives on the Operations of Rating Companies, generally accepted ethical rules of the IOSCO and OECD including generally accepted ethical customs, which is shared with the public through its Internet website (www.kobirate.com.tr).

Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. formed accordingly to the methodology disclosed.

The rating grade does not constitute a recommendation to purchase, to hold or to dispose of any kind of borrowing instrument. KOBİRATE A.Ş. may not be held liable for any losses incurred or investments made to the company referring to this report.

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TABLE OF CONTENTS

1. Rating Summary	3
2. Rating Methodology	6
3. Company Profile	9
4. Sections of Rating Process	
A. Shareholders	16
a. Facilitating the Exercise of Shareholders Rights	16
b. Right to Obtain Information and to Examine	17
c. Right to Attend the General Assembly	17
d. Voting Right	19
e. Minority Rights	19
f. Dividend Right	19
g. Transfer of Shares	20
B. Public Disclosure and Transparency	21
a. Corporate Website	22
b. Annual Report	22
C. Stakeholders	24
a. Corporation's Policy on Stakeholders	25
b. Supporting Participation of Stakeholders in Corporation's Management	25
c. Human Resources Policy of the Corporation	25
d. Relations with Customers and Suppliers	26
e. Ethical Rules and Social Responsibility	27
f. Sustainability	27
D. Board of Directors	30
a. Function of the Board of Directors	30
b. Principles of Activity of the Board of Directors	31
c. Structure of the Board of Directors	31
d. Procedure of Board of Directors Meetings	32
e. Committees Formed within the Structure of the Board of Directors	32
f. Financial Rights Provided for Members of the Board of Directors and Executives	34
5. Corporate Governance Compliance Grades and Descriptions	36



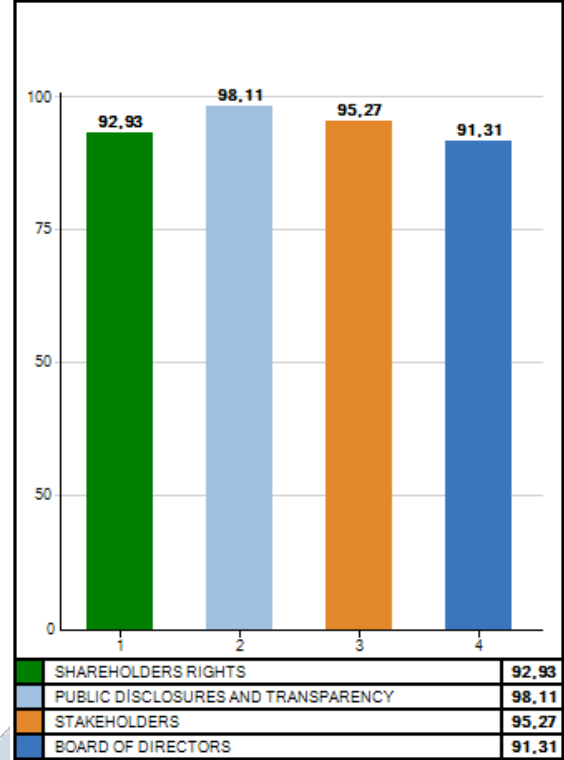
Biotrend Çevre ve Enerji Yatırımları A.Ş.

CMB CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE GRADE

9.40

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RATING SUMMARY

This report of rating of compliance of Biotrend Çevre ve Enerji Yatırımları A.Ş. with the Corporate Governance Principles is concluded through onsite examinations of the documents and information open to public, interviews held with executives and persons involved, and of other examinations and observations. The study has been held in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.

In the methodology and rating process, in addition to the Capital Markets Board's Corporate Governance Communiqué No. II-17.1, the Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published by the Board has been considered in addition to the regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board

meeting dated 01.02.2013 and numbered 4/105.

According to the decision of the Board decision body dated 12.01.2023 and numbered 2/51, Biotrend is included in the BIST 1st Group Companies list. The Company has been evaluated through examination of 456 criteria described in Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s methodology of "BIST 1st Group Companies".

At the end of examination of criteria under the main headings of Shareholders, Public Disclosure and Transparency, the Stakeholders and the Board of Directors, Corporate Governance Compliance Rating Grade of Biotrend Çevre ve Enerji Yatırımları A.Ş. has been determined as **9.40**. This result signifies that Biotrend has achieved a significant level of compliance with CMB's Corporate Governance Principles and

deserves to be on the BIST corporate governance index.

Possible risks for the Company are determined to a significant extent. Rights of shareholders and stakeholders are treated fairly. Public disclosure and transparency activities are conducted at a good level. The structure and working conditions of board of directors are compliant with corporate governance principles. However, some improvements are expected to be made within the framework of corporate governance principles.

In view of rating process under main headings in brief;

It has been seen that the Company has obtained the grade of **92.93** in the Shareholders Section and achieved good level of compliance with CMB Corporate Governance Principles. Existence of Investor Relations Department to conduct healthy relationship with shareholders, duly convention of general assemblies, preparation of dividend policy and having no restrictions on transfer of shares are among positive policies.

Biotrend has achieved a grade of **98.11** for the section of Public Disclosure and Transparency, has prepared a disclosure policy and revealed it to the public. Its corporate website has been designed to allow investors easy access to information they require and described by Principles.

The annual report's content is sufficient, and information is given in a graphic and easy-to-understand format. It has been determined that the Company is in compliance with the principles in the field of public disclosure and transparency.

The Company has obtained **95.27** in the section of Stakeholders.

The Company has achieved significant compliance with CMB's Corporate Governance Principles in this section. Human resources policy has been prepared. Issues concerning employees, such as recruitment,

job descriptions, performance evaluation, promotion, rewarding, leaves, and social rights have been regulated and disclosed to the employees.

Work processes and standards have been established and it has been observed that customers and suppliers are informed about these processes.

Methods to procure products and services from outside have been determined and put into written documents.

Ethical Rules are set forth and introduced to employees to act pursuant to such rules. There are statements about sustainability and corporate social responsibility activities both in the annual report and on the corporate website.

As for the Board of Directors Section, the Company's grade is **91.31**, representing good compliance with CMB's Corporate Governance Principles. However, some improvements are needed.

It has been confirmed that the Board of Directors has set Company's strategic goals, audits performance of company management and pays further attention for company affairs to be in compliance with the legislation, the Articles of Association, and internal regulations.

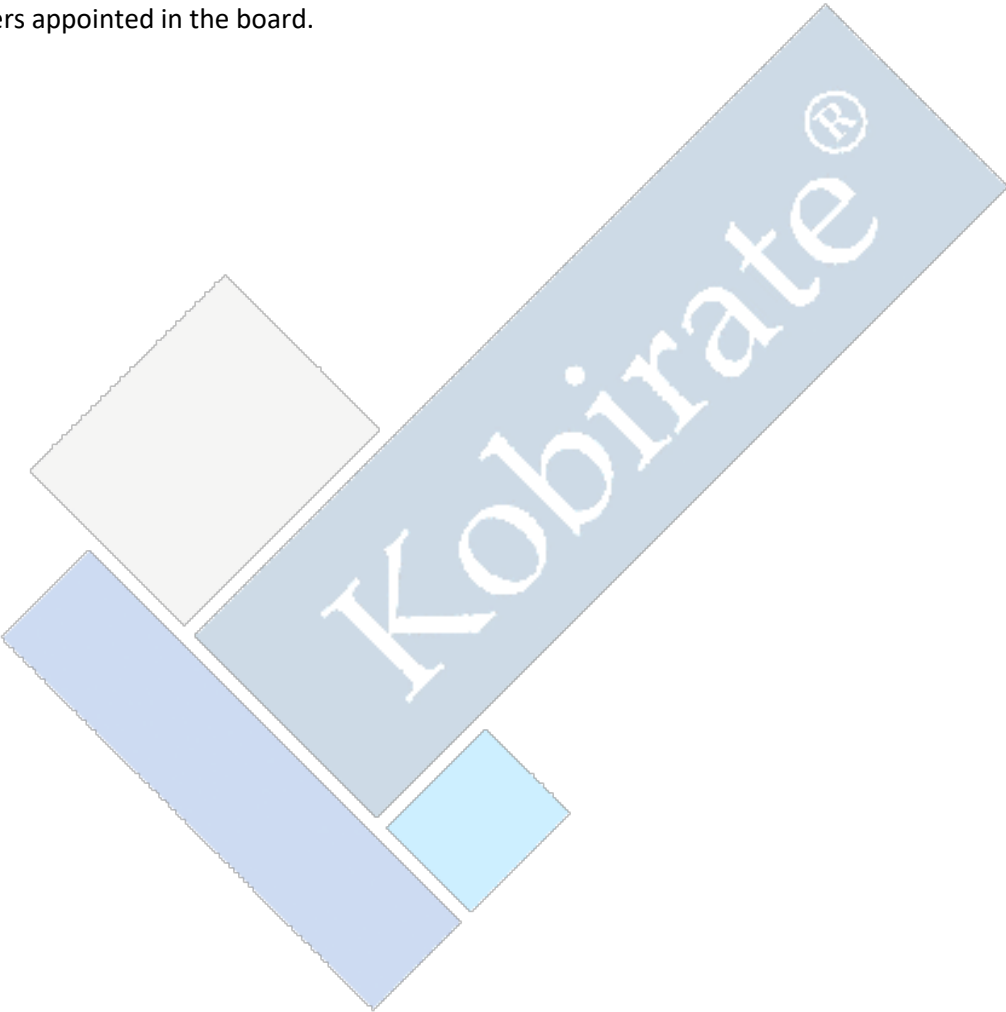
The posts of Chairman of the Board of Directors and General Manager are held by separate individuals. There is no one in the Company with sole, unlimited authority to make decisions.

Board of Directors convenes regularly. Meeting procedures are written in Articles of Association and internal regulations.

The Audit, Corporate Governance and Early Risk Detection Committees, referred to by the Principles, have been established, their working principles have been prepared as written documents.

On the other hand, there are other positive practices in terms of compliance with the Corporate Governance Principles, such as having a majority of non – executive members and having determined remuneration principles for top managers and disclosed them at the corporate website. There are two independent members on the board.

Board Members have been included in “Manager Liability Insurance policy”, against defects of them in performing their duties however this has not been disclosed on Public Disclosure Platform. There are 3 female members appointed in the board.



2. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system which audits whether or not the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy are performed in accordance with the modern corporate governance principles and which assigns a grade corresponding to the existing situation.

Organization for Economic Co-operation and Development (OECD) established a working group in 1998 in order to assess member countries' opinions on corporate governance and to prepare some non – binding principles.

The fact that principles are open to change in time was also accepted at this work. Although at first these principles were focused on the companies whose shares were quoted in stock exchange, it was emphasized by OECD that it would be also useful to implement these principles in public enterprises and companies whose shares were not quoted in stock exchange.

In 1999, OECD Corporate Governance Principles were approved at the OECD Meeting of Ministers and published. Since then, these principles have been regarded as international references for the decision – makers, investors, shareholders, companies, and stakeholders throughout the world.

Since their approval, these principles kept the concept of corporate governance on the agenda and became guidelines for the laws and regulations in OECD members, as well as other countries. The Corporate Governance Principles, first announced by the OECD in 1999, were updated for the first time in 2004 and took their final form in Istanbul on April 10, 2015, during Turkey's G20 Presidency.

There are four basic principles of corporate governance in OECD Corporate Governance

Principles. These are: fairness, transparency, accountability, and responsibility.

Turkey has been closely monitoring these developments. A working group, established within TUSIAD in 2001, prepared the guide, titled, "Corporate governance: The best implementation code". Then CMB issued "Capital Market Board Corporate Governance Principles" in 2003 and updated it in 2005, 2010, 2012, 2013,2014 and 2020 according to international developments in this field.

Obligation to comply with CMB's Corporate Governance Principles, based on the principle of "comply or explain", and to declare it became part of companies' lives in 2004. Putting the Declaration of Compliance to Corporate Governance in the annual reports became obligatory the following year.

The CMB has decided to create a new corporate governance reporting framework, and the new framework has been shared with the public with the Capital Markets Board Bulletin dated 10.01.2019 and numbered 2019/2 and the announcement dated 11.01.2019. Within the scope of the new reporting framework, it has been decided that the explanations will be made in the following order. Disclosure of the Compliance Report Format ("CRF") to report compliance with voluntary principles, and disclosure of the Corporate Governance Information Form ("CGIF") to provide information on current corporate governance practices. In accordance with the Turkish Commercial Code and the CMB's Corporate Governance Communiqué (II-17.1), CRF and CGIF must be announced on the Public Disclosure Platform at least three weeks before the date of the general assembly meeting, on the same date as the annual activity reports, and before the due date of the announcement period of the annual financial reports on the Public Disclosure Platform.

The Communiqué on Amending the "Corporate Governance Communiqué (II-17,1)" published in the Official Gazette numbered 31262 on

October 2, 2020, by the Capital Markets Board (II-17,1.a) and regulations regarding the voluntary sustainability principles compliance framework were included.

The compliance framework has been published on the Capital Markets Board website. The Sustainability Compliance Framework is examined under the Headings A- General Principles B- Environmental Principles C- Social Principles D- Corporate Governance Principles.

The practice has been determined according to the "Comply or Explain" principle. It is anticipated that the annual reports include whether the sustainability principles are applied or not, and if not, a reasoned explanation and an explanation of the effects that have occurred. In case of a significant change during the period, it is anticipated that the relevant change will be included in the interim annual reports.

The principles are grouped under four main headings, namely: the Shareholders, Public Disclosure and Transparency, Stakeholders, and the Board of Directors.

The Corporate Governance Compliance Rating Methodology revised on February 2022, has been prepared by Kobirate A.Ş. for companies whose shares are traded on BIST, banks, investment partnerships and non – quoted companies.

It has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871.

In this analysis, the full compliance of workflow and analysis technique with Kobirate A.Ş.'s Ethical Rules is considered.

448 criteria are used in the rating process for BIST 2nd Group Companies in order to measure the compliance of firms with corporate governance principles. These criteria are translated into "Corporate Governance Rating Question Sets" through Kobirate A.Ş.'s unique software PERFECRATE.

The weighting scheme for the four main sections in the new Corporate Governance Compliance Rating, determined by CMB's memorandum dated 12.04.2013 and numbered 36231672-410.99 (KBRT)-267/3854, is applied completely by Kobirate A.Ş. The weightings are as below:

Shareholders 25 %
Public Disclosure and Transparency 25 %
Stakeholders 15 %
Board of Directors 35 %

CMB decision dated 01.02.2013 and numbered 4/105 states that in case the minimum requirements of corporate governance principles are met, 85 % of full points can be given at most for that principle and it is required to add new questions / methods into the methodology in order to ensure that good corporate governance principles, which go beyond meeting the minimum requirements are included in the rating grade. Our company has been informed about this requirement by CMB notification dated 19.07.2013 and numbered 36231672-410.99 (KBRT) 452.

In the FEBRUARY 2022 revised corporate governance compliance rating methodology, created by our company, the grade that can be given to a related criterion in that subsection for meeting minimum requirements of corporate governance principles, stated by CMB Communiqué of Corporate Governance published on 03.01.2014 is restricted to 85 % of the full points.

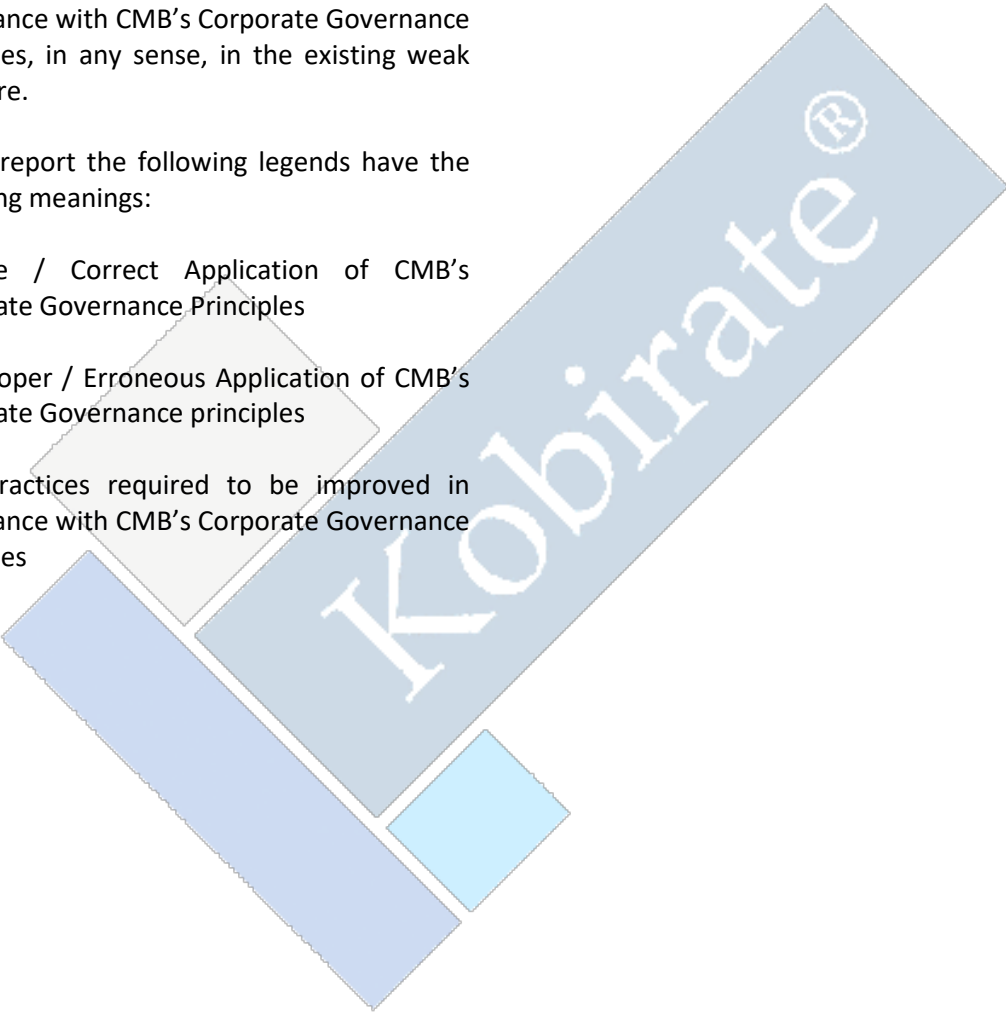
A rating is made with a system that completes the section grades up to 100 by the company's

compliance and implementation of the corporate governance practices, which include the good implementation and internalization of the criteria determined in the corporate governance principles, and the different good corporate governance practice criteria determined by our company.

The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0-10. In this scale of grade, "10" points mean excellent, full compliance with CMB's Corporate Governance Principles while grade "0" means that there is no compliance with CMB's Corporate Governance Principles, in any sense, in the existing weak structure.

In this report the following legends have the following meanings:

- ✓ Due / Correct Application of CMB's Corporate Governance Principles
- ✗ Improper / Erroneous Application of CMB's Corporate Governance principles
- ✓/✗ Practices required to be improved in compliance with CMB's Corporate Governance Principles



3. COMPANY PROFILE



Company Name : Biotrend Çevre ve Enerji Yatırımları A.Ş.
Company Address : Kavacık Mah. Ertürk Sk. No: 3/1 İç Kapı No: 1 Beykoz/İstanbul
Company Phone : 0 (216) 680 0000
Company Fax Number : 0 (216) 680 0070
Company's Web Address : www.biotrendenerji.com.tr
Email : yatirimci.iliskileri@biotrendenerji.com.tr
Date of Incorporation : 02/05/2017
Registered Number : 291405-5
Paid-in Capital : 500,000,000 TL

Line of Business : Energy production from biomass resources, operation of solid waste storage areas, leachate treatment plant, biological treatment (compost, biomethanization) plant, installation and operation of LFG Energy production plants, engineering, contracting and consultancy services in these areas.

Company's Sector : Electricity, Gas and Water / Electricity, Gas and Steam

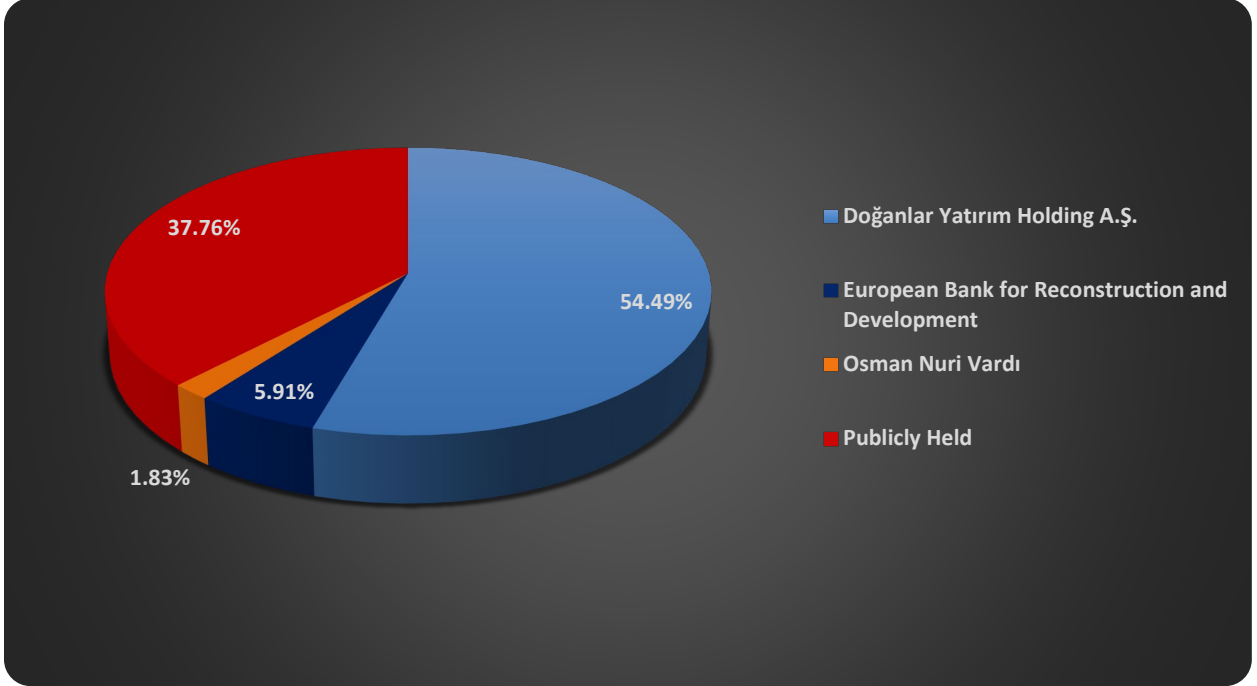
Company's Representative in Charge of Rating:

Gözde ÇİVİCİ
Investor Relations Director & General Secretary

yatirimci.iliskileri@biotrendenerji.com.tr

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BIOTREND ÇEVRE VE ENERJİ YATIRIMLARI A.Ş.
Quality of Shareholder Structure



Source: www.biotrendenerji.com.tr

Shareholder Name	Share(TL)	Share(%)
Doğanlar Yatırım Holding A.Ş.	272,440,421.13	54.49
European Bank for Reconstruction and Development	29,574,693.04	5.91
Osman Nuri Vardı	9,146,025	1.83
Publicly Held	188,838,860.83	37.76
Total	500.000.000	100.00

Source: www.biotrendenerji.com.tr

Doğanlar Yatırım Holding A.Ş Shareholders Structure

Shareholder Name	Share(TL)	Share(%)
Davut DOĞAN	83,500,000	16.67
Adnan DOĞAN	83,500,000	16.67
Şadan DOĞAN	83,500,000	16.67
İsmail DOĞAN	83,500,000	16.67
İlhan DOĞAN	83,500,000	16.67
Murat DOĞAN	83,500,000	16.67
TOTAL	501,000,000	100.00

Board of Directors

Name/ Surname	Title	Executive/ Non - Executive
İlhan DOĞAN	Chairman of the Board	Executive
Murat DOĞAN	Deputy Chairman	Executive
Osman Nuri VARDI	Vice Chairman of the Board	Executive
Ogün DOĞAN	Board Member	Non - Executive
Doruk DOĞAN	Board Member	Executive
Salih Tuncer MUTLUCAN	Board Member	Non - Executive
Hanife ÖZTÜRK AKKARTAL	Independent Board Member	Non - Executive
K. Banu EJDER ÖZCAN	Independent Board Member	Non - Executive
Elif ATEŞ ÖZPAK	Independent Board Member	Non - Executive

Source: www.kap.gov.tr

Senior Management of the Company

Name / Surname	Duty
Özgür Umut EROĞLU	General Manager - CEO
Mehmet Ali NALÇACIOĞLU	Deputy General Manager (Deputy GM)
Bahri OKHAN	Deputy General Manager
Burak POLAT	CFO
Gözde ÇİVİCİ	Investor Relations Director / General Secretary
Aynur OKTAY	Director of Risk and Compliance
Zafer ÇELİK	Biomass Power Plants Investment and Operations Director
Atn. Akın AKI	Legal Advisor

Committees Formed Within Board of Directors

THE AUDIT COMMITTEE	
Elif ATEŞ ÖZPAK	Independent Board Member (Chairman)
Hanife ÖZTÜRK AKKARTAL	Independent Board Member (Member)
K. Banu EJDER ÖZCAN	Independent Board Member (Member)

CORPORATE GOVERNANCE COMMITTEE

K. Banu EJDER ÖZCAN	Independent Board Member (Chairman)
Hanife ÖZTÜRK AKKARTAL	Independent Board Member (Member)
Salih Tuncer MUTLUCAN	Board Member (Member)
Gözde ÇİVİCİ	Investor Relations Director

EARLY DETECTION OF RISK COMMITTEE

Hanife ÖZTÜRK AKKARTAL	Independent Board Member (Chairman)
Elif ATEŞ ÖZPAK	Independent Board Member (Member)

SUSTAINABILITY COMMITTEE

Elif ATEŞ ÖZPAK	Independent Board Member (Chairman)
Mert KARAOSMANOĞLU	Member-Vice President (Sustainability Manager)
Mehmet Ali NALÇACIOĞLU	Member (Deputy General Manager - Deputy GM)
Aynur OKTAY	Member (Director of Risk and Compliance)
Gözde ÇİVİCİ	Member (Investor Relations Director/General Secretary)
Vedat VARDAR	Member (HR Manager)

Source: www.kap.gov.tr

INVESTOR RELATIONS	TITLE	CONTACT
Gözde ÇİVİCİ	Investor Relations Director	0 (216) 693 0380 yatirimci.iliskileri@biotrendenerji.com.tr
Aysun VARDAN	Investor Relations Manager	0 (216) 693 0380 yatirimci.iliskileri@biotrendenerji.com.tr
Şeyma İneyet UYGUR	Investor Relations Manager	0 (216) 693 0380 yatirimci.iliskileri@biotrendenerji.com.tr

Source: www.biotrendenerji.com.tr

Balance-Sheet comparison of Company's certain selected items of last three years (TL)

	2020/12	2021/12	2022/12	Change % (2021-2022)
Current Assets	236,847,427	682,926,209	1,167,832,477	71
Fixed Assets	577,902,805	1,149,121,842	2,039,886,044	77.5
Total Assets	814,750,232	1,832,048,051	3,207,718,521	75
Short-Term Liabilities	221,477,052	473,782,767	1,218,537,821	157.2
Long-Term Liabilities	393,287,825	799,595,374	1,281,447,158	60.3
Total Liabilities	614,764,877	1,273,378,141	2,499,984,979	96.3
Paid-in capital	128,000,000	500,000,000	500,000,000	-
Equity	199,985,355	558,669,910	707,733,542	26.7

Source: Biotrend Çevre ve Enerji Yatırımları A.Ş. Period 01.01.2022-31.12.2022 Consolidated Financial Statements Independent Audit Report

Profit / Loss Comparison of Some Items of Last Three Years (TL)

	2020/12	2021/12	2022/12	Change % (2021-2022)
Revenue	245,301,281	427,703,847	1,230,870,619	187.8
Cost Of Sales	(177,515,049)	(304,367,466)	(804,995,236)	164.5
Main Operational Profit / Loss	69,255,683	50,883,322	371,354,360	630
Operational Profit or Loss Before Tax	59,418,997	23,422,187	197,155,909	742
Period Profit / Loss	49,921,373	3,995,099	311,294,445	7,692

Source: Biotrend Çevre ve Enerji Yatırımları A.Ş. Period 01.01.2022-31.12.2022 Consolidated Financial Statements Independent Audit Report

The Market where the Capital Market Instrument is Traded and the Indexes that the Company is Included

BIST Code : BIOEN

Market where the Capital Market Instrument is Traded: BIST STAR

The Indices in Which It is Traded: BIST 100 / BIST STARS / BIST PARTICIPATION ALL SHARES / BIST 100-30 / BIST PARTICIPATION 100 / BIST SERVICES / BIST ELECTIRICTY / BIST PARTICIPATION 50 / BIST ALL SHARES / BIST CORPORATE GOVERNANCE / BIST IZMIR

Source: www.kap.org.tr

Peak and Bottom Closing Values of Company shares traded at BIST between 10.04.2022- and 10.04.2023

Bottom (TL)	Peak (TL)
5.52 (25.04.2022)	20.38 (07.12.2022)

Source: Biotrend Çevre ve Enerji Yatırımları A.Ş.

Brief History of the Company and Information About Its Operations

Biotrend Çevre ve Enerji Yatırımları A.Ş., a subsidiary of Doğanlar Yatırım Holding A.Ş., was established in 2017 with the aim of becoming a technological production and implementation center, in addition to its mission to invest in alternative energy production. As of the end of 2022, Biotrend has a total of 19 facilities, including 11 integrated waste management and BPP (biomass power plants), 6 BPP, 1 solid fuel preparation and 1 greenhouse facility, along with the ongoing investments. Biotrend continues its integrated waste management, energy production and carbon trading activities. By eliminating approximately 3.1 million tons of waste in its facilities located in 11 provinces in 6 regions, it has reduced 6 million tons of carbon dioxide emissions, which harm the environment and are the biggest trigger of greenhouse gas emissions.

Working to legate a clean, sustainable world to future generations, Biotrend continues to be one of the pioneers of the sector by growing its portfolio day by day.

As of the end of 2022, the total power of Biotrend's pre-licenses and licenses is 181.3 MWe, and its installed power is 99.2 MWe. As of March 31, 2023, Biotrend's installed capacity has reached 117 MWe.

In the light of all these data, Biotrend is one of the biggest players in the Turkish biomass market according to the license and pre-license powers and installed power capacity of the company.

As of the end of 2022, 583 personnel were employed in the company.

Milestones

2014

Malatya Municipality solid waste site landfill gas power generation plant was commissioned.

2015

Sivas facility with 1.4 MWe power and Iskenderun facility with 2.8 MWe power were commissioned.

2016

Malatya-1 landfill gas electricity generation facility was commissioned.

2017

Biotrend was established in partnership with Doğanlar Yatırım Holding, Osman Nuri Vardı, Murat Aslan, İsmail Şener Öner and Naci İlker Mühürdar.

In August 2017, individual partners other than Doğanlar Yatırım Holding established Maven Enerji and transferred their shares in Biotrend to Maven Enerji. This way, the company became jointly controllable by Doğanlar Yatırım Holding and Maven Enerji.

In October 2017, all shares of Doğu Star, which operates the Malatya facility, Nov Enerji, which operates the Sivas facility, and Novtek Enerji, which operates the Iskenderun facility, were acquired by Biotrend and Biotrend became the sole shareholder of these facilities.

2018

Licensed production capacity at Malatya Orduzu facility was increased to 2.4 MWe with the addition of 1.2 MWe.

İnegöl-1 facility started to generate electricity from landfill gas with an installed power of 2.4 MWe.

2019

İzmir Harmandalı facility started to generate electricity from landfill gas with an installed power of 16.6 MWe.

Electricity production started from 5.8 MWe landfill gas in Balıkesir and from biogas with an installed capacity of 1.2 MWe in Uşak.

2020

The capacity of İzmir Harmandalı facility was increased to 25.0 MWe.

İzmir Bergama (2.8 MWe) and Bursa İnegöl-2 (1.4 MWe) facilities became operational.

The first phase of the biomass plant in Aydın Çine was commissioned with 1.4 MWe.

Works for electricity generation from landfill gas and Ezine Biomass Power Plant project started at Malatya-2, Aksaray and Giresun facilities.

Doğanlar Yatırım Holding became the controlling shareholder of Biotrend by acquiring 94% of Maven Enerji.

The paid-in capital of the company was increased from 1.15 million TL to 128 million TL.

Works for electricity generation from landfill gas and Ezine Biomass Power Plant project started at Malatya-2, Aksaray and Giresun facilities.

2021

Infrastructure works of Ayvacık and Menderes facilities started.

The 5.92% shares of the company, owned by Doğanlar Yatırım Holding, were sold to the EBRD.

Biotrend was offered to the public at a price of 18 TL (adjusted price is 5.40 TL after the capital increase).

The United Nations Global Compact was signed.

Verra program carbon certification projects were initiated for Harmandalı, Uşak and Balıkesir facilities.

2022

The total installed capacity of the company has reached 99.2 MWe.

The number of facilities has reached 19 including the ones with ongoing investment.

Biotrend Sustainability Office was established.

Participated in the United Nations Global Compact Climate Goal Acceleration Program to align with the Science-Based Goals.

Biotrend participated in the Climate Finance Acceleration Program organized by the UK Government and was among the few companies to present their projects at the international event to be held in London with its climate-friendly innovative projects.

Biotrend rose to the level of participant in the United Nations Global Compact.

Work has begun on establishing Turkey's first commercial-scale waste plastic recycling facility using Honeywell's UpCycle Process technology. Biotrend İleri Dönüşüm ve Yenilenebilir Enerji Teknolojileri Sanayi A.Ş. was established for the purpose of establishing Solar Power Plants within the scope of sustainable raw material production and integrated energy management activities with Chemical Upcycling.

A contract was signed to receive consultancy services from Mundo Verde for the sale of carbon assets in carbon asset certification processes under VERRA and ICR standards, and Carbon Credit Sales Revenue was obtained for the first time.

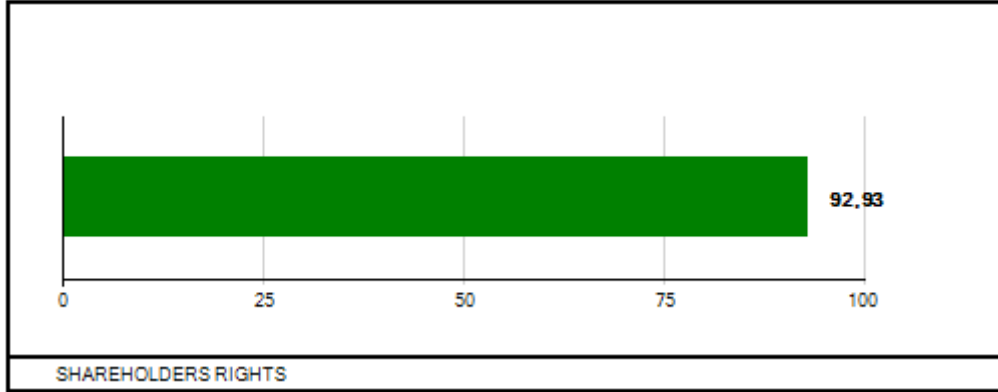
Doğan Kent Elektrik Enerjisi Toptan Satış Anonim Şirketi, a subsidiary of Doğanlar Yatırım Holding A.Ş., was taken over in order to operate in the field of electricity storage. An application was made to EMRA for six Independent Electricity Storage Facility Projects, with a total of 300 MWe, each with an installed power capacity of 50 MWe.

An application was made to the Capital Markets Board for the issuance of Sustainable Lease Certificate.

Credia Partners Danışmanlık A.Ş. was authorized to conduct discussions with potential investors in order to evaluate strategic options.

4. RATING SECTIONS

A. SHAREHOLDERS



Overview

- ✓ Investor Relations Department has been established in order to conduct relations with Shareholders.
 - ✓ The general meetings were held in accordance with the relevant laws, regulations, and articles of association.
 - ✓ General Assembly meetings are held open to the public.
 - ✓ The donation and aid policy was created, submitted to the approval of the general assembly, and disclosed to the public.
 - ✓ There is no privilege for voting.
 - ✓ There are no arrangements making exercise of voting right difficult.
 - ✓ Dividend distribution policy has been prepared, presented to the approval of the General Assembly, and disclosed to public.
 - ✓ There is no restriction on transfer of shares.
- ✓/*It would be appropriate to include in the articles of association that general assemblies can be held open to the public.
- ✓/* Minority rights must be extended to those shareholders with less than 1 / 20 of the capital.

In this section, as stated by CMB's Corporate Governance Principles, the company was evaluated on **111** different criteria, under the headings of **Facilitating the Exercise of Shareholders' Rights**, **Shareholders' Right to Obtain Information and to Examine**, **Shareholders' Right to Attend the General Assembly**, **Shareholders' Right to Vote**, **Rights of Minority Shareholders**, **Shareholders' Right for Dividend** and **Shareholders' Right to Transfer Their Shares to whomever they want, whenever they want**. The company's grade for this section is **92.93** points.

a. Facilitating the Exercise of Shareholders' Rights

Biotrend Investor Relations Department receives services from Doğanlar Holding, and its Investor Relations Director reports to Doğanlar Holding's Chairman of the Board of Directors.

Investor Relations Director Ms. Güzde ÇİVİCİ was appointed to this position on 20.10.2021 and was also appointed as a Member of the Corporate Governance Committee on the same date. This appointment was announced on the Public Disclosure Platform on the same day.

Ms. Aysun VARDAN (Investor Relations Manager) and Ms. Şeyma İnyet UYGUR (Investor Relations Manager) also work in the department, which makes a total of three personnel. All three personnel own Capital Market Activities Level 3 and Corporate Governance Rating Specialist Licenses.

It has been found that the employees of the Investor Relations Directorate have adequate qualifications in terms of knowledge and experience required for the task, that they play an effective role in protection and facilitation of shareholders' rights, starting with the right to obtain and review information.

Job description of Investor Relations Directorate has been made and it includes the duties stated at the 11/5 item of CMB Corporate Governance Directive No II-17.1.

Investors Relations Directorate reports regularly to the Board of Directors and Corporate Governance Committee about its activities and performance of shares. The department has reported to the board of directors once in 2022, and it has been determined that it makes a short presentation under the title of "Investor Relations Agenda" at board meetings every month.

Any data that might affect the exercise of shareholders' rights are currently at disposal of shareholders on the corporate Internet website.

It has been determined that the Company has achieved rather good compliance with the Corporate Governance Principles in this subsection.

b. Right to Obtain Information and to Examine

The information required for the proper exercise of shareholders' rights are presented to the shareholders and to this end the company's website (<https://www.biotrendenerji.com.tr>) is used efficiently.

The "Disclosure Policy" approved by the Board of Directors is published on the corporate website of the Company. Shareholders' right to obtain information is explained in detail in the aforementioned policy.

All information concerning the company has been given on time, truthfully and completely. There have been no warnings or penalties on this issue given by Regulatory authorities.

It has been seen that inquiries of shareholders have been responded rapidly and care has been given to let shareholders exercise their right to obtain information and to examine.

Shareholders' right to obtain information and to examine is not cancelled or restricted by the Articles of Association or any department of the Company.

There are no regulations or practices that complicate the shareholders' right to request the appointment of a special auditor from the general assembly, and the annual report provides information on the exercise of this right.

In this subsection, company practices are in accordance with the principles.

c. Right to Attend the General Assembly

Due to the practices in the general assembly, Biotrend Enerji has adjusted a good compliance with many principles hereunder.

The General Assembly meeting to discuss the operations of 2021 took place on 29.04.2022. The invitation to the meeting was duly made in the Turkish Trade Registry Gazette (TRG) dated 07.04.2022 and numbered 10554, on the Public Disclosure Platform (PDP) and the Central Registry Agency e-general assembly system (EGAS) on 05.04.2022 and on the corporate website of the company.

The date, time, place, agenda, and the sending department have been clearly described in the invitation.

It has been understood that the financial statements, annual report, audit reports, profit distribution proposal of the board of directors, notifications and explanations required by the partnership in accordance with the relevant legislation and Corporate Governance Principles, which should be made available for the examination of the shareholders within the framework of Article 437 of the TCC numbered 6102, were submitted to the information of the shareholders 3 weeks in advance.

In order to increase the participation of the shareholders, the general assembly meeting was held in a way that does not cause inequality among the shareholders and ensures the participation of the shareholders at the lowest possible cost and in company headquarter. It is possible for shareholders to attend the meetings physically, through a representative or through the electronic general assembly system (EGKS).

Along with the general assembly meeting announcement, the information document prepared in accordance with the Article 1.3.1 General Assembly of the Capital Markets Board's Corporate Governance Communiqué No. II-17.1 was published on the company's website. In this document, it has been determined that as of the date of the announcement, information about the total number of shares and voting rights reflecting the shareholding structure of the company, whether there are privileged shares in the company's capital, and the nature and scope of the privileges are shared with the shareholders. Similarly, it has been seen that information about the changes that will significantly affect the management and activities of the partnership and its subsidiaries, and whether the shareholders have requests to add an item to the agenda and whether there are any changes in the articles of association are also included.

While preparing the general assembly agenda, it was determined that the topics of the agenda were expressed clearly and in a way that would not lead to different

interpretations, and care was taken not to include phrases such as "other" "various" on the agenda.

At the General Assembly meeting, Mr. Ogün DOĞAN (Member of the Board of Directors), Mr. Davut DOĞAN (Doğanlar Holding Chairman of the Board of Directors), Ms. Zeliha AHMETOĞLU (CFO-Finance and Financial Affairs Director), Ms. Güzde ÇİVİCİ (Investor Relations Director) and Ms. Aysun VARDAN (Investor Relations Manager) were present. In addition, the representative of the independent audit firm conducting the company's external audit attended the meeting.

When the minutes of the General Assembly are examined, it is determined that the agenda items were voted separately, the votes were counted and announced to the shareholders before the end of the meeting. It was observed that the chairman of the meeting took care to convey the topics on the agenda in an impartial and detailed manner, with a clear and understandable method, and the shareholders were given the opportunity to express their thoughts and ask questions under equal conditions.

It is understood from the explanations in the minutes of the general assembly and the interviews made with the relevant parties in the company that the chairman of the meeting ensures that every question asked by the shareholders at the general assembly meeting, which is not within the scope of trade secrets, is answered directly at the general assembly meeting.

In accordance with the provisions of the CMB's Communiqué numbered II-17.1, the general assembly was informed about the transactions made with related parties and the guarantees, pledges and mortgages given in favor of third parties.

The shareholders were informed about the donations made during the period and their beneficiaries, and the donation limit was also determined.

The general assembly meeting, where the activities of 2022 will be discussed, will be held on 14.04.2023 and the meeting will be held with the participation of stakeholders and the media without the right to speak. This information is included both in the general assembly invitation and in the information document. However, regulating in the articles of association that the general assembly meetings will be open to the public will strengthen compliance with corporate governance principles.

Company's practices in this subsection rather comply with the principles.

d. Voting Right

Neither the Articles of Association nor the internal procedures contain any difficulties to exercise the voting right and opportunity to exercise the voting right in the easiest and most convenient manner is given to each shareholder.

It is possible for the shareholders to exercise their voting right in person or by proxies, whether a shareholder or not, at the general assembly meetings. The members are submitted with the specimen proxies to be used for this purpose at firm's headquarters and on corporate internet website.

In the articles of association, it is stipulated that each share has one voting right at the General Assembly meetings.

Detailed explanations on the distribution of company shares, voting rights granted by the shares, privileges regarding voting and other issues are provided in the corporate website, annual activity reports and general assembly information documents.

The Company does not have a mutual subsidiary which brings a relationship of sovereignty.

Company's practices in this subsection fully comply with corporate governance principles.

e. Minority Rights

There has been no violation of exercising basic minority shareholders' rights like attendance to the general assembly meeting, representation by proxy and imposition of no upper limit for voting rights. In this manner it has been observed that care is given to the exercise of minority rights.

However, there is no adjustments made to extend minority rights with Articles of Association and covering those shareholders who have less than 1 / 20 of the capital.

f. Dividend Right

The method to be applied in profit distribution is regulated in Article 13 of the articles of association. In Article 14, it is regulated that the company can distribute dividend advances to the shareholders in accordance with the Capital Markets Legislation.

Dividend Policy contains minimum information enabling the investors to foresee the procedure and guidelines for distribution of profit to be generated by the company in future periods. It has been emphasized that this policy was prepared taking into consideration the delicate balance between the expectations of shareholders and the needs of the company.

Information like dividend distribution ratio, payment method and time have also been disclosed to public in this document. Likewise, the policy also includes the information that dividend advances can be distributed.

According to the CMB, the company earned a net profit of 3,786,438 TL from its operations in 2021. According to the legal records, there is an operating loss of (65,246,992.68) TL. The decision of the board of directors regarding the non-distribution of profit by adding the profit for the relevant accounting period of the company to the previous period's profits due to the presence of period loss in the financial statements prepared in accordance with the provisions of TPL was submitted to the

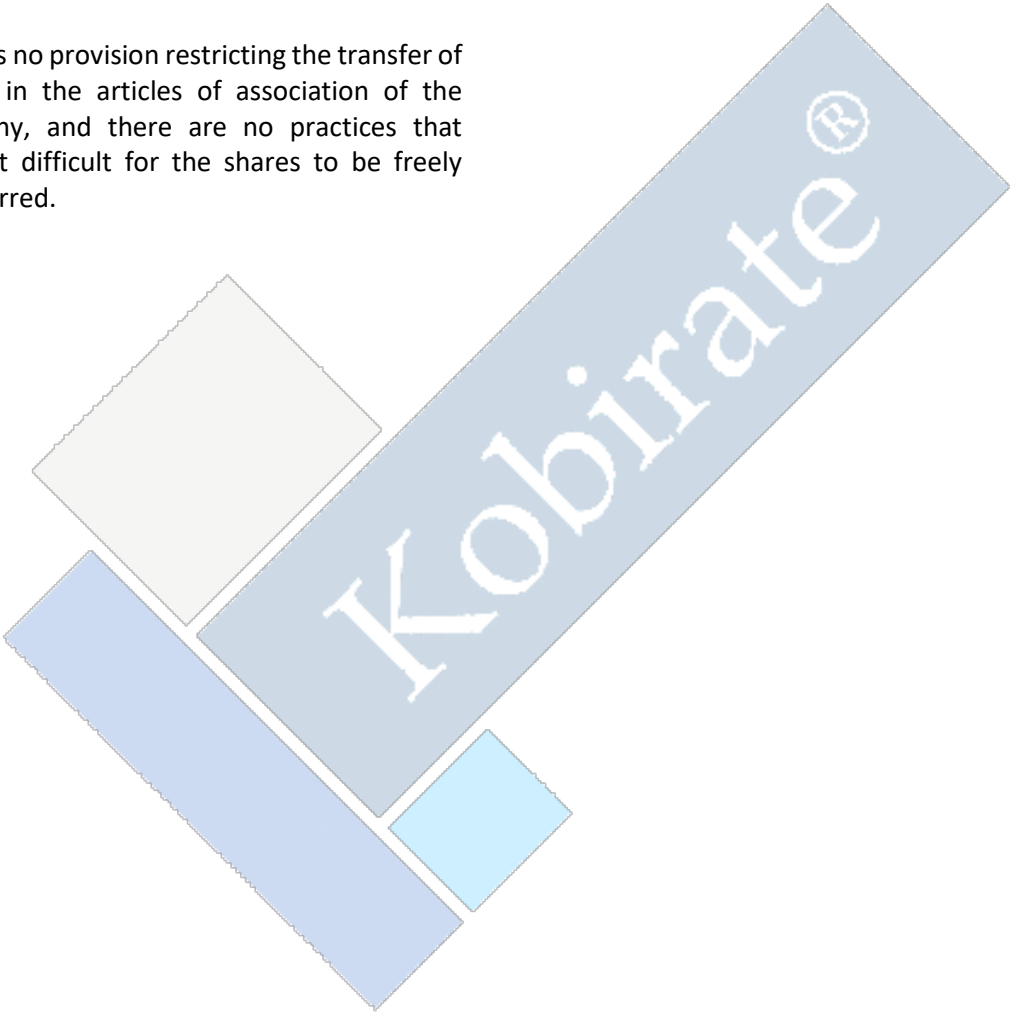
approval of the general assembly and accepted.

The profit distribution decision of the board of directors and the profit distribution table were published on the Public Disclosure Platform on the same day as the invitation to the general assembly.

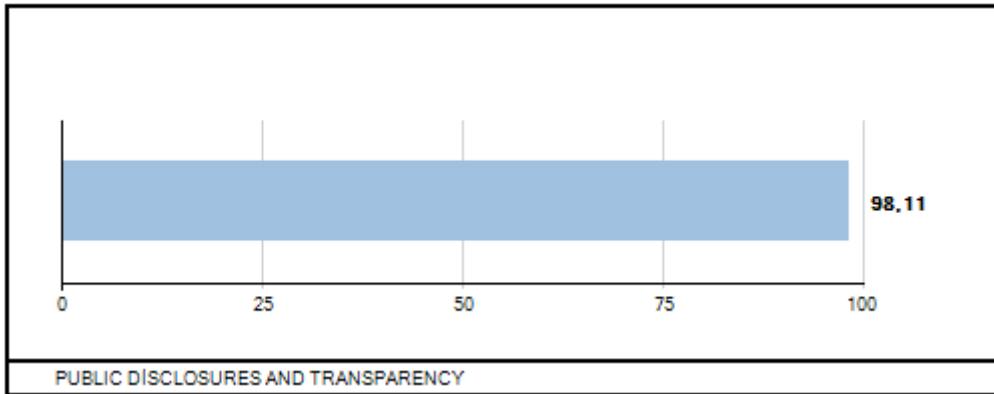
The company's practices in this subsection are very well in accordance with the corporate governance principles.

g. Transfer of Shares

There is no provision restricting the transfer of shares in the articles of association of the company, and there are no practices that make it difficult for the shares to be freely transferred.



B. PUBLIC DISCLOSURE AND TRANSPARENCY



Overview

- ✓ Disclosure policy has been prepared and disclosed to public through electronic media.
- ✓ The disclosure policy was presented to the information of the shareholders at the general assembly.
- ✓ Corporate website is used effectively as a current tool for public disclosures within the context as stated by the principles.
- ✓ The annual report is comprehensive, and its content mostly complies with the principles.
- ✓ Annual Report contains the Board decision and state of responsibility about approval of Company's balance sheet and income statement by the Board of Directors and its presentation to the General Assembly for approval.

- ✓/* In the Annual Report, it would be appropriate to include explanations on whether there is a plan to make changes in the management practices of the shareholding in the future within the framework of corporate governance principles.

As for this section, the Company has been assessed by **93** different criteria under the headings of **Corporate Website** and **Annual**

Report as laid down in the Corporate Governance Principles of the Capital Market Board, for which the Company has deserved the grade of **98.11**.

Biotrend Enerji conducts public disclosures within the scope of its Public Disclosures Policies developed by the board and disclosed to the public. This policy complies with the CMB's Special Circumstances Communiqué No. II.15-1. The Disclosure Policy was established by the decision of the board of directors dated 24.02.2021 and numbered 2021/7 and was presented to the information of the shareholders at the extraordinary general assembly dated 25.02.2021. The said policy was revised and presented to the information of the shareholders as the 9th item of the agenda at the general assembly held on 29.03.2022.

The officials in the Company who are charged with disclosures and have the authority for signature are: Ms. Gözde ÇİVİCİ (Investor Relations Director-General Secretary), Ms. Aysun VARDAN (Investor Relations Manager) and Ms. Şeyma İnyet UYGUR (Investor Relations Manager).

The independent audit of the company for 2021 and 2022 was conducted by RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş. (Member of RSM International). There are no cases where the independent audit avoided

expressing opinion, expressed opinion with conditions or avoided signature in the reports. It has been learned from company officials that no event took place with the independent audit company or with its auditors that could damage this company's independence and there was no legal conflict with it.

It has been decided that the 2023 audit will be conducted by the same company with the recommendation of the audit committee and the positive opinion of the board of directors, and it will be submitted to the approval of the shareholders at the first general assembly.

a. Corporate Website

The corporate website (<https://www.biotrendenerji.com.tr>) is updated regularly and the website is being used as an active and effective platform for disclosure to public. Information in corporate website is consistent with the statements made as part of regulations and there is no missing or conflicting information.

On the company's website, alongside with information bound to be disclosed by regulations, there is commercial registry info, information on latest shareholder and management structure, committees of board of directors and their working principles, information on whether there are privileged shares or not in the capital, dates and numbers of commercial registry newspapers where changes were published along with the final text of company's Articles of Association, registration statement and circular, material disclosures, important board decisions, financial reports, annual reports, agendas of general assembly meetings, the lists of attendees, the proceedings of the assemblies, the specimen Proxy, dividend policy, disclosure policy, remuneration policy, compensation policy, donation and sponsorship policy, business ethics rules and regulations, human resources policy and policies on many issues that concern all stakeholders. On the other hand, it is possible to reach the information requests, questions and notices received by the company under the heading of frequently

asked questions and the answers given to them on the website.

The aforementioned information is provided to shareholders and potential investors regularly and up to date since the public offering.

All of this information on the corporate website is published in English for the benefit of international investors, and some information is published in French.

On the other hand, financial statement statements, which are required to be disclosed to the public in accordance with the capital market legislation, are disclosed simultaneously in English as well as Turkish on the Public Disclosure Platform.

The real person ultimate controlling shareholders of the company are disclosed both on the corporate website and on the Public Disclosure Platform.

In this subsection, the Company has achieved very good compliance with corporate governance principles.

b. Annual Report

It is seen that board of directors has prepared the annual report in such a way that public can access comprehensive, complete, and correct information on company activities. The report also clearly points out the development of the company and the risks it is likely to face and includes the evaluation of the board of directors on these issues.

The annual report for the accounting period ending on 31.12.2021 was approved and disclosed to the public by the decision of the Board of Directors dated 08 February 2022 and numbered 2022/01 while the annual report for the accounting period ending on 31.12.2022 was approved by the Board of Directors decision dated 13 March 2023 and numbered 2023/07 and disclosed to the public.

It is possible to reach many topics in the annual report, including;

Board members' and managers' ongoing jobs outside the company,

Independence declaration of the board members,

Evaluation of the board of directors regarding the members of the committees formed within the body of the board of directors, the frequency of their meetings, the working principles including the activities conducted, and the effectiveness of the committees,

Number of Board meetings in that year and attendance of Board Members,

Changes of regulations, which might significantly affect company operations,

Information about important lawsuits filed against the company and their possible consequences,

Information about conflicts of interest between the Company and other enterprises that provide services like investment consultancy or rating and these measures taken by the Company to prevent conflicts of interest,

Information about subsidiaries where direct participation ratio is over 5 %,

Social rights and professional training of employees, as well as other company activities that have social and environmental impacts and corporate social responsibility activities,

Information about the sector that company operates in and about its position within the sector.

Also, in addition to the issues specified in the legislation and other parts of the corporate governance principles, the annual reports include;

The period of the report, the title of the partnership, the trade registry number, contact information,

General explanations regarding the characteristics of business units and production volumes,

Sales and the developments seen in them during the year, productivity rates,

Information on developments in investments,

The financial resources of the company and the nature and amount of the capital market instruments, if any,

Changes made to the articles of association during the period and their reasons,

Profit distribution policy,

Declaration on Compliance with Corporate Governance Principles

Mandatory information to be provided to shareholders regarding related party transactions and balances,

A lot of information, including other matters not included in the financial statements but that would be useful to users.

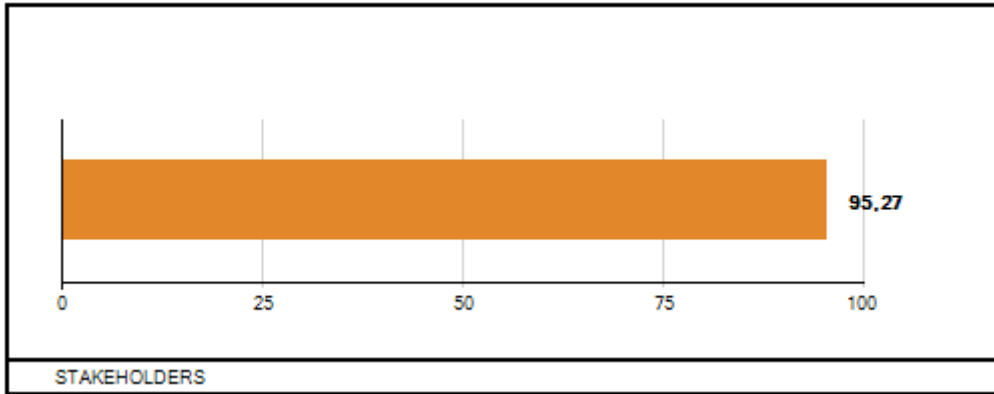
The annual report also includes the company's sustainability approach and the "Communiqué Amending the Corporate Governance Communiqué (II-17,1)" and the compliance report in accordance with the voluntary sustainability principles compliance framework format.

In the annual report, salaries, bonuses, and similar benefits provided to the members of the board of directors and senior executives are disclosed in total, not on an individual basis.

In the Annual Report, it would be appropriate to include explanations on whether there is a plan to make changes in the management practices of the shareholding in the future within the framework of corporate governance principles.

It has been determined that the Company has achieved very good compliance with the Corporate Governance Principles in this subsection.

C. STAKEHOLDERS



Overview

- ✓ Ethical Principles and Rules of Conduct have been established and published electronically.
- ✓ There are no regulations that make it difficult for stakeholders to exercise their rights.
- ✓ Human resources policy was established and many internal regulations concerning customers and stakeholders have been prepared.
- ✓ Employees are provided with a safe and pleasant working environment.
- ✓ There are no complaints made by employees about discrimination and difficulties in getting their rights.
- ✓ Compensation policy for employees has been prepared and disclosed to public.
- ✓ Care is given to confidentiality of information about customers and suppliers on trade secret basis.
- ✓ The Company has publicly disclosed its activities within the scope of Social Responsibility.
- ✓ The company has established its Sustainability Approach and disclosed the compliance framework to the public.

✓/* It would be appropriate to develop regulations supporting the participation of stakeholders in the company management and to include them in the articles of association and internal regulations.

✓/* It would be appropriate to establish/develop the necessary mechanisms so that the stakeholders can convey the company's illegal and unethical transactions to the Corporate Governance Committee or the Audit Committee.

✓/* It would be appropriate to establish corporate social responsibility policies.

In this section, the Company has been assessed by **104** different criteria under the headings of **Corporate Policies on Stakeholders, Supporting Stakeholders' Participation in Company Management, Company Policy on Human Resources, Relations with Customers and Suppliers, Ethical Rules and Social Responsibility .and Sustainability** as laid down in the Corporate Governance Principles of the Capital Market Board, for which the Company has deserved the grade of **95.27**.

a. Corporation's Policy on Stakeholders

The Corporate Governance Principles describe the Stakeholders as an individual, organizations or interest groups as employees, creditors, customers, suppliers, trade unions, and various non-governmental organizations having an interest in the attainment of the company's objectives or in its operations. It is concluded that Biotrend protects stakeholders' rights, which are specified in regulations and mutual contracts. The impression is that in case of lack of any regulation, the company respects stakeholders' rights within goodwill rules and company's reputation. It has been observed that many internal regulations were prepared to this end.

The Compensation Policy for employees has been prepared and disclosed to the public via the corporate website.

The impression is that in case of lack of any regulation, the company respects stakeholders' rights within goodwill rules and company's reputation. It has been observed that many internal regulations were prepared to this end. The said rules are disclosed to the public in the annual reports and on the corporate website.

Stakeholders are adequately informed on company policies and procedures to protect their rights and company's corporate website (<https://www.biotrendenerji.com.tr>) is being actively used for this purpose.

Biotrend has put the line (etik@biotrendenerji.com.tr) into service in order to inform the corporate governance committee or the audit committee about the company's transactions that are contrary to the relevant legislation and unethical.

Many of the company's practices related to this subsection comply with the Principles.

b. Supporting Participation of Stakeholders in Corporation's Management

Despite there are no regulations in the articles of association that support the direct participation of stakeholders in the company management, there are in-house practices for this purpose, although they are limited. It has been learned that continuous improvements are made within the scope of the Corporate Governance Principles Framework and studies on best practices are conducted in order to support the direct participation of stakeholders in the company management. Developing models that support the participation of stakeholders in company management and including these models in the company's internal regulations or articles of association will strengthen compliance with the principles.

Some platforms have been created for employees to convey their requests, suggestions, and opinions. In 2022, services were obtained from independent institutions for the measurement of employee satisfaction. Biotrend has been awarded the "Turkey's Happiest Workplace" certificate in the Renewable Energy sector in Turkey's Happiest Workplaces research, which is organized every year by Happy Place to Work.

Biotrend has determined its "Customer Satisfaction Policy" and disclosed it to the public.

Improving the practices of the company under this subsection will strengthen compliance with the principles.

c. Human Resources Policy of the Corporation

Biotrend has established its "Human Resources Policy" and disclosed it to the public. It has been seen that the Human Resources Policy of the Company aims to create employees who are in line with contemporary norms, focused on performance, successful, loyal, and highly

motivated. On the other hand, procedures on recruitment, rewarding, disciplinary practices, power and responsibilities of employees, remuneration, health rights, leave rights, career planning, promotions, task alterations, and dismissal, death, resignation, retirement, and training have been developed. Existing procedures are reviewed and updated as needed. In this regard,

Works and Conditions Implemented by Biotrend in 2022 are as follows:

- Determining performance targets,
- Establishing Performance Bonus-Management Procedure,
- Preparing monthly facility-based budget and Human Resources reports,
- Establishing the Disciplinary Procedure,
- Creating Human Resources Risk Inventory,
- Completing private health insurance and complementary health insurance processes,
- Creating the Employee Handbook.

Ongoing works are:

- Determining job descriptions (Prepared for the staff at the headquarters, the preparation begun for the staff at the facilities.)
- Adding human resources job application, suggestion, request, notice sections to Biotrend Corporate website,
- Establishing Personnel Performance Evaluation System.

Both during the development of the policies and in practice we got the impression that equal opportunity is given to individuals under equal conditions.

It has been learned that the determined performance and rewarding criteria have been announced to the employees and that the aforementioned criteria have been complied with in determining the benefits provided to the employees.

Training Policies have been established by the company for employees and annual training

programs have been made in accordance with these policies.

It is thought that Company's organizational structure is in line with work conditions.

It has been learned that a safe working environment and conditions are provided for the employees, and that no race, religion, language, or gender discrimination is made among the employees.

On the other hand, the company has established a comprehensive "Diversity and Equal Opportunity Policy" and has publicly disclosed its approach and commitments to human resources.

By the end of 2022, 583 people were employed at Biotrend. Employees are not involved in any union organization.

There are no practices that prevent employees from engaging in voluntary activities (legal aid organizations, associations, or non-governmental organizations, etc.) provided that the corporate title and position are not used during the activity, in a way that does not disrupt their duties and responsibilities in the institution.

Employee stock-options schemes are not developed.

In this subsection, it has been determined that company practices are compliant with corporate governance principles.

d. Relations with Customers and Suppliers

Methods regarding relations with customers, suppliers, etc., have been determined and standards have been defined. It is thought that care is taken to observe the principles of honesty, trust, consistency, professionalism, long-term relations, and respect for mutual interests in relations with the aforementioned groups.

Relations with customers, suppliers and other persons and institutions that the company has

business relations with are also defined in the Code of Business Ethics, and their responsibilities and sanctions are determined.

All of Biotrend's headquarters and facilities have the following certificates:

- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System
- ISO 45001:2018 Occupational Health and Safety Management System
- ISO 27001:2013 Information Security Management System.

Company's practices in this subsection comply with the principles.

e. Ethical Rules and Social Responsibility

A Code of Business Ethics, which Biotrend employees have to comply with, has been established and employees have been informed about the said regulation.

The Code of Ethics has been determined in great detail and has been disclosed to the public on the corporate website of the company. It has been learned that activities are conducted within the framework of these rules.

The company's relations with individuals and institutions such as employees, creditors, customers, suppliers, public institutions, and various non-governmental organizations are defined in the "Business Ethics Rules Regulation", and also policies are created and disclosed to the public.

Some of these policies include:

- Related Party Transactions Policy,
- Diversity and Equal Opportunity Policy,
- Money Laundering and Terrorist Financing Prevention Policy,
- Anti-Bribery and Anti-Corruption Policy,
- Public Relations Policy,
- Non-Retaliation Policy,
- Competition Policy.

Biotrend Energy creates various corporate responsibility projects in order to contribute to the sustainable development of society by trying to fulfill its social and environmental responsibilities. These projects are included in detail in the annual reports and on the corporate website. However, establishing a "Corporate Social Responsibility Policy" and conducting the projects in accordance with this policy will strengthen compliance with the principles.

f. Sustainability and Sustainability Strategy

While creating its sustainability strategy, the company aims to align with the 2030 and 2050 targets in line with the green, circular, and digital transformation requirements in accordance with the United Nations 2030 Sustainable Development (SDG), the Paris Agreement and the European Green Agreement, which are the triggers of economic and social transformation in the world.

Biotrend aims to create a technical and social positive impact on the path of sustainable development by working for SDG 7: Accessible and Clean Energy, SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation and Infrastructure, SDG 12: Responsible Production and Consumption and SDG 13: Climate Action, which are directly related to its activities.

The company has gathered its sustainability strategy under 5 main headings:

1. Accelerating the Circular Economy:

Biotrend aims to bring waste back to the economy with its existing projects and investments and to produce high value-added products from waste.

2. Reducing Greenhouse Gas Emissions:

Approach: Biotrend aims to work towards national and international climate targets by

including all its projects in carbon credit certificate programs, to prevent greenhouse gas emissions with the effective management of municipal, agricultural and forestry wastes and biomass energy activities within the scope of integrated waste management activities.

3. Facilitating the Transition to a Low-Carbon Economy with Innovation:

Approach: Biotrend aims to be the locomotive of the low carbon economy by expanding its portfolio of circular and sustainable raw materials, bioelectricity, bioheat and sustainable fuels with innovative technology investments and business models.

4. Protecting Biodiversity:

Approach: In 2023, Biotrend will implement biodiversity programs to be conducted jointly with universities and non-governmental organizations, covering all its facilities, in order to regularly control the impact on biodiversity, which is one of the most important environmental impact indicators.

5. Respect for Human Beings:

Approach: Biotrend is committed to doing business with the principles of inclusiveness, equality, and diversity, and zero tolerance for occupational and environmental accidents, covering all its stakeholders throughout the value chain.

The company established the Sustainability Office in April 2022. The best waste, water, energy, and resource management was aimed for environmental sustainability management, and an operational and technology-oriented continuous improvement structure was established in this framework. It has determined social performance indicators based on "Talent Management and Employee Welfare" and "Local Socioeconomic Development" focused on internal and external stakeholders in the social field.

The Biotrend Risk Inventory was created in the light of the studies conducted by the Early

Detection of Risk Committee under the chairmanship of an independent member of the board of directors. Within the scope of this study, transformation, and climate risks in compliance with the Task Force on Climate Related Financial Disclosures (TCFD) were determined and included in the risk inventory by the Sustainability Office in order to identify and monitor non-financial risks.

It has applied to the Capital Markets Board for the issuance of a Sustainable Rental Certificate, prepared in accordance with Biotrend's sustainability approach. Biotrend aims to use the funds from the export focused on sustainable development in line with its sustainability strategy and the country's Eleventh Development Plan. In this framework, the projects for which the fund will be used have been determined as follows;

- Biomass energy production
- Energy efficiency
- * Bioconversive products
- * Prevention and control of pollution
- Low-cost basic infrastructure

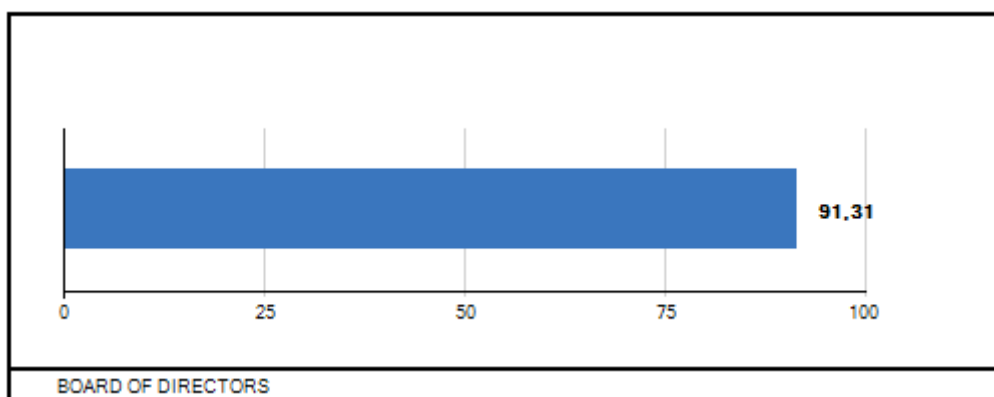
On the other hand, the company became a signatory to the United Nations Global Compact in August 2021. In 2022, it reached a participatory position by sharing its concrete works on behalf of 10 principles covering Human Rights, Labor Standards, Environment and Fight Against Corruption in the Progress Report. In addition, it became a signatory to the United Nations Women's Empowerment Principles in line with the Biotrend Social Inclusion and Gender Equality Action Plan, which was prepared for the first time in 2022. Again in 2022, it answered the Carbon Disclosure Project (CDP) question set for the first time.

The company, which was offered to the public on April 22, 2021, has disclosed to the public the information and compliance statement requested within the scope of the voluntary sustainability principles compliance framework with the Communiqué Amending the Corporate Governance Communiqué (II-17,1).

Detailed information on the sustainability activities of the company can be found both in the annual reports and on the corporate website.



D. BOARD OF DIRECTORS



Overview

- ✓ Company's strategic targets, human and financial sources it requires are determined by the Board of Directors.
- ✓ The posts of Chairman and CEO are conducted by separate individuals and there is not any person with solely unlimited authority in the company.
- ✓ The number of Board Members is adequate for them to work productively and constructively.
- ✓ Majority of Board Members are non-executives.
- ✓ There are three independent members on the board.
- ✓ There are three female members on the Board of Directors.
- ✓ Each member has one voting right at the Board of Directors. There are no veto powers for any member.
- ✓ There is not any loan/credit involvement between Board Members and company.
- ✓ The Committees mentioned in the Principles were established and their working principles were determined and disclosed to the public.
- ✓ Remuneration principles for members of board and top executives have been determined and disclosed to public.

✓ Performance evaluations of the board of directors are made on the basis of both board and members.

✓/* The Company has insured the damages that the Members of the Board of Directors may cause as a result of their faults during their duties, but no PDP disclosure has been made.

✓/* Fees and benefits given to the board of directors and directors with administrative responsibilities are not disclosed on an individual basis.

In this section, the Company has been assessed by **148** different criteria under the headings of **Function of the Board of Directors, Principles of Activity of the Board of Directors, Structure of the Board of Directors, Procedure of Board of Directors Meetings, Committees Formed within the Structure of the Board of Directors and Financial Rights Provided for the Members of the Board of Directors and Executives** as laid down by the Capital Market Board's Corporate Governance Principles, for which the Company has gained the grade of **91.31**.

a. *Function of the Board of Directors*

By the strategic decisions it takes, Board of Directors manages and represents the company, keeping the risk, growth and return

in balance while paying attention primarily to company's longterm interests under a reasonable and prudent risk management approach. In this sense, Board of Directors has described the corporate strategic objectives, and determined necessary human and financial resources.

Board of Directors monitors company activities to be in compliance with regulations, Articles of Association, internal procedures and policies and it supervises management performance.

Board of Directors is authorized to make decisions, to determine strategy and represent the company at the highest level.

In this subsection the Company has achieved a rather good compliance with corporate governance principles.

b. Principles of Activity of the Board of Directors

It is our impression that the Company Board of Directors conducts its activities in an open, accountable, fair, and responsible fashion.

The distribution of responsibilities among board members, as well as their duties and powers are disclosed to public in the annual report.

The Board of Directors has established internal control systems, including risk management and information systems and processes, which can minimize the effects of risks that may affect the company's stakeholders, especially the shareholders. It has been learned that the Board is reviewing the effectiveness of risk management and internal control systems.

No person in the Company has the authority to decide solely and in an unrestricted fashion. Positions of Chairman of the Board and CEO are hold by different individuals.

It is thought that Board of Directors plays a leading role in the maintenance of effective

communication and in easing and resolving disputes that might arise between the company and the shareholders. To this end, the Board is in close cooperation with the Corporate Governance Committee and Investor Relations Department.

To this end, the Board is in close cooperation with the Corporate Governance Committee and Investor Relations Department.

In this subsection, the Company has achieved very good compliance with corporate governance principles.

c. Structure of the Board of Directors

Company's Board of Directors is formed with 9 (nine) members; including 1 (one) Chairman and 8 (eight) members. The requirement of having at least 5 (five) members to form the Board has been met and the number of Board Members found sufficient to serve effectively and constructively and to form and efficiently organize activities of committees.

The requirement of having at least 5 (five) members to form the Board has been met and the number of Board Members found sufficient to serve effectively and constructively and to form and efficiently organize activities of committees. 3 (three) members are independent members who satisfy the independence criteria laid down by the Corporate Governance Principles.

The Corporate Governance Committee (Nomination Committee) has submitted its evaluations regarding the candidate's proposals for independent membership and whether the candidate fulfills the independence criteria to the Board of Directors. In this process, independent member candidates also submitted their written declarations regarding their independence to the corporate governance committee within the framework of the criteria included in the legislation, articles of association and principles. The board of directors prepared the independent member candidate list within the framework of the

report of the corporate governance committee and sent it to the Board together with the committee report and the resolution of the board of directors before the general assembly meeting and received the affirmative opinion.

There is 3 (three) female members in the Board of Directors, and the rate of female members specified in the principles was achieved.

In this subsection Company has achieved a rather good compliance with corporate governance principles.

d. Procedure of Board of Directors Meetings

According to the company's articles of association, the board of directors convenes when required by the company's business. Again, in the articles of association, it is stated that the relevant provisions of the TCC and capital markets legislation will be applied on matters such as the meeting method of the board of directors, its agenda, invitation to the meeting, voting, meeting, and decision quorum.

It has been understood that Board of Directors comes together frequently enough to perform its duties efficiently. The Board convened 12 (twelve) times in 2022.

The "Regulation on Working Principles of the Board of Directors", which determines the duties, powers, and responsibilities of the Board, was established, and entered into force on 07.03.2022. It was observed that the meetings of the board of directors were held in accordance with the legislation, the articles of association and the aforementioned directive.

The meeting agenda is created by the chairman of the board of directors, and requests from the members of the board of directors and managers regarding the agenda items are also taken into account. Board Members receive equal flow of information and documents related to agenda items are

sent to members before meetings, giving them enough time to examine. Each member has one voting right at the Board of Directors. There are no veto powers for any member.

The company's articles of association does not contain restrictions on the members of the board of directors taking on other duties or duties outside the company.

The secretariat of the board of directors is conducted by GÖZDE ÇİVİCİ (Secretary General – Investor Relations Director).

Company's practices in this subsection rather comply with the principles.

e. Committees Formed within the Structure of the Board of Directors

In order for the Board of Directors to fulfil its duties and responsibilities soundly, Audit Committee, Corporate Governance Committee and Early Detection of Risk Committees have been established. Separate Nomination and Remuneration Committees have not been established because of the Board's structure. These duties are conducted by Corporate Governance Committee. The Corporate Governance Committee Working Regulations also cover the working principles of the other two committees.

In addition to the above-mentioned committees, a Sustainability Committee was established under the Board of Directors with the decision of the Board of Directors dated 01.03.2023 in order to fulfill the duties of creating a sustainability strategy, determining short, medium, and long-term targets, establishing sustainability governance structure, reviewing, evaluating, improving, and auditing environmental and social indicators.

The committees' duties, working principles and their members have been determined and approved by the Board of Directors as documents in writing; then they have been disclosed to public via electronic means and Public Disclosure Platform.

The company has stuck with the principle, which requires that all members of the Audit Committee and minimum the Chairmen of other committees are appointed from independent members and the General Manager has not been assigned to any committee.

All sources and support are provided by the Board to ensure that the committees perform their duties.

Committees invite appropriate executives to their meetings to benefit from their opinions. All discussions in committees are recorded in writing.

Committees convene with the frequency deemed necessary for the efficiency of their activities. They report information on their activities and results of their meetings to the board of directors.

- **The Audit Committee** audits the compliance of the annual and interim financial statements and footnotes to be disclosed to the public with current legislation and international accounting standards and informs the board of directors in writing, together with its own evaluations, by taking the opinions of the responsible managers and independent auditors of the company regarding the accounting principles followed by the company and their accuracy and truthfulness.

The Committee reviews the annual report to be disclosed to the public, and reviews whether the information contained therein is correct and consistent with respect to the information they have. In addition, the committee oversees the company's accounting system, the independent auditing and public disclosure of financial information, and the functioning and effectiveness of the internal control system in general terms.

The Committee comprises 3 (three) independent members. One of them meets the principle of "At least one of the Audit

Committee members should have 5 years of experience in audit / accounting and finance.

The Audit Committee convened 7 (seven) times in 2022 and reported the meeting results to the Board of Directors.

Internal Audit:

It reports to the Biotrend Internal Audit Unit board of directors. The purpose of internal audit work is to protect tangible and intangible assets, to ensure that activities are conducted in accordance with internal and external legislation, to strengthen internal control processes to increase efficiency and productivity in business processes, and to take corrective measures in a timely manner. Internal audit activities are conducted within the scope of the annual regular audit program approved by the Doğanlar Holding Board of Directors. The determinations, opinions and suggestions made as a result of the internal control studies conducted by the audit unit are first shared and evaluated with those who conduct the activities. In this way, it is ensured that the necessary complementary and preventive measures are taken and implemented quickly, and appropriate and applicable solutions that improve processes and activities are conducted timely. All work conducted is constantly monitored and evaluated by the company management and internal audit unit, as well as by the process owners. The Board of Directors and the Audit Committee are periodically informed about the Internal Control System and Internal Audit activities.

Internal Audit Unit conducted quarterly trial balance controls in 2022. The data for the 2022/3 period were evaluated on the agenda of the Audit Committee held on 07.11.2022. The Unit submitted 12 (twelve) reports to the Audit Committee in 2022.

- **Corporate Governance Committee** monitors whether the corporate governance principles are applied in the company, if not, the reasons and conflicts of interest arising from not fully complying with these principles.

Likewise, it is in charge of making recommendations for corporate governance policies and improving the quality of corporate governance practices and informing the board of directors about the effective follow-up of the legislation of the Capital Markets Board on corporate governance principles and the corporate governance principles generally accepted in international capital markets, and the implementation of the applicable ones. The Committee also fulfills its objectives to work on identifying, evaluating, and training suitable candidates for the board of directors, determining the principles of remuneration for the members of the board of directors and senior executives of the company, and presenting suggestions to the board of directors. The Committee held 4 (four) meetings in 2022.

The Corporate Governance Committee is composed of 4 (four) members and 2 (two) members are independent and 1 (one) member is a non-executive board member. In accordance with CMB Corporate Governance Communiqué number II.17-1, the other member is the Investor Relations Director. Investor Relations Director Ms. Gözde ÇİVİCİ was appointed to this position on 20.10.2021 and it was disclosed on the Public Disclosure Platform on the same date.

Working closely with the Corporate Governance Committee, Investor Relations Department reports to the board about its activities once a year. In addition, a short presentation under the title of "Investor Relations Agenda" is made at the Board of Directors meeting every month.

- **The Early Detection of Risk Committee** fulfills the duty to evaluate and define the probabilities and effects of all risks that may endanger the existence, development and continuation of the company, to inform the board of directors about the creation of risk measurement models and risk management systems and the use of risk factors in decision processes and making necessary warnings, and to make recommendations to the board of

directors to improve risk management practices and models.

The Committee conducts the necessary studies on the adoption and implementation of risk management policies and practices by all company units and employees.

The committee reviews the risk management systems at least once a year and reports to the board of directors.

The Early Detection of Risk Committee was composed of 2 (two) independent board members, and it held 6 (six) meetings in 2022.

Secretarial function of the committees is conducted by Gözde ÇİVİCİ (Investor Relations Director-General Secretary).

- **The Sustainability Committee** was established on 01.03.2022. The purpose of the committee has been defined as the creation of a sustainability strategy, determination of short, medium, and long-term goals, creation of the sustainability governance structure, reviewing, evaluation, improvement, and auditing of environmental and social indicators.

The Committee has not held any meetings since its establishment.

The compliance of Biotrend's practices in this sub-section with the principles is at a good level.

f. Financial Rights Provided for Members of the Board of Directors and Executives

Guidelines for the remuneration of board members and top executives have been written, approved by the general assembly, and disclosed to the public in the electronic environment.

It has been seen that actions have been taken in compliance with the principle, which states that stock-options or payment plans based on corporate performance should not be used for remuneration of independent members of

board. The emoluments of independent directors are sufficient to protect their independency.

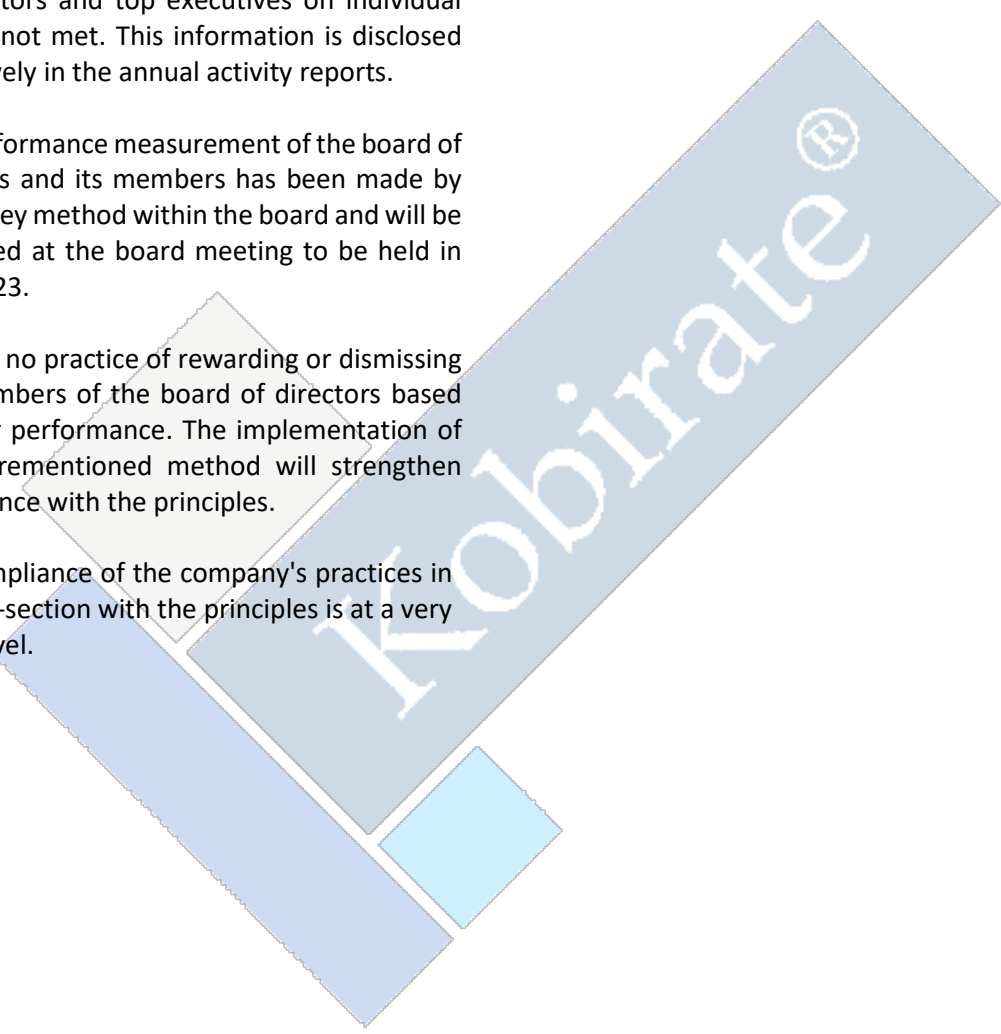
It has been learned that the Company has not lent or extended loan to any member of board or top executive or made available any credit under personal loan through any third person or provided securities such as surety in favour of them.

Corporate governance principle of disclosing remuneration and all other benefits provided to directors and top executives on individual basis is not met. This information is disclosed collectively in the annual activity reports.

The performance measurement of the board of directors and its members has been made by the survey method within the board and will be evaluated at the board meeting to be held in May 2023.

There is no practice of rewarding or dismissing the members of the board of directors based on their performance. The implementation of the aforementioned method will strengthen compliance with the principles.

The compliance of the company's practices in this sub-section with the principles is at a very good level.



5. KOBİRATE ULUSLARARASI KREDİ DERECELENDİRME VE KURUMSAL YÖNETİM HİZMETLERİ
A. Ş. CORPORATE GOVERNANCE RATING GRADES AND DESCRIPTIONS

GRADE	DEFINITIONS
9-10	<p>The Company achieved substantial compliance with to the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are recognized and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency are high. Interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the BIST corporate governance index.</p>
7-8,9	<p>The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place, and operational, although some improvements are required. Potential risks, which the Company may be exposed are identified and can be managed. The rights of the shareholders are impartially taken care of. Public Disclosure and transparency are at high levels. Interests of the stakeholders are fairly considered. Composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles even though they do not constitute serious risks. The company is eligible for inclusion in the BIST Corporate Governance Index.</p>
6-6,9	<p>The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at moderate level have been established and operated, however, improvement is required. Potential risks that the Company may be exposed are identified and can be managed. The interests of the shareholders are taken care of although improvement is needed. Although public disclosure and transparency are taken care of, there is need for improvement. Benefits of the stakeholders are taken care of, but improvement is needed. Some improvement is required in the structure and working conditions of the Board.</p>

GRADE	DEFINITIONS
4-5,9	<p>The Company has minimum compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level but are not full and efficient. Potential risks that the company is exposed to are not properly identified and are not under control. Substantial improvements are required to comply with the Corporate Governance Principles in terms of the benefits of both the shareholders and stakeholders, public disclosure, transparency, and the structure, and working conditions of the Board. Under the current conditions, the Company is not eligible to be listed in the BIST Corporate Governance Index.</p>
< 4	<p>The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also failed to establish its internal control systems. Potential risks that the company might be exposed are not identified and cannot be managed. The company is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the interest of the shareholders and the stakeholders, public disclosure, transparency, structure and working conditions of the Board and they are at a level that might cause the investor to incur material losses.</p>

