



## ***Corporate Governance Compliance Rating Report***



***Consus Enerji İşletmeciliği ve Hizmetleri A.Ş.***

3 May 2023

Validity Period : 03.05.2023-03.05.2024

## LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Consus Enerji İşletmeciliği ve Hizmetleri 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](http://www.kobirate.com.tr)).

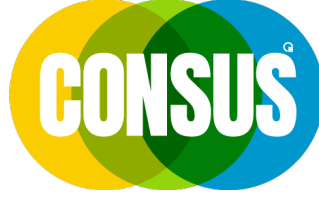
Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. formed accordingly to the methodology disclosed.

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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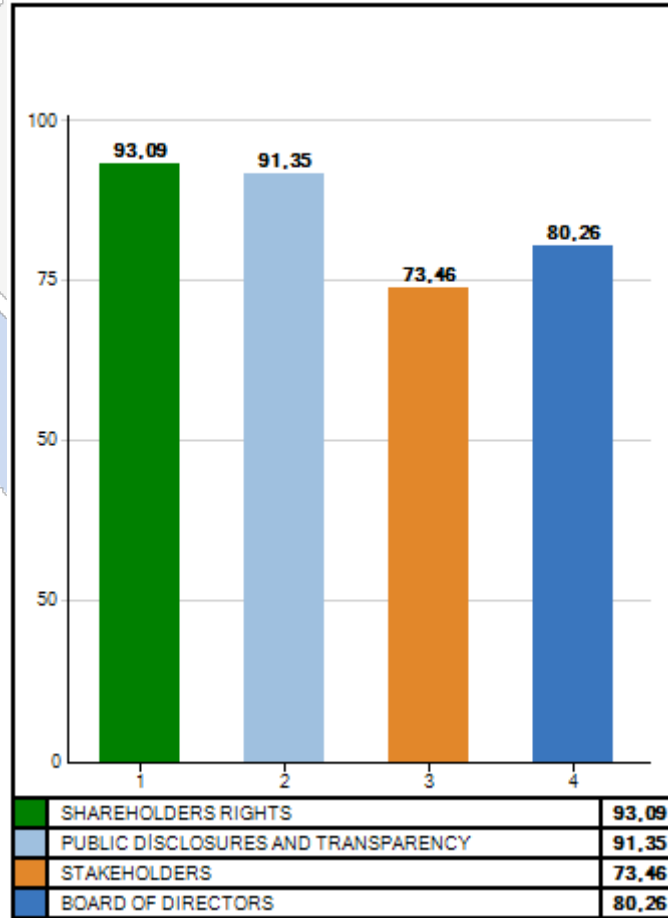
**CONSUS ENERJİ İŞLETMECİLİĞİ VE  
HİZMETLERİ ANONİM ŞİRKETİ**

**1. RATING RESULT**

**BIST SECOND GROUP COMPANY**

**CMB CORPORATE GOVERNANCE  
PRINCIPLES COMPLIANCE GRADE**

**8.52**





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Nermin Z. UYAR

(License Number: 702999)

## 2. RATING SUMMARY

This report of rating of compliance of Consus Enerji İşletmeciliği ve Hizmetleri 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, Consus Enerji İşletmeciliği ve Hizmetleri A.Ş. is included in the BIST 2nd Group Companies list. The Company has been evaluated through examination of 448 criteria described in Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s methodology of "BIST 2nd 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 Consus Enerji İşletmeciliği ve Hizmetleri A.Ş. (Consus Enerji) has been determined as **8.52**.

This result signifies that the company has achieved a significant level of compliance with CMB's Corporate Governance Principles and

deserves to be on the BIST corporate governance index.

The level of public disclosure and transparency are at a good level. Rights of the shareholders and stakeholders are treated fairly. Composition and operational conditions of the Board highly comply with the Corporate Governance Principles. However, some improvements are expected to be made by the company 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 a grade of **93.09** in the **Shareholders** Section and has achieved a very good level of compliance with CMB Corporate Governance Principles. The existence of the Investor Relations Department, which maintains healthy relations with the shareholders, the duly convening of general assembly invitations and meetings, the establishment of a dividend policy, the absence of any privileges in shares, and the absence of restrictions on the transfer of shares stand out as positive practices.

The company has achieved a grade of **91.35** for the section of **Public Disclosure and Transparency**. It 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 an easy-to-understand format. As a result of the studies conducted, it has been determined that the company has achieved a good level of compliance with the principles in the field of public disclosure and transparency.

The Company has obtained **73.46** in the section of **Stakeholders**. In this section, the company has significantly complied with the CMB's Corporate Governance Principles.

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 are informed about these processes.

Ethical Rules are set forth and introduced to employees to act pursuant to such rules. Annual report gives information about social responsibility projects.

The company has established its compensation policy for its employees, and it has been disclosed to the public.

The company continues its sustainability efforts.

As for the **Board of Directors** Section, the Company's grade is **80.26**, representing a significantly good compliance with CMB's Corporate Governance Principles.

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. The processes regarding the meetings are indicated in the articles of association.

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 and disclosed to public.

Pursuant to the Capital Markets Board Communiqué No. II.17-1, the Investor Relations Department Manager has been appointed as a Member of the Corporate Governance Committee.

There is 1 (one) female member in the Board of Directors.

On the other hand, having 2 (two) independent members in the board of directors, determining the remuneration principles of senior executives, and publishing them on the corporate website of the company were considered important practices in terms of compliance with the principles.

Board Members have been included in "Manager Liability Insurance policy", against defects of them in performing their duties.

### 3. 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 to make the disclosures in the following order: Disclosure of the Compliance Report Format ("URF") to report compliance with voluntary principles, and Disclosure of the Corporate Governance Information Form ("CIBF") 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.

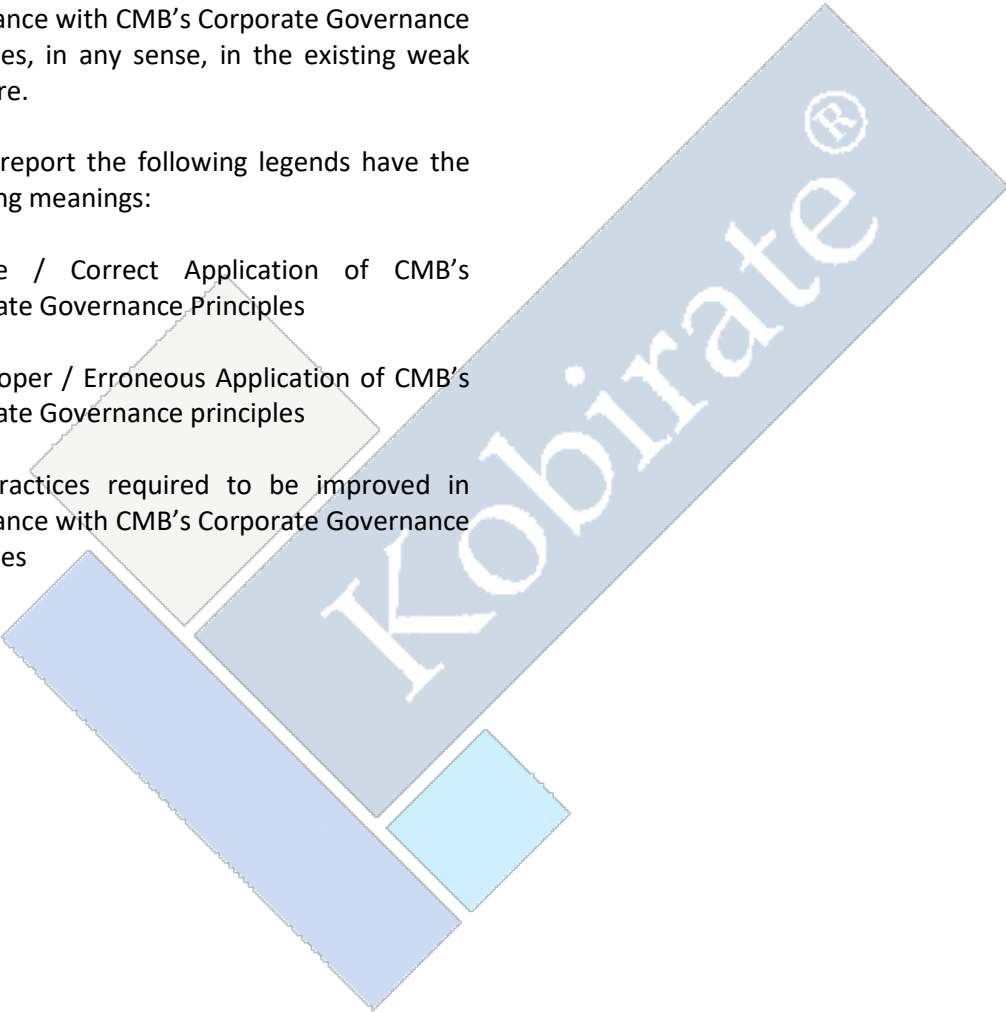
A rating is made with a system that completes the section grades up to 100 by the company's

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.

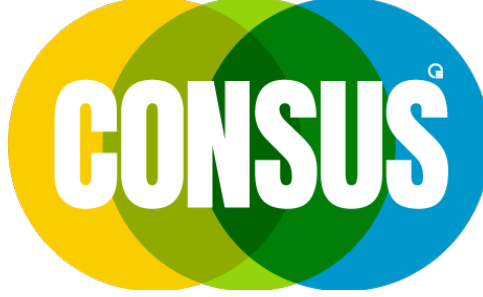
The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0-10. In this scale of grade, "10" points mean excellent, full compliance with CMB's Corporate Governance Principles while grade "0" means that there is no compliance with CMB's Corporate Governance Principles,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



#### 4. COMPANY PROFILE

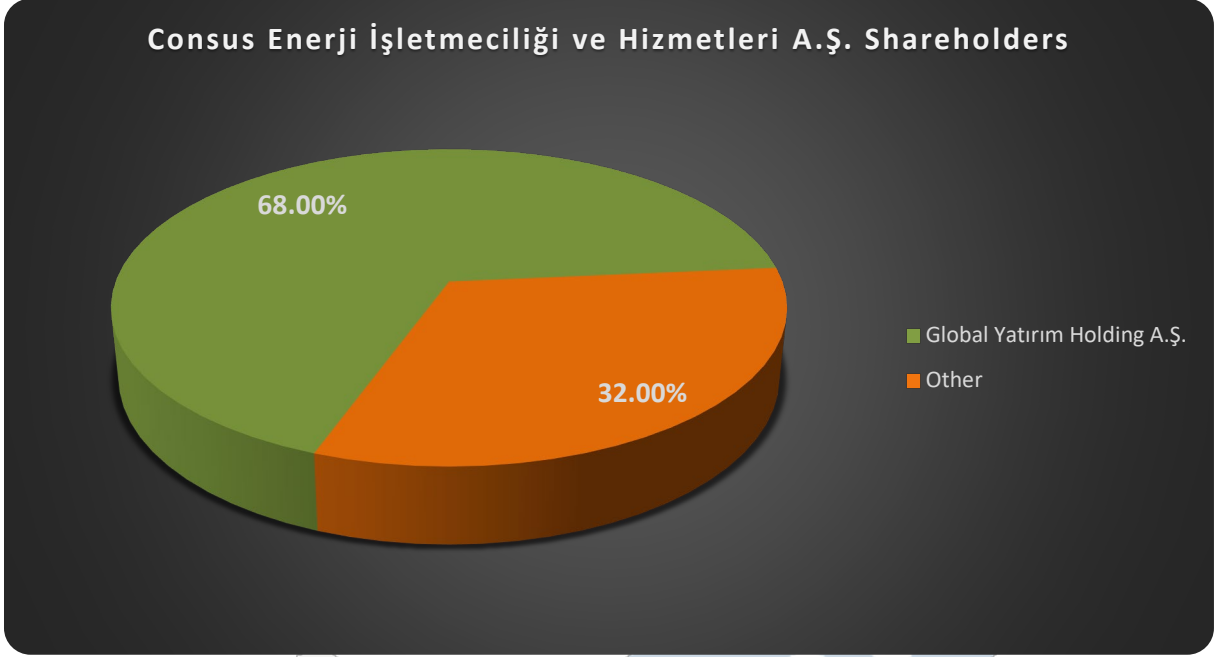


|  |   |
|--|---|
| <b>Company Name:</b><br><b>Company Address</b>   | Consus Enerji İşletmeciliği ve Hizmetleri A.Ş.<br>Esentepe Mahallesi, Büyükdere Caddesi, No: 193 İç<br>Kapı No: 2 34394 Şişli/ İSTANBUL |
| <b>Company Phone:</b><br><b>Company Fax:</b><br><b>Company's Web Address:</b>                    | (0212) 2446000<br>(0212) 2446161<br><a href="http://www.consusenerji.com.tr">www.consusenerji.com.tr</a>                                |
| <b>Date of Incorporation:</b><br><b>Company Trade Registry Number:</b><br><b>Paid-in Capital</b> | 22.08.2014<br>İstanbul-935636<br>385,500,000,-TL  |
| <b>Line of Business</b>  | Energy Generation and Management  |
| <b>Company's Sector</b>  | Electricity, Gas and Water / Electricity, Gas and Steam   |

|   |
|---|
| <b>Company's Representatives in Charge of Rating:</b>   |
| Ekin BİÇEN ÖCAL<br>Investor Relations Manager<br><a href="mailto:investor@consusenerji.com.tr">investor@consusenerji.com.tr</a><br><br>(0212) 2446000 |

## Company Shareholder Structure

(As of 31.03.2023)



Source : [www.consusenerji.com.tr](http://www.consusenerji.com.tr)

| Shareholder Name              | Share (TL)         | %             |
|-------------------------------|--------------------|---------------|
| Global Yatırım Holding A.Ş. * | 262,136,788        | 68.00         |
| Other                         | 123,363,212        | 32.00         |
| <b>Total</b>                  | <b>385,500,000</b> | <b>100.00</b> |

Source : [www.consusenerji.com.tr](http://www.consusenerji.com.tr)

(\*) Approximately 11.50% of the shares held by Global Yatırım Holding at the rate of 68% in Consus Enerji's capital are publicly held shares.

## Board of Directors

| Name/ Surname          | Title   | Executive/<br>Non - Executive |
|------------------------|---|-------------------------------|
| Ayşegül BENSEL         | Chairman  | EXECUTIVE                     |
| Serdar KIRMAZ          | Deputy Chairman                                     | EXECUTIVE                     |
| Fezullah Tahsin BENSEL | Member of Board of Directors                        | Non - Executive               |
| Atay ARPACIOĞULLARI    | Member of the Board of Directors / General Manager  | EXECUTIVE                     |
| Mehmet Ali DENİZ       | Member of Board of Directors                        | Non - Executive               |
| Ercan Nuri ERGÜL       | Member of the Board of Directors-Independent Member | Non - Executive               |
| Mustafa KARAHAN        | Member of the Board of Directors-Independent Member | Non - Executive               |

### Top Management of the Company

| Name/ Surname       | Title  |
|---------------------|--|
| Atay ARPACIOĞULLARI | Member of the Board of Directors/General Manager |
| Muhammet ER         | Director of Financial Affairs                    |
| Kaan GÖRENEK        | Director of Engineering and Investment Practice  |

### COMMITTEES FORMED WITHIN BOARD OF DIRECTORS

#### AUDIT COMMITTEE

| Member Name / Surname | Title   |
|-----------------------|---|
| Mustafa KARAHAN       | Chairman / Independent Member of Board of Directors |
| Ercan Nuri ERGÜL      | Member / Independent Member of Board of Directors   |

#### CORPORATE GOVERNANCE COMMITTEE

| Member Name / Surname | Title   |
|-----------------------|---|
| Mustafa KARAHAN       | Chairman / Independent Member of Board of Directors |
| Ayşegül BENSEL        | Member / Chairman of the Board of Directors         |
| Serdar KIRMAZ         | Member / Deputy Chairman of the Board of Directors  |
| Mehmet Ali DENİZ      | Member / Member of Board of Directors               |
| Ekin BİÇEN ÖCAL       | Member/ Investor Relations Manager                  |

#### EARLY DETECTION OF RISK COMMITTEE

| Member Name / Surname | Title   |
|-----------------------|---|
| Mustafa KARAHAN       | Chairman / Independent Member of Board of Directors |
| Ayşegül BENSEL        | Member / Chairman of the Board of Directors         |
| Serdar KIRMAZ         | Member / Deputy Chairman of the Board of Directors  |
| Mehmet Ali DENİZ      | Member / Member of Board of Directors               |

#### Investor Relations Unit

| Name Surname    | Title  | Contact  |
|-----------------|--|--|
| Ekin BİÇEN ÖCAL | Investor Relations Manager                             | 0212 244 60 00<br><a href="mailto:investor@consusenerji.com.tr">investor@consusenerji.com.tr</a> |
| Yasin KORKMAZ   | Investor Relations Officer & Financial Affairs Manager | 0212 244 60 00<br><a href="mailto:investor@consusenerji.com.tr">investor@consusenerji.com.tr</a> |

**Balance Sheet comparison of the Company and its Subsidiaries in some selected items**

|                        | 2021/12 (Thousand TL) | 2022/12 (Thousand TL) | Change % |
|------------------------|-----------------------|-----------------------|----------|
| Total Assets           | 1,279,066             | 1,892,236             | 47.94    |
| Short-Term Liabilities | 406,410               | 545,386               | 34.20    |
| Long-Term Liabilities  | 416,765               | 488,875               | 17.30    |
| Paid Capital           | 333,000               | 385,500               | 15.77    |
| Equity                 | 455,891               | 857,976               | 88.20    |

Source: Consus Enerji İşletmeciliği ve Hizmetleri A.Ş. Board of Directors Activity Report for the Period 01.01.2022-31.12.2022

**Profit/Loss Statement Comparison in Selected Items of the Company and its Subsidiaries**

|  | 2021/12 (Thousand TL) | 2022/12 (Thousand TL) | Change % |
|--|-----------------------|-----------------------|----------|
| Net Sales  | 371,893               | 559,873               | 50.55    |
| Operating Profit/(Loss) Before Financial Income/(Expenses) | 94,753                | 106,034               | 11.91    |
| Profit/(Loss) Before Taxes from Operations                 | 59,504                | 64,394                | 8.22     |
| EBITDA   | 131,963               | 165,739               | 25.60    |
| Net Profit/(Loss)  | 33,013                | 46,980                | 42.31    |

Source: Consus Enerji İşletmeciliği ve Hizmetleri A.Ş. Board of Directors Activity Report for the Period 01.01.2022-31.12.2022

**Investments of the Company Valued by Subsidiary and Equity Method (30.03.2023)**

| Affiliated Companies   | Company's Line of Business | Currency | Owned Capital Ratio (%) |
|--|----------------------------|----------|-------------------------|
| Tres Enerji Hizmetleri San. ve Tic. A.Ş.                       | Energy Service             | TRY      | 100.00                  |
| Mavibayrak Enerji Üretim A.Ş.                                  | Energy Generation          | TRY      | 100.00                  |
| Mavibayrak Doğu Enerji Üretim A.Ş.                             | Energy Generation          | TRY      | 100.00                  |
| Doğal Enerji Hizmetleri San. ve Tic. A.Ş.                      | Energy Generation          | TRY      | 100.00                  |
| Ra Güneş Enerjisi Üretim San. ve Tic. A.Ş.                     | Energy Generation          | TRY      | 100.00                  |
| Tenera Enerji Tic. A.Ş.  | Electricity Trading        | TRY      | 100.00                  |
| Edusa Atık Bertaraf Geri Kazanım ve Depolama San. ve Tic. A.Ş. | Biomass Fuel Warehousing   | TRY      | 100.00                  |
| Solis Enerji Üretim ve Ticaret A.Ş.                            | Energy Generation          | TRY      | 100.00                  |

Source: www.kap.org.tr

**Peak and Bottom Closing Values of Company shares traded at BIST between 20.04.2022-14.04.2023**

| <b>Bottom (TL)</b>                 | <b>Peak (TL)</b>                    |
|------------------------------------|-------------------------------------|
| <b>3.37</b><br><b>(05.07.2022)</b> | <b>13.88</b><br><b>(23.11.2022)</b> |

Source : Consus Energy Investor Relations Unit

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

Market in which the Company's Capital Market Instrument is Traded

BIST STAR

Indices in Which the Company Is Included

BIST PARTICIPATION ALL SHARES / BIST ISTANBUL / BIST IPO / BIST PARTICIPATION 100 / BIST STARS / BIST ELECTRICTY / BIST SERVICES / BIST ALL SHARES / BIST ALL SHARES-100

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

**Information about Company Activities**

Consus Enerji İşletmeciliği ve Hizmetleri A.Ş. was established on 22.08.2014. The company was established for the purpose of generating electricity with natural gas, thermal, solar, wind, hydro, geothermal and all other energy sources, distribution of all these, establishment, commissioning, leasing of all related generation and distribution facilities, sales, and distribution of the generated electricity to customers and making all energy investments. The main shareholder of the Company is Global Yatırım Holding A.Ş. The company has been traded on Borsa Istanbul A.Ş. with the code "CONSE" since 20.04.2022.

**Information on the Company's Business Lines and Activities:**

**Biomass Power Plants**

Consus Enerji has 3 power plants with a total capacity of 29.2 MW producing energy from biomass. Biomass, also called biological mass, is a renewable energy source that has organic content and can be used in electricity and power generation through various preparatory processes. In Consus Enerji biomass power plants, electricity is produced from agricultural residues and similar biomass resources that do not have the characteristics of food and feed and cannot be used in a different business area. Agricultural residues that remain in the fields of the farmers, who are considered as Company stakeholders, after the harvest activity, and which have no use in the past, are collected without causing any burden or cost to the farmer, and are converted into energy in the biomass power plants owned by Consus Enerji and brought into the economy. With this method, both the farmers are supported in terms of production costs, and the damage to the soil caused by the agricultural residues,

which are often tried to be disposed of by burning in the field, and agricultural sustainability and productivity is contributed to.

In addition to preventing energy imports, energy production from biomass resources provides new opportunities for all areas of the economy with the additional employment and sustainability it provides. In addition, the continuous and regular availability of biomass gains importance in order to ensure a sustainable structure of renewable energy production in the long term.

The fact that the biomass source is storable provides an advantage over other types of renewable energy.

Consus Energy conducts its activities in the Biomass Energy portfolio through its subsidiaries Mavibayrak Enerji Üretim A.Ş., Mavibayrak Doğu Enerji Üretim A.Ş., Doğal Enerji Hizmetleri Sanayi Tic. A.Ş. and Edusa Atık Bertaraf Geri Kazanım ve Depolama San. ve Tic. A.Ş.

Mavibayrak Energy Biomass Power Plant, which is the first biomass power plant within Consus Enerji and established on an area of 4 hectares in the Organized Industrial Zone in Söke district of Aydın, has an installed power of 12 MW. The investment of the facility started in 2016 and production started in 2018.

The investment for Mavibayrak Doğu Energy Biomass Power Plant with a capacity of 12 MW, established on 19 hectares of land in the Derik district of Mardin, started in 2018, and the power plant was commissioned in the same year.

The Natural Energy Biomass Power Plant, which became operational in 2018 in Şanlıurfa's Şenocak location, however, has an installed capacity of 5.2 MW.

Edusa Bertaraf Geri Kazanım ve Depolama San. ve Tic. A.Ş., a subsidiary of Consus Enerji, aims to secure and make sustainable the biomass supply of the power plants within Consus Enerji by assuming the responsibility of supplying various biomass resources, especially agricultural residues.

Within the scope of the update made in the legislation, efforts are continuing to complete the solar energy investments as an auxiliary source within the mentioned biomass power plants and put them into production.

In this context, the license amendment applications made by the said subsidiaries to EMRA for both Mavibayrak Enerji and Mavibayrak Doğu Enerji biomass power plants in order to establish a solar power plant (SPP) as an auxiliary source in accordance with the Electricity Market Law and secondary legislation, have resulted positively and the licenses of the relevant power plants have been amended as registered facility type "combined renewable electricity generation facility", resource type "biomass/solar" and installed power based on auxiliary resource "1.8 MW". At the current stage, the licenses for biomass energy facilities located in Aydın/ Söke and Mardin/ Derik districts have been amended to be 14.4 MWm/12.0 MWe for each power plant.

### **Solar Energy**

Solar power plants (SPP) come to the forefront as an environmentally friendly energy source thanks to their structures that do not pollute the environment and do not create wastes such as dust, smoke, gas, carbon monoxide, sulfur and radiation, as a result of using the energy of the sun that will not be exhausted for millions of years. Solar power plants create an economic and strategic advantage by eliminating the need for external resources. On the other hand, solar energy, which is the mode of production with the lowest operating and maintenance costs, increases predictability by contributing to long-term price stability in energy.

Consus Energy started its licensed solar energy investment in 2019 at its power plant located on an area of approximately 18 hectares in the Artuklu district of Mardin province in Southeastern Anatolia,



which is one of the most productive regions in this field, considering Turkey's solar energy potential and with an installed capacity of 10.8 Mwp.

The company conducts its activities in the field of licensed solar energy through its subsidiary RA Güneş Enerji Üretim San. ve Tic. A.Ş. Electricity production started at the beginning of 2020 at the relevant power plant, and an annual electricity energy production exceeding 20 GWh is achieved by using photovoltaic modules.

Within the scope of renewable energy, Ra Solar Power Plant (SPP), where electricity generation activities are conducted, is the first licensed facility in our country where the solar tracking system is used.

### **Distributed Energy**

Consus Energy has been providing energy efficiency solutions within the scope of unlicensed electricity generation legislation in the Distributed Energy sector since 2012 and by designing the optimal energy generation system and capacity specific to each customer with energy performance contracts, it implements alternative business structures, including the build-operate model, as well as cogeneration, trigeneration and solar power plants.

Thanks to its strong financial structure and experienced workforce, the company installs these power plants, which meet the needs of end users in the most accurate way, for the self-consumption of customers and by undertaking all costs. On the other hand, by operating these facilities in the long term, it undertakes the management of the energy infrastructure of the end users.

Thus, customers meet with savings in energy costs without incurring any investment costs or operating responsibilities, on the other hand, they increase their competitive power by reaching quality and uninterrupted energy, with the high efficiency they obtain, and the expertise provided by Consus Energy.

Cogeneration power plants in the field of Distributed Energy are combined energy systems in which electricity and heat are produced together by burning other fuels, especially natural gas, in an engine or turbine. In trigeneration systems, on the other hand, three different forms of energy, electricity, heating, and cooling can be offered to the enterprises at the same time. The difference of trigeneration is that the heat generated by the cooling system included in the system can be converted and used for cooling needs.

At the same time, within the scope of the distributed energy business line, importance is given to investment efforts within the scope of energy performance solution, which includes the installation and operation of solar power plants, including the financing of industrial enterprises to meet their electricity self-consumption.

All distributed power plants operated by Consus Enerji, which enable energy to be produced at the place of consumption, prevent losses in transmission and distribution, as well as the energy efficiency and savings they create. On the other hand, they reduce the dependency on the grid and minimize the negative effects such as outages, fluctuations, or irregularities.

The total installed power of Consus Enerji in eight different locations in Turkey is 54.1 MW. With the completion and commissioning of the distributed solar power plant, which is currently under construction within the scope of the contract signed in October 2022, the installed power will increase to 56.1 MW and the number of facilities to 9.

The company makes its investments in the field of Distributed Energy through its subsidiary Tres Enerji Hizmetleri San. ve Tic. A.Ş.

### **Electricity Trading**

Consus Enerji operates in the field of electricity trade within the scope of its business model integrated with energy production activities. The company conducts its activities in the field of electricity trade through its subsidiary Tenera Enerji Tic. A.Ş.

Aiming to offer advantageous solutions to its customers' needs and expectations within the scope of energy supply, Tenera Enerji brings new initiatives to the energy market with its mixed and complementary business model. Tenera Enerji continues its activities under the electricity supply license obtained from the Energy Market Regulatory Authority. With its strong financial infrastructure and expert staff who are well-versed in the energy market legislation and dynamics, it supplies its customers with energy from renewable sources, at affordable prices and on sustainable terms. It contributes to the increase in the profitability of its customers by providing significant savings in expenses based on electricity and heat energies.

In addition to electricity supply, energy monitoring systems are installed in enterprises, activities are continued to optimize the electricity consumption of customers by monitoring reactive and abnormal consumption and to create added value for enterprises by preventing possible cost increases. In addition, it prevents possible interruptions in activities by creating warning mechanisms regarding critical consumption points for corporate customers with special predictive maintenance monitoring systems and ensuring that they are intervened before any malfunctions occur. With these services, it helps its customers to minimize production losses and to help businesses use energy in the most efficient way.

Renewable Energy Certificates obtained from renewable energy production facilities within Consus are provided to customers who want to reduce their carbon footprint.

### **Management System Certificates of the Company and its Subsidiaries:**

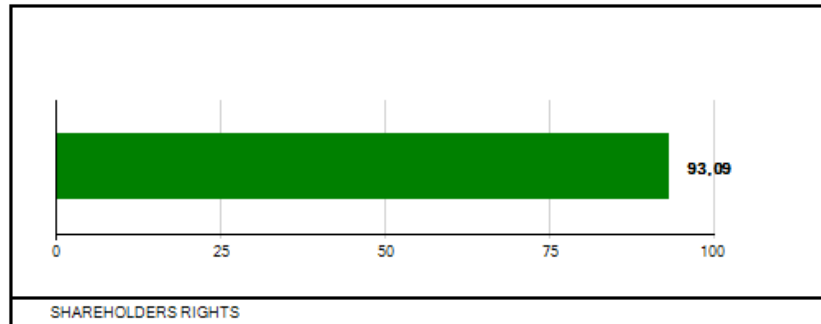
| <b>Company Name:</b>                              | <b>ISO 9001</b> | <b>ISO 14001</b> | <b>ISO 45001</b> | <b>ISO 50001</b> |
|---|-----------------|------------------|------------------|------------------|
| Consus Enerji İşl. ve Hizm. A.Ş.                  | ✓               |                  |                  |                  |
| Mavibayrak Enerji Üretim A.Ş.                     | ✓               | ✓                | ✓                | ✓                |
| Doğal Enerji Hiz. San. ve Tic. A.Ş.               | ✓               | ✓                | ✓                | ✓                |
| Mavibayrak Doğu Enerji Üretim A.Ş.                | ✓               | ✓                | ✓                | ✓                |
| Edusa Atık Bert. Geri Kaz.ve Depo. San. Tic. A.Ş. | ✓               | ✓                | ✓                |                  |
| Ra Güneş Enerjisi Üretim San. ve Tic. A.Ş.        | ✓               | ✓                | ✓                |                  |
| Tres Enerji Hiz. San. ve Tic. A.Ş.                | ✓               | ✓                | ✓                |                  |
| Tenera Enerji Tic. A.Ş.                           | ✓               |                  |                  |                  |

The company and its subsidiaries hold a total of 23 certificates in the standards of ISO 9001: 2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System, ISO 50001:2018 Energy Management System.

Consus Enerji and its Subsidiaries are certified by TUV THURIGEN, which is accredited by the German accreditation agency (DAkkS) for the certification of various systems and products.

## 5. RATING SECTIONS

### A. SHAREHOLDERS



#### Overview

- ✓ There is an Investor Relations Department in order to conduct relations with Shareholders.
- ✓ The general meetings were held in accordance with the relevant laws, regulations, and articles of association.
- ✓ Company's Donation and Aid policy has been prepared and disclosed to 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.
- ✓/\* Minority rights must be extended to those shareholders with less than 1/20 of the capital.
- ✓/\* It would be appropriate to inform the shareholders about the beneficiaries of all donations and aids made during the period at the general assembly meetings.

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 **93.09** points.

#### *a. Facilitating the Exercise of Shareholders' Rights*

The Investor Relations Department reports to General Manager Mr. Atay ARPACIOĞULLARI. Ms. Ekin BİÇEN ÖCAL (Investor Relations Manager) and Investor Relations Officer Mr. Yasin KORKMAZ (Financial Affairs Manager) work in the department. Ms. Ekin BİÇEN ÖCAL has Capital Market Activities Advanced Level, Corporate Governance Rating Specialist and Credit Rating Specialist Licenses. In accordance with CMB Corporate Governance Directive no II.17-1, Ekin BİÇEN ÖCAL has also been appointed as member of Corporate Governance Committee and it was disclosed to public with Material Event Disclosure, dated 28.07.2022.

It has been found that the employees of the Investor Relations Department 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.

Investors Relations Department reports regularly to the Board of Directors and

Corporate Governance Committee about its activities and performance of shares. Reports are currently prepared once a year.

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 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 [www.consusenerji.com.tr](http://www.consusenerji.com.tr) is used as an efficient platform.

The "Disclosure Policy" prepared 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. It is understood that in accordance with the company's disclosure policy, all shareholders, potential investors, and analysts are treated equally in the exercise of the right to receive and review information, and care is taken to deliver the disclosures with the same content to everyone at the same time. Within the framework of information sharing, all kinds of information that may be of interest to shareholders and market players are announced to the public through material disclosures, and material disclosures are also published on the corporate website of the company.

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

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.

During the monitoring period, there was no warning/administrative fine received from regulatory/supervisory institutions on the grounds that the shareholders and related parties were not adequately informed. In addition, during the same period, it was learned that there were no disputes that were the subject of litigation for reasons such as the fact that the shareholders' requests for information and examination were left unanswered and rejected without justification.

There are no arrangements or policies that make it difficult for shareholders to demand the appointment of a special auditor from the general assembly.

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

***c. Right to Attend the General Assembly***

The General Assembly meeting to discuss the operations of 2021 took place on 27.07.2022. The invitation to the meeting was duly made in the Turkish Trade Registry Gazette (TTRG) dated 04.07.2022 and numbered 10612, on the Public Disclosure Platform (KAP) and the Central Registry Agency e-general assembly system (EGAS) on 01.07.2022. The date, time, place, agenda, and the sending department have been clearly described in the invitation.

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.

The general assembly meetings are held in a way that does not cause inequality among the shareholders and ensures the participation of the shareholders at the lowest possible cost. 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 and on the Public Disclosure Platform. In this document, it has been determined that information about the total number of shares and votes reflecting the shareholding structure of the company as of the date of disclosure is 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.

During the preparation of the general assembly agenda, it was determined that the agenda headings 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" in the agenda.

Executives and auditors who are authorized to brief participants on special subjects and answer their questions have attended to the meeting. Attending top managers were; Mr. Serdar KIRMAZ (Vice Chairman of the Board of Directors), Mr. Atay ARPACIOĞULLARI (Member of the Board of Directors and General Manager), Mr. Muhammet ER (Financial Affairs Director), Ms. Eda TUĞCU YALKIN (Senior Legal Advisor). In addition, a representative of the independent audit company also 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 that there were no guarantees, pledges, and liens given in favor of third parties and that no income or benefit was provided in this context.

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

The Company will hold its Ordinary General Assembly meeting for 2022 on May 4, 2023. The invitation to the meeting was duly made in the Turkish Trade Registry Gazette (TTRG) dated 04.04.2023 and numbered 10803, on the Public Disclosure Platform (KAP) and the Central Registry Agency e-general assembly system (EGAS) on 30.03.2023. The date, time, place, agenda, and the sending department have been clearly described in the invitation.

It would strengthen compliance to the corporate governance principles to inform the shareholders about the beneficiaries of all donations and aids made during the period at the general assembly meetings.

Due to the practices in the general assembly, the company has achieved a very good compliance with many principles hereunder.

#### ***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.

The company does not have any voting privileges.

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

The above-mentioned practices of Consus Enerji are in line with the 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 under the title of "**Determination and Distribution of Profit**" in Article 13 of the articles of association.

The Company has determined its profit distribution policy in accordance with the CMB communiqués, the criteria set out in the TCC and the relevant articles of the articles of association of the company and has disclosed it to the public electronically.

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.

The issue of paying advance dividends is regulated by the provision in the 13th article of the company's articles of association, "The Board of Directors may distribute advance dividends, provided that it is authorized by the General Assembly and complies with the provisions of the Capital Markets Law and the Capital Markets legislation. The provisions of the relevant legislation shall be complied with in the calculation and distribution of the advance dividend amount."

There are no privileges in the distribution of dividends.

Although there is profit for the period in the solo/legal financial statements for the fiscal year ending on 31.12.2021, in accordance with the tax legislation and the Uniform Chart of Accounts published by T.R. Ministry of Finance, it has been decided to submit to the information of the shareholders at the General Assembly that profit cannot be distributed due to the existence of a period loss in the consolidated financial statements prepared in line with the regulations of the Capital Markets Board.

At the Ordinary General Assembly meeting for 2021 held on 27.07.2022, it was submitted to the information of the attendees that profit cannot be distributed.

The profit distribution table were published on the Public Disclosure Platform on the same day as the invitation to the general assembly.

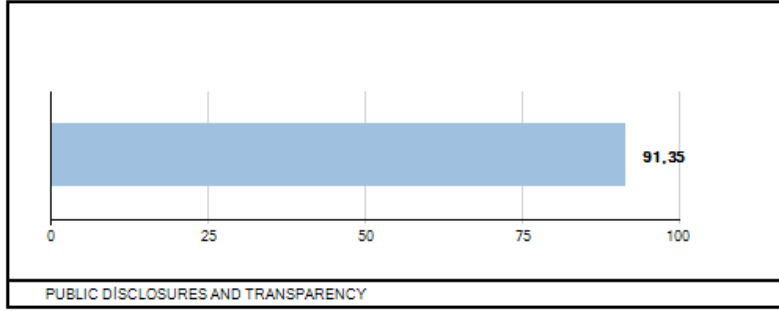
Consus Enerji's practices in this subsection comply with the principles.

#### **g. Transfer of Shares**

There are no articles in the Articles of Association that restrict transfer of shares. We have seen no practices that make it difficult to freely transfer shares.

In this subsection, the company has fully complied with the principles.

## B. PUBLIC DISCLOSURE AND TRANSPARENCY



### Overview

- ✓ Disclosure policy has been prepared and disclosed to public through electronic media.
- ✓ Corporate website is used effectively as a current tool for public disclosures within the context as stated by the principles.
- ✓ The information and documents, required by principles to be on the corporate website, are published based on last five years.
- ✓ The annual report is comprehensive, and its content mostly reflects the principles.

As for this section, the Company has been assessed by **92** 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 **91.35**.

The company conducts public disclosures within the scope of its Public Disclosures Policies developed by the board and disclosed to the public. This policy highly complies with the CMB's Material Events Communiqué No. II.15-1.

The Board of Directors is responsible for approving the Disclosure Policy and overseeing the determination and operation of notification, review, and sanction mechanisms

in case of non-compliance with rules and regulations. The processes regarding the fulfillment of Consus Enerji's public disclosure obligations are the responsibility of the directors responsible for financial management and reporting, as well as the Investor Relations Department. These officials fulfill their duties in close cooperation with the Corporate Governance Committee and the Board of Directors.

Company's 2022 independent audit was conducted by PKF Aday Bağımsız Denetim A.Ş. In the reports prepared there has not been any situation where the independent auditor refrained from expressing an opinion, expressed a qualified opinion, or did not sign. 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 to submit the audit for the year 2023 to the General Assembly for approval, with the recommendation of the Audit Committee and the Board of Directors, to be conducted by PKF Aday Bağımsız Denetim A.Ş.

#### a. Corporate Website

The corporate website ([www.consusenerji.com.tr](http://www.consusenerji.com.tr)) is updated regularly and the website is being used as an active and effective platform for disclosure to the 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, dates and numbers of commercial registry newspapers where changes were published along with the final text of company's Articles of Association, material event disclosures, 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 policy, business ethics rules and information requests, questions, notifications and answers given under frequently-asked questions title and the company's Sustainability works.

This information on the website is also published in English for international investors.

In this subsection, it has been determined that Consus Enerji's compliance with corporate governance principles is at a good level.

#### **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 ended on 31.12.2022 was approved and disclosed to the public by the decision of the Board of Directors dated 8 March 2022 and numbered 102.

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,

Company's profit distribution policy,

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 the Company's subsidiaries and affiliates,

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 sectors that the Company operates in and about its position within these sectors.

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 corporation, the trade registry number, contact information,

Developments in investments, the status of benefiting from incentives, the extent to which they have been realized,

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

Declaration of Compliance with Corporate Governance Principles and compliance reports,

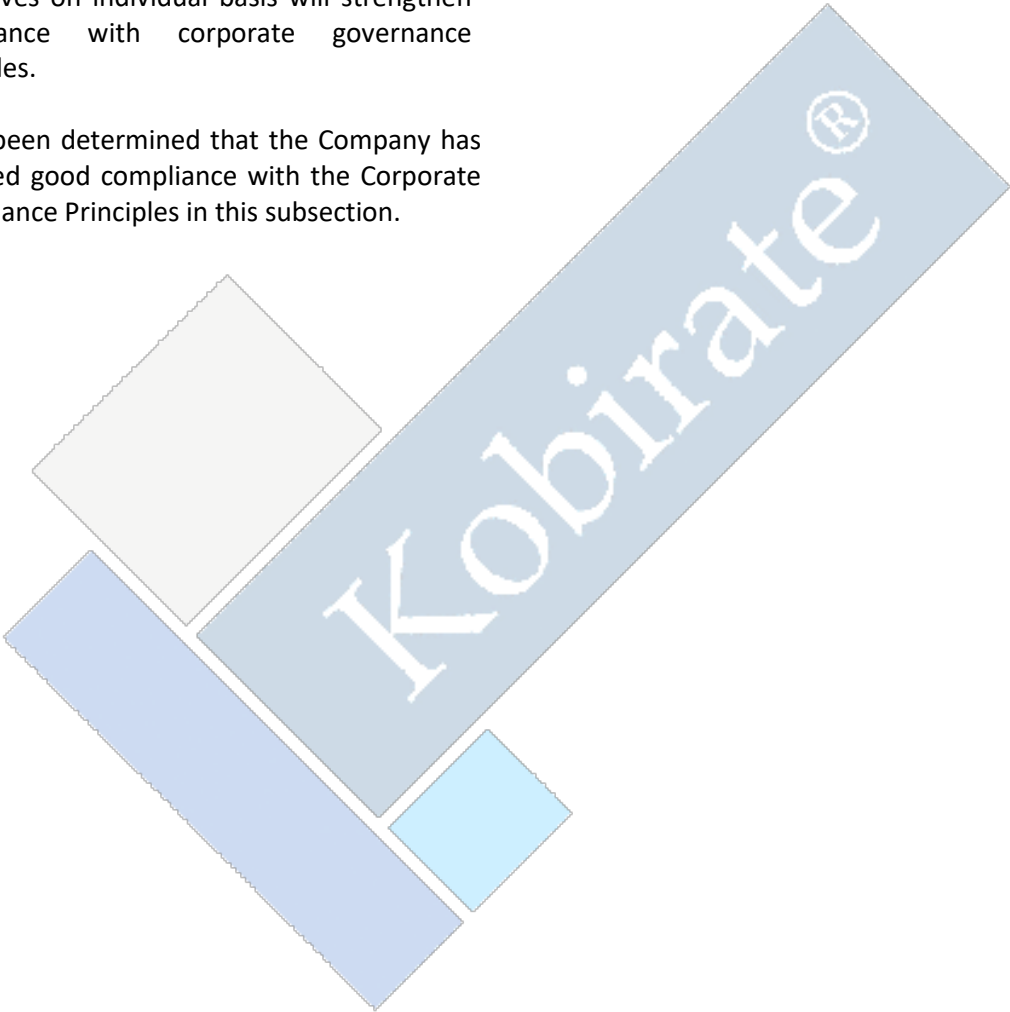


A lot of information, including other matters not included in the financial statements but that would be useful to users.

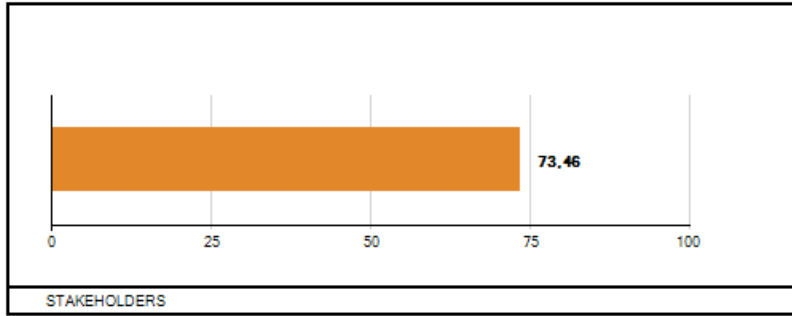
In the annual report, salaries, bonuses, and similar benefits provided to the members of the board of directors and senior executives are disclosed in total, not on an individual basis.

Including information on the beneficiaries of donations and aids made by the company in the annual report, and disclosing the salaries, bonuses and similar benefits provided to the members of the board of directors and senior executives on individual basis will strengthen compliance with corporate governance principles.

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



## C. STAKEHOLDERS



### Overview

- ✓ **Ethics Rules have been prepared and disclosed in electronic environment.**
- ✓ **There are no regulations that make it difficult for stakeholders to exercise their rights.**
- ✓ **Human resources policy and many internal regulations concerning customers and stakeholders have been prepared.**
- ✓ **Employees are provided with a safe and pleasant working environment.**
- ✓ **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.**
- ✓/✗ **Regulations can be developed in the Articles of Association or in company regulations supporting participation to management of employees and stakeholders.**
- ✓/✗ **In cases where it is foreseen that the changes in managerial duties may cause disruption in the company management, a succession planning can be made to determine the new managers to be appointed.**

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 **73.46**.

#### *a. Corporate Policies 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 Consus Enerji İşletmeciliği ve Hizmetleri A.Ş. 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 internal regulations were prepared to this end.

Stakeholders are adequately informed on company policies and procedures to protect

their rights and the company's corporate website is being actively used for this purpose.

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

In this subsection Consus Enerji has achieved a good compliance with corporate governance principles.

***b. Supporting Participation of Stakeholders in Corporation's Management***

The articles of association and/or internal regulations do not contain regulations supporting the direct participation of stakeholders in the company management. However, it is seen that the opinions of the stakeholders are taken in important decisions that have consequences for the stakeholders.

Although these models that support the participation of stakeholders in the company management are currently being implemented, it is recommended to include them in the articles of association and internal regulations and to develop practices according to these regulations.

***c. Human Resources Policy of the Corporation***

Procedures on recruitment, working conditions, 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 and practices of acting in accordance with these procedures have been developed. 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 seen that the Basic Human Resources Policy that the Company has already disclosed to the public, aims to create

employees who are in line with contemporary norms, focused on performance, successful, loyal, and diligent.

Performance and reward criteria have been established and disclosed to employees, in the determination of benefits provided to employees mentioned criteria are followed.

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

As a result of the interviews with the relevant people and employees, it was learned that there was no discrimination between the employees on race, religion, language, and gender. Similarly, it is understood that safe working environments and conditions are provided for employees.

It has been determined that the Company runs training programs to increase knowledge, talents, and experience of its employees and that it has prepared training policies.

As of 28.02.2023, 276 employees are employed in the company.

In the Company's 2022 Board of Directors Annual Report, it is stated that internal and external training and development activities are supported in the fields and subjects needed for the development and strengthening of the employees and the organization, the competencies of the employees are increased and career opportunities are offered to them where they can be promoted or progressed horizontally. It was stated that the company provided its employees with a total of 297 hours of training until the end of February 2023.

Employee stock-options schemes are not developed.

In this subsection, Consus Enerji's compliance with corporate governance principles is at a very good level.

#### **d. Relations with Customers and Suppliers**

Documents and information obtained from customers and suppliers during the activities are kept under protection to ensure that irrelevant persons do not access this information within the scope of the security of trade secrets.

Practices for customers, suppliers and outsourced services have been prepared and their standards determined.

Consus Enerji's compliance with the principles in this subsection is at a good level.

#### **e. Ethical Rules, Corporate Social Responsibility**

The Code of Ethics and the Anti-Bribery and Anti-Corruption Policy include the expectations, standards and ethical practices that form the basis of all business relations and transactions of Consus Enerji. The Code of Ethics and the Anti-Fraud and the Anti-Bribery Policy cover Consus Enerji and all third parties and employees acting on behalf of the company.

Consus Enerji İşletmeciliği ve Hizmetleri A.Ş. Code of Ethics is a set of essential rules created to increase the efficiency of service quality, efficient use of resources, prevention of unfair competition, and regulation of relations with employees, which regulates the internal relations of the Company with all employees, including the Company Board of Directors, and the relations of the Company with all stakeholders.

The Code of Ethics and Anti-Bribery and Anti-Corruption Policy documents are published on the corporate website, accessible to all stakeholders.

The establishment and implementation of a corporate social responsibility policy by the Company will strengthen the Company's compliance with the principles.

#### **f. Sustainability**

The company started to be traded on the BIST on 20.04.2022 and its sustainability efforts

were accelerated with the establishment of the Sustainability Committee at the end of 2022. The sustainability committee was established upon the decision of the Board of Directors dated 29.12.2022 and numbered 98.

#### **Sustainability Committee**

| <b>Name/ Surname</b>     | <b>Title</b>                        |
|--------------------------|-------------------------------------|
| Atay Arpacioğulları      | General Manager                     |
| Muhammet ER              | Director of Financial Affairs       |
| İbrahim H. Onur Karakaya | Environment and Sustainability Man. |
| Eda Tuğcu Yalkın         | Senior Legal Counsel                |
| Betül Gültekin           | HR Manager                          |
| Ekin Biçen Öcal          | IR Manager                          |
| Nazlı Yıldırım           | Quality and Doc. Man.               |
| Özgür Yılmaz             | OHS Manager                         |
| Habip Bayraktar          | Internal Audit Man.                 |

Consus Enerji's sustainability approach is based on three main elements. These are the **environment, sustainable production** and **occupational health and safety**.

Producing energy with low carbon emissions by using renewable and clean energy sources and ensuring energy efficiency are central to Consus Enerji's basic sustainability approach. In addition to these, employee participation, stakeholder participation and sustainable supplier management are also important elements of the sustainability policy.

Continuous improvement in environmental awareness, combating climate change, full compliance with legislation, following national and international standards and innovations, and raising environmental awareness of employees are among the company's corporate priorities.

Consus Enerji aims to protect not only the environmental interests of its own facilities, but also the environmental interests of the society, at the highest level of awareness with its carbon emissions, efficient resource use, and always preferring renewable and clean raw materials.

In this context, the Environment and Sustainability Department closely monitors all local and national sustainability efforts, integrates them with Consus Enerji and its subsidiaries, and ensures that it is implemented by employees, stakeholders, and suppliers.

Consus Energy's quality policy is to; Determine and realize strategic goals and objectives in line with the stakeholder expectations and vision of the institution,

Fulfill all relevant legal and international compliance obligations, Evaluate the risks that prevent our business processes from reaching their goals and taking precautions,

Establish relationships based on trust with our business partners and society,

Increase the satisfaction of our stakeholders by ensuring the perfection of the processes,

Establish, maintain, and continuously improve the quality management system and other systems that our organization needs.

The company and its subsidiaries hold a total of 23 certificates in the standards of ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System, ISO 50001:2018 Energy Management System. The distribution of the aforementioned certificates is given on page 16 of this report.

#### Environmental Management;

The basis of Consus Enerji's environmental management policy is to minimize its environmental impacts through renewable and clean energy production activities, which are always in full compliance with local and national environmental legislation.

The following activities are carried out within the scope of environmental management approach: To control the air, gas emissions and

emissions that arise during its activities in a way that prevents it in the process, to keep it below the limits of the regulations it is affiliated with, to reduce the environmental footprint with continuous improvement, to ensure that the wastes are disposed of in the most appropriate way to the relevant regulations and standards, and to treat the resulting waste water in the most appropriate way according to the relevant regulations,

Consus Enerji aims to prevent air, water, and soil pollution at its source through its investments, each of which is made with a determined environmental awareness.

#### Climate change and energy;

The inability to prevent air, water, and soil pollution at its source, which arises with the increase in industry and production activities, plays a major role in the basis of climate change. Consus Enerji gives full support to the fight against climate change by complying with the legislation, preventing waste at source, providing air and gas emissions from renewable, clean and carbon-friendly wastes preferred in the process and raw material processes, re-evaluating the waste water that may occur in its facilities and designing it to minimize the amount of discharge.

All of the energy produced in biomass power plants is provided by using biomass resources. By choosing the products in the residual biomass class (cotton straw, corn straw, forest wastes, etc.) left in the field after the harvest as raw materials, it provides land cleaning support to the farmers and forests, prevents the use of fossil fuels, and contributes to the production of clean energy with low emissions.

Consus Enerji also contributes greatly to energy efficiency and savings with the production in its cogeneration and trigeneration facilities and reduces emissions.

Within the scope of combating climate change, Consus Enerji continues to work on continuous improvement and environmental awareness,

from its management to its employees, from its facilities to business processes.

Carbon and renewable energy certificates;

Mavibayrak Energy biomass Power Plant operating in Aydın/Söke within Consus Enerji has an internationally recognized VCS (Verified Carbon Standard) certificate. Within the scope of certification studies, first of all, approval is obtained from a validator in Turkey authorized by Verra, the international organization that issued the certificate, and then the carbon reduction amount of the project is finally approved in line with Verra's own procedures. The certificates calculated and obtained according to the methodology specified in the certificate are included in the carbon trade market in order to erase the carbon footprint of the organizations that have high carbon emissions and have to reduce it. The certificates produced by Mavibayrak Enerji are also in the status of Corsia Eligible, which the aviation industry can use to make their carbon footprints zero.

On the other hand, Mavibayrak Doğu Biomass Power Plant, Natural Energy Biomass Power Plant and Ra Solar Power Plants have I-REC (Renewable Energy Certificate) certificates and these certificates are offered to end consumers.

Emission reduction and energy efficiency;

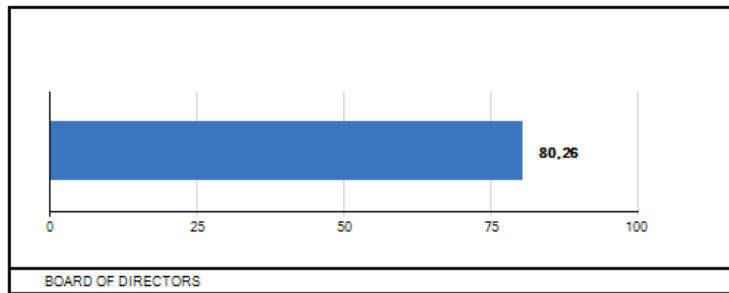
Consus Enerji's investments in biomass and solar energy contribute to emission reduction by using renewable and clean energy sources instead of fossil fuels. Renewable power plants contribute to the reduction of emissions of **more than 80,000 tons of CO<sub>2</sub>** equivalent annually.

It has been learned that the company will also announce its sustainability report in 2023.

The works to be conducted by the company within the framework of sustainability principles and its development in this field are carefully followed.

Although Consus Enerji has some areas where it can improve in this subsection, its compliance with the principles is at a good level.

## D BOARD OF DIRECTORS



### Overview

- ✓ Company's strategic targets, human and financial sources it requires are determined by the Board of Directors.
- ✓ No person in the Company has the authority to decide solely and in an unrestricted fashion.
- ✓ The number of Board Members is adequate for them to work productively and constructively.
- ✓ 2 of Board Members are independent members.
- ✓ There is one female member on the Board of Directors.
- ✓ Every Board Member has one vote.
- ✓ There is not any loan/credit involvement between Board Members and company.
- ✓ Corporate Governance, Audit and Early Detection of Risk Committees have been established and working principles are determined.
- ✓ Remuneration principles for members of board and top executives have been determined and disclosed to public.
- ✗ The majority of the Corporate Governance Committee and the Early Detection of Risk Committee should be formed by non-executive Board Members.
- ✓/✗ Fees and benefits given to the board of directors and directors with administrative responsibilities are not disclosed on an individual basis.
- ✓/✗ A target rate and target time, provided that the rate of female members is not less than 25%, has not been determined in the Board of Directors, and a policy has not been established to achieve these targets.
- ✓/✗ Performance evaluation is not conducted within the board of directors.

In this section, the Company has been assessed by **141** 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 **80.26**.

#### 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 long-term 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 Consus Enerji has achieved 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, that 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 held 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.

Board Members have been included in "Manager Liability Insurance policy", against defects of them in performing their duties. However, the insurance was not disclosed via PDP.

Clearly separating the powers of the Chairman of the Board of Directors and the Chief Executive Officer/General Manager in the articles of association and expressing this distinction in writing will strengthen the Company's compliance with the principles.

Regarding this subsection, it has been determined that the company has achieved a good compliance with the Corporate Governance Principles.

***c. Structure of the Board of Directors***

Company's Board of Directors is formed with 7 (seven) members; including 1 (one) Chairman and 6 (six) 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.

4 (four) Board members are non – executives, while 3 (three) of them are executives. 2 (two) members are independent members who satisfy the independence criteria laid down by the Corporate Governance Principles.

The independent members of the Board of Directors submitted their written statements regarding their independence to the Board of Directors within the framework of the criteria set out in the legislation, articles of association and principles. The Board of Directors approved the proposed nominees and announced the list of independent member candidates to the public.

The fact that there are 4 non-executive members in the Board of Directors consisting of 7 (seven) people does not fully comply with the principle of "the majority of the members of the Board of Directors consist of non-executive members" included in the Principles.

Serving as the Chairman of the Board of Directors, Ms. Ayşegül BENSEL is the only female member of the Board of Directors. This structure does not comply with the "not less



than 25%" criterion determined by the CMB as the rate of female members in the board of directors. Also, for the target of "Women Board Member Ratio should not be less than 25%", determining a target rate and time and a policy to achieve these targets and annually evaluating the progress achieved in achieving these targets by the board of directors will strengthen compliance with the principles.

In this subsection Consus Enerji has achieved a good compliance with corporate governance principles.

#### ***d. Procedure of Board of Directors Meetings***

According to the 9<sup>th</sup> article of the company's articles of association, the meeting and decision quorum of the board of directors are also included.

It is understood from the examinations made on the decision book of the Board of Directors that the Board convenes enough to fulfill its duties effectively. The Board held 30 (thirty) meetings in 2021 and participation was 100%. Until April 14, 2023, it held 7 (seven) meetings.

Each member of the board of directors has one vote, decisions are taken by the majority of the members present.

It has been observed that the meetings of the Board of Directors are held in accordance with the regulations of the legislation and the articles of association regarding the meetings of the board of directors.

There are no restrictions on board members for taking a job or jobs outside the company. However, in view of number of Board meetings and members' attendance to these meetings, it is fair to say that members take care to allocate the necessary time for company affairs.

Making the Board of Directors meeting processes written with in-house regulations will strengthen the Company's compliance with corporate governance principles.

In this subsection Consus Enerji has achieved a good compliance with corporate governance principles.

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

In order to fulfill the duties and responsibilities of the board of directors in a healthy way, it was decided to establish a Corporate Governance Committee, Audit Committee and Early Detection of Risk Committee in accordance with the Corporate Governance Communiqué No. II-17.1 of the Capital Markets Board, with the decision of the Board of Directors dated 28.07.2022. With the same decision, it was decided that the duties of the Nomination and Remuneration Committees would be fulfilled by the Corporate Governance Committee.

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.

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.

The committees invite the manager they deem necessary to their meetings and take advantage of his/her opinions. All the work done in the committees is written down and recorded.

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.

#### **Audit Committee:**

Monitors performance and effectiveness of the company's accounting system, public

disclosure of financial information, independent audit, and internal control system. The selection of independent audit company and supervision of its work at every stage is implemented by the audit committee.

| Member Name / Sur-name | Title   |
|------------------------|---|
| Mustafa KARAHAN        | Chairman / Independent Member of Board of Directors |
| Ercan Nuri ERGÜL       | Member / Independent Member of Board of Directors   |

The Audit Committee convened 2 (two) times in 2022 and 2 (two) times until 14.04.2023. After the meeting, the Committee submitted the results and recommendations of the meeting as a report to the board of directors.

In order to conduct internal audit and control activities, the Internal Audit and Control Department was established as a separate unit within the company on 01.08.2022. Internal Audit and Internal Control processes are conducted within the framework of risk-based audit programs created annually by the same unit.

#### **Internal Control:**

The Internal Control System consists of processes defined in workflows, job descriptions, authorization processes, policies, and written procedures. The Board of Directors and the Audit Committee are periodically informed about the Internal Control System activities. The effectiveness of the Internal Control System is periodically reviewed and audited by the Internal Audit and Control unit.

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 the process owners who conduct the activities. Thus, it is ensured that appropriate and applicable solutions that improve processes and activities are rapidly implemented with the consensus achieved on the rapid implementation of necessary complementary and preventive measures.

#### **Internal Audit**

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 legislations, to strengthen internal control processes to increase efficiency and productivity in business processes, and to take corrective measures in a timely manner.

The Internal Audit and Control Department of the Company performs its internal audit activities in accordance with the International Internal Audit Standards (IIAS) and in line with the principle of independence. The Internal Audit Plan is submitted to the Board of Directors after receiving the opinion of the Audit Committee and is put into practice with the approval of the Board of Directors. The Unit shares its reports summarizing the audit results and ongoing findings with the Audit Committee and the Board of Directors.

#### **Corporate Governance Committee:**

It is responsible for determining whether the corporate governance principles are applied in the Company, if not, the reason and the conflict of interest arising from not fully complying with these principles and explaining them to the public with a corporate governance compliance report.

| Member Name / Sur-name | Title   |
|------------------------|---|
| Mustafa KARAHAN        | Chairman / Independent Member of Board of Directors |
| Ayşegül BENSEL         | Member / Chairman of the Board of Directors         |
| Serdar KIRMAZ          | Member / Deputy Chairman of the Board of Directors  |
| Mehmet Ali DENİZ       | Member / Member of Board of Directors               |
| Ekin BİÇEN ÖCAL        | Member / Investor Relations Manager                 |

The Corporate Governance Committee convened once (once) in 2022. Until 14.04.2023, the Committee convened 3 (three) times and presented the meeting results to the Board of Directors in the following period.

The Board of Directors' evaluations regarding the committee members, the frequency of meetings, the activities conducted, and the effectiveness of the committees are disclosed to the public through annual activity reports.

Working closely with the Corporate Governance Committee, Investor Relations Department reports to the board about its activities at least once a year.

The members of the committee who serve as executives are in the majority, and this situation does not comply with "If the committees consist of two members, both of them must be non-executive board members, and if there are more than two members, the majority of the members must be non-executive board members.", The corporate governance principle numbered 4.5.3.

**Early Detection of Risk Committee:**

Is charged for the early detection of risks that may endanger the existence, development, and continuity of the company; it takes necessary measures against determined risks and manages the risk. It reviews the risk management system for at least once a year. Working principles of the committee have been prepared and disclosed to public in electronic environment.

The committee is composed of 4 (four) members. There are two executive members and two non-executive members in the committee. A non-executive member is independent. The Chairman of the Committee is an independent member.

| <i>Member Name / Sur-name</i> | <i>Title</i>   |
|-------------------------------|--|
| <i>Mustafa KARAHAAN</i>       | <i>Chairman / Independent Member of Board of Directors</i> |
| <i>Ayşegül BENSEL</i>         | <i>Member / Chairman of the Board of Directors</i>         |
| <i>Serdar KIRMAZ</i>          | <i>Member / Deputy Chairman of the Board of Directors</i>  |
| <i>Mehmet Ali DENİZ</i>       | <i>Member / Member of Board of Directors</i>               |

Early Detection of Risk Committee held 1(one) meeting in 2022 and again 1 (one) meeting until 14.04.2023. It reported meeting results to the Board.

The members of the committee who serve as executives are in the majority, and this situation does not comply with "If the

committees consist of two members, both of them must be non-executive board members, and if there are more than two members, the majority of the members must be non-executive board members.", The corporate governance principle numbered 4.5.3.

Consus Enerji needs some regulations in order to comply with the Corporate Governance Principles regarding this subsection.

***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 the remuneration of independent members of the board. The emoluments of independent directors are sufficient to protect their independence.

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

Remunerations and all other benefits provided to the members of the Board of Directors or executives with administrative responsibility are disclosed together. This practice does not meet the recommendation "it is essential to make a statement on a person-to-person basis" specified in the principles.

Performance evaluation is not conducted within the board of directors. There is no practice of rewarding or dismissing the members of the board of directors based on their performance, either.

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

| <b>GRADE</b> | <b>DEFINITIONS</b>   |
|--------------|--|
| <b>9-10</b>  | <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>   |
| <b>7-8,9</b> | <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> |
| <b>6-6,9</b> | <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>  |

| <b>GRADE</b> | <b>DEFINITIONS</b>   |
|--------------|--|
| 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>   |

