

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Finance Framework

Rönesans Enerji

1 August 2024

VERIFICATION PARAMETERS

Type(s) of instruments contemplated

- Green finance instruments
- Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)
- Green Loan Principles (GLP) as administered by the Loan Market Association (LMA) (as of February 2023)
- Guidelines on Green Debt Instruments, Sustainable Debt Instruments, Green Lease Certificates and Sustainable Lease Certificates (Guidelines), as administered by the Capital Market Board of Türkiye (CMBT) (as of February 2022)

Relevant standards

- Rönesans Enerji Green Finance Framework (as of July 31, 2024)
- Rönesans Enerji selection criteria (as of July 31, 2024)
- Pre-issuance verification
- Valid as long as the cited Framework remains unchanged

Scope of verification

Lifecycle

Validity

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SCOPE OF WORK

Rönesans Enerji Üretim AS (“the Issuer,” “the Company” or “Rönesans Enerji”) commissioned ISS-Corporate to assist with its green finance instruments by assessing three core elements to determine the sustainability quality of the instruments:

1. Rönesans Enerji’s Green Finance Framework (as of July 31, 2024), benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP), the Loan Market Association (LMA) and the Capital Market Board of Türkiye (CMBT) Guidelines on Green Debt Instruments, Sustainable Debt Instruments, Green Lease Certificates and Sustainable Lease Certificates (Guidelines).
2. The selection criteria — whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (see Annex 1).
3. Consistency of green finance instruments with Rönesans Enerji’s sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

RÖNESANS ENERJİ OVERVIEW

Rönesans Enerji Üretim ve Ticaret A.Ş. provides investment services in the renewable energy sector. The company was established in 2007 and is headquartered in Ankara, Türkiye.


ESG risks associated with the Issuer Industry

Rönesans Enerji is classified in the electric utilities industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies¹ in this industry are promotion of a sustainable energy system, environmentally safe operation of plants and infrastructure, protection of human rights and community outreach, accessibility and reliability of energy supply, and worker safety and accident prevention.

This report focuses on the sustainability credentials of the issuance. Part III of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

¹ Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within that industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ²
<p>Part I:</p> <p>Alignment with GBP/GBP/ CMBT Guidelines</p>	<p>The Issuer has defined a formal concept for its green finance instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the GBP, GLP and CMBT Guidelines.</p>	<p>Aligned</p>
<p>Part II:</p> <p>Sustainability quality of the selection criteria</p>	<p>The green finance instruments will (re)finance the following eligible asset category:</p> <p>Green category: Renewable Energy</p> <p>Product and/or service-related use of proceeds category contributes to one or more of the following SDGs:</p> <div style="text-align: center;">  </div> <p>The environmental and social risks associated with the use of proceeds category are managed.</p>	<p>Positive</p>
<p>Part III:</p> <p>Consistency of Green Finance Instruments with Rönesans Enerji's sustainability strategy</p>	<p>The rationale for issuing green finance instruments is clearly described by the Issuer. All project categories considered are in line with the Issuer's sustainability objectives.</p> <p>At the date of publication of the report and leveraging ISS ESG Research, no severe controversies have been identified.</p>	<p>Consistent with Issuer's sustainability strategy</p>

² The evaluation is based on Rönesans Enerji's Green Finance Framework (July 31, 2024, version), on the analyzed selection criteria as received on June 3, 2024.

SPO ASSESSMENT

PART I: ALIGNMENT WITH GBP, GLP AND CMBT GUIDELINES

This section evaluates the alignment of the Röneseans Enerji's Green Finance Framework (as of July 31, 2024) with the GBP, GLP and CMBT Guidelines.

ICMA GBP, LMA GLP, CMBT GUIDELINES	ALIGNMENT	OPINION
<p>1. Use of Proceeds</p>	<p>✓</p>	<p>The Use of Proceeds description provided by Röneseans Enerji's Green Finance Framework is aligned with the GBP, GLP and CMBT Guidelines.</p> <p>The Issuer's green categories align with the project categories as proposed by the GBP, GLP and CMBT Guidelines, and criteria are defined clearly and transparently. Disclosure of an allocation period and commitment to report by project category has been provided and environmental benefits are described and quantified. The Issuer defines exclusion criteria for harmful project categories.</p>
<p>2. Process for Project Evaluation and Selection</p>	<p>✓</p>	<p>The Process for Project Evaluation and Selection description provided by Röneseans Enerji's Green Finance Framework is aligned with the GBP, GLP and CMBT Guidelines.</p> <p>The project selection process is defined. ESG risks associated with the project categories are identified and managed appropriately. Moreover, the projects selected show alignment with the Issuer's sustainability strategy.</p> <p>The Issuer involves various stakeholders in this process, identifies alignment of its Green Finance Framework and green projects with official or market-wide taxonomies, and references any green standards or certifications used, in line with best market practice.</p>

<p>3. Management of Proceeds</p>	<p>✓</p>	<p>The Management of Proceeds provided by Rönesans Enerji’s Green Finance Framework is aligned with the GBP, GLP and CMBT Guidelines.</p> <p>The net proceeds collected will equal the amount allocated to eligible projects, with no exceptions. The net proceeds will be tracked and monitored accordingly. In the event of multiple tranche forms, the Issuer will ensure each individual tranche will be clearly labeled as green and tracked accordingly. The net proceeds are managed on a bond-by-bond approach. Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p> <p>The Issuer has also defined an expected allocation period of 36 months.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting provided by Rönesans Enerji’s Green Finance Framework is aligned with the GBP, GLP and CMBT Guidelines.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report with appropriate frequency. The reporting will be publicly available on the Issuer’s website. Rönesans Enerji has disclosed the type of information that will be reported and explains that the level of expected reporting will be at the portfolio level. Moreover, the Issuer commits to report annually until the proceeds have been fully allocated or until maturity of the environmental impact associated with the eligible green projects.</p> <p>The Issuer discloses the location and link to the report(s), in line with best market practice.</p>

PART II: SUSTAINABILITY QUALITY OF THE SELECTION CRITERIA

A. CONTRIBUTION OF THE GREEN FINANCE INSTRUMENTS TO THE U.N. SDGs³



Companies can contribute to the achievement of the SDGs by providing specific services/products that help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain.

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer’s products or services on the SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the Green/Social Bond Principles and other regional taxonomies, standards and sustainability criteria).





The assessment of UoP categories for (re)financing specific products and services is displayed on a three-point scale:



Each of the green finance instruments’ Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Renewable Energy</p> <ul style="list-style-type: none"> ▪ <i>Hydropower: Construction or operation of electricity generation facilities that produce electricity from hydropower with a generation capacity below 1,000 MW</i> ▪ <i>Wind Power: Construction or operation of electricity generation facilities that produce electricity from wind power</i> ▪ <i>Solar Power: Construction or operation of electricity generation facilities that produce electricity using</i> 	<p>Contribution</p>	 

³ The impact of the UoP categories on U.N. Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Framework.

<p><i>solar photovoltaic technology or concentrated solar power technology</i></p> <ul style="list-style-type: none"> ▪ <i>Geothermal power plants: Construction or operation of electricity generation facilities that produce electricity from geothermal energy with life-cycle emissions of less than 100 gCO_{2e}/kWh</i> 		
<p>Renewable Energy⁴</p> <ul style="list-style-type: none"> ▪ <i>Bioenergy: Construction or operation of electricity generation installations that produce electricity from biomass, biogas or bioliquids sourced from certified wood-based feedstocks (certifications include the Forest Stewardship Council, the Programme for the Endorsement of Forest Certification, the Sustainable Biomass Program or the Roundtable on Sustainable Biomaterials)</i> 	<p>Contribution</p>	
<p>Renewable Energy⁵</p> <ul style="list-style-type: none"> ▪ <i>Bioenergy: Construction or operation of electricity generation installations that produce electricity from biomass, biogas or bioliquids sourced from waste-based feedstocks (agricultural residues, forestry residues or waste sources that do not compete with food sources or deplete existing terrestrial carbon pools)</i> 		
<p>Renewable Energy</p> <ul style="list-style-type: none"> ▪ <i>Manufacture of hydrogen: Manufacture of hydrogen and hydrogen-based synthetic fuels aligned with EU Taxonomy Section 3.10. "Manufacture of hydrogen"⁶</i> 		
<p>Renewable Energy</p>		

⁴ With life-cycle GHG emission intensity below 100 gCO_{2e}/kWh, or life-cycle GHG emission reduction of 80% compared to fossil fuels and derived from sustainable feedstock (e.g., agricultural residues or forestry residues) or waste sources that do not compete with food sources or deplete existing terrestrial carbon pools. Feedstock can include forest (certified to Forestry Stewardship Council, Programme for the Endorsement of Forest Certification, Sustainable Biomass Program or Roundtable on Sustainable Biomaterials). For biofuel processing, biofuel blending facilities (mixing with fossil fuels) is excluded. Energy crops, non-waste feedstock and feedstock that deplete carbon pools are excluded. Peat and 10% or more feedstock from uncertified sources is excluded. Palm oil that is not RSPO-certified is excluded. To produce electricity from landfills and/or mixed residual waste, the following criteria will apply: (i) if from municipal solid waste, the majority of recyclables (especially plastics) are segregated before energy conversion; (ii) landfill gas capture for flaring will be excluded; (iii) plastics, rubber and tire-derived fuels will be excluded as feedstock.

⁵ Ibid.

⁶ As defined technical screening criteria for manufacture of hydrogen set out in Section 3.10. of the EU Taxonomy [Commission Delegated Regulation \(EU\) 2021/2139](#).

Storage: Construction or operation of facilities that store electricity and return it at a later date in the form of electricity:

- *Construction of hydrogen storage facilities, conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen-storage, or operation of hydrogen storage facilities where the hydrogen stored in the facility meets the criteria for manufacture of hydrogen⁷*

Renewable Energy

Storage: Construction or operation of facilities that store electricity and return it at a later time in the form of electricity:

- *Storage of thermal energy*

Renewable Energy

Storage: Construction or operation of facilities that store electricity and return it at a later time in the form of electricity:

- *Construction or operation of electricity storage including pumped hydropower storage powered by 100% renewable energy*

Contribution



Contribution



⁷ As defined technical screening criteria for manufacture of hydrogen set out in Section 3.10. of the EU Taxonomy [Commission Delegated Regulation \(EU\) 2021/2139](#).

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA

The table below evaluates the selection criteria against issuance-specific KPIs. All of the assets are/will be located in Türkiye.

ASSESSMENT AGAINST KPIs

All Categories

Labor

The Issuer has measures in place to ensure high labor standards.



Rönesans Holding adheres to United Nations Global Compact, which commits to internationally recognized human rights standards covering freedom of association and collective bargaining, forced labor and child labor. Rönesans Enerji adheres to all commitments made by Rönesans Holding. Transposing these commitments into the policies of Rönesans Enerji is under progress as of the publication of this SPO. As a signatory of the U.N. Global Compact, the Issuer commits to applying all of its commitments to all of its assets, ensuring compliance with international labor standards.

Health and safety

Rönesans Enerji has measures in place systematically ensuring that assets financed under its Framework provide for high health and safety standards for own employees and volunteers.



The Company has a management system in line with the OHSAS 18001 or ISO 45001 Occupational Health and Safety Management System standards. These standards cover more than 80% of its employees. Additionally, the Issuer commits to having all of its assets financed within its Framework ISO 45001 certified.

Solar Power

Labor, health and safety in the supply chain

Rönesans Enerji has measures in place ensuring that assets financed under its Framework meet high labor, health and safety standards in the supply chain.



The Issuer has high health and safety standards by having its present and future assets ISO 45001 certified. Additional internal policies include the Third-Party Code of Conduct, which sets out the company's expectations of its third parties. These expectations include compliance with the Universal Declaration

of Human Rights and the conventions of the International Labor Organization. Moreover, wages, working hours and working conditions must comply with the legal regulations of the countries in which the third party operates. Forced and child labor are prohibited.

Bioenergy Biogas / Bioenergy Biomass / Hydrogen Manufacturing**On-site safety**

Rönesans Enerji has measures in place ensuring that assets financed under its Framework have high operational safety standards in place by committing to having all of the assets financed under this Framework ISO 45001 certified.

Geothermal Energy / Hydropower / Wind Power / Geothermal Storage / Hydrogen Storage / Pumped Hydropower Storage**Community dialogue**

Rönesans Enerji has measures in place ensuring that assets financed under its Framework are systematically ensured to integrate community dialogue as an integral part of the planning process.



The Issuer requires all assets financed under its Framework to be compliant with Turkish Environmental Impact Assessment (EIA), which includes community dialogue as mandatory part of the process. Community dialogue involves all stakeholders affected by the projects through public participation meetings and grievance mechanisms. Projects with a negative EIA are considered to be harmful regarding one or more effects. Investments cannot be carried out until a positive EIA decision has been obtained

Bioenergy Biogas / Bioenergy Biomass / Geothermal Energy / Hydropower / Solar Power / Wind Power / Geothermal Storage / Pumped Hydropower Storage**Environmental aspects of construction (or production) and operation**

Rönesans Enerji has measures in place ensuring that assets financed under its Framework meet high environmental standards and requirements during the construction phase.



The Issuer requires that all assets financed under its Framework carry out an EIA. The assessment includes measurement and monitoring of elements concerning environmental and social parameters (e.g., noise and air quality). Projects with a negative EIA are considered to be harmful regarding one or more effects. Investments cannot be carried out until a positive EIA decision has been obtained. In addition, prior to carrying out an EIA, an Environmental

and Social Action Plan is established. The plan includes a comprehensive analysis of the state of the environment in the project area (air, water, soil, flora and fauna) and current socioeconomic conditions. Positive and negative impacts are identified and considered during the asset's construction, operation and dismantling phases. As per the "Environmental and Social Management Plan" section of the EIA, the necessary mitigation measures must be undertaken on identified risks (e.g., groundwater and water resource quality, air quality, waste, land use).

Geothermal Energy / Geothermal Storage

Environmental aspects of construction (or production) and operation

Rönesans Enerji has measures in place to avoid contamination of soil and groundwater and ensures that assets financed under its Framework are not located in close proximity to major fault lines.



For assets financed under its Framework, Rönesans Enerji carries out an EIA that considers soil and groundwater contamination as well as major fault lines. Projects with a negative EIA are considered harmful regarding one or more effects. Investments cannot be followed through until a positive EIA decision is granted.

Hydrogen Manufacturing / Hydrogen Storage

Environmental aspects of construction (or production) and operation

Rönesans Enerji has measures in place systematically ensuring that the assets financed under its Framework provide for a comprehensive environmental management system.



The Issuer has implemented environmental and social management systems in all its current assets. In addition, it also commits to having all assets financed under its Framework ISO 45001 certified.

Solar Power / Hydrogen Storage

Environmental aspects of construction (or production) and operation

Rönesans Enerji has measures in place ensuring that assets financed under its Framework feature take-back and recycling at end of life.



At the time of publication of the SPO, the Waste Electrical and Electronic Equipment Control Regulation the Issuer is subject to for the disposal and recycling of photovoltaic products does not specify minimum recycling

thresholds. The Issuer is committed to complying with the thresholds set by the [WEEE Directive](#) for the relevant assets financed within this Framework. A minimum of 85% of photovoltaic cells must be recovered and a minimum of 80% must be recycled. For non-photovoltaic items, the Issuer remains bound by national legislation such as the Waste Electrical and Electronic Equipment Control Regulation. In addition, the Issuer commits to have its relevant assets [Sifir Atik](#) certified for a zero-waste management system.

Bioenergy Biogas / Bioenergy Biomass

Environmental aspects of construction (or production) and operation

✓ Rönensans Enerji has measures in place systematically ensuring that assets financed under its Framework provide for high standards regarding environmentally safe operation of plants (e.g., air emissions, disposal of residues).

The Issuer has not yet identified any assets to be financed under this Framework. Should opportunities be identified, Rönensans Enerji is committed to having these assets ISO 14001 certified and carrying out the legal obligation of an EIA, whether for the development or acquisition of an asset.

Bioenergy Biomass

Environmental aspects of construction (or production) and operation

Rönensans Enerji has set commitments systematically ensuring that assets financed under its Framework apply cogeneration technology.

✓ The Company has not identified any future assets, nor owns such assets in its current portfolio. However, the Issuer has confirmed its commitment to systematically apply cogeneration technology on all relevant assets to be financed under its Framework.

Bioenergy Biogas

Environmental aspects of construction (or production) and operation

✓ Rönensans Enerji has measures in place systematically ensuring that assets financed under its Framework feature clear measures for leak detection and have repair systems in place.

The Issuer has not identified any assets to be financed under this Framework, nor owns any such assets in its current portfolio. Should opportunities be identified, Rönensans Enerji is committed to having these assets ISO 14001

certified and carrying out the legal obligation of an EIA, whether for the development or acquisition of an asset.

Solar Power

Environmental aspects of construction (or production) and operation



Rönesans Enerji has measures in place systematically ensuring that assets financed under its Framework generate at least 85% of electricity using solar energy.

The Issuer commits that no more than 15% fossil fuel back-up will be used and that 85% of the electricity produced will be generated using solar energy.

Bioenergy Biomass / Bioenergy Biogas / Geothermal Energy / Hydrogen Manufacturing / Hydropower / Solar Power / Wind Power / Hydrogen Storage

Conservation and biodiversity management



Rönesans Enerji has measures in place systematically ensuring that assets financed under its Framework underwent environmental impact assessments at the planning stage to all projects.

For all assets financed under this framework, the Issuer must be compliant with Turkish Environmental Impact Assessment.

Hydropower / Wind Power

Conservation and biodiversity management



Rönesans Enerji has measures in place to systematically ensure that the assets financed under its Framework provide for measures to protect habitats and wildlife during the operation of the power plant.

For all of its hydroelectric assets, Rönesans Enerji has carried out an ecological assessment as part of the EIA. New assets to be financed under this Framework will also be assessed regarding their impact on wildlife (e.g., fauna, flora, birds) by means of an EIA and an Environmental and Social Action Plan that includes biodiversity management plans and biodiversity action plans.

Hydrogen Manufacturing / Solar Power

Water



Rönesans Enerji has measures in place systematically ensuring that assets financed under its Framework apply water use reduction measures.

The Issuer commits to monitoring and reporting on its water consumption for all assets it finances within this Framework. The Issuer aims to reduce its water consumption by 40% by 2030 compared to 2022 levels.⁸ Data is then shared with Rönesans Holding's sustainability committee. If necessary, water footprint training (e.g., ISO 14046 training) is delivered to relevant employees. At the time of publication, 47 employees have been trained.

Hydrogen Manufacturing

Waste

Rönesans Enerji has measures in place systematically ensuring that assets financed under its Framework provide for measures to reduce and correctly dispose of waste.

- ✓ At the time of publication of the SPO, Rönesans Enerji is subject to national legislation, including Waste Management Regulation, Waste Electrical and Electronic Equipment Control Regulation, Water Pollution Control Regulation, and Protection of Groundwater from Pollution Regulation. In addition, the Issuer is committing to having its hydrogen manufacturing assets [Sifir Atik](#) certified, certifying a zero-waste management system.

Energy efficiency

Rönesans Enerji has set commitments systematically ensuring that the relevant assets financed under its Framework have a conversion efficiency of at least 80%.

- ✓ Rönesans Enerji has not identified any assets to be financed under this Framework, nor owns any such assets in its portfolio. The Issuer commits to an 80% conversion efficiency for his assets to be financed under this Framework. Current technologies achieving a conversion rate of at least 80% include Alkaline Water Electrolysis and Proton Exchange Membrane Electrolysis. The Issuer commits to using either of the two technologies or any new ones in the future provided that the minimum conversation rate is 80%.

Hydrogen Storage

Energy efficiency

- ✓ Rönesans Enerji has measures in place systematically ensuring that the relevant assets financed under its Framework are energy-efficient during production.

⁸ As outlined in its [2023 Sustainability Report](#).

The Issuer complies with the EU Taxonomy. The hydrogen stored will be hydrogen manufactured in accordance with the EU Taxonomy Section 3.10. "Manufacture of hydrogen." technical screening criterion.

PART III: CONSISTENCY OF GREEN FINANCE INSTRUMENTS WITH RÖNESANS ENERJI'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
Strategic ESG topics	<p>The Issuer focuses on:</p> <ul style="list-style-type: none"> ▪ Employment and labor safety ▪ Human rights, women’s empowerment, anti-corruption ▪ Environmental sustainability
ESG goals/targets	<p>ESG progress is followed at the level of Rönesans Holding using KPIs at the Holding level.</p> <p>Nevertheless, Rönesans Enerji is currently pursuing internal ESG objectives, including employment of women, reduction of water and energy consumption, and ethics considerations, but has not yet reached the level at which it is ready to be openly disclosed.</p>
Action plan	<p>The Issuer has various programs in place to achieve its employment and labor safety goal, namely the completion of the ISO 45001:2018 Occupational Health and Safety Management System.</p> <p>The Issuer has various initiatives in place to achieve its human rights, women’s empowerment, anti-corruption goal. These include the introduction of the Ethics Line, a monitoring service of notifications and inquiries related to all items within the subject relevant to the code of ethics, code of conduct, anti-bribery and anti-corruption policy. Additionally, the Issuer is implementing the principles from commitments such as the U.N. Global Compact and the U.N.’s Women’s Empowerment Principles.</p>
Climate Transition Strategy	<p>Rönesans Holding set the goal of aligning itself with the 2015 Paris Agreement. Several working groups have been set up of which Rönesans Enerji is a member. These include the working group on the transition to a low-carbon economy and the working group on efficiency, sustainable finance and risk management. Moreover, Scope 1 and 2 emissions are calculated by the holding company, aggregating its entire</p>

	<p>portfolio into a single average. The target set by Rönesans Holding is to reduce its Scope 1 and 2 emissions by 55% by 2030 compared with the 2022 level, with the aim of becoming a carbon-neutral holding in all projects and facilities it owns or operates by 2040.</p> <p>Rönesans Enerji relies on renewable energy to help mitigate climate change. It is committed to reducing greenhouse gas emissions by around 3.5 million metric tons once the target of 2,000 MW of installed capacity is fully operational.</p>
<p>ESG Risk and Sustainability Strategy Management</p>	<p>ESG risks are identified and managed through processes first implemented by Rönesans Holding. To assess ESG risks, Rönesans Enerji uses these processes internally when possible. In certain cases, processes are conducted at the level of Rönesans Holding while still covering the ESG risks of Rönesans Enerji. These processes include:</p> <p>Enterprise Risk Management, the company's policy providing the approach to measuring, analyzing, monitoring, controlling and auditing potential risks arising from the company's activities. At Rönesans Holding, an audit committee has been constituted to address ESG risks. The committee receives quarterly audit committee reports on identified risks. The work conducted by the audit committee at the Holding level covers the ESG risks for Rönesans Enerji.</p> <p>Rönesans Enerji uses a risk analysis portal to monitor operational risks. In addition, operational risks and project-specific ESG requirements are systematically monitored by Rönesans Enerji's risk department and E&S manager.</p>
<p>Top three areas of breaches of international norms and ESG controversies in the industry⁹</p>	<p>Failure to prevent radioactive pollution, failure to prevent water pollution, and anti-competitive behavior.</p>
<p>Breaches of international norms and ESG controversies by the Issuer</p>	<p>At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.</p>

⁹ Based on a review of controversies identified by ISS ESG over a two-year period, the top three issues that have been reported against companies within the electric utilities industry are displayed above. Please note that this is not a company-specific assessment but rather areas that can be of particular relevance for companies within that industry.

<p>Sustainability Reporting</p>	<p>Rönesans Holding reports on its ESG performance and initiatives in its annual sustainability report. As an integral part of the holding company, Rönesans Enerji is embedded in the holding company's ESG strategy. The report is reviewed by the Global Reporting Initiative for the content index.</p>
<p>Industry associations, Collective commitments</p>	<p>Rönesans Holding is a member of several industry associations and collective commitments. Rönesans Enerji adheres to the holding company's commitments, including, but not limited to:</p> <ul style="list-style-type: none"> • The U.N. Global Compact • WBCSD Türkiye • The Equator Principles • Women's Empowerment Principles
<p>Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework</p>	<p>-</p>

Rationale for issuance

Rönesans Enerji continues to undertake investments in collaboration with TotalEnergies to contribute to the country's sustainable growth by utilizing renewable energy generation and creating more value for its stakeholders.

Rönesans Enerji believes that green financing instruments will allow it to finance its operations and emphasize its sustainability goals, especially by contributing to Türkiye's green energy transformation. In addition, it will provide investors and lenders with another tool to assess the company's progress in contributing to climate change mitigation while benefiting society.

Opinion: *The rationale for issuing green finance instruments is clearly described by the Issuer. All project categories financed are in line with the Issuer's sustainability objectives.*

DISCLAIMER

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ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate proprietary [methodology](#).

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

Rönesans Enerji commissioned ISS-Corporate to compile a green finance instruments SPO. The second-party opinion process includes verifying whether the Green Finance Framework aligns with the GBP, GLP and CMBT Guidelines and assessing the sustainability credentials of its green finance instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant standards for this second-party opinion:

- Green Bond Principles
- Green Loan Principles
- CMBT Guidelines

ISSUER'S RESPONSIBILITY

Rönesans Enerji's responsibility was to provide information and documentation on:

- Framework
- Selection criteria
- Documentation of ESG risk management at the framework level

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is a part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent second-party opinion of the green finance instruments to be issued by Rönesans Enerji has been conducted based on proprietary methodology and in line with the GBP, GLP and CMBT Guidelines.

The engagement with Rönesans Enerji took place from May 2024 to August 2024.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. Following these three steps, we draw up an independent SPO so that investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Learn more: <https://www.iss-corporate.com/solutions/sustainable-finance/bond-Issuers/>

For more information on SPO services, please contact: SPOsales@iss-corporate.com

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