



2015

SUSTAINABILITY REPORT

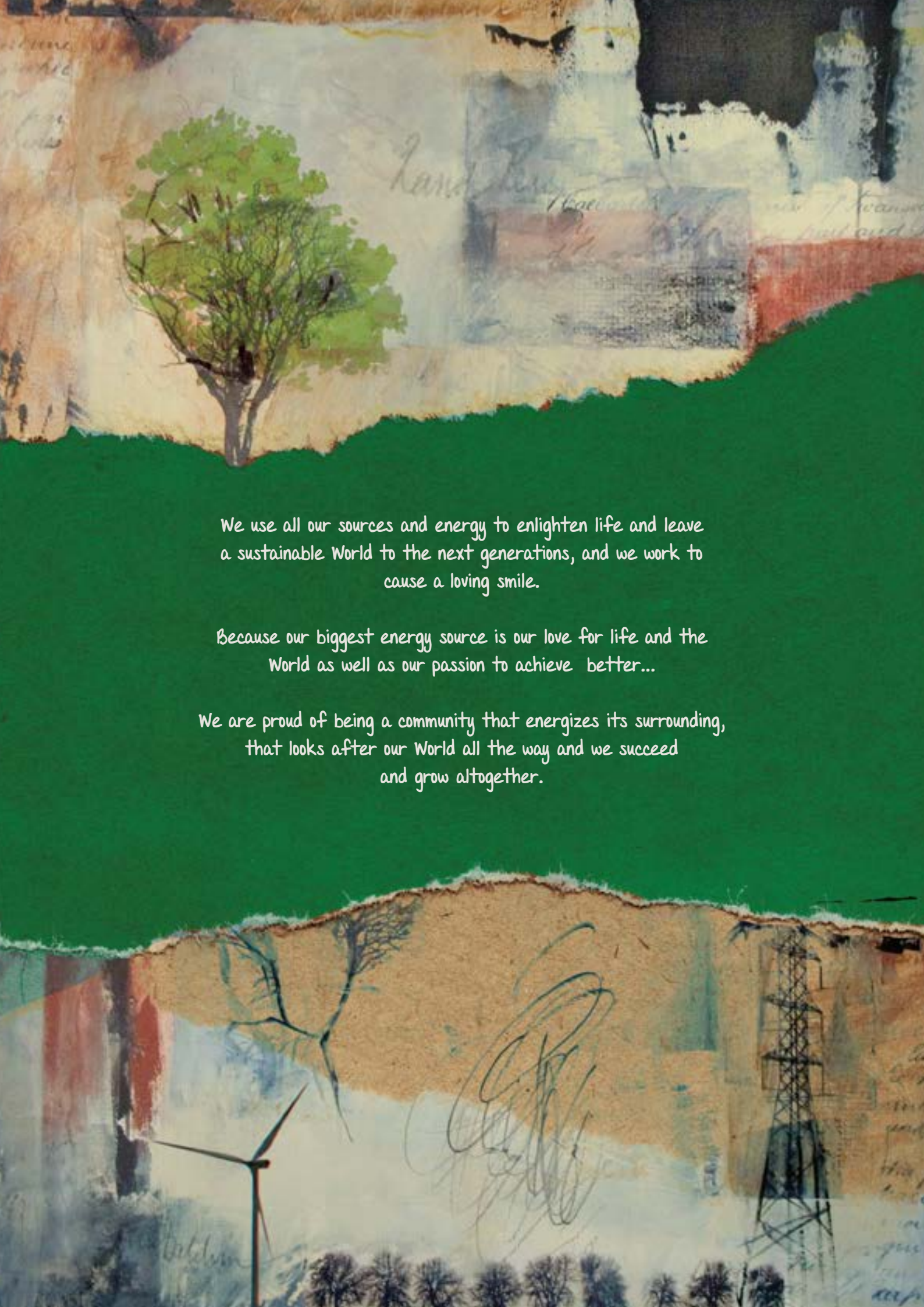


AKKÖK



CEZ GROUP





We use all our sources and energy to enlighten life and leave
a sustainable World to the next generations, and we work to
cause a loving smile.

Because our biggest energy source is our love for life and the
World as well as our passion to achieve better...

We are proud of being a community that energizes its surrounding,
that looks after our World all the way and we succeed
and grow altogether.

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ABOUT THE REPORT

As one of Turkey's well-established energy companies, in all of our production oriented activities, we prioritize the solutions that minimize environmental and social risks. As Akenerji, in order to meet the demands in the light of the market and the global trends, we invest in the future of a brighter Turkey by continuously improving our self. We take contemporary steps in the field of sustainable energy thanks to our future-oriented practices, proactive approaches, and decision mechanisms based upon international standards.

Scope of the Report

This is our fourth sustainability report developed and issued in line with the expectations of, primarily, our employees, customers, creditors, shareholders, investors and local communities of the regions we operate in. Reflecting our environmental, social, ethical and economic practices and performance in the period between January 1st, 2015 and December 31st, 2015, this Report presents the performance figures of the last two or three years in order to demonstrate the trend. Data on environmental performance and Occupational Health and Safety (OHS) have been obtained from the environment, quality and OHS management systems that combine to form Akenerji Integrated Management System and that are approved and regularly audited by independent accredited institutions.

Boundaries of the Report

The expressions such as "Akenerji", "we", "us", and "our Company" in the remainder of this report mean all Akenerji Group companies listed below. Unless otherwise stated, the financial, environmental and OHS performance data presented in this Report cover all Akenerji Group companies, as well as 10 power plants operating in Turkey by 2015 and the Head Office in Istanbul. Sustainability practices in a power plant that is still in investment phase are disclosed in the "Responsibility in Our Value Chain" section of this Report.

Major Changes That Affect Trends

Erzin Natural Gas Combined Cycle Power Plant (NGCCPP) that is included in this Report has been started-up in mid-2014. Besides, two Natural Gas Power Plants (Kemalpaşa and Bozüyük NGPP) were shut down in 2014. On account of these major changes in our operations, meaningful comparison of performance data of the last three years is hardly possible. Detailed explanations for the decrease or increase in figures are given below in each corresponding table and graph.

Compliance with GRI G4 Guidelines

All processes regarding the collection of data and information as well as the development of the content of the Report have been carried out by the Sustainability Committee within Akenerji, with the support of external independent experts. Scope and depth of the topics presented in the Report reflect the results of the materiality analysis we performed during the reporting period. The content of the Report was formed to cover all significant and material sustainability issues identified by our stakeholders and Akenerji, and to be in conformity with the G4 "core" application level of the Sustainability Reporting Principles of the Global Reporting Initiative (GRI). The conformity of our Report with GRI's G4 "core" level is disclosed in detail in the GRI Index section of the Report.

Feedback

With the expectation that it will be an active communication platform with our stakeholders, we herewith present our Sustainability Report that we wish to issue regularly each year. You are welcome to contact us for all suggestions, comments and questions regarding our sustainability performance and practices. E-mail: info@akenerji.com.tr

Akenerji Group Companies Included in the 2015 Sustainability Report: (G4-17)

Companies in Operation:

Akenerji Elektrik Üretim A.Ş.
(Power plants: Ayyıldız WPP, Uluabat HEPP, Akocak HEPP*)
Akkur Enerji Üretim Tic. ve San. A.Ş. (Power plants: Burç Bendi HEPP, Feke II HEPP, Feke I HEPP) (**)
Mem Enerji Elektrik Üretim San. ve Tic. A.Ş. (Power plants: Bulam HEPP, Himmetli HEPP, Gökkaya HEPP) (***)
Egemen Elektrik Üretim A.Ş. (Power plants: Erzin NGCCPP)

Investments in Project Phase:

Ak-El Kemah Elektrik Üretim A.Ş. (Kemah HEPP)
Akenerji Elektrik Üretim A.Ş. (Ayyıldız WPP Capacity Increase)

Other:

Akenerji Elektrik Enerjisi İthalat İhracat ve Toptan Tic. A.Ş.

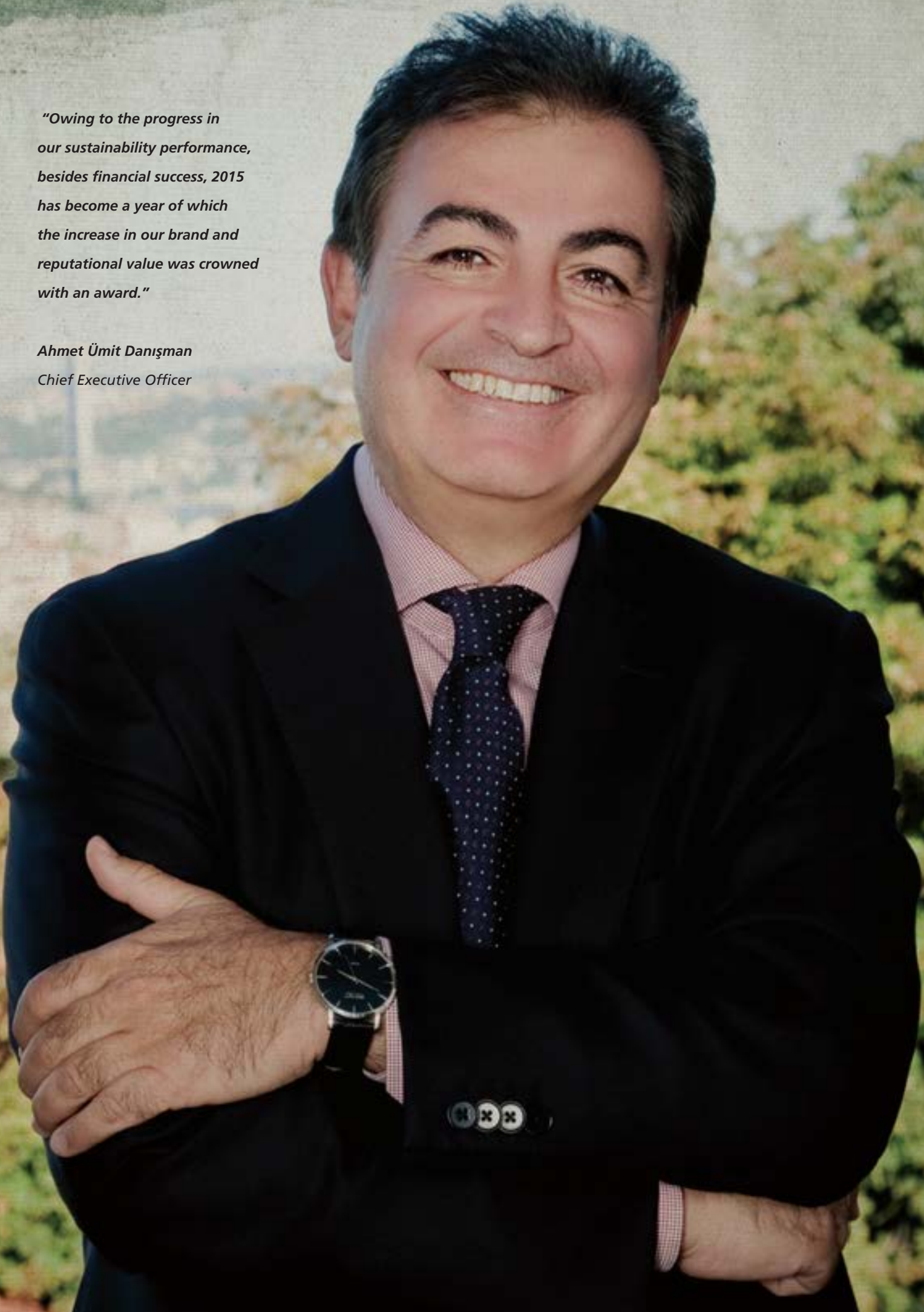
(*) Akocak HEPP license transfer has been realized as of 01.01.2016.
(**) Until its merger with Akenerji through acquisition is officially registered on 31.07.2015, it pursued its operations as a subsidiary of Akenerji.

(***) Until its merger with Akenerji through acquisition is officially registered on 24.12.2015, it pursued its operations as a subsidiary of Akenerji.

Note: Ak-El Yalova Elektrik Üretim A.Ş. and Akenerji Doğalgaz İthalat İhracat ve Toptan Tic. A.Ş., which are both subsidiaries of Akenerji, have not been included in the Report as they were not active in 2015.

"Owing to the progress in our sustainability performance, besides financial success, 2015 has become a year of which the increase in our brand and reputational value was crowned with an award."

Ahmet Ümit Danişman
Chief Executive Officer



Message From CEO

Dear Stakeholders,

As Akenerji, we are honored to share our "Sustainability Report", which is a reflection of our sustainability approach and management system that guides us to manage our intangible assets, for the fourth time. As in the years preceding, the content of the report meets the requirements of United Nations Global Compact, to whose principles we will continue to adhere, and those of G4 version which is the latest edition of Global Reporting Initiative (GRI) Sustainability Reporting Guide.

Owing not only to the uncertainty caused by the general elections in Turkey, but also to the exchange rate fluctuations, the surplus of supply vis a vis the low demand in the energy market, as well as the effects of declining electricity prices and shrinking profit margins, 2015 was a tough year for the energy sector in our country.

Though the aforementioned economic and sectoral changes, 2015 has been a year of success for Akenerji in terms of our performance both in finance and sustainability, thanks to our longstanding sustainable growth vision and strategy. Our turnover has increased by 60%, our EBITDA has risen from TL 26 million to TL 296 million, and we have achieved an operating profit of TL 140 million. I would like to share with you some cases to convey how we achieved this success without compromising at all our notion of sustainability.

At "The ONE Awards", Integrated Marketing Awards, our company, with its prominent performance, was honored as the energy company to boost its brand value and reputation the most in 2015.

In addition to that, our Erzin Natural Gas Combined Cycle Power Plant (NGCCPP) located in the city named Hatay, was deemed worthy to be one of the four special projects among World's giant investment projects at WSP - Parsons Brinckerhoff Awards 2015, of which the year of perfection was being celebrated. As the one and only project selected from Turkey, our Erzin NGCCPP Project was also awarded the "Innovation" prize.

Owing to its modern technology, Erzin NGCCPP, with an annual electricity generation capacity of 7.2 TWh, does not only achieve high electricity generation efficiency with low cost and low fuel consumption, but also provides a significant level of reduction in the amount of greenhouse gas emission per unit electricity production. Thereby, our direct greenhouse gas emission efficiency has improved by 7%.

Our renewable energy sources, Hydroelectric Power Plants (HEPP) and Wind Power Plants (WPP), are 30% of our installed capacity that corresponds to 388 MW. In 2015, we made the decision to focus on new opportunities and projects in the field of renewable energy. We are increasing the capacity of our Ayyıldız WPP from 15 MW to 28.2 MW. This capacity increase in our power plant, which is accredited with "Gold Standard" in terms of Greenhouse Gas reduction, is approximately equivalent to the electricity need of 15,000 houses.

Additionally, we are in close follow-up of technological developments in the field of energy and, especially renewable energy, as well as solar energy investment opportunities by which we can contribute to the development of our country.

Along with our investments that contribute to sustainability, we place great emphasis on our solutions that are the results of integration of sustainability into our core business. With these solutions, our customers can save by way of energy and emission efficiency. With more than 25 years of experience in the energy sector, with our qualified workforce and our technology, we create added value through our "Smart Electricity Solutions". We provide consultancy services on energy efficiency to our customers, we prevent their electrical energy losses by means of reactive energy consumption management method and balance their carbon

footprint with carbon-neutral certificates that we obtain from renewable energy.

In line with our sustainability vision, we voluntarily participate in the globally reputable "CDP Climate Change Program" since 2011. As a result of our improvements each year, we have been able to increase our disclosure score to 88. That being said, our company has been the first and only energy company that participated in the CDP Turkey Water Program.

We successfully managed our corporate structure, risks, environmental and social performance by help of ISO 9001 Quality, ISO 14001 Environment and OHSAS 18001 Occupational Health and Safety Integrated Management Systems. On top of this success, we renewed our certificates by achieving "zero nonconformities" in independent audits. Besides, our Head Office, Uluabat HEPP and Erzin NGCCPP were awarded ISO 27001 Information Security Management System certificates. Corresponding to 57% of all corporate training, 4,173 man-hours of training on environment, quality and OHS have been provided to our employees this year. It is an indicator of the great emphasis we placed on this particular issue.

In addition to our investments in our plants and employees, we continue to invest in today and tomorrow of our country and society.

"HEPP Informative Meetings", are some of the best practices that Akenerji carries on hand-in-hand with the society. By means of these meetings, we inform the local community residing in the incidence of our plants on how HEPPs operate and the individual safety precautions that need to be taken. In 2015, we reached a greater population of teachers and students than the sum of the last two years. Consequently, with our trainings to continue in 2016, in the last three years we reached 2,105 teachers and 122 students.

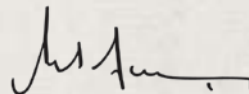
In our 25th year in the sector, through our social responsibility Project, "1292 MW", we supported 25 painting, sculpture and photography artists and donated the income generated from the exhibition to Turkish Education Foundation (TEV). Within the scope of "6th Turkey Energy Summit", this popular project of ours was deemed worthy to "Golden Voltage" prize.

I would like to extend my heartfelt thanks to our internal stakeholders that is our employees, who, despite difficult market conditions, devotedly and persistently worked throughout the year, developed our services with their innovative visions, won the recognition of our customers in the surveys with their attitude and, finally, who constitute the solid basis of our high performance.

Nonetheless, I would like to thank other stakeholders of ours who contribute to our improvement, shaping of our future and help us to enhance the added value of our services through our stakeholder oriented approach. I cordially invite everyone to share their feedback and expectations.






Sincerely,

Ahmet Ümit Danişman
Chief Executive Officer





COMPANY PROFILE

-  About Akenerji
-  Akenerji in Figures
-  Operations Map
-  Breakdown of Installed Capacity by Source
-  Shareholder Structure of Akenerji



INVESTMENTS
in Project Phase
211.2 MW

CURRENT
INSTALLED
CAPACITY

1,292 MW

// natural gas
// hydroelectric
// wind



TOTAL
SALES VOLUME
10.7 TWh



TOTAL TURNOVER
1.8
BILLION TL

About Akenerji

Having one of the largest customer portfolios in its industry, Akenerji is determined to achieve its goal of becoming the leading energy company of the country.

A leading company, setting the standards of the sector

With more than 25 years of experience in the energy sector, Akenerji is listed among Turkey's long-established companies. In 2015 the Company focused on operating its existing power plants in an optimum manner relative to the market prices, and on developing new projects that will create added value.

In addition to the electricity energy generated at its existing power plants in the previous year, the Company also continued to trade the energy procured from other market participants. Within this scope, Akenerji managed to grow its total sales volume by 73% in 2015 compared to 2014, reaching a capacity of 10.7 TWh.

Renewable energy is one of the hot topics in recent years, not only in our country but also across the world. Following its initiatives in this area, Akenerji has become the representative of vision and stability in the sector. The Company has continued to reshape its generation strategies to squeeze maximum benefit from renewable energy sources, and has continued operations oriented towards the necessary measures. One after the other, Akenerji has put 8 hydroelectric plants and 1 wind power plant into operation. As a result, 388 MW, which corresponds to 30% of Akenerji's installed capacity, is supplied from renewable sources as of 2015 year-end.

In 2015, Akenerji focused especially on utilizing capacity expansion opportunities for the renewable source power plants, and thus it commenced works to enhance Ayyıldız Wind Power's installed capacity from 15 MW to 28.2 MW. Market research is ongoing centered on adding into the Company's portfolio, wind and solar power based projects, which are high in capacity utilization rate and profitability in renewable energy.

Besides renewable energy, efficiency in energy generation is among the primary issues for Akenerji. The relevant works are maintained under a wide umbrella, from integrating new and efficient technologies into existing power plants, to employees' occupational training processes. The Company focuses on producing new ideas and projects that will enhance energy efficiency for industrial and commercial customers, with energy systems optimization and management services. Akenerji Energy Services aims to reduce energy costs and enhance their competitive edge with the wide variety of services on offer, from consultancy to asset management. The breakthroughs achieved by Akenerji, by effectively following the market conditions, will continue to serve as an example in the electricity generation sector.

Our total sales volume increased by 73% to reach 10.7 TWh.

A quarter-century success story

Having commenced operations in 1989 as an auto-producer group under the umbrella of the Akkök Group of Companies, Akenerji has been operating as an independent electricity generation company since 2015. Akenerji, the 50/50 joint venture between Akkök Holding, and Europe's leading power company, the ČEZ Group, has the sole capacity to meet 3.1% of Turkey's power need, with its total installed capacity of 1,292 MW as of 2015 year-end.

The Company sets an example in the sector with more than 25 years of know-how and prominence. Accordingly, the Company aims to sustain its balanced portfolio structure to protect its robust position in the sector, and to make electricity supply more secure. Akenerji completed the 904 MW Erzin Natural Gas Combined Cycle Power Plant in Hatay, and put it into operation during Q3 2014. With an annual generation capacity of 7.4 TWh, the power plant is one of the Akkök-ČEZ joint venture's key projects. Project works for Kemah Hydroelectric Power Plant, with 198 MW, which is planned to be established in Erzincan, are still continuing.

Corporate social responsibility is our crucial element

In recognition of the responsibility that befalls power companies in the creation of a secure future, Akenerji has taken each and every step with due consideration of its environmental and social responsibilities, throughout more than 25 years of experience. The Company exemplifies the sensitivity of modern manufacturing solutions in the industry, and it contributed to many social and cultural events in 2015. Akenerji maintained activities to raise environmental consciousness in the regions where the company operates. The Company scaled up its brand value in corporate social responsibility and corporate communication by means of influencing projects and incentives. In 2015, celebrating its 25th anniversary, Akenerji supported 25 artists from various disciplines such as painting, sculpture and photography with the "1292 MW Project", so named to represent the Company's installed capacity. With a range of works by the aforementioned artists, the exhibition was received with great interest, and all revenue from the event was transferred to education via the Turkish Education Foundation.

Hydroelectric power plant introduction and informative presentations, developed with the consciousness of living with locals, continued to be among the finest samples of the works that Akenerji conducts for and with society. Thanks to printed materials and educational works focusing on prospective hazards and protection methods in the regions around the hydroelectric power plants, both locals as well as students and teachers were informed in detail.



> Mission

To make reliable and long-term contributions to Turkey's energy needs by operating with a quality-focused approach at every stage of the energy sector value chain.

> Vision

To maintain its leading position in the Turkish energy sector and become one of the largest integrated companies that shape the industry.

> Corporate Values

• Reliability • Integrity • Accountability • Transparency • Customer Satisfaction • Social Responsibility

Akenerji in Figures

> Current Installed Capacity



Electricity:

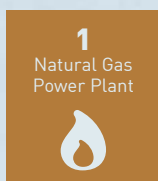
1,292 MW

(Natural gas, hydroelectric and wind)

> Services

Electricity Generation and Sale
Electricity Import-Export and Wholesale
Electricity Retail Sale
Steam Generation and Sale
Natural Gas Import-Export and Wholesale
Energy Services

> Active Power Plants as of 2015



1

Natural Gas
Power Plant



1

Wind Energy
Power Plant



8

Hydroelectric
Power Plants

> Average Number of Employees



265

> Investments in Project Phase



198 MW

(Kemah Dam & Hydroelectric PP)

13.2 MW

(Ayyıldız HEPP Capacity Increase)

> Turnover



1.8

BILLION TL

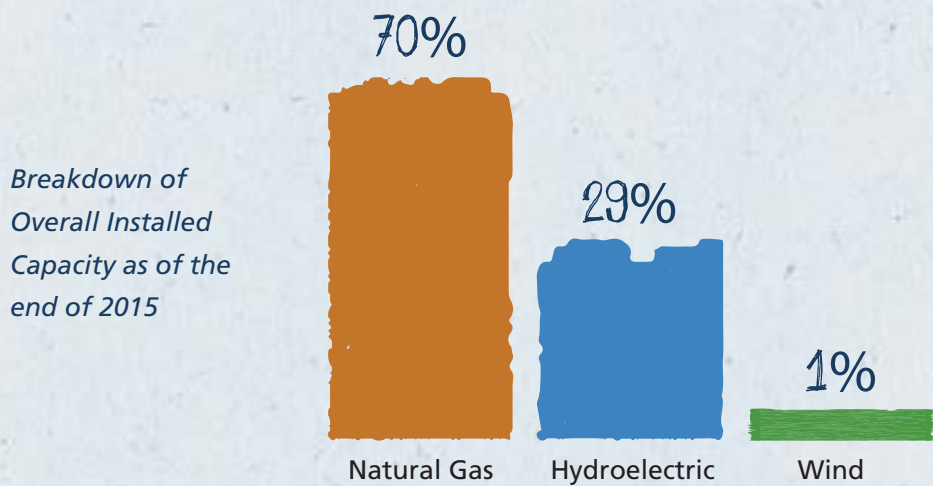
Operations Map

Steady investments made by Akenerji in renewable energy sources are a reflection of the Company's approach to sustainability.



* Kemah is in the project phase.

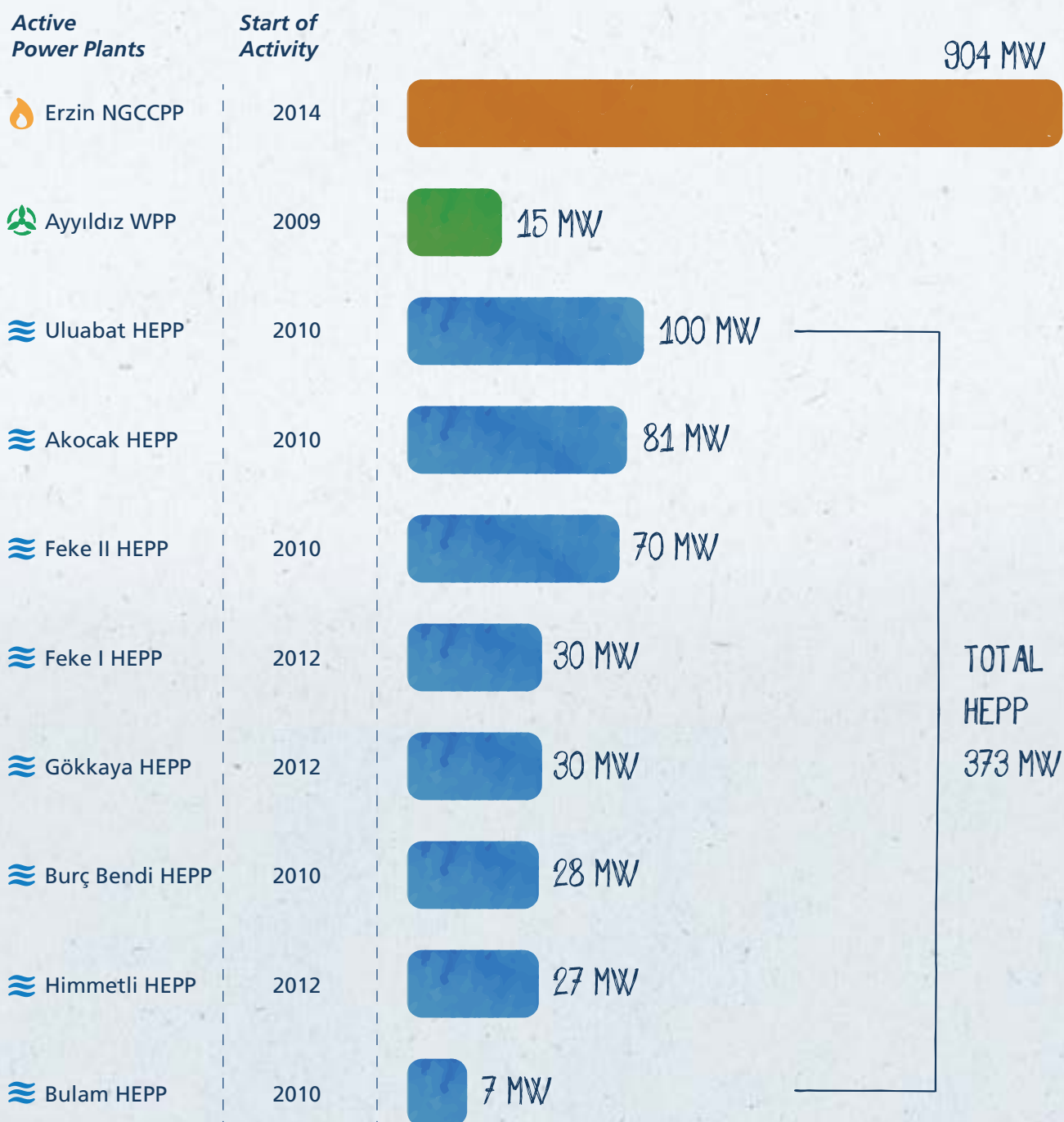
Breakdown of Installed Capacity by Source



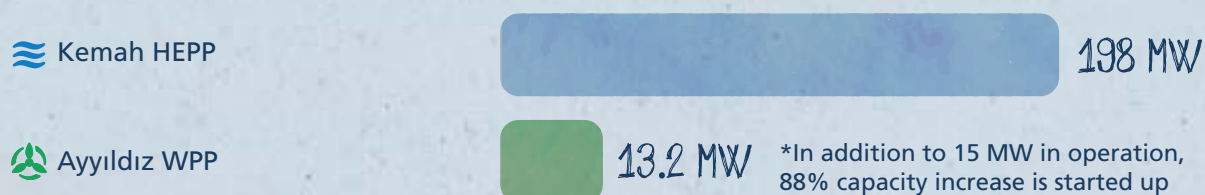
Overall Installed Capacity

1,292 MW

Installed Capacity

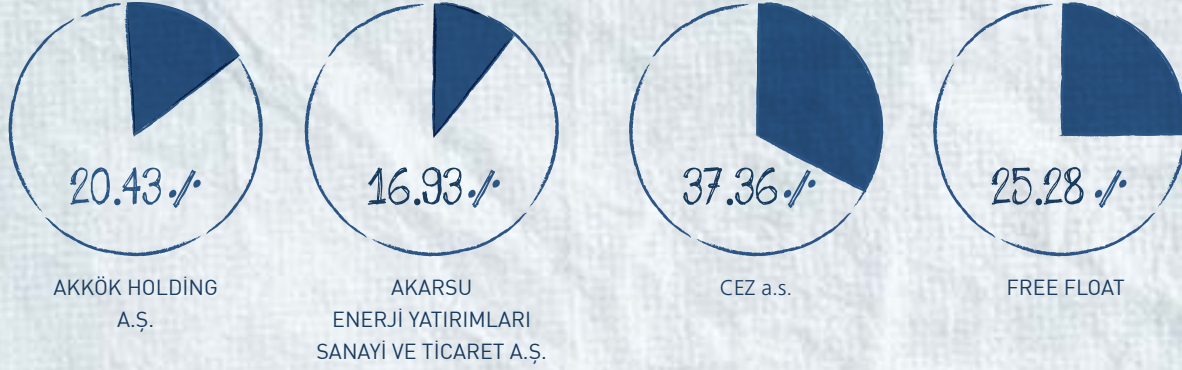


Investment in Project Phase



Shareholder Structure of Akenerji

Akenerji has a paid capital of TL 729,164,000 and the main investors are Akk k Holding and  EZ a.s. The shareholder structure is depicted in the figure below.



Akk k Holding

Founded in 1952 by the late Raif Din k k, and with deep know-how spanning 63 years, Akk k Holding ranks among the most well established industrial groups in Turkey. The Group conducts operations in the fields of chemicals, energy and real estate, with 18 commercial and industrial enterprises, one of which is overseas, and with 18 production plants. By closely following the trends in the world's markets and in its operating industries, Akk k Holding aims to catch up with the global competition, and achieve world-class standards together with all the companies under its roof.

Akk k Holding creates employment in industry, generates value and makes investments for today, and for future. Sustainable growth and social responsibility have been the determining factors in setting a roadmap for the Holding. On the other hand, the concept of corporate governance defined by fairness, transparency and accountability and has gradually gained vital significance, is an indispensable value in all operations of the Holding companies.

By signing the United Nations Global Compact in 2007, Akk k Holding further strengthened the principles of openness and accountability that are adopted by all subsidiaries. The Holding establishes all relationships with social stakeholders (mainly employees, customers, suppliers, and shareholders) based upon these two fundamental principles. In addition to fulfilling their financial obligations, all Group companies act as good corporate citizens, and strive to add value to society, the natural environment, and the economy as a whole in all their operations.

 EZ a.s.

Headquartered in the Czech Republic,  EZ a.s. operates mainly in generation, distribution and sale of electricity and heat. The company also has operations in sale of natural gas and coal extraction. The largest shareholder of  EZ is the Czech Republic with 70% stake in the Company's shares.









In addition to its operations in Turkey and the Czech Republic,  EZ also has a number of subsidiaries in Poland, Bulgaria, Romania, Hungary, and Slovakia that generate, distribute and sell electricity.

Strong ethical standards that identify the operations of  EZ include responsibility towards its employees, society and environment. Operating in line with sustainable development principles,  EZ not only supports energy efficiency and new technologies, but also creates a suitable environment for professional development of its employees.



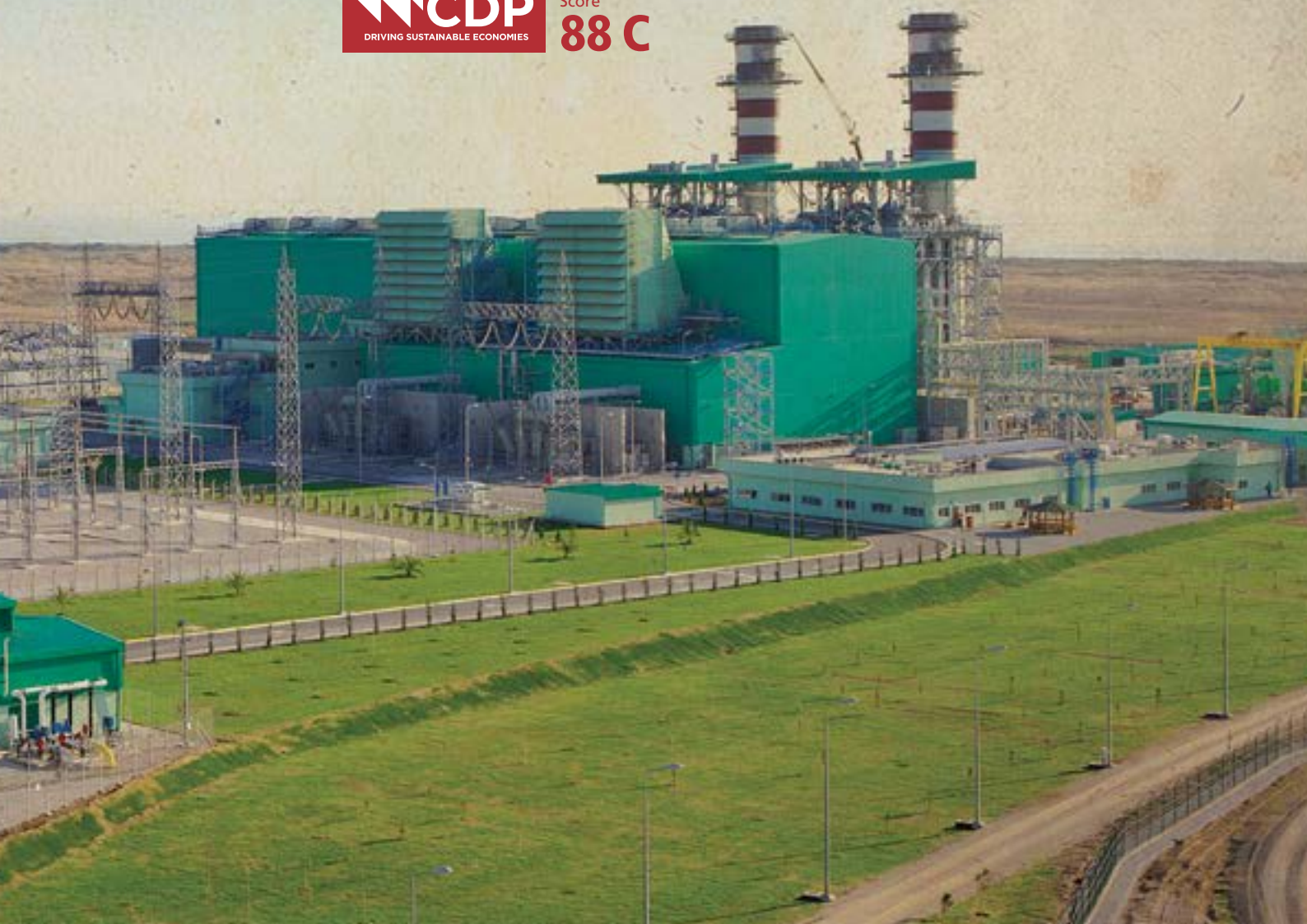


OUR APPROACH TO SUSTAINABILITY

-  Our Approach
-  Sustainability Management
-  Our Policies
-  Our Recent Sustainability Steps
-  Awards and Achievements
-  Dialogue with Stakeholders
-  Material Sustainability Issues
-  Corporate Memberships



CDP Turkey 2015
Climate Change
Score
88 C



In addition to our financial liabilities, we operate in line with environmental, social and ethical responsibilities that conform to our corporate values.

Our Approach

The fundamental of our approach to sustainability is to operate to create value for our stakeholders while minimizing our environmental and social impacts. In doing this, we do not compromise our standards of quality, ethics, corporate governance and customer satisfaction. We support clean and sustainable energy sources to create a safer future for Turkey and the world. By investing in renewable energy sources and highly efficient technologies, we provide safe, economical, environmentally friendly energy to our customers. Our corporate policies and principles that have been developed on the basis of international standards and approaches include environment, quality and OHS and HR policies and Ethical Principles.

Sustainability Management

The knowledge, awareness and leadership of the Company's senior management is vital for the integration of our environmental, social and ethical responsibilities into the corporate culture. In the same vein as our financial responsibilities, the Board of Directors has the ultimate responsibility for the management of these non-financial issues, which are of great influence to our Company's reputation and profitability.

In our active power plants, the Directorate of Health, Safety, Environment and Quality that operates under the Office of the Deputy General Manager for Production is responsible for the management of environmental and social issues. Project teams assume the responsibility for the management of OHS and environmental performance during the period between project designing and operational phase of power plants. Key environmental and social performance data of our power plants and project areas are reported to the Board of Directors. In addition, annual or periodical environmental and social performance monitoring reports besides the annual sustainability reports are prepared for the institutions that we are signatories to and for financial institutions that we are bound by agreements. These are also reported to the Board of Directors via the Executive Board.

All practices regarding the employees, such as recruitment, training, performance management, are administered by the Directorate of Human Resources. Nonetheless, corporate management and business ethics issues are mainly the responsibility of the Directorate of Corporate Management.

In order to manage and report sustainability issues in a more holistic manner, a Sustainability Committee was set up within Akenerji in 2013. The units represented in the Sustainability Committee are listed below. These units play a key role in the management of material sustainability issues. While evaluating risks and opportunities of material sustainability issues, related units consider potential environmental, social and economic impacts of actions in an integrated way.

Units represented in Akenerji Sustainability Committee:

- Health, Safety, Environment and Quality
- Accounting
- Corporate Communications
- Energy Trade
- Financial Affairs
- Fuel Supply and Power Plant Coordination
- Human Resources
- Legal Affairs
- Procurement
- Strategic Planning and Risk Management

Our Policies

> Quality Policy

While efficiently meeting the increasing demand with our quality-oriented approach, we work to provide our customers with reliable, economical and environmentally friendly energy. In line with our quality policy, as Akenerji, we commit to:

- Becoming the leading company in the competitive market by diversifying fuel sources in line with changing global and domestic conditions,
- Improving our efficiency by integrating state of the art technologies into our processes which are dependent sectoral developments,
- Producing and supplying energy in accordance with applicable laws by closely monitoring the changing conditions in the energy sector and our country,
- Considering each employee as the greatest “source of energy”, we are committed to encourage employees to become team members who are able to develop and refresh themselves in multiple aspects,
- Believing that this team approach will allow Akenerji to create a quality workforce that will attract top talent and set an example for the sector,
- Operating and continuously improving our business processes in line with company objectives,
- Offering each of our stakeholders the privilege to work for a transparent and reliable company.

> Environmental Policy

To create a future as bright as today, we always aim to operate with an environmentally responsive approach. In line with our environmental policy, we commit to:

- Using energy sources and natural resources in the most efficient manner,
- Minimizing our emissions by choosing the best available and environmentally friendly technologies,
- Following greenhouse gas emissions by implementing effectively Carbon Management,
- Minimizing our waste through efficient use of resources and by complying with the applicable regulations in the systematic collection and disposal of waste,
- Discharging our wastewater in the most environmentally friendly manner possible,
- Continuously improving our processes which has environmental impact through pollution prevention within sustainability approach,
- Fulfilling our legal obligations and responsibilities involving environmental aspects as well as other conditions and also becoming involved in activities that allow us to set new standards which are appropriate for the requirements of our era,
- Ensuring that our stakeholders, especially our employees, are trained to become environmentally conscious individuals.

> OHS Policy

Our occupational health and safety policy is based upon the value we attach to people. In line with our OHS policy, we commit to”:

- Preventing occupational accidents and health risks by creating a healthy and safe workplace in accordance with all legal obligations and other relevant conditions and technical developments,
- Providing all of our stakeholders with an awareness of possible risks in order to take the necessary measures required to protect themselves against these risks,
- Conducting trainings to ensure that we have the necessary knowledge, attitude, and experience to undertake our roles in a safely manner,
- Reviewing possible emergency procedures and preparing necessary action plans to ensure the safety of our stakeholders,
- With commitment and leadership of our managers and effective participation of our employees;
- Promoting physical and mental wellbeing of our employees and working conditions,
- Conducting regular risk assessments to continuously improve our performance on occupational health and safety.

Our Policies

> Human Resources Policy

Fundamentals of our Human Resources Policy are as follows:

- We provide equal opportunity to everyone.
- We match the right person with the right job.
- We pay fair wages for work as a result of work assessment.
- We evaluate success with measured performance and competence.
- We enhance efficiency by generating motivation and loyalty.
- We recognize and reward each other's accomplishments promptly.
- We work in collaboration, ensuring the continuity of work harmony.
- We inform promptly, accurately, openly and multi-dimensionally.

> Information Security Policy

As Akenerji, to manage any risk for our business continuity and information assets, we commit;

- To establish and implement an Information Security Management System according to ISO/IEC 27001 standard;
- To comply with all legislation related to information security and contractual obligations;
- To manage risks of information assets by assessing according to confidentiality, integrity, availability;
- In order to raise the awareness of information security, performing trainings and activities to develop the technical and social skills and being an exemplary organization in the Akkök Group in terms of information security;
- To creating a continuously improving and developing structure that does not allow the emergence of new risks and managing information security in an integrated way with other management systems in accordance with company targets.



Our Recent Sustainability Steps

Since the day of its establishment, Akenerji has been paying great attention to sustainability and implementing a variety of pioneering practices. Some of our recent sustainability steps are summarized below.

2015

- Akenerji pioneered as the only energy company to report to CDP Turkey Water Program in its initial year.
- In 2015, the disclosure score of our CDP report consisting of greenhouse gas emissions and our climate change strategy was 88 out of 100, with a performance grade of C.
- Akenerji was the first energy company of Turkey to prepare its 2014 Sustainability Report covering sustainability practices and performance, in line with the GRI G4 standard.
- Our Management of Information Security System was revised to conform to TS ISO/IEC 27001 Information Security Management System standard, and our Head Office, Uluabat HEPP and Erzin NGCCPP were certified accordingly.
- ISO 9001 Quality, ISO 14001 Environment and OHSAS 18001 Occupational Health and Safety Integrated Management Systems certification processes of all active power plants, including for the first time our Erzin NGCCPP were completed with zero nonconformities.
- HEPP Informative Meetings about the operation of hydroelectric power plants and the individual security measures to be taken in the daily lives of the local society were realized 4 times in Adana and 2 times in Bursa.

2014

- In 2014, the disclosure score of our CDP report that covers greenhouse gas emissions and our climate change strategy scored 85 out of 100.
- The second Sustainability Report of Akenerji, covering our sustainability practices and performance in 2013, was prepared within the scope of GRI G3 Guidelines and received B-application level approval from GRI.
- ISO 9001, ISO 14001 and TS 18001 Management System certification processes of all active power plants were completed with zero nonconformities.
- Two seminars were given to students and teachers in the cities of Adiyaman and Trabzon to inform the public on potential dangers of HEPPs and ways of protection.

2013

- At the Aegean Chamber of Industry Environmental Awards announced in December 2013, Kemalpaşa Natural Gas Power Plant was granted the second prize in 2012 Environment (Golden) Awards and the third prize in Corporate Social Responsibility (Bronze) Awards.
- In Adana, trainings were given on the operations of our 4 hydroelectric power plants and potential dangers for the communities living within the impact area of hydroelectric power plants.
- With our new CDP Climate Change Program reporting, our disclosure score increased 17 points.
- Carbon Management Project covering all of our power plants were initiated.
- The first Sustainability Report of Akenerji, covering the 2012 operational year, was issued within the scope of Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

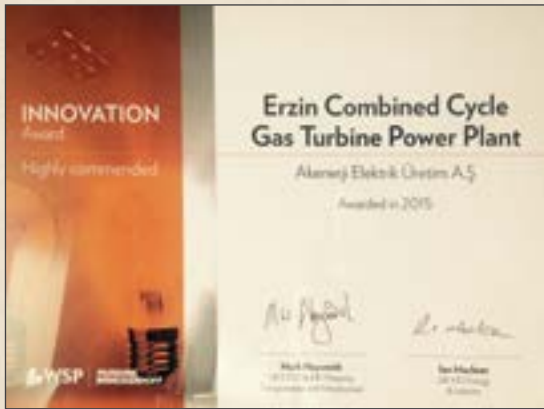


Awards and Achievements



Akenerji became the energy company to boost its brand value and reputation the most.

With its 25 years of experience and as one of Turkey's first energy generation companies, Akenerji won the big award in the second year of Integrated Marketing Awards, "The ONE Awards". Akenerji won the first place in the "energy" category of the index that rated the marketing processes, for the first time, based on the integrated marketing discipline.



Erzin Natural Gas Combined Cycle Power Plant was Awarded the Innovation Prize.

In 2015 when WSP – Parsons Brinckerhoff celebrated perfection, giant global projects in the fields of construction, energy, infrastructure, transportation, education, environment and logistics competed. Erzin NGCCPP with an installed capacity of 904 MW was selected as one of the four special projects of which the Heathrow Terminal 2B is one of them. Besides being the one and only Project to be selected from Turkey, the power plant consolidated its success by also receiving an award in the "Innovation" category.



Akenerji was awarded the Golden Voltage Prize by "1292 MW" Exhibition.

"1292 MW" project, so named to represent the Company's installed capacity, was awarded the "Golden Voltage" prize during the 6th Turkey Energy Summit in the competition among Corporate Social Responsibility projects. 25 young, middle and old generation artists from various disciplines such as painting, sculpture and photography were supported at the project and an exhibition is organized by their pieces. The income generated from the project that was supported by the contributions of famous people like Keremcem, Seda Güven, Meltem Cumbul, Güven Kırar, Sarp Levendoğlu and Mehmet Turgut as well as the master artists like Bedri Baykam and Devrim Erbil, was donated to student scholarships with the cooperation of TEV (Turkish Education Foundation).



Dialogue with Stakeholders

Our Stakeholders (G4-18, G4-19, G4-25)

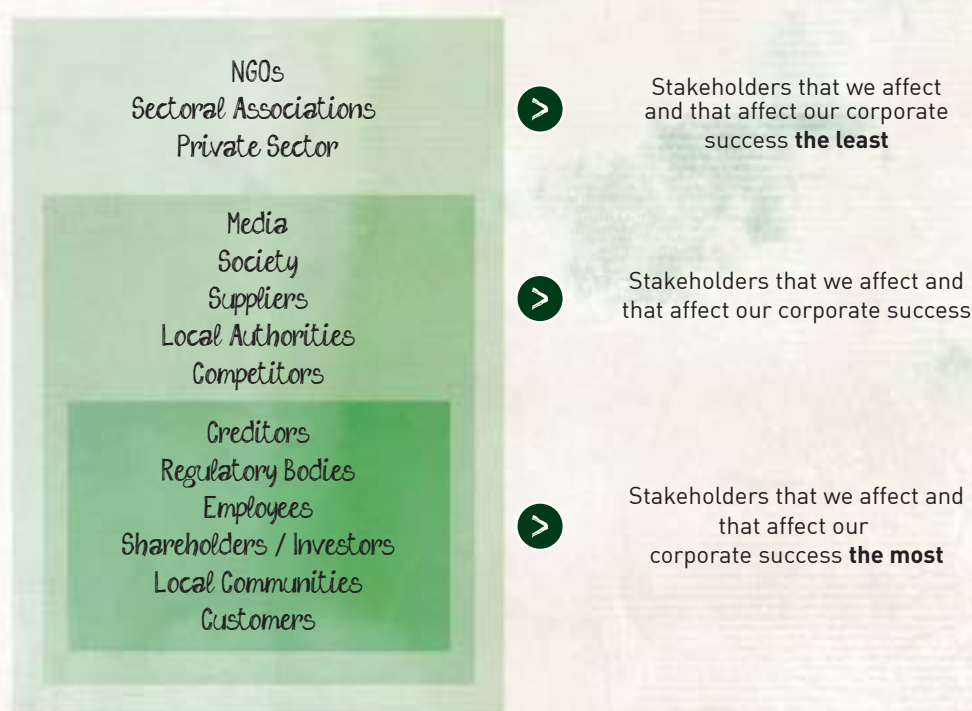
Our stakeholders are companies and institutions as well as people and communities that affect or are affected by the operations of our company. In order to identify material sustainability issues, we held a “Stakeholder Analysis and Materiality” workshop with the participation of Sustainability Committee members in January 2014. We updated the outcomes of this workshop in December 2015 based upon our changing priorities and reporting standards. We re-evaluated stakeholders that influence the success of Akenerji and are influenced by the operations of Akenerji in terms of sustainability. As a result of this evaluation, employees, customers, shareholders / investors, creditors, and regulatory bodies, local communities were identified as stakeholders that we affect and that affect our corporate success the most. On the other hand, stakeholders with secondary materiality in terms of sustainability include media, and local authorities.

To summarize the differences with respect to the previous year;

- Owing to their impact on the success of our Company in economic, environmental and social aspects, as well as their effectiveness, Sectoral Regulatory Institutions were included among “our Stakeholders that we affect and that affect our corporate success the most”.
- The contractors, because our investments were finalized, and the universities, as collaboration projects ended up, are excluded from among “our stakeholders that we affect and that affect our corporate success”.

Competitors and private sector were isolated and private sector was included among “our Stakeholders that we affect and that affect our corporate success the least”.

The sketch below indicates the level of interaction with stakeholders decreasing from inside out.



Dialogue Platforms with Stakeholders (G4-24, G4-25, G4-26, G4-27)

We benefit from a variety of dialogue platforms to learn about the sustainability expectations of our Company's stakeholders including employees, customers, creditors, investors, regulatory bodies, suppliers, local communities, local authorities, society, and media as well as to give them information on these issues.

Our actively used dialogue platforms and related contents and practices are summarized in the table below. In addition to them, we also inform our stakeholders regularly through our corporate website, annual reports, sustainability reports, and CDP Climate Change Program reports.

[G4-18, G4-24, G4-25, G4-26, G4-27]

Stakeholders	Stakeholder Engagement Platform	Content / Practice	Period of Dialogue
Employees	Quality, Environment, and OHS suggestion system	Power plant employees share their opinions and suggestions mainly on technical issues.	Suggestions are reviewed in monthly Quality, Environment, OHS Committee Meetings.
	Individual Suggestion System	We offer employees a platform to freely share their ideas. Suggestions that have the potential to contribute to the Company are selected and suggestion owners are rewarded symbolically.	All suggestions are evaluated by a Social Committee named "Akenerjik" every three months.
Customers	Customer satisfaction surveys	We conduct surveys to evaluate expectations and satisfaction of Akenerji customers.	Questionnaires are given at the end of each year.
	Customer visits and brochures	During customer visits, we introduce our products such as Smart Electricity and Carbon-Neutral and we deliver related brochures.	During customer visits.
Creditors	Annual monitoring reports	We regularly present environmental and social performance monitoring reports to creditors.	Information is shared and site visits are made continuously.
Local communities and Local Authorities	Face-to-face meetings	We exchange information with the local communities and authorities in cities where our power plants operate and we give information on developments.	Information is shared regularly and continuously.
	Informative brochures and trainings	We prepare brochures to explain potential dangers and protection ways for local communities. We also transfer this information through trainings and answer questions of the local people.	Organized twice a year for each power plant.
	Resettlement Action Plan and Environmental Impact Assessment (EIA) reports	While preparing these reports, potential impacts on local communities and natural life are identified by various investigations and interviews.	Frequency of communication depends on the questions coming from local communities before the investment and during construction.
Investors	Meetings, informative memorandums, and investor presentations	We reply inquiries of responsible investors on the performance and practices of Akenerji. Annual reports within the scope of Akenerji Sustainability Report, CDP Climate Change and Water Program are issued to public.	Up-to-date information is shared continuously in the "Investor Relations" section of our corporate website. In addition, inquiries sent to info@akenerji.com.tr are replied.
Regulatory Institutions	Meetings, statements of opinion	We take part in efforts to develop, to liberalize and to ensure that regulations for the sector are implemented in the most impartial and efficient way.	Dialogue is carried out with regulatory institutions, such as Energy Market Regulatory Authority (EMRA) and Ministry of Energy, by attending meetings of sectoral associations that we are members of and by declaring statements of opinion when necessary.
Suppliers	Supplier evaluation	While selecting a supplier, existence of Environment, Quality and OHS Management Systems is a part of the evaluation procedure.	Applied in every procurement.
Society and the Media	Press releases and interviews	We issue press releases and give TV, newspaper and journal interviews about our recent sustainability practices and performance.	Depending on the requirement by the agenda of our Company and the market.



[G4-27]

Material Sustainability Issues

[G4-18, G4-19, G4-20, G4-21, G4-25]

During the “Stakeholder Analysis and Materiality” workshop we held with the participation of the representatives of the Sustainability Committee in preparation for our 2015 Sustainability Report, we evaluated the material sustainability issues. During this workshop, we assessed not only the sustainability issues with the greatest influence on our corporate success and stakeholders, but also the issues which our stakeholders - that we affect and that affect our corporate success the most - care about the most and would like to have information about. We based the content of our 2015 Sustainability Report on G4 version of GRI Reporting Principles.

In this Report, we focused especially on policies, practices and performance issues that are material for Akenerji and our stakeholders, our implementations and information regarding the performance achieved. These issues are given in the upper right corner of the matrix below.

In addition, we presented issues that are more important to stakeholders (issues given in the upper left corner of the matrix) and those that have strong influence on the corporate success of Akenerji (issues given in the lower right corner of the matrix) within the framework of our management approach and practices. The issues that are important out of the corporate boundaries of Akenerji are highlighted with green and they are elaborated under related sections of the report.

The issues listed in the upper right corner of the graph are identified as “Primary Material Issues” in GRI G4 index at the end of the Report, whereas those in other quadrants are “Secondary Material Issues”.



Note 1: The issues within the quadrants are listed regardless of an order of importance.

Note 2: The issues typed in blue are those that are also important for our supply chain management.

(G4-18, G4-19, G4-20, G4-21, G4-27)

Corporate Memberships

By integrating sustainability into our corporate strategy, we reinforce our efforts to become a part of the solution by undersigning national and international initiatives and platforms and we take part in a variety of initiatives.

Initiatives We Take Active Part In

Since 2011, we have been regularly reporting, on voluntary basis, our climate change adaptation strategies and greenhouse gas emission management within the framework of the most reputable and global environmental initiative of CDP Climate Change Program.

Moreover, as of 2015, CDP Water Program has been initiated in our country. We have been among the pioneer companies that started to report to the program in its initial year and conveyed our water management system. Akenerji has been the one and only energy company to participate in the CDP Turkey Water Program.

We have been the first company to register to the National Carbon Registry (2011) that was launched by the Ministry of Environment and Urbanization to establish voluntary carbon markets and register ongoing projects.

We play an active role in Environment and Energy Working Groups of the Turkish Industry and Business Association (TÜSİAD) and we support sectoral growth by combating climate change.

We closely followed and participated in the preparations of Borsa İstanbul Stock Exchange (BIST) Sustainability Index Project aimed to ensure that major Turkish companies compete successfully in global markets. The Index was put into practice in November 2014 for BIST-30 companies. As the index will cover the BIST-100 companies in the following years, we will continue to improve our sustainability communication in consideration of the requirement for disclosure.

Memberships to Associations and Committees

Our company works in cooperation with non-governmental organizations and related public institutions to devise policies and strategies for public policies. We also work to reinforce relations with public authorities and attend meetings.





Akenerji is a member of associations and institutions focusing on a variety of areas:

- Foreign Economic Relations Board (DEİK) – Energy Committee
- World Energy Council Turkish National Committee (DEK-TMK)
- Association of Electricity Distribution Services (ELDER)
- Electricity Producers Association (EÜD)
- Endeavor Association
- Energy Traders Association (ETD)
- Hydroelectric Power Plants Industry and Business Association (HESİAD)
- Corporate Risk Management Association
- Petroleum Platform Association (PETFORM)
- Wind Power and Hydropower Plants Businessmen's Association (RESSİAD)
- Sabancı University İstanbul International Center for Energy and Climate (IICEC)
- Hydro Energy Association (HESİAD)
- Association of Turkish Electricity Industry (TESAB)
- Turkish Association of Human Resources Management (PERYÖN)
- Turkish Wind Energy Association (TÜREB)
- Turkish Industry and Business Association (TÜSİAD)
- International Investors Association (YASED)





CORPORATE GOVERNANCE AND RISK MANAGEMENT

-  Corporate Governance
-  Ethical Practices
-  Ensuring Effective Business Processes
-  Risk Management

Our approach to corporate governance is shaped by our objective for continuous generation of value for our shareholders, customers and employees.

Corporate Governance

Akenerji is fully aware that at a time when competition and change is accelerated, the quality of corporate governance practices and financial performance are of equal importance. Forasmuch as, high-quality corporate governance improves the competitive capacity of corporations by enabling low cost of capital, additional funding opportunities and increasing liquidity. In agreement with our approach to corporate governance, we pay utmost attention to implement the principles stipulated by the Capital Markets Board (CMB) in its Corporate Governance Principles.

Shareholder and Investor Relations

Our relations with shareholders and investors are managed by the Investor Relations Department. The Department plays an active role in facilitating the exercise and protection of shareholders' rights, primarily the right to obtain and analyze information. All inquiries submitted to the Department, with the exception of information classified as confidential or trade secret, are replied either verbally or in writing after consulting the most senior officer related with the topic at hand.

With all of our stakeholders, we organize periodical informative sessions, hold on-demand focus meetings, and respond to email questions through an accessible and transparent communication platform that we establish. The demands of financial intermediaries, corporate investors and individual investors are met periodically -quarterly- or on ad hoc basis, by emails and / or meetings that are organized upon request. All written or verbal information requests of shareholders, potential shareholders, analysts evaluating Akenerji, or academics and students conducting company or sectoral research are replied as soon as possible, using the aforementioned means, with the exception of any information undisclosed to the public or classified as confidential and trade secret.

The details of the information that are covered in this Report and that are within the scope of the Investor Relations as well as the contact information regarding the Investor Relations Department can be reached from our website.

Public Disclosure Policy

Akenerji's Public Disclosure Policy contains information on issues regarding the data to be disclosed to the public apart from those determined by regulations; the method, frequency and means of disclosure; the frequency of the press meetings of the Board of Directors or executives; the frequency of

public disclosure meetings; methods to be used in replying questions posed to the Company, and the like. Information that is to be disclosed to public is disseminated through online means as accurate, complete, interpretable, timely and accessible at low cost, in a manner that will enable those, persons or institutions that will use to make decisions

Public Disclosure Platform:
www.kap.gov.tr/en/home.aspx

Corporate Website:
www.akenerji.com.tr/Eng

e-GOVERNANCE - Corporate Governance and Investor Relations Portal of the Central Securities Depository Institution:
www.mkk.com.tr/wps/portal/MKKEN

Akenerji Board of Directors

At Akenerji, the most senior governance body responsible for defining the strategic goals of the Company, determining the corporate governance, identifying the human and financial resources needed, auditing performance of the management, and ensuring compliance of operations with the regulations, Articles of Association, internal regulations and policies is The Board of Directors.

The Board of Directors consists of a total of 12 members, including two independent and one executive members. As of December 31st, 2015, Akenerji Board of Directors is composed of the following members, each having a term of office for 3 years:

Name Surname	Title
Mehmet Ali BERKMAN	Chairman of the Board of Directors
Tomas PLESKAC	Vice Chairman of the Board of Directors
Raif Ali DİNÇKÖK	Member of the Board of Directors
Peter BODNAR	Member of the Board of Directors
Ahmet Cemal DÖRDÜNCÜ	Member of the Board of Directors
Petr STULC	Member of the Board of Directors
Hamdi Yaman AKAR	Member of the Board of Directors
Martin PACOVSKY	Member of the Board of Directors
Ahmet Ümit DANIŞMAN *	Member of the Board of Directors & CEO
Vratislav DOMALIP	Member of the Board of Directors
Hakan AKBAŞ	Independent Member of the Board of Directors
Jiri SCHWARZ	Independent Member of the Board of Directors

* Has executive duties.

Gender and age distribution of the Board Members are given in the tables below.

Distribution of Board Members by Gender (number of members)

2015		2014		2013	
Male	Female	Male	Female	Male	Female
12	0	12	0	12	0

Distribution of Board Members by Age (number of members)

2015			2014			2013		
Under 30	30-50	50 and over	Under 30	30-50	50 and over	Under 30	30-50	50 and over
0	5	7	0	5	7	0	5	7

Our Board of Directors is composed of members with and without executive duties. The members without executive suites are elected among individuals who have no administrative duty in our Company other than the membership of the Board of Directors and are not involved in daily workflow and routine activities of the Company. Eleven members of the Board of Directors are non-executive. Within the Board, there are two independent members who have the capacity to perform duties without any influence. Term of office for independent members of the Board of Directors is up to three years and then they can be nominated and reelected. There was no incident to terminate the independency of these members in 2015. In the General Assembly of the Company, no female member was nominated to the Board of Directors by the Company shareholders.

Consistent with the Articles of Association of the Company, the Board of Directors convenes when the company business requires or at least four times a year otherwise. None of the members of the Board of Directors casted a vote against any decision in the meetings in 2015.

Members of the Board of Directors allocate sufficient time for Company business. In case a member is an executive or a member of the Board of Directors in another company or provides consultancy service to another company, it is the fundamental responsibility of the member to avoid any conflict of interest and negligence of duties at Akenerji. Resumes of the Board members are included in the General Assembly information document and submitted to the shareholders' information.

Although excluded in the Articles of Association, the powers of the Chairman of the Board of Directors and of the CEO are clearly identified and separated. The CEO and Chairman of the Board of Directors are separate persons and their duties and powers are defined by the

Company Organizational Chart. The CEO is also a member of the Board of Directors.

The Board of Directors plays a role in maintaining effective communication between the Company and shareholders and in settling and resolving potential disputes. In pursuit of these tasks, it cooperates with the Corporate Governance Committee and Investor Relations Department.

All performance indicators identified within our Company are monitored and assessed. The success of the Board of Directors, as the highest level managing authority, is assessed by monitoring the degree of attainment of the main business targets in line with corporate goals and by the realization of strategies. As the performance indicators of main business targets are the results of the basic performance indicators of all senior execution processes, including sustainability management, the most senior governance body, therefore, also evaluates its own performance in economic, environmental and social issues.

As members of the most senior governance body that has the authority to perform, represent and bind our Company, the Board Members must be fully competent. The Board Members are elected among professionals with full power of discernment, having competency and expertise to steer the economic, environmental and social strategies of Akenerji. In this election process, the candidates' past experience and educational background is also considered. The Board is elected in line with the mandatory corporate management regulations set forth by the Capital Markets Board and Board Members perform their duties accordingly.

Committees Reporting to the Board of Directors

The Board of Directors carries out its operations in a transparent, accountable, fair and responsible manner. The Board establishes internal control systems, including the risk management and information systems and processes that can minimize the impacts of risks that may affect the stakeholders, particularly the shareholders, by also taking the opinions of relevant Board of Directors Committees into consideration. Within this scope and in concert with the Capital Markets Regulations, Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee that directly report to the Board are created. Early Detection of Risk Committee was established on September 24th, 2013. Prior to that date, this function used to be performed by the Corporate Governance Committee. Nomination Committee and Remuneration Committee are formed within the Corporate Governance Committee. These committees reporting to the Board have the authority and responsibility of making decisions on economic, environmental and social issues on behalf of the Company.

Committee Members reporting directly to Akenerji Board of Directors as of December 31st, 2015 are as follows:

Corporate Governance Committee

Name	Title
Jiri SCHWARZ	Chairman
Hamdi Yaman AKAR	Member
Martin PACOVSKY	Member
Serhat Ergin BAYKARA	Member
Özge ÖZEN AKSOY	Member
Vakhtang DARCHIASHVILI	Member

Audit Committee

Name	Title
Hakan AKBAŞ	Chairman
Jiri SCHWARZ	Member

Early Detection of Risk Committee

Name	Title
Hakan AKBAŞ	Chairman
Jiri SCHWARZ	Member

Corporate Governance Committee

The Corporate Governance Committee is established to monitor compliance of the Company with the Corporate Governance Principles, to carry out related improvements and to submit suggestions to the Board of Directors. The Committee has a total of six members, including two non-executive members of the Board of Directors and four executives of the Company. In addition to its duties stated in the regulations, Akenerji Corporate Governance Committee performs tasks and responsibilities of the Nomination Committee and Remuneration Committee.

Akenerji authorized the Corporate Governance Committee to perform the duties of the Remuneration Committee as stipulated by the regulations. Within the scope of these regulations, during remuneration of independent members of the Board of Directors, stock

options or payment plans based on the Company's performance are not employed. Wages of the independent Board members are set during the General Assembly by making sure that they are at a decent level to ensure the members' independence.

The Board of Directors is responsible for ensuring that the Company achieves its operational and financial performance objectives as identified and disclosed to the public. Remuneration principles for Board members and senior executives are recorded in writing and submitted to shareholders as an individual article at the General Assembly, thus giving shareholders the opportunity to express their opinions. The Remuneration Policy for the Board and Senior Executives prepared for this purpose is issued on our website. Wages and all other benefits given to members of the Board of Directors and senior executives are disclosed to the public entirely through the annual report and in the footnotes of financial statements. Akenerji does not extend loans or credits to any Board members or senior executives and does not give assurances such as pledges in favor of them. kullanılmamaktadır.

Audit Committee

The current internal control system -particularly in terms of improving effectiveness and efficiency of Akenerji operations, ensuring reliability in financial reporting and compliance with laws and regulations- is audited within the framework of the annual internal audit plan, by the Audit Group within Akkök Holding A.Ş. and CEZ a.s., and the results are reported to the Audit Committee. In the aforementioned annual internal audit plan, primary risks within the framework of corporate risk management are prioritized. The effectiveness of the internal audit activities is reviewed by the Audit Committee in the meetings held four times a year. At these meetings, when required, the opinions of the internal auditor, independent auditor or other Company executives are taken.

The Board of Directors reviews the effectiveness of risk management and internal control systems at least once a year. Information regarding the existence, functioning and effectiveness of internal controls and internal audit is presented in the annual report.

Shareholder Involvement in Company Management

Akenerji shareholders benefit from the opportunity to make suggestions and give instructions to the highest governance body of Akenerji in the most extensive way at the General Assemblies. In order to ensure that this opportunity is provided to all shareholders, "General Assembly Briefing Documents" drawn up to include aspects stated in the Communiqué of Corporate Governance by Capital Markets Board (CMB) are issued prior to General Assembly meetings.

Our shareholders have the opportunity to inform the Investor Relations Department in writing, on issues requested to be handled at the General Assembly meetings. For material issues of the agenda, related members of the Board of Directors, other related

people, executives responsible for the preparation of financial statements and auditors are present at the General Assembly meetings with the aim of informing shareholders and answering related inquiries.

All shareholders have the right to obtain and review any kind of information that is not classified as a trade secret, within the framework of the regulations in effect. All shareholders, including minority and foreign shareholders, are treated equally. The right to obtain and review information is neither removed nor restricted by the Articles of Association or by a decision of any corporate body.

In addition, our website is designed and updated in compliance with the Communiqué of Corporate Governance by CMB. Stakeholders can contact related officials through the Company email address: info@akenerji.com.tr or via the Communication Form available at <http://akenerji.com.tr/en/iletisim-formu>. All basic information in our Turkish website is also presented in English for foreign investors.

Ethical Practices

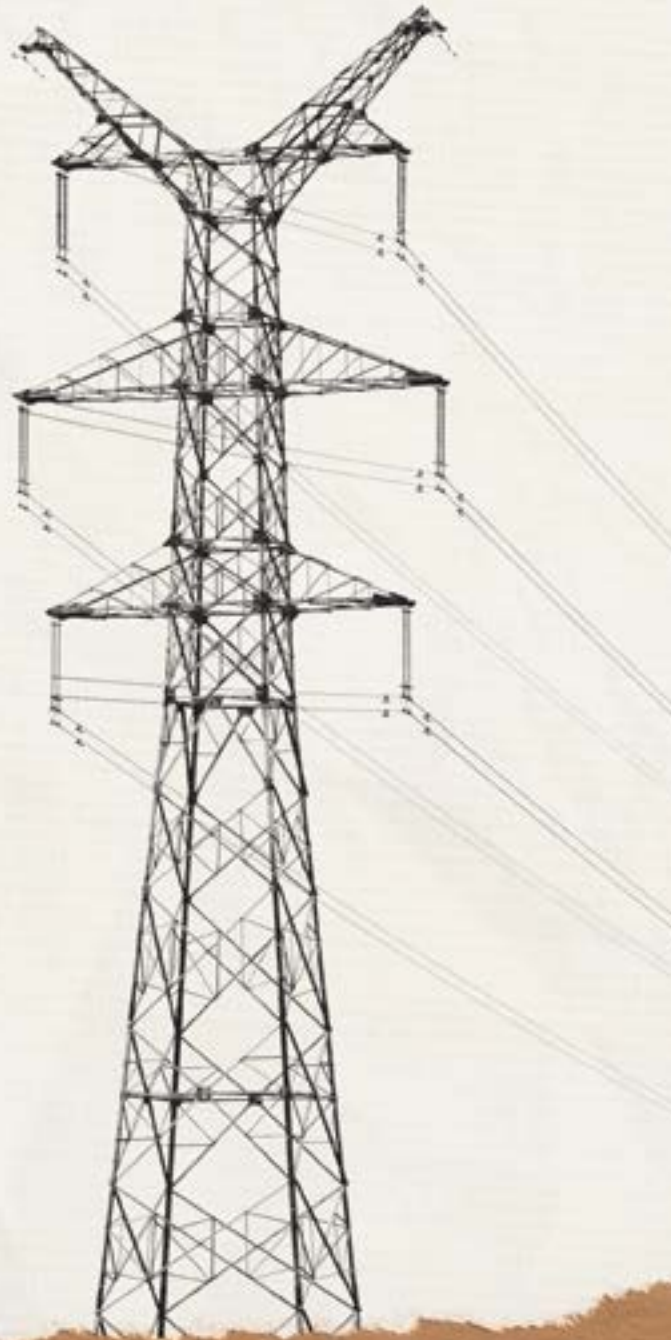
The fact that Akenerji employees work by adhering to high ethical values is a prerequisite in all operations and a cornerstone in the corporate culture. All employees, including the Board, are expected to abide by Akenerji Ethical Principles while working.

Our Ethical Principles are prepared in accordance with the Turkish regulations and laws and by considering the best practices in the world. Compliance with these principles is ensured and monitored through the Ethical Principles Procedure and Personnel Regulations. Our Ethical Principles Procedure covers anti-corruption measures and is shared with all employees through our Document Management System. Compliance with all Company procedures and regulations including the Ethical Principles is an integral rule of our Personnel Regulations. In addition, the Personnel Regulations that are distributed to all employees by signing for, give information on the rules to abide by in the workplace and the sanctions applied in non-conformity.

Employees who believe to have witnessed acts non-conforming to our Ethical Principles can e-mail their complaints to etik@akenerji.com.tr and request further investigation of the issue.

Ethical Principles Training

In 2015, at our Head Office, we continued with trainings on Akenerji Ethical Principles that were provided in all our power plants in 2014. In these trainings, our Ethical Principles were explained and feedback channels in the case of potential non-conformities were disseminated.



Ethical Principles

Integrity, reliability and fairness:

- It is a fundamental principle to build trust-based, steady and honest attitudes and communication with all business related people and institutions.
- Integrity and mutual trust is the basis of all internal and external relationships and processes.
- Our Company offers a healthy and safe working environment and a professional development foundation based upon equal opportunity to all employees.
- Our Company does not make discrimination, it adopts an equal and fair approach.
- Our employees do not behave in a distressing or harassing manner towards other employees or third parties.

Responsibility

- Our Company pays attention to fulfill its responsibilities towards customers, employees, suppliers and business partners, competitors, environment, and society.
- Our employees clearly distinguish beliefs, world views and political opinions from their working environments, duties and responsibilities.
- Our employees are responsible for reinforcing and protecting the name and reputation of our Company and using the resources efficiently. They avoid any images, behaviors or actions that may harm this responsibility and put the Company in a difficult situation.
- Our employees act in full awareness and responsibility of producing more than consumed and save resources while performing their duties.
- We pay attention to share the value we create through our operations with our country and society. All donations and sponsored social responsibility projects are publicly announced.

Confidentiality

- Confidentiality of all commercial and personal information on employees and customers is a fundamental principle.
- Our employees are aware of the confidentiality of private information on the Company, other employees and stakeholders. They must keep such information confidential. Such information can solely be used with professional purposes required by the job and duty and in full compliance with the related laws and regulations. This information can be shared only with the related authorities.
- Our employees do not reveal any secrets, confidential information, information subject to intellectual property rights or related documents (whether duty-related or not) to unauthorized people or bodies outside the Company, including their family members.
- This liability continues even after the employee's relation to our Company is terminated.

Avoiding conflict of interests

- Our employees avoid conflict of interest and perform their duties in line with the accountability and transparency principles. Conditions in which individual interest may conflict with the interests of Company or related people and institutions are monitored and prevented.
- Our Employees do not have any personal debt-credit relationships with parties directly or indirectly related to their duties. They do not accept any benefits offered or use our Company's reputation for personal benefits.
- While performing their duties, our employees hold the Company's interests above everything else and avoid actions or behaviors that may mean capitalizing on the Company's resources or reputation for benefits to oneself or kinsmen.
- Our Employees do not offer or take bribes while working with third parties. Exorbitant hospitality services, presents, etc. are neither offered nor accepted.

Adherence to laws and regulations

- Our Company performs within the framework of Ethical Principles, laws, codes, regulations, and legislations and in full conformity with sustainability principles. We respect the environment, natural life and public health. Our employees also perform in the light of these principles.
- Our Company and employees avoid any acts that may harm free and fair competition. We compete efficiently and only in legal and ethical grounds. We refrain from unfair competition, but support and promote initiatives that serve a fair competition-based business structures.

Bookkeeping and records

- Keeping Company books and records fully and completely is a fundamental principle.
- All reports, presentations, financial statements, and footnotes to be publicly disclosed and presented to authorities are prepared and kept timely, completely, clearly and transparently in line with the laws, legislations, Company regulations and Ethical Principles.

Ensuring Efficient Business Processes

As Akenerji, we launched a project named ATOM (Akenerji Target Operating Model) in the second half of 2013, with the aim of establishing an Operational Model that is required to maintain and improve our competitive advantages in the changing market conditions. The main objective of the project is to review and organize the operating model of our Company, which has been developing in parallel and even faster than the energy industry itself, by also taking future strategies into consideration.

We adopted the project through three perspectives – namely, organizational structure and governance model, business processes, and implementation model for information technologies. In the first quarter of 2014, we completed the first phase of the project and made some organizational changes. Then we launched the implementation of 22 complementary projects that have been prioritized and scheduled. As planned, the resulting Corporate Governance, Strategic Planning and Purchasing practices were put into effect in 2014.

In 2015 we continued with the projects that we had planned to realize in the fields of Risk Management, Information Technologies and Human Resources. We summarize below the developments regarding these projects:

In ATOM Project, that is intended to regulate the processes within our Company, we realized activities focusing on the set-up and maintenance of the processes in concert with Information Systems Framework (IT Landscape).

Within the context of Risk Management, the automatization of the process controlling of our energy trade is of great significance as it brings predictability and controllability of the risks undertaken during the operations. For this reason, we started the Energy Trade and Risk Management (ETRM) Application Software Installation Project that is intended to enable the registry and storage of operation logs in the database. Thus, improvements will be imminent in terms of both operational volume and speed, as well as the effectiveness and speed of measurement and control of the risk. The project was on schedule in 2015 such that the hardware was supplied to the system's datacenter, installations were completed, analysis and design works were done. The start-up of the system was planned for 2016.

In addition to the aforementioned activities, with the goal of having up-to-date and failsafe Information Systems, Asset Management Software was upgraded to its most recent version. In the meantime, we did not only upgrade the software, but, in harmony with our evolving business requirements, we also redesigned the system, developed the coding structures as well as realized the automatization of process conformance and labeling / locking procedures, for all of our hydroelectric power plants.

There have been developments regarding the security of Information Systems with regard to the requirements

of ISO 27001 Information Security Management Systems. Based on the results of previous penetration tests, the upgrade of system security schemes, adjustment of the settings to protect the user more, the upgrade of security standards of the network elements and harnessing the control of access settings were also fulfilled. Periodic penetration tests and security gap audits will be planned and carried out.

One of the issues that was of importance to our business processes in 2015 was the merger of our group companies. Mem and Akkur merged under Akenerji and their ERP (Enterprise Resource Planning) systems were analyzed in terms of the procedures and the necessary adjustments were made in all the ERP modules after parametrization.

With the constitution of the related legislation, we have gone through an environmentalist process shift within the scope of e-book and e-invoice. E-book and e-invoice applications were started for our legal entities that fall into the scope of the legislation. The invoicing processes of especially the high volume retail customers will be realized starting from the beginning of 2016 via the e-book keeping system integrations. This way, the process has become more sustainable with the elimination of the use of paper.

We put into practice the applications that became prominent during the evaluation of Employee Value Proposition in the context of Human Resources. In this vein, the expectations and requirements of our employees were measured by an Employee Satisfaction Survey in 2014 and the results were shared with the employees in 2015. In 2015, our Company initiated the Employee Engagement Project in order to address the issue through a broader perspective. Consequently, the action items as a result of the Employee Engagement Project survey, were set about in 2015 and will continue in 2016. Within this framework, as of 2015, active steps were taken considering the Employee Engagement Project.

Our undertakings in the fields of Information Technology and Human Resources will continue in the long-term.

Risk Management

Risk Management establishes systems and monitors actions to define and assess risks and opportunities that could impact the Company's targets; it ensures that these are managed according to the policies set by the Board of Directors. With the Enterprise Risk Management (ERM) project initiated in 2012 and completed in June 2013, risk inventories were formed in the Company, which enabled the creation of a corporate risk map and the description of roles and responsibilities. Risk Management Committee meets monthly and reports to the Board every other month. The Company Risk Appetite Statement that is updated according to sectoral and corporate developments and approved by the Board, is used as a guide for all business units for the implementation of risk mitigating activities.

At Akenerji, risk management is done to protect company assets and values in principal. Therefore, it entails the sustainability principles that holistically cover all factors including the intangible assets of the Company. In the light of this approach, the economic, environmental, social and governance risks of the Company are defined, hence managed. With an understanding beyond risk mitigation, we strive to create value in these fields. Awareness raising trainings given to local community living in proximity of the hydroelectric power plants, various trainings given to employees to avoid work and vehicle-related accidents are some of the actions taken to prevent and lower our environmental and social risks.

In order to abide by the Article 378 of Turkish Commercial Code No.6102 effective as of July 2012, Early Risk Detection Committee was formed under the supervision of Akenerji Board of Directors. The committee ensures early detection of risks as well as their management, and that necessary precautions are taken for detected risks. Akenerji independent Board members Mr.Hakan Akbaş and Mr.Jiri Schwarz have been assigned as the Committee Chairman and the Committee Member respectively. The Committee reports to the Board every other month towards the fulfilment of its duties and responsibilities.

The Akenerji Strategic Planning and Risk Management Department determines and evaluates the risks in accordance with Company risk procedure and limits, and in cooperation with the Risk Responsibles assigned for each unit. The Management prioritizes reports, and monitors the risks in line with the Risk Appetite.

While the risks are managed within the framework of Corporate Risk Management, the Risk Management Committee was established in March 2015 to make quicker decisions and take immediate actions due to the changing market conditions (more liquid and competitive). The Committee members are composed of the General Manager, Deputy General Managers, Directors, and Strategic Planning and Risk Manager. The Committee convenes on a monthly basis, and it is ensured that the necessary actions are taken by discussing the risks that the company incurs / may incur in the changing market conditions.

Risks in Akenerji are assessed and followed up under 5 main headings:






- Reputational risks
- Compliance risks
- Strategic risks
- Operational risks
- Financial Risks



Feke II HEPP



RESPONSIBILITY IN OUR VALUE CHAIN

-  Our Approach
-  Value Added to Our Customers
-  Sustainability on Our Supply Chain
-  Contribution to Local Economy
-  Investments in Project Phase



CUSTOMER
SATISFACTION
SCORE
3.82/5



TOTAL NUMBER OF
SUPPLIERS
AUDITED
6

We operate responsibly in full awareness of the fact that our environmental, social and economic responsibility reaches far beyond our own plants and employees and also cover our suppliers and customers.

Our Approach

Our sustainability practices and expectation of high-performance have direct influence on our customers and suppliers, who are significant stakeholders within our value chain. With the smart electricity solutions, we offer to our customers, we support them in improving their own sustainability performance. We encourage contractors and other suppliers who are carrying out investments in project and construction phase to operate with high-sustainability standards.

Value Added to Our Customers

On account of our investments in renewable energy to diversify our sources for generation, as well as the activation of 904 MW Erzin NGCCPP in 2014, our installed capacity reached 1,292 MW. Thanks to the contribution of our well-balanced energy generation portfolio, today we operate as one of the largest private energy companies in Turkey and have a leading role in the retail and wholesale electricity market with the support of our high-generation capacity.

Akenerji Retail not only sells electricity to industrial and commercial customers that are classified as independent consumers, but also steers the industry with the effective solutions and services it offers by considering the rapidly-changing market dynamics.

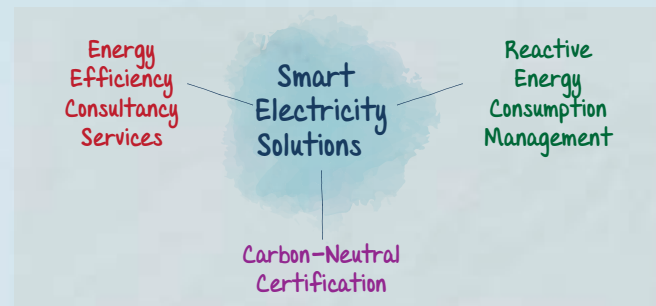
Our Company closely monitors the needs of customers and supports their business operations with the strategies that it devises through accurate analysis. We have improved our customer portfolio thanks to the products and services we offer within our “Smart Power” approach, which is created as a result of such analysis.

Regional Sales Project that we launched in 2012 expanded in 2014 and we increased the number of regions covered. Our sales teams introduce Akenerji to potential customers in the regions, meet customer needs faster and with face-to-face communication. Although price seems to be the most important factor in energy supply, the supplier’s experience in the market, know-how, presales and post-sales service quality are also of great importance. In 2015, we continued to reach more customers in a more extended regional network and assigned employees for constant contact with customers by forming Akenerji Authorized Agents Network.

Smart Electricity Solutions

We, as Akenerji, perform sector-based analyses of customer needs to develop new products and services. With the aim of adding value to our customers and distinguishing our company in terms of solutions offered to the market, we launched “Smart Electricity Solutions” in 2014. With these solutions, we provide continuous support to our customers and prove our commitment to serve them with our energy generation and sales services. We aim to reach a high level of customer satisfaction with the products and services within our smart electricity portfolio.

Smart Electricity Solutions include three major services:



With Energy Efficiency Consultancy Services, we aim to decrease unit energy consumption thus lowering the energy consumption cost, which is a significant expense item for many companies. Enterprises that demand can receive energy screening services from our authorized energy consultancy firms in exchange for a certain fee. The screening process reveals areas to be improved in terms of energy efficiency and alternative solutions are then offered to companies.

Another solution that we offer our customers is the installation of remote monitoring systems that allow them to monitor and manage their reactive energy consumption. Customers using this system avoid reactive energy consumption hence related monetary penalties. Our objective is to add value to our customers by controlling this cost, which significantly increases electricity expenses when managed improperly.

Finally, we offer internationally-approved emission reduction certifications to customers through our renewable energy investments. These certifications enable companies to become carbon-neutral in terms of the electricity they consume. This solution helps environmentally responsive companies that would like to mitigate or diminish to “zero” carbon footprints resulting from electricity consumption and other processes.

Customer Satisfaction Survey

The primary component of our efforts to ensure customer satisfaction is our survey. In this year's online survey, we asked 11 questions to our customers to identify the level of customer satisfaction. With these questions, customer feedback on general satisfaction level, attitude of Akenerji employees, level of expertise, service quality of Akenerji were received. Customers rated our performance on a scale of 5. The results of the survey are given in detail in "Performance" section of this Report.

The outcomes of 2015 surveys reveal that our customers are, in general, fond of the performance of Akenerji. Average satisfaction score is 3.82 out of 5. Attitude of Akenerji employees, understanding customer needs, ease of access, overall satisfaction and level of expertise play important roles in achieving such a high level of satisfaction. Customers give positive feedback on Akenerji's capability to understand and quickly meet the needs of its customers with its expertise and this enhances the level of service in the eyes of the customers.

With the annual customer satisfaction survey, we achieve a better understanding of customer needs and expectations and we include improved customer knowledge and insight into our service management.

Customer Satisfaction Survey Results

Main Sections of Survey	2015 Results
Overall Satisfaction	3.84
Understanding Customer Needs	3.84
Ease of Access to Responsibles	3.89
Employee Attitude	4.03
Employee Expertise Level	3.81
Quick Provision of Solutions	3.68
Troubleshooting for Electricity Consumption	3.73
Service Quality Compared to Other Companies	3.76
Customer Satisfaction Score	3.82

Note: The highest score for the evaluation is 5.

Sustainability on Our Supply Chain

It is our priority to establish and maintain legal and contract-based relationships with our suppliers. While procuring products and services from our suppliers, we take into consideration international and sectoral standards. We also consider supplier information as trade secrets and therefore protect their confidentiality. Within the framework of our Supplier Selection and Evaluation Procedure, before starting to work with a supplier, we perform a pre-selection phase to decide on the most appropriate candidate. We evaluate suppliers' practices regarding Quality, Environmental and OHS Management Systems as well as criteria such as

compliance with Akenerji specifications and delivery deadlines, prices, and methods of payment. We expect all of our suppliers to share our vision of responsibility for sustainability and environmental issues. Therefore, among suppliers that equally meet all of our selection criteria, we prefer those with ISO 9001, ISO 14001, OHSAS 18001 certifications.

We select and start to work with suppliers as a result of our Supplier Selection and Evaluation Procedure, and then once the product and service purchase is completed we evaluate their performance. We use evaluation criteria such as conformity of raw materials, products or services with the Akenerji specification, delivery time, complaint management, and harmonization with Akenerji. As a result of this evaluation, we continue to work with the suppliers who meet the required criteria and maintain good performance.

In 2014, with the aim of documenting that our suppliers operate in conformity with the laws, we reviewed and re-prepared the lists of documents required for each service procurement. For instance, before starting to work regularly with a supplier in areas such as planned maintenance, waste disposal, disinfection, health screening, etc., we request the required documents in advance. These documents may include certifications of equipment subject to periodical control and tests, certifications and / or competency documents, employment and periodical health report of employees to work on site, OHS trainings, occupational trainings, Social Security Institution (SSI) service scheme, risk management documents, MSDS of chemicals to be used on site, etc. Thanks to this practice, we ensure that our suppliers operate in conformity with the laws. As of mid-2015, written commitments of our suppliers regarding the legitimacy of their operations were attached to their contracts. The same procedure will also be cautiously repeated for service procurement contracts in 2016.

With the aim of evaluating at least one supplier in terms of integrated management systems we started to employ a new procedure in our supplier evaluation processes in 2015. Our related personnel at the Head Office conducted evaluations within the framework of Information Security Management System at 1 supplier, and Environment, Quality and OHS Management Systems at 2 suppliers. Besides, extending beyond our targets for supplier evaluations, our teams at the power plants performed 4 more supplier evaluations. Consequently, through exchange of opinions on problems and successful implementations, opportunities for continuous improvement could be achieved. Outcomes of these evaluations helped us identify the areas to be improved and encouraged our suppliers to work on these areas.

We started to audit our suppliers within the scope of Integrated Management Systems.

Contribution to Local Economy

We, as Akenerji, try to make direct and indirect contributions to the local economies of the regions we operate in. Therefore, we pay attention to select local suppliers for products and services required in our power plants. This approach also aims to minimize commuting time and to enhance our local supplier pool to immediately solve potential problems in power plants.

Investments in Project Phase:

Kemah Dam and Hydroelectric Power Plant

Kemah Dam and HEPP project, which is implemented by Akenerji to add value to the Turkish economy and the energy sector, is an indicator of the importance that we attach to renewable energy generation.

The project engineering works for this power plant in the town of Kemah, in Erzincan, was completed in 2015. Besides, we completed the preparation of technical specifications of construction and electro-mechanical works of Kemah HEPP Project in 2015. We are now expecting the approval of State Hydraulic Works (SHW). Before initiating the acquisition process for the lands within the scope of our Kemah Dam and Hydroelectric Power Plant Project, the Resettlement Action Plan to reduce the social impact of the projects as well as to ensure social sustainability, create awareness in local communities and achieve their contribution to the project investments in line with their expectations, was completed in the last quarter of 2015.

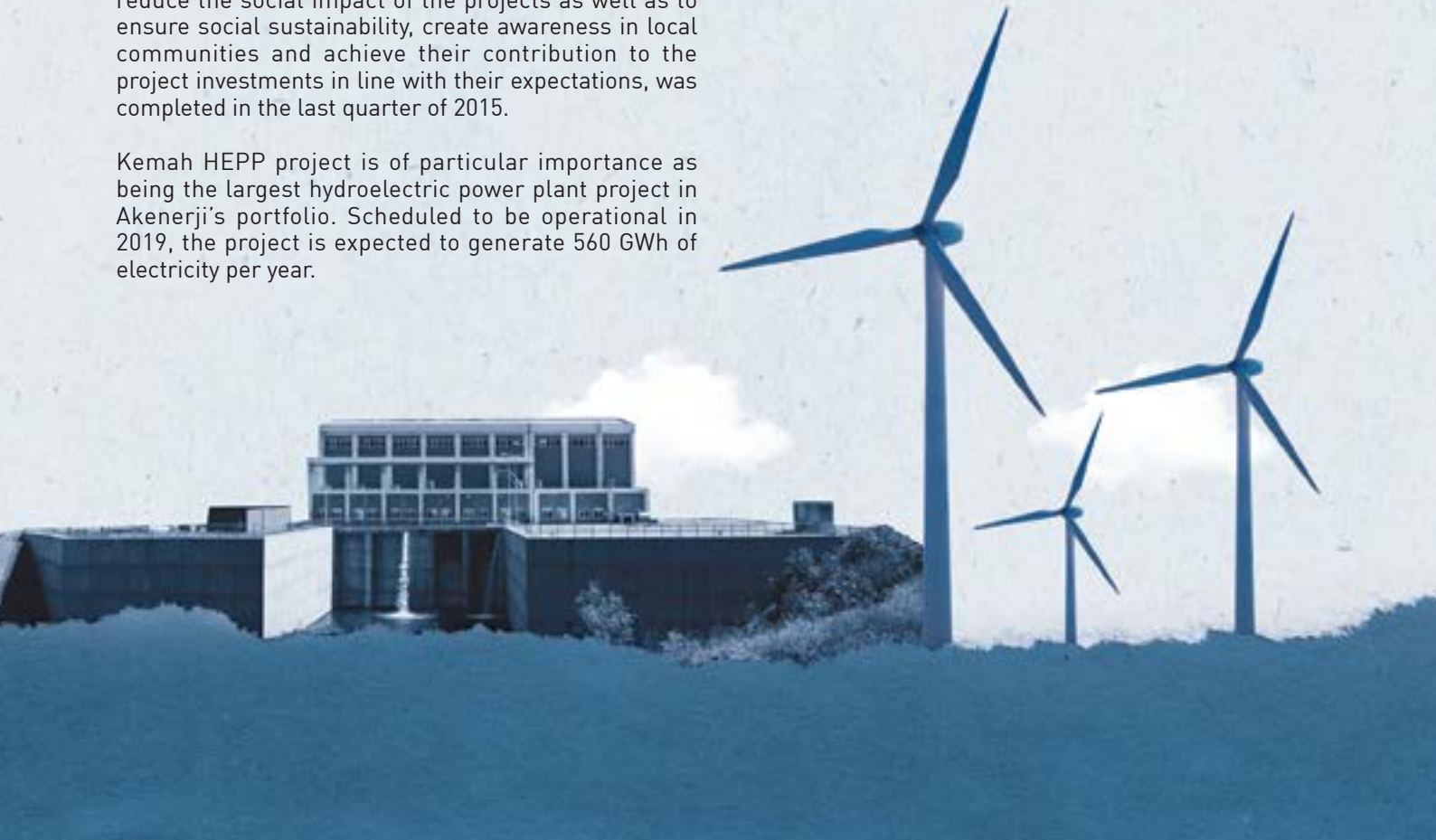
Kemah HEPP project is of particular importance as being the largest hydroelectric power plant project in Akenerji's portfolio. Scheduled to be operational in 2019, the project is expected to generate 560 GWh of electricity per year.

Ayyıldız Wind Power Plant

In 2015, the installed capacity of Ayyıldız WPP is decided to be increased from 15 MW to 28.2 MW. This decision is an indicator that Akenerji maintains a diverse portfolio and continues to invest in renewable energy resources. In October 2015, Energy Market Regulatory Authority (EMRA) approved our application regarding the capacity increase of Ayyıldız WPP.

Environmental Impact Assessment of the project is completed, relevant institutions approvals are obtained and "EIA Not Required" decision was made. Following this, the installed capacity of Ayyıldız WPP will be increased and EMRA license will be amended.

Within the scope of the project investment, all works and operations regarding mapping, local zoning plan, geological and geotechnical studies, wind turbine tender and the investment, were started quickly. The capacity increase investment operations are expected to be complete and operational by the end of 2016.





Erzin NGCCPP

OUR INTEGRATED MANAGEMENT SYSTEMS

Environment, Quality, OHS, Information Security

A major part of our sustainability efforts are implemented within the framework of our Integrated Management System. Since 2008, our power plants and the Head Office are subject to integrated management systems, including ISO 9001 Quality Management, ISO 14001 Environmental Management and OHSAS 18001 Occupational Health and Safety Management Systems. All Akenerji locations subject to independent Environment, Quality and OHS audits in 2015 achieved “zero nonconformities” and Erzin NGCCPP that became operational in 2014 was also included in the certification after related audits. As of the end of 2015, 11 Akenerji locations (Head Office, Akocak, Ayyıldız, Bulam, Burç, Feke II, Feke I, Gökaya, Himmetli, Uluabat and Erzin Plants) obtained and maintained their Integrated Management Systems certifications.

Environment, Quality and OHS performance of Akenerji is managed by the Directorate of Environment, Quality and OHS within the Office of the Production Deputy General Manager. Integrated Management System is within the responsibility of the Quality Project Team led by the Directorate of Health, Safety, Environment and Quality. The Quality Project Team consists of Head Office and power plant employees bearing internal audit certificates.

Integrated Management System is executed through an annual review of all processes. In accordance with the internal audit plan issued, employees bearing internal audit certificates perform this review. Outcomes of the mentioned audits are evaluated by the Company executives and are shared with all employees.

In our power plants, a Environment, Quality and OHS Suggestion System that encourages employees to share their opinions is implemented. In 2015, power plant employees made 44 suggestions through this platform, which is a part of the Integrated Management System. Each suggestion was carefully reviewed and executed depending on its feasibility.

ISO 27001 Information Security Management System was Implemented

The efforts towards pursuing TS/ISO IEC 27001 Information Security Management System (ISMS) standard at Uluabat and Erzin plants, as well as the Head Office where the processes of these plants are directed, were initiated in 2015.

To this end, "Information Security Project Team" was consisted of our employees. Information Security Policy was disseminated to all employees and the 3rd parties. Risk evaluations and asset inventories were prepared for each process and internal audits were realized. Furthermore, in order to increase awareness and to instill internal auditor qualifications, this team of employees were provided with 300 man-hours of ISMS Awareness Training and 270 man-hours of ISMS Internal Auditor Training. Additionally, all the personnel at the Head Office, Erzin and Uluabat plants were given 390 man-hours of Information Technology Policies and Principles Training as well as 75 man-hours of Information Security Management System Training.

As a result of all these works, first and second level audits were successfully completed and certification process was started.









We received our
ISO 27001
**Information Security
Management
System Certificate**

External
audit of our
Integrated Management
Systems has been
completed with
"Zero Non-conformity".





ENVIRONMENTAL RESPONSIVENESS

-  Our Approach
-  Environmental Management
-  Energy Management
-  Water Management
-  Climate Change Management
-  Waste Management
-  Biodiversity
-  Environmental and Quality Trainings



ENVIRONMENT &
QUALITY TRAININGS
1,461.5
MAN.HOURS

Our aim is to make investments for a clean and sustainable future of energy, to minimize potential risks by considering environmental impacts of our operations and to use natural resources in the most efficient way with the help of advanced technological solutions.

Our Approach

As Akenerji, our approach to environment is shaped by the concept of “always aiming to operate with an approach that is sensitive towards environmental issues for creating a future as bright as today”.

Our environmental performance data and practices cover eight hydroelectric, one wind and one natural gas power plants that were active as of 2015 as well as our Head Office in Akhan, İstanbul. Kemah power plant that was still in investment phase as of the end of 2015 is covered in the “Responsibility in Value Chain” section of the Report.

Environmental Management

We manage responsibly the impacts of our operations on the environment. In order to measure and mitigate the environmental impacts of our operations, we implement ISO 14001 Environmental Management System that is certified by independent audits.

Our Directorate of Health, Safety, Environment and Quality monitors our compliance with the environmental regulations and legislations. The Directorate is responsible for the operations of our Head Office in İstanbul and electricity generation plants in various cities in compliance with environmental legislations. In addition, each power plant has Environmental Representatives with Environment, Quality and OHS Management Systems internal auditor certifications. All departments are responsible in identifying and mitigating environmental impacts caused by our operations.

Compliance level of our operations with legal liabilities and creditor provisions is evaluated periodically. These evaluations include:

- Internal audits and external audits performed once a year within the scope of Integrated Management System,
- Internal Environmental Inspections performed in all sites by the Environmental Management Unit at least once a year within the scope of the Environmental, Audit Regulations.

Nonconformities detected are monitored through Environmental Internal Inspection reports prepared in agreement with the format used by the Ministry of Environment and Urbanization. Such nonconformities are treated with corrective and preventive practices in line with regulations and standards within the Integrated Management System. Thus, compliance with the Environmental Regulations and actions taken against deficiencies are closely followed.



Erzin Natural Gas Combined Cycle Power Plant

Established in the town of Erzin in Hatay, Erzin Natural Gas Combined Cycle Power Plant (Erzin NGCCPP) is among Turkey's largest natural gas power plants, with an average electricity generation capacity of 7 billion kWh. The plant has the electricity generation capacity to meet the need of approximately 2.25 million houses. The first unit of Erzin NGCCPP was started-up as of April 2014 and it became fully operational in the last quarter of 2014.

In the combined cycle power plant, electricity is generated not only by using natural gas as fuel, but also by using steam generated from the waste exhaust gases. In other words, the plant performs high-efficiency production by utilizing waste energy.

The plant's liabilities in terms of the Environmental Regulations are monitored by our Directorate of Health, Safety, Environment and Quality as well as an expert consultancy firm with legal competence. Field practices are performed together with the Environment, Quality and OHS Expert on site.

Environmental monitoring, analysis and evaluation of Erzin NGCCPP as stated in the "Environmental Impact Assessment Report" and "International and Social Environmental Impact Assessment Report" were launched in March 2011, covering pre-construction phase. In addition to the studies conducted to identify environmental and biological factors, we also measured noise, air and water quality to observe impacts of construction activities on the environment. As an extension of these, evaluation reports, operating and monitoring plans were prepared to guide us throughout the construction and operation period.

Monitoring of construction phase was completed in September 2014 and "Business Items in Operational Period" were initiated and finalized by the end of August 2015. The works carried out during this period are explained in the biodiversity section of the Report.

In 2015, the Plant obtained its license on Environmental License for Air Emission and Deep Sea Discharge within the scope of Environmental License Regulations, and it is being monitored in terms of Environmental Legislations.

Our practices to monitor and mitigate environmental impacts of the Plant are as follows:

Greenhouse Gas Monitoring

At our power plant electrical energy is generated by burning natural gas via the use of dry low NOx technology that has low emission values. Flue gas emissions are continuously monitored by the emission measurement system. In 2015, Ministry of Environment and Urbanization started to remotely monitor the Continuous Emission Measurement System. Besides, by the air quality measurement and monitoring system established under the coordination of Environment and Urbanization Directorate of the city, Hatay, air quality parameters can be monitored. This way, it has become possible to continuously monitor air quality and take necessary precautions on time.

The "Greenhouse Gas Monitoring Plan" prepared for the Erzin NGCCPP within the scope of the Regulation Regarding Monitoring of Greenhouse Gas Emissions was submitted to and approved by the Ministry of Environment and Urbanization. With the approval given in 2015, greenhouse gas emission monitoring and monthly reporting were initiated in conformity with the Greenhouse Gas Monitoring Plan. Until the end of April 2016, the accreditor institution authorized by the Ministry of Environment and Urbanization will present our Accredited Greenhouse Gas Report to the ministry. When monitoring, confirmation and reporting of greenhouse gas emissions in plants become operational, Turkey will have measurable, reportable and verifiable emission data.

Waste Water Discharge

Domestic waste water treatment plants, cooling water blow-off, industrial waste water treatment plants, and reverse osmosis systems using sea water are combined in a discharge pit and then discharged within the boundaries of the deep sea discharge parameters. In addition, the Plant has a remote waste water monitoring station and various parameters of discharged water can also be monitored online by the Ministry.

Deep Sea Discharge

In June 2015, in accord with the Environment Legislation, Deep Sea Discharge Line was inspected and taped with the help of divers. Thus, existence of problems like leakage and obstruction of the line were controlled.



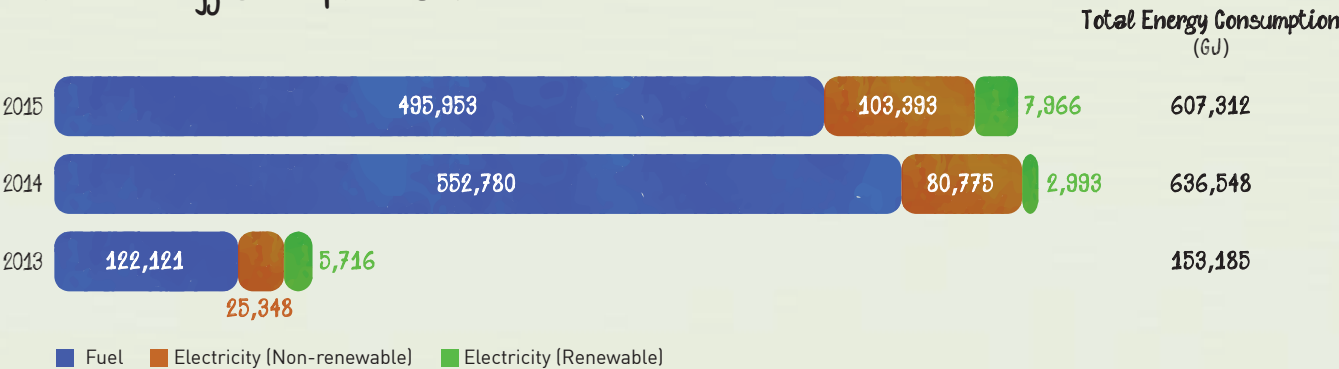
Energy Management

Majority of Akenerji's energy consumption is the electricity generated from natural gas in the day-ahead, balancing and day markets and the amount sold to customers. In addition, we need to consume fuel for our internal operations. These include natural gas and fuel oil used in the power plants and the Head Office, the diesel fuel used in generators, and diesel and gasoline used in vehicles. On the other hand, when necessary we purchase electricity from the network to be used in buildings and power plants. In our hydroelectric and wind power plants, though partially, we use electricity generated from renewable resources. We closely monitor the amount of energy we consume and take measures for energy saving.

Energy Consumption

The graph below shows our fuel and electric energy consumption data by source. Natural gas is the major fuel we consume. "Non-renewable source-based electricity" means the electricity purchased from suppliers and internally consumed at our premises. Electricity generated and internally used at HEPPs and WPPs is stated as "renewable-based electricity" in the chart. The table indicating detailed energy consumption data is given in "Performance" section of this Report.

Internal Energy Consumption (GJ)



Natural gas consumption is the amount that corresponds to our internal consumption. As Erzin NGCCPP became operational in 2014, natural gas consumption has increased. Moreover, with the close down of Kemalpaşa and Bozüyük NGPPs, there has been a decline in 2015.

Energy Efficiency and Saving

While generating energy at our NGCCPP, our priority is to ensure that the natural gas we consume is used in the most efficient way. We monitor energy efficiency in the micro and macro scale. In the macro scale, our natural gas power plants that operate as balancing units within the scope of the Balancing and Reconciliation Regulations work on the basis of cost-based "Market Clearing Price". As bidding method for especially natural gas power plants is cost-based, bids are made depending on the capacity we generate at high efficiency level to keep the plant running. Therefore, we try to minimize the amount of natural gas consumed per kWh electricity generated.

On the micro scale, i.e. per power plant, efficient consumption of natural gas is a material issue as it has direct effect on costs. Fuel efficiency performance data are monitored continuously by our Directorate of Fuel Supply and Power Plant Coordination. In case an abnormal value is identified in the real-time efficiency calculations in natural gas power plant, we intervene immediately, find and solve the root cause of the problem. In order to ensure that our hydroelectric power plants operate with maximum efficiency, we review daily production programs and make sure that the plants operate with optimum capacity. Operators working at power plants are responsible for energy management.

While making sure that our power plants operate with high performance to generate electricity, we also implement energy saving methods in our plants. The most important indicator of this situation is Erzin NGCCPP that has come to life with our investments.

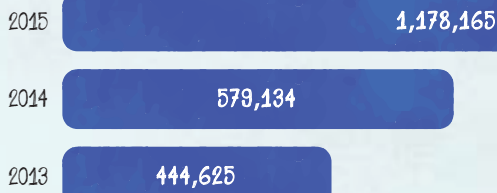
Water Management

Erzin NGCCPP supplies the cooling water required for its operations from the sea. High pressure steam and the water that is used in the turbines are drawn from the sea via reverse osmosis and used by means of high technology water treatment facility. In our hydroelectric power plants, the water to be used for cooling is drawn from surficial sources and then discharged to a river or stream without any loss in principle. For this reason, Erzin NGCCPP consumes most of the water among all our operations.

At our Head Office, HEPPs and WPPs we use water for domestic uses such as hygiene and cleaning. As in the

table below, water consumption trend is increasing in the last three years. The main reason is the activation of new power plants. As Çerkezköy NGPP was shut down, water consumption was significantly lower in 2013. On the other hand, the reason for the increase in consumption in 2014 with respect to 2013 is that Erzin NGCCPP, with high installed capacity was operational by September 2014. In 2015, water consumption increased due to Erzin NGCCPP being operational throughout the year.

Total Water Consumption (m³)



Depending on the geographical location of the power plants, the source of the water we consume varies from rivers, springs, seas, wells to waterworks. In order to save water, we implement saving projects within the framework of efficiency goals set for raw water consumption. Thanks to the measures taken for water saving, water consumption per power plant decreased last year.



Water Management at HEPPs

HEPPs use dam or river water to generate electricity. The water accumulated behind the dam passes through the generators that are propelled by water turbines and then discharged into the river or stream without any loss, in principle. In some of our HEPPs, dams are built for energy generation and thus dam reservoirs are created. In other HEPPs, energy is generated with the advantage of the natural slope and therefore there aren't any reservoirs. In our water management practices in areas with dam reservoirs, we consider the needs of local communities and the wildlife in order to ensure continuity of wildlife. On the other hand, in water resources without dam reservoirs, we implement water management according to the amount of lifeline water identified in the first phase of the project in line with the opinions of related public institutions.

Within the scope of the Cumulative Impact Assessment made during the project design of the HEPPs in Adana region, beyond legal requirements, we also performed surface water quality measurement, flow rate measurement considering locations with high risk of a change in hydrological characteristics (low flow rate) and identification of the ecological qualifications of the water.

In 2013, within the framework of the "Regulations on Procedures and Principles Regarding Signing Water Usage Rights Contracts to Perform Generation Operations in the Electricity Market", we had independent expert companies prepare Downstream Water Rights Reports for our operating hydroelectric power plants. As of the end of 2013, we had presented the reports of Akocak, Burç, Bulam, Feke I, Feke II, Himmetli, and Gökkaya power plants to the approval of related Regional Directorates of State Hydraulic Works and these reports were approved in 2014. The main reason for having these reports prepared was, in addition to determining the amount of water required for the continuation of wildlife around our hydroelectric power plants, to determine and calculate the amount of water use in operations such as fish farms, watermills and farmlands. While preparing the reports, site visits are made and opinions of public institutions including Special Provincial Administrations, Provincial Directorates of Food and Agriculture, Municipalities and Provincial Bank were sought.

Climate Change Management

We are aware of the role that energy companies assume in combating climate change. Developed on the basis of this awareness, our environment and climate strategy focuses on:

- Using modern and environmentally friendly technologies in electricity generation
- Investing in renewable energy sources
- Supplying carbon-neutral electricity to customers aiming to reduce or neutralize their emissions

While our value added practices are summarized below, the steps within the scope of CDP Programs, that are globally reputable and effective in the context of Climate Change, are also conveyed.

Modern and Environmentally Friendly Technologies

By employing modern and environmentally friendly technologies yielding high efficiency and low emission rates, we achieve maximum operational efficiency. For instance, at the Erzin NGCCPP that has the capacity to generate approximately 2.6% of the total energy demand in Turkey, we use an advanced technology ignition system to achieve a high efficiency target of 58%. By this means, relatively low greenhouse gas emissions are achieved and natural gas consumption is reduced.

As another step closer to our efficiency goal, we activated the "Close Monitoring System" during late 2013 in order to effectively manage imbalances resulting from energy generation at our power plants. With this system, energy imbalances are monitored real-time and can be minimized by taking immediate actions.

Renewable Energy Generation

We had started investing in renewable energy sources such as wind and hydroelectric by participating at the first hydroelectric power plant tenders held by the Energy Market Regulatory Authority (EMRA) in 2005. With this initiative, our Company became one of the first private electricity companies to invest in renewable energy. Currently our total renewable installed capacity at our WPPs and HEPPs increased to 388 MW. Thus, the share of the renewables in the total installed capacity of Akenerji increased to 30% as of the end of 2015.

Energy Efficiency Consultancy

With this service, we aim to decrease unit energy consumption thus lowering the energy consumption cost, which is a significant expense item for many companies. Enterprises that demand can receive energy screening services from our authorized energy consultancy firms in exchange for a certain fee. The screening process reveals areas to be improved in terms of energy efficiency and alternative solutions are then offered to companies.

Carbon Certification and Emission Trade

Another subject that we pioneer the sector is the emission trade. We continue carbon certification processes in all of our renewable energy power plants. Ayyıldız WPP and Bulam HEPP were registered with the Gold Standard, whereas Uluabat, Burç, Akocak, Feke I, and Feke II power plants were registered with Voluntary Carbon Standard (VCS). Among these plants, Uluabat HEPP is the largest hydroelectric power plant with a dam in Turkey that was registered with VCS. We actively sell registered emission reduction certificates of Ayyıldız, Akocak, Uluabat, and Feke II Power Plants. Certification processes for Gökkaya and Himmetli HEPPs that were operational in 2012, were concluded in 2013 and these plants are now registered at VCS and Social Carbon Standard.

“At the time of registry, Uluabat HEPP has been the largest hydroelectric power plant with a dam in Turkey that was registered with Voluntary Carbon Standard (VCS).”

Considering the total generation capacity of our renewable energy plants, we aim to prevent up to 1 million tons of greenhouse gas emissions. In other words, we target to make a contribution equivalent to the amount of fresh air that approximately 42.2 million trees provide.

Power Plant	Certification Sold (ton CO ₂ -e)	Approximate Corresponding Electricity Consumption (kWh)	Type of Certification
Akocak	43,350	77,174,972	VCS
Ayyıldız	10,150	18,069,803	GS
Uluabat	101,598	180,872,499	VCS (incl. Carbon-Neutral)

Carbon-Neutral Electricity

Another initiative that we realized to combat climate change is supplying carbon-neutral electricity to customers who aim to reduce or neutralize their emissions.

By considering the customers that are sensitive about their carbon footprints, we supply carbon-neutral electricity by offering our emission reduction certificates of our renewable energy power plants as a package besides electricity. Certification of carbon-neutral electricity that we supply is provided by an independent verifying institution. Customers benefiting from this service could set their carbon footprints resulting from electricity consumption, to zero.

Carbon neutralization means the process in which companies or consumers neutralize the effect of unpreventable carbon (greenhouse gas) emissions resulting from their operations through certified third-party projects that reduce carbon emissions.

Uluabat HEPP is the **largest hydroelectric power plant with a dam in Turkey** that has been accredited by Voluntary Carbon standard (VCS) as of the date of registry.



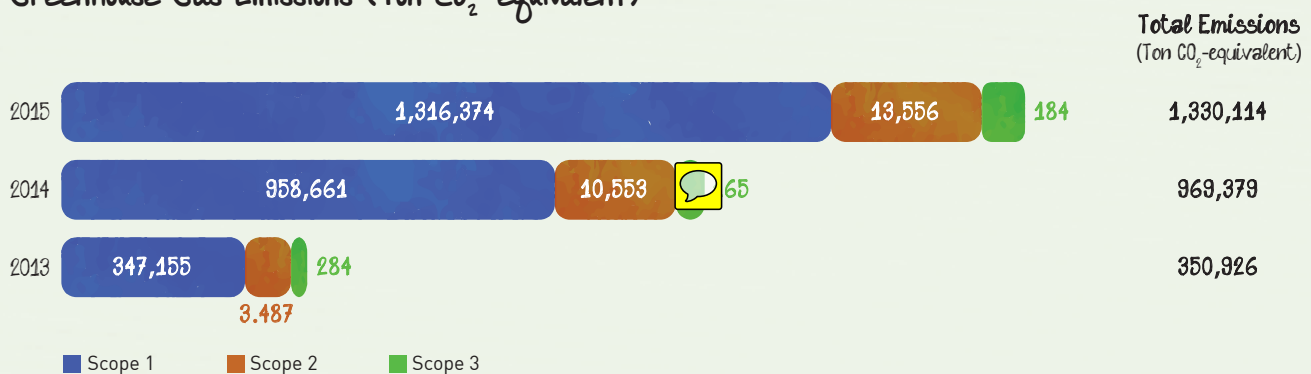
Greenhouse Gas Management

In addition to internal practices to combat climate change, Akenerji also plays an active role in projects implemented by governmental bodies and the business world. Fossil fuels such as natural gas, fuel oil, diesel fuel, and gasoline cause greenhouse gas emissions. The world of science recognizes the fact that greenhouse gas emissions cause climate change, which is a global problem. Therefore, this issue is included in the environmental legislation in Turkey. We, as Akenerji, try to fulfill our responsibility in combating the global problem of climate change in the best way possible. For this purpose, we do not only continue with our renewable energy investments, but also monitor, control and mitigate the greenhouse gas emissions resulting from our operations.

The chart below depicts the ton CO₂-equivalent of greenhouse gas emissions resulting from our operations. Almost all of the Scope 1 greenhouse gas emissions result from the burning of natural gas in our natural gas power plant. In addition, diesel fuel and gasoline consumed by our leased vehicles as well as natural gas and fuel oil used for heating in the buildings cause Scope 1 emissions, though in minor amounts relatively.

Scope 2 emissions result from the electricity consumed at the Head Office in İstanbul and the electricity procured to consume at the power plants. Emissions resulting from the travels by plane are reported under the topic of Scope 3.

Greenhouse Gas Emissions (Ton CO₂-equivalent)

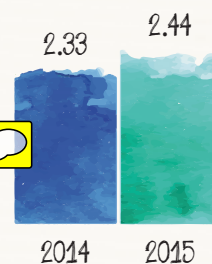


By September 2014, as Erzin NGCCPP became operational, non-renewable energy (natural gas) consumption increased, and this was reflected on Scope 1 values. When Erzin NGCCPP became operational, electricity procured from external suppliers almost tripled compared to the previous year. This resulted in the same level of increase in Scope 2 greenhouse gas emissions. Erzin NGCCPP was operational only some time during 2014, it was operational throughout 2015. Consequently, owing to the natural gas consumed for generation, Scope 1 and due to the natural gas consumption in the plant Scope 2 raised.

Nevertheless, our emission performance at Erzin NGCCPP, which was active in 2015 and constituted almost all of our Scope 1 emission, is satisfactory. When unit gross electricity generated per unit emission is considered, it can be concluded that our efficiency has increased.

While in 2014, for 1 kg of CO₂e emission gross 2,325 kWh electricity was generated, in 2015 this became 2,442 kWh. This concludes that we enabled a 5.1% of Scope 1 emission efficiency at Erzin NGCCPP.

	2014	2015
Gross Electricity Generation [kWh]	1,649,295,538	3,213,921,760
Scope 1 Emission (CO ₂ e kg)	709,540,398	1,316,041,044
Electricity Generated Per Unit Emission (kWh/kgCO ₂ e)	2,325	2,442



Emission Efficiency Improvement
5.1 %

We increased Scope 1 Emission Efficiency by 5.1% at our Erzin power plant.

CDP Program



CDP Climate Change Program

In order to publicly disclose our climate change strategy and calculated carbon performance data, we participated in the CDP reporting in 2011. As a global voluntary initiative with 4,000 reporters annually, CDP is introduced to ensure that information required to help corporations, investors and governments to take measures against the threat of climate change is gathered and shared. Companies voluntarily participating in the Project in Turkey disclose their carbon emission strategies and figures to create the basis of a country report. Data gathered from annual country reports are then used to devise strategies to combat climate change globally.

As Akenerji, we have been voluntarily participating in CDP Climate Change Program since 2011. Of the 35 companies in Borsa İstanbul – 100 (BIST-100) that are reporting within the scope of CDP Climate Change, being one of the two Turkish energy companies, in our publicly disclosed CDP report in 2015, we increased our disclosure score from 85 to 88 whilst maintaining our performance grade of C from the previous year.

CDP Water Program

CDP Water Program aims to move and guide companies by drawing on the fact that private sector needs to take responsibility. Turkey is one of the initial countries that the program will be carried out. The Program provides an effective and transparent platform for the companies to do water management.

Within the scope of the Program, 51 publicly traded companies from Turkey were invited, the risks associated with their water management have been considered to determine a sectoral filter. On behalf of the international investors, these companies were sent CDP Water Program questionnaire. Aside from 8 companies invited to the CDP Turkey Water Program in its first year, 7 companies responded voluntarily. Akenerji has been the first and only energy company to take part in CDP Turkey Program.

Akenerji has
been the first and
only energy
company to take part
in CDP Turkey
Water Program.

Waste Management

In order to prevent environmental pollution and preserve natural resources, we take necessary measures in waste management and pay attention to raise awareness on the issue. Disposal of solid wastes and discharge of waste water generated during our operations are implemented in full abidance by the provisions in related laws. By supporting waste management with effective projects, we aim to continuously improve the knowledge and awareness of our employees. To this end, we provide environmental regulations and waste management trainings on site and at the Head Office.

Waste management is performed within a plan at power plants and the Head Office in accordance with our Waste Management Procedure. Within the context of this procedure, our environmental representatives on site fill in waste records each month and with the consent of the Plant Manager these records are sent to the Directorate of Health, Safety, Environment and Quality at the Head Office for monitoring. In landfills built in concert with the Environmental Legislation, these wastes are stored temporarily; and when they reach a certain amount, they are delivered to companies licensed by the Ministry of Environment and Urbanization.

In 2014, with the aim of reducing environmental impact of our wastes, we improved the landfills in the town of Akocak in Trabzon, and the Feke II, Gökkaya, and Himmetli HEPPs in the city, Adana. As a result, landfills within power plants were equipped with the following qualifications as of 2014:

- There are separate sections for each type of waste and name of the waste to be stored is written on each section.
- Our wastes are stored on a leak-proof concrete floor.
- Landfills are closed areas with no contact with the outside.
- To avoid leakages, spills and splashes of liquid wastes, related sections are equipped with pool-shaped grids. Absorbent materials are always ready for use in case of leakage, spill or splash.
- Emergency fire extinguishers and warning signs are in place.

In 2015, the landfills of all the plants were internally inspected to preserve the aforementioned qualifications in accord with Environmental Legislation, and based on the results complementary works were realized.

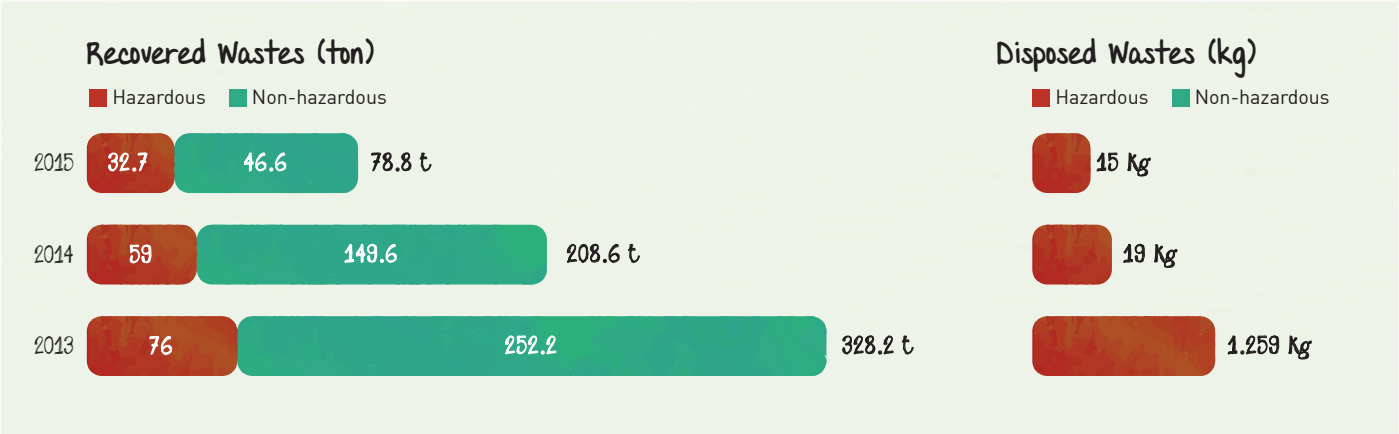
Solid Wastes

We dispose of solid wastes by a variety of methods including recycling, recovery, reuse, incineration and landfills, depending on the nature of wastes. Amount of waste is regularly measured and the delivery of these wastes to the companies licensed by the Ministry of Environment and Urbanization is reported to the related public institutions.

According to the waste categories identified in law, we sort wastes as hazardous and non-hazardous wastes. We deliver non-hazardous wastes generated at our

power plants and the Head Office to municipalities and send all other wastes to disposal companies licensed by the Ministry of Environment and Urbanization for recovery or disposal, under the supervision of our Environmental Management Unit.

Recovery and disposal distribution of the hazardous and domestic wastes generated at our active power plants and at the Head Office within the last 3 years are depicted in the following graph.



Note 1: In the framework of Waste Disposal Regulations”, among the “disposal” methods are warehousing, waste incineration, and among “recovery” methods are recycling and re-use.
Note 2: The data is calculated taking into account the amount of waste generated at the active power plants and the Head Office at year ends.

We do not have any undisposed hazardous waste. Since for non-hazardous waste, disposal is not necessary, it was recycled thus the amount of non-hazardous waste that is disposed is zero.

Waste Recovery and Disposal

As Akenerji employees, we reflected our environmentally responsive corporate culture upon our practices of collecting recyclable wastes. In 2015, both in Akhan and in all Akenerji power plants, approximately 10.8 tons of waste paper and packaging material were collected and delivered to recycling company. “Electronic Waste Recycling Project” that was initiated in August 2012 at Akhan and power plants, continued in 2015, thus 307 kg of electronic waste was recycled throughout the year.

At Akhan and power plants, 15 kg of waste batteries are gathered separately in 2015 and handed in to “Association of Portable Battery Producers and Exporters”

Paper Consumption and Recycling

Paper consumption is an issue we focus on and monitor in a location-based manner. Our paper consumption in operating power plants and the Head Office was 3.9 tons in 2013, 2.8 tons in 2014, and 2.3 tons in 2015. Paper wastes sorted by our employees are collected by the municipalities and recovered and recycled by a contracted licensed institution of the municipality.



“In the last three years, almost all waste resulting from our operations was processed with recycling methods.”

Waste Water

Our power plants generate two types of waste water: process waste water and chemical-loaded waste water. Ante-freeze and chemical-loaded waste water at HEPPs and turbine wash waters generated during the operation of Erzin NGCCPP and the breakdown of other power plants that ceased to operate, are reported as hazardous wastes according to the regulations and therefore delivered to licensed disposal companies.

We discharge our waste water in line with the criteria and methods defined in. Except for Erzin NGCCPP, domestic waste water of all other plants is collected in cesspools and then drawn by sewage trucks of municipalities or licensed institutions. Waste water of the domestic waste water treatment plant, cooling water blow-down and industrial waste water treatment plant of Erzin NGCCPP is collected at a discharge pit and then discharged within the boundaries of the deep

sea discharge parameters stated in the related regulation. Besides, there is a station for remote monitoring of waste water and discharge water can be observed by the Ministry of Environment and Urbanization. On top of these, within the context of Environmental License for Air Emission and Deep Sea Discharge, waste water internal monitoring is done by the laboratory accredited in accord with the related legislation and reported to local authorities.

The amount of hazardous waste water discharged and the places of discharge in the last three years are presented in the table below. In addition, in 2015 Erzin NGCCPP used 11,831,279 m³ of sea water as cooling water in closed system and then discharged it back to the sea without processing.

Water Discharge (m ³)	Place of Discharge	2015	2014	2013
Process Waste Water				
Bozüyük	Kocadere River via Bozüyük Municipality waste water line	-	43,200	29,512
Erzin	Mediterranean Sea	721,956	273,960	-
Kemalpaşa	Kemalpaşa Organized Industrial Zone waste water infrastructure	-	11,062	19,704
Total		721,956	328,222	49,216

Note 1: Domestic waste water delivered to the sewage system is not included in waste water figures.

Note 2: Turbine wash water was included in this table prior to 2013, however since 2014 it is included in the hazardous waste amount in agreement with the regulations

Note 3: Erzin NGCCPP has become operational as of 2014

Biodiversity

In our country, new plants or capacity increases in existing plants may be subject to Environmental Impact Assessment (EIA) within the scope of their impacts on conservation areas and biodiversity, as required by the Environmental Law. In such projects that are subject to EIA, all aspects of biodiversity are taken into consideration, measures to mitigate potential negative effects are identified and activities are planned by setting goals.

In line with the EIA Regulations, we follow the legal processes by taking necessary precautions in both investment and operation phases so as to minimize the impact of power plants on the natural ecosystem. In order to perform environmental monitoring, analysis and evaluation of our Erzin NGCCPP as stated in the "Environmental Impact Assessment Report" and "International Environmental and Social Impact Assessment Report", we started to cooperate with an expert service provider as of March 2011, before the construction started. While studying underground and surface water, soil quality, flora and fauna, we also monitored the population of sea turtles and other species that are of importance for the region. Besides, sea water quality parameters were checked and land fauna works were completed in September 2014. In

addition to these processes to be continued during the operation of the power plant, soil quality, planktons, benthic invertebrates and fish were continuously monitored and reported by a laboratory until the end of August 2015. As of the end of August 2015, all monitoring studies that need to be done were completed. In 2016, only the swimming water quality will be monitored for the first two years of operation. In addition to this, studies within the scope of EIA Commitments will be realized by monitoring the swimming water quality parameters once every year the plant will be operational. Consequently, not only the liabilities arising from Environmental Legislation, but also the environmental impact of the plant will be monitored.

In exchange of electronic waste delivered from our plants in 2015, 400 stone pine seeds were donated to the disposal company, which the electronic waste was delivered to. Within the scope of the project, these donated seeds will be distributed to the students around Turkey. 6 saplings were donated to the memorial forest.

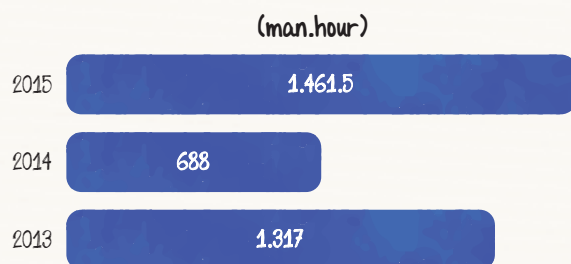
In order to contribute to our afforestation efforts and employee engagement, a new practice was initiated in 2015. Accordingly, donations were made to TEMA Foundation for our employees' birthdays, thus a total of 97 saplings were donated within 2015.

In an attempt to enrich the natural life and afforest the land where our plants exist, in 2015, we planted 3,933 saplings to the regions where our WPP and HEPPs are located. Additionally, environmental restoration works are also carried out in most of these locations.

Environmental and Quality Trainings

We provide environmental trainings to our employees on issues such as waste, energy and energy efficiency with the aim of improving their level of knowledge and awareness hence improving our Company's performance. In 2015, our Directorate of Health, Safety, Environment and Quality (HSEQ) provided at least one training on Environmental Accident and Complaint Reporting Procedure in each power plant. The employees were then assessed and those with grades above 70 received their certificates. On the other hand, employees of Erzin NGCCPP received environmental regulations and waste management trainings from an environmental consultancy firm as well as Environmental Dimensions Evaluation training from Directorate of HSEQ. Besides, new employees are also informed on our environmental practices during their orientation process.

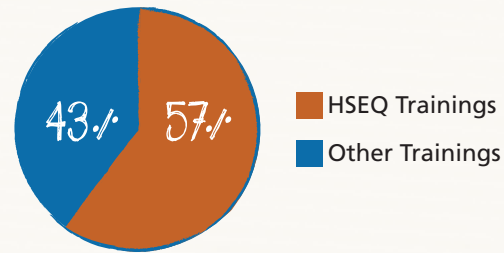
Total Hour of Environmental and Quality Trainings Given to Employees



Average Annual Hour of Environmental and Quality Trainings Given to Employees



Training Given to Employees



In 2015, Environment, Quality, OHS trainings given to employees amount for the 57% of all trainings.

Being Prepared for Environmental Accidents

In order to monitor, control and register all potential environmental accidents (leakage, spill etc. all spills in small amounts are reported in terms of environmental accidents) at Akenerji Head Office and on site, we created an Environmental Accident and Complaint Procedure in 2014. We started to classify environmental accidents and complaints registered in previous years in line with this new procedure. The Directorate of Health, Safety, Environment and Quality is responsible for the control, management and processing of all actual or potential environmental accidents on site, in conformity with this Procedure. According to the Procedure, our Environmental Management Unit devises accident scenarios and organizes drills to keep employees prepared for potential environmental accidents. With drills held at least once on each site, the competence of employees in responding to an environmental accident and the effectiveness of these methods are evaluated. Following the scenario, the Environmental Management Unit fills in an Emergency Drill Form for Environmental Accidents.

In 2015, environmental accident drills were held in Erzin NGCCPP, Ayyıldız WPP, Burç, Bulam, Feke I and Feke II HEPPs.





Environment, Quality, OHS trainings given to employees amount for the 57% of all trainings.

Environment & Quality Trainings per employee increased to 6.3 hours.





OCCUPATIONAL HEALTH AND SAFETY

-  Our Approach
-  OHS Management
-  OHS Trainings
-  OHS Performance



OHS TRAININGS
2,712
MAN.HOURS



VEHICLE
ACCIDENT
RATE
-0-



SUBCONTRACTOR
OHS TRAININGS
814
MAN.HOURS

Based upon our corporate principle of “human comes first”, occupational health and safety forms the basis of every phase of operations

Our Approach

Our priority is to ensure that our employees work in a happy and peaceful environment, that they commute between their homes and workplace safely, and that we reach the highest Occupational Health and Safety (OHS) performance by integrating all practices stipulated by law into our business model.

OHS operations of Akenerji are performed in full integration with the Environment and Quality Management Systems within the scope of “Integrated Management Systems”. Our major practices within this framework are; training and awareness-raising activities, risk assessment, prevention and control of occupational risks, monthly Environment and OHS Committee meetings at power plants, change management, and internal & external audits. The main pillars of the success of our operations are the active participation of employees and leadership of our executives.

OHS Management

It is the responsibility of all employees under the leadership of the Company’s senior executives to pursue and continuously improve occupational health and safety in all operations. Each employee has certain OHS responsibilities that are clearly stated in his / her job definitions. In order to fulfill such responsibilities, we have implemented the OHSAS 18001 Occupational Health and Safety Management System in our Head Office and power plants. Details of OHSAS 18001 and other management system certifications are given in the “Integrated Management Systems” section of this Report. Our future commitments on OHS and the evaluation of 2015 commitments and goals are stated in “Performance” section of the Report.

In our Company, communication and coordination of OHS operations are performed by Health and Safety Representatives and their deputies who were selected by their own Plant Managements and work at the Directorate of Health, Safety, Environment and Quality under the direct report of the Office of Production Deputy General Manager. Production Deputy General Manager is also the Management Representative of Integrated Management Systems including OHSAS 18001. In addition, there is an OHS committee in each power plant.

OHS Management in Supply Chain

While selecting suppliers for services, full compliance with the OHS criteria identified within the scope of our procurement procedure is a prerequisite. In line with

these criteria, contractor companies are requested to submit documents such as risk analysis, OHS trainings of employees, professional competencies of employees, health reports, personal protective equipment with their debit records, material safety data sheets of chemicals used, periodical control documents of machinery. By making it obligatory to submit these documents before service procurement, we aim to improve the OHS requirements and awareness in regions where we receive services.

The Directorate of Health, Safety, Environment and Quality organizes and monitors all Joint Health and Safety Units (JHSU) services and OHS processes of contractor companies serving our power plants. Therefore, organization and monitoring of OHS services, OHS trainings of employees, accident reports, and occupational trainings in contractor companies are performed by Akenerji and the OHS standards of these companies are intended to be at the same level with those in Akenerji.

OHS Site Visits

In order to fulfill our liability to perform audits, the Directorate of Health, Safety, Environment and Quality at Akenerji pay announced or unannounced visits to the sites. We monitor findings based upon the site visit reports prepared during the visits, identify corrective and preventive actions, and ensure that such actions are included in the general work plan. OHS site visits are performed at operating power plants as well as those still in project phase.

As of the end of 2015, 77% of the findings of site visits were resolved and closed.

Risk Assessments for OHS

In order to assess potential OHS risks and take necessary actions in locations of operation, we established Risk Assessment Teams in the Head Office and in power plants in 2013 and we devised an assessment procedure in line with the related regulations. We held a risk assessment in our our Erzin NGCCPP activated in 2014 and made revisions in already operating power plants. In 2016, Risk evaluations of the Head Office, Ankara Directorate, Ayyıldız WPP and Burç and Bulam will be revised.

**77% of
the findings
during OHS audits
were resolved
and closed
by the
year-end.**

Emergency Management

Every power plant has Emergency Plans that are prepared for emergencies such as fire, natural gas leakage, earthquake, large-scale chemical leakage, bomb warning, leakage in water systems; and periodic drills are made. The Akhan building in İstanbul, where the Head Office is located, is also included in the Emergency Plan. In line with the distribution of tasks and responsibilities at each floor of Akhan building, we make the necessary implementations in coordination with facility management.

In 2015, we restructured our emergency management system in Akhan building and employees who were selected to take part in the Emergency Team were given 3-5 days of fire extinguishing, search and rescue, evacuation, and first aid trainings. We also increased the number of Fire Extinguishing and Search & Rescue Team members with the support of our employees in 2015.

In 2015, with the participation of the Head Office employees, we held one emergency drill. Akenerji employees also attended the emergency drill in Akhan. Another emergency drill was organized by the authorized company on the boat that transports the Head Office employees to the Anatolian side of İstanbul.

OHS Committees at Power Plants

Occupational Health and Safety Act requires workplaces with more than 50 employees to have OHS committees. As the number of employees at our Erzin NGCCPP exceed 50, when contractors are included, the OHS Committee meets monthly. Although the number of employees in other power plants are less than 50, voluntarily "Environment, Quality and OHS Committees" operate in order to achieve functionality and ensure the participation of all parties. All our employees at the power plants are represented in these committees.

With monthly meetings, the Committees review: Plant's Integrated Management Systems Action Plan as well as the related corrective and preventive operations; workplace accidents, near-miss incidents, environmental accidents and environmental complaint reports; legal requirements in terms of environment and OHS, Periodical Control Charts of OHS, OHS site visit reports and actions defined, Monthly Waste Inventory Form.

OHS Committee at the Head Office

As the number of employees at our Head Office exceeded 50 in 2014, we established the Akenerji Head Office OHS Committee in accordance with the Regulation on Occupational Health and Safety Committees. The Committee is composed of an Employer Representative, an Occupational Safety Expert, Workplace Doctor, Director of Administrative Affairs, Staff Manager, two Worker Representatives and Director of Environment, Quality and OHS. As stated in the related regulations, the Committee works to develop a consistent and general prevention policy that covers the impact of factors related to technology, organization, working conditions, social relations, and

working environment. In addition, the Committee has duties and responsibilities including assessing OHS threats, identifying precautions, informing the employer, and planning trainings. To this end, in 2015 we improved ergonomic conditions of the laptop computer users in our Head Office by providing them with ergonomic screens and other auxiliary equipment. In addition, Akenerji Employer Representative, Occupational Safety Expert and Worker Representatives attend the monthly OHS Committee meetings at our Head Office in Akhan.

OHS Trainings

In order to protect the well-being and safety of our employees and local communities living in the impact area of our power plants, we organize trainings and informative activities.

Employee Trainings

We ensure that our employees possess the required knowledge especially in terms of OHS in power plants and operation areas such as plants and that they are capable of preventing potential risks by taking precautions at source.

In 2015, in addition to the trainings we are legally required to do, with non-obligatory trainings targeted for performance improvement (advanced driving techniques, orientation trainings, employee representative trainings), we exceeded our goal of having 4 man/hour/year. In addition to targeted OHS trainings, we also organized hygiene, scaffold, basic first aid and emergency team trainings. We provided "Advanced Driving Techniques" training to Head Office employees who need to drive frequently for professional purposes.

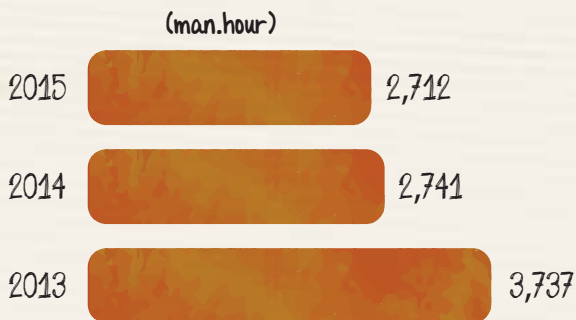
At Erzin NGCCPP, Explosion Protection Document Preparation training was realized for a total of 192 man-hours in two days.

In addition to general OHS trainings, we offer special trainings for new employees, power plant administrators and senior executives. The orientation training given to all new employees of Akenerji includes a detailed OHS training. We also aim to ensure that site administrators develop competence to reflect our OHS sensitivity to the site in terms of administration. With this aim, since 2010, 10 engineers at our power plants have been attending the International Occupational Safety and Health Qualification trainings given by the National Examination Board in Occupational Safety and Health (NEBOSH). By nature, energy sector is open to crises and therefore crisis management is an important issue. Senior executives of Akenerji attach importance to continuously improving their talents in OHS-oriented crisis management and communication. Senior executives also attend basic OHS trainings.

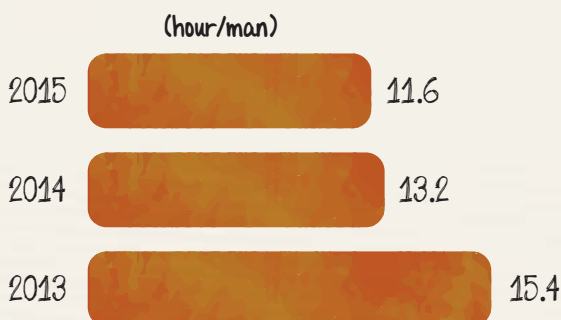
In 2015,
we provided **2,712**
man-hours of
Occupational
Health and Safety
trainings to our
employees.

OHS training days per Akenerji employee in the last three years are given in the graph below. The table indicating location-based distribution of OHS training hours is provided in "Performance" section of this Report.

Total OHS Training Hours Provided to Our Employees



Average Annual OHS Training Hours for Employees



Note: Monitored figures represent employees on operation sites and at the Head Office (excluding employees on sites of plants in investment-phase).

OHS Trainings in Supply Chain

We provide a 15-minute video-training about the rules on site, both in Turkish and English, to our contractors and subcontractors who will work on our sites. In addition, we make sure that all subcontractors have attended the required OHS trainings before starting to work for us.

In 2015, we provided 814 man-hour of training to our subcontractors in our power plants.

For the last 3 years, we provided HEPP informative trainings to 2,105 students and 122 teachers.

Awareness Raising Activities for Local Communities

In locations where we have hydroelectric plants, we organize trainings to create awareness in local communities on potential hazards of HEPPs and means of protection. We also publish brochures and posters on our website and hand the printed versions in the regions where our power plants are located.

Within the scope of our awareness-raising efforts, in 2015 we visited Feke Anatolian High School, Feke Anatolian İmam Hatip High School, Karacaoğlan Secondary School and Belenköy İmam Hatip Secondary School in Adana; Akçalar Fahriye Sarayel Elementary School and Erenler Elementary School in Bursa. In these visits, we came together with the teachers and students. During these trainings, we informed the participants about the working principles of Uluabat HEPP in Bursa and Feke I, Feke II, Himmetli and Gökkaya HEPPs in Adana as well as on personal safety measures to be taken regarding HEPPs. We replied questions coming from teachers and students and reached a total of 1,079 students and 61 teachers. The students also received information on renewable energy and electricity generation during these trainings. We plan to continue HEPP awareness-raising meetings in 2016.

"Within the last three years, we reached a total of 2,105 students and 122 teachers at our awareness-raising meetings."

OHS Performance

It is a material issue for us to ensure that Akenerji employees adopt the OHS culture in order to continuously improve our occupational health and safety performance. We regularly monitor indicators such as lost days, workplace accidents, vehicle accidents and OHS performance during scheduled maintenance, and we implement necessary precautions within our work plans to improve this performance.

Vehicle Accidents

The nature of the operations performed especially at hydroelectric plants requires our employees to drive vehicles in rough field conditions and this creates a risk factor that needs to be monitored. In 2015, only one vehicle accident was recorded at the Head Office, there were no accidents at the power plants.

The total number of vehicle accidents and the total vehicle accident rates of the last three years show a significant decline as illustrated in the charts below. (2014 and 2015 figures also include data of the Head Office).

Number of Vehicle Accidents

2015 -0-

2014 1

2013 3

Number of
Vehicle
Accidents
in 2015 is
"0".

Total Vehicle Accident Rate

2015 -0-

2014 1.8

2013 4.4

Lost Days and Absenteeism

Lost days and absenteeism rates due to health issues in the last three years are given in the charts below. Absenteeism rate is calculated using the formula below and it includes maternity leaves.

$$\text{Absenteeism rate} = \frac{\text{Number of days of absence due to health issues}}{\text{Total workdays}} \times 200,000$$

Number of Lost Days at Power Plants

2015 218

2014 282

2013 308

Absenteeism Rates at Power Plants

2015 1,284

2014 1,664

2013 1,557

Occupational Accidents

Workplace incidents that occur within the criteria identified by regulations and that have negative effects on employees are defined as "occupational accidents". We record frequency and weighted rates of all occupational accidents.

In 2015, two occupational accidents involving employees of Akenerji and its subsidiaries at the Head Office and Power Plants occurred. After these accidents, we investigated the cases and identified preventive actions and put them into effect. Frequency and weighted rates of occupational accidents in the last 3 years are given in the table below.

Frequency and Severity Rates of Occupational Accidents

Employees of Akenerji Subsidiaries	2015	2014	2013
Frequency of occupational accidents	6.04	5.95	0.0
Severity rates of occupational accidents	66.43	73.37	0.0
Employees of Akenerji's Contractors and Subcontractors			
Frequency of occupational accidents	0.0	0.0	0.0
Severity rates of occupational accidents	0.0	0.0	0.0

Note: The figures given above cover power plants being actively operated by Akenerji. The data of Bozüyük and Kemalpaşa Power Plants that ceased operations are also included in 2014 and 2013 data. The following formula have been used in calculating rates:

$$\text{Frequency of occupational accidents} = \frac{\text{Number of accidents with loss of days}}{\text{Total working hours}} \times 1,000,000$$

$$\text{Severity rate of occupational accidents} = \frac{\text{Number of days lost due to occupational accidents}}{\text{Total working hours}} \times 1,000,000$$













Performance Data of Scheduled Maintenance

By performing scheduled maintenance in our plants, we aim to prevent damage due to malfunctions and the causes of such malfunctions. We identify causes for potential problems through periodical inspections and maintenance of major and critical equipment and thus prevent equipment and performance loss by taking corrective and preventive actions. Frequency of scheduled maintenance varies depending on the nature of plants. During such maintenance, number of employees in plants may increase up to 10-fold since contractors and subcontractors work simultaneously on site.

Scheduled and extensive maintenance poses more specific dangers and higher risks, owing to its nature with non-routine operations and time pressure. During scheduled maintenance held at Akenerji power plants in 2015, similar to former years, mostly Akenerji employees had performed the maintenance works. A total of 29,917 hours of operations were performed, including the working hours of contractor and subcontractor employees. The occupational accidents that happened in 2015 both took place during the scheduled maintenance works. The lessons learned from these accidents were shared with all power plants.



WE VALUE PEOPLE

-  Our Approach
-  Competencies of Akenerji Employees
-  Employee Profile
-  Recruitment and Placement
-  Performance Management
-  Development Planning
-  Talent Management
-  Training
-  Employee Benefits
-  Employee Involvement in Company Management
-  Internal Communication
-  Value Added to Community
-  Relations with Local Communities

28
AVERAGE
TRAINING TIME
PER EMPLOYEE



"We Value People" in all our practices and aim at developing and satisfying our employees, as well as contributing to the local communities and the society in which we operate. These are among the basic components of our approach to sustainability.

Our Approach

We are fully aware that each employee is our biggest "energy source". The most important aspect that makes Akenerji the sector leader is its modern human resources practices and value it gives to employee satisfaction.

With our HumanResources practices, we aim to support our employees in transforming into team members who improve and renew themselves in diverse ways; and to become an exemplary company in the sector with a qualified workforce and a company desired to be employed by.

Our Human Resources Policy that is based upon equal opportunities and respect for human rights prevailed in 2015 as well. Akenerji does not make any religion language, race, gender discrimination in any process, including selection and recruitment, and does not adopt discrimination based upon any criteria rejected by international principles. All processes are performed in an equal and fair approach to all employees. Not only by laws, but also by our Human Resources Policy we ban drudgery, forced labor and child labor.

We work to provide appropriate and fair support for employees' needs and offer equal opportunities for training and development in order to increase their performance. Our goal is to implement human resources practices that use internationally accepted models with integrated systems; and to utilize systems that allow generation of modern and integrated business outcomes in all processes from recruitment to performance management, from development to remuneration, and resignation.

Competencies of Akenerji Employees

Communication: Attaching importance to sharing information and opinions, Akenerji employee benefit from various written and / or verbal tools. The employee ensure that all information they pass on to individuals and / or groups is understood clearly, and follows up developments related to that particular issue.

Persuasion: Akenerji employee carry out projects within the scope of corporate culture, to ensure the acceptance of opinions and plans that they believe. The employee demonstrate appropriate attitude and behavior towards different persons, situations and

tasks, by means of their ability to communicate effectively.

Result Oriented: Focused on continuous development, Akenerji employee work determinedly to attain and exceed the high goals they set, both for themselves and for their team. They regularly measure developments they attain towards reaching their targets, and develop new strategies.

Creating Collaboration: Akenerji employee achieve their business goals effectively by means of robust collaborations that they establish between their work area and other areas, teams, departments and units.

Planning and Organization: Akenerji employee create action plans, both for themselves and their team, in order to complete their work in the most optimized manner, in terms of quality and efficiency.

Decision Making: In any a situation, the first action of Akenerji employee is to define and understand the problems and opportunities. They assess data incoming from other different sources. The employee determine the approach that will take to reach the most appropriate solution, and take action accordingly by considering data, restrictions and possible results.

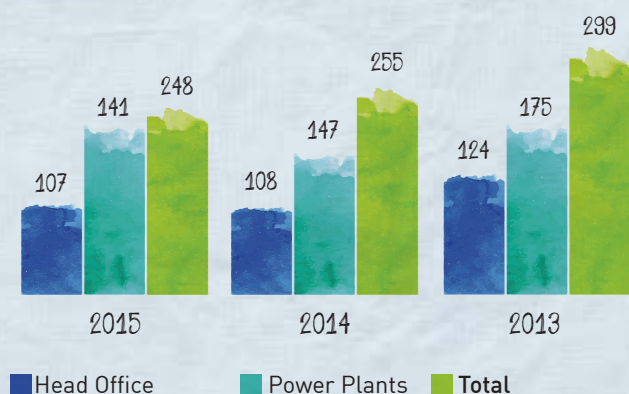
Customer Orientation: Regarding customer needs and expectations as the focus of all business processes, Akenerji employee pay attention to efficiency and development of customer relations for this purpose.

Employee Profile

Behind the strong and reliable image of Akenerji in the sector, are its employees that sincerely embrace corporate values. The profile of our employees is shaped by the requirements of the sector. In this and "Performance" section of our Report, demographic structure and positions of our employees at the power plants and the Head Office are presented.

Most of Akenerji employees work on a fixed-contract, full-time basis and we do not have part-time employees. In 2015, only one out of 248 employees was on a definite-term contract. Disabled employees at our Company, constitute 3% of the total number of personnel.

Number of Employees by Region



Note: Board Members are not included in the data graphed above.

Number of Employees by Position	2015	2014	2013
Senior Management*	5	5	5
Mid-level Management **	24	28	47
Non-managing White-collars***	101	103	110
Operational Level ****	118	119	137
Total	248	255	299

Note: Board Members are not included in the data above.

* Senior Management: General Manager, Deputy General Manager, Director

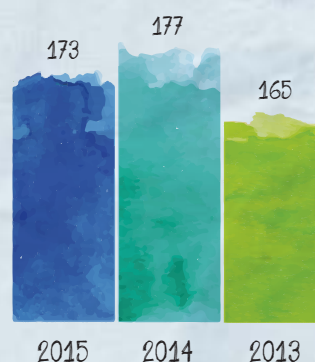
** Mid-level Management: Group Manager, Manager, Project Manager

*** Non-managing White-collars: Advisor, Deputy Manager, Supervisor, Engineer, Chief, Project Manager, Senior Specialist, Specialist, Assistant Specialist, Consultant, Workplace Supervisor, Administrative Supervisor, Assistant (In previous years, the position of assistants was reported within operational level, however it was transferred to Non-managing White-collars in 2014.)

**** Operational Level: Shift Supervisor, Foreman, Warehouse Supervisor, Operator, Technician, Mechanist, Employee, Laboratorian, Driver

Number of Outsourced Employees

We outsource some services such as cleaning and security. Number of outsourced employees is given in the table below.



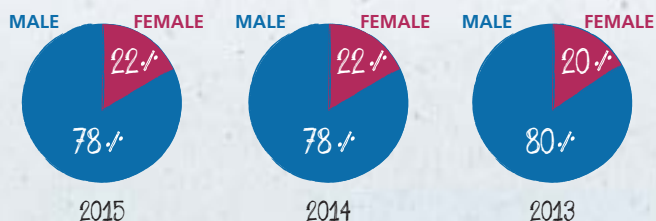
Note: The number of outsourced employees is quite high compared to permanent employees. This results from the fact that our power plants are in diversified locations and such services are required in each of our plants.

Gender Distribution by Positions

Gender distribution by positions as of 2015 is given in the table below. As of 2014, the number of female employees in the operational level decreased. The main reason is that assistant positions have been evaluated not within operational level, but in non-managing white-collar level in 2014.

Gender Distribution by Position	2015				2014				2013			
	Male		Female		Male		Female		Male		Female	
	%	Num.	%	Num.	%	Num.	%	Num.	%	Num.	%	Num.
Senior Management	100	5	0	0	100	5	0	0	80	4	20	1
Mid-level Management	67	16	33	8	64	18	36	10	68	32	32	15
Non-managing White-collars	55	56	45	45	57	59	43	44	70	77	30	33
Operational Level	99	117	1	1	99	118	1	1	91	125	9	12
Total	78	194	22	54	78	200	22	55	80	238	20	61

Note: Board Members are not included in the table above.



Distribution of Seniority by Positions

Distribution of seniority among all employees reveals that most of mid-level executives have an in-house seniority of 5-10 years. Approximately half of specialist-level employees have a seniority of 0-3 years, while mid-level managers and operators and technicians at the power plants have a seniority of 5-10 years. Average seniority of Akenerji employees as of 2015 is 6.1 years, where it was 5.8 as of former year.

Distribution of Seniority by Position (%)	2015			
	0 - 3 years (incl. 3)	3 - 5 years (incl. 5)	5 - 10 years (incl. 10)	Over 10 years
Senior Management	20.0	0.0	80.0	0.0
Mid-level Management	16.7	12.5	41.7	29.2
Non-managing White-collars	43.6	24.8	19.8	11.9
Operational Level	28.8	11.9	35.6	23.7
Average	27.3	12.3	44.3	16.2

Note: Board Members are not included in the table above.

Employee Turnover Rates

Employee turnover rates at the Head Office and power plants in the last three years are presented in the table below. Turnover rates based on employee seniority are provided in "Performance" section of this Report.

Employee Turnover Rate and Number by Region	2015		2014		2013	
	%	Sayı	%	Sayı	%	Sayı
Genel Müdürlük	18.7	20	23.7	26	12.8	15
Santraller	21.3	30	23.8	39	7.7	14
Toplam	20.0	50	23.8	65	9.7	29

Note: Board Members are not included in the table above.

The major reason for the increase in the turnover rate at our power plants and the Head Office, in 2014, is that in previous reports, only employees who resigned on their own will were included in the calculations. In 2014 and 2015 all employees who left the company were included in the turnover calculations.

Another important reason for the increase in 2014 is the completion of Erzin NGCCPP, which is the largest investment of Akenerji. Since the investment phase was completed, project teams had to leave as of the end of their contracts. One other reason is the termination of operations in Kemalpaşa and Bozüyük NGPPs due to low efficiency, and that some employees at these plants preferred to resign instead of being transferred to other Akenerji plants.

Employee turnover rate in 2015 decreased by 3.8% according to former year.

As Akenerji, although we also monitor employee turnover by age and gender, this information is not presented in this Report as it is not considered 'material'.

Recruitment and Placement

With the aim of serving our strategy and goals, during recruitment and placement process, we focus on recruiting candidates who conform with the corporate culture and values of Akenerji; who possess the know-how, talents, experience and competence required for the job; and who have the capacity to carry our Company further. Throughout the process, we use contemporary assessment systems to support taking the most objective decisions and thus recruiting the right person for the right job.

Number of New Employees	2015	2014	2013
White-collar Employment	25	13	30
Blue-collar Employment	18	6	14
Total	43	19	44

Note: Board Members are not included in the table above.

In 2015, average age of employees was 37; average age of newly-employed white-collars was 31, whereas that of blue-collars was 34.

We attach importance to employing fresh-graduates and have been working to this end since 2009. By employing fresh-graduates, we aim to attract talented and promising young people to our Company. Fresh-graduates applying for a job at Akenerji go through progressive processes such as General Ability and Foreign Language Tests, Personality Inventory, Assessment Center Practices, and Competency-based Interviews. We recruited 9, 4 and 6 fresh-graduates in 2013, 2014 and 2015 respectively.

Besides, as Akenerji, we also provide internship opportunities to university students. In 2015, a total of 57 students (38 for obligatory and 19 for voluntary internships) from a variety of universities and technical / vocational high schools practiced their internships at Akenerji.

Performance Management

Our Performance Management System is a process that aims to ensure that individuals embrace corporate goals and one that reinforces common corporate culture. Outputs of this process are used in the remuneration, training and development planning, and talent management practices of our human resources. Consequently, Human Resources processes are realized within an integrated system.

Development Planning

By employee development planning, we aim to guide our employees in identifying and developing the competencies they require to improve for their current and potential future roles in their career plans.

In our Development Planning process, each employee evaluates his / her own competence together his / her superior. As a result of such evaluations, action plans are prepared for the competencies to be improved. When the process is completed, training and development programs are organized, in line with our Company's goals as well as employees' know-how, talents, experiences and competence.

Starting from 2014, we started to focus more on the development of mid-level executives who, we believe, will play significant roles on the future of our Company. Within the framework of a development program named as "Mid-level Executive Development Program" was launched in cooperation with Sabancı University. 10 and 5 executives of our Company were trained in 2014 and 2015 respectively. In addition, 5 of our executives, who are intended to be a part of "Mid-level Executive Development Program", attended the "Market Orientation" training as a prerequisite of this program.

On top of these, starting as of 2014, some of the executive and specialist level employees attended the financial simulation program called "Managing Contemporary Business", "Leading at the Speed of Trust" and "Working at the Speed of Trust" trainings.

In 2015, two important programs were brought to life. In the first one, which we name "Boomerang Program (HR for non HR Managers)", the goal is to have the executives focus more effectively on their roles and responsibilities in Human Resources processes.

The other initiative is the "Mentoring Program" that was started in order to support high performing employees with great potential for their personal development. After the mentors that are all senior executives and the mentees are determined, they receive required training about the program and their roles. The mentors meet regularly with their mentees to improve their learning about business life and add value to our Company.

Talent Management

By Talent Management, we aim to identify talents within our institution and of potential employees and provide them with required professional know-how, skills and development opportunities.

We use different tools in order to determine talents at different levels. Every other year, we take the employees whose performance and potential are evaluated by the system, and through assessment center applications we identify talents and move them into talent pools.

With our Talent Management processes, we strive to carry our employees and organizations forward by planning our employees' career paths. To this end, we aim at the systematic evaluation of all employees, and planning of Human Resources process accordingly, as well as the development and retention of the employees with the potential to boost Company performance.

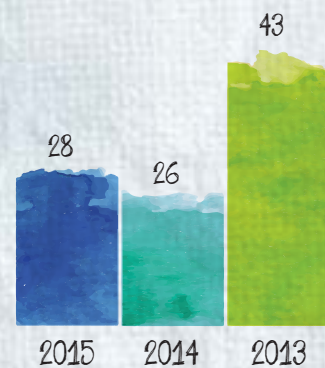
Training

We take into account our employees' technical and personal development needs in terms of training, as well as the programs within the framework of legal requirements. Consequently, by considering our Company's needs and requirements, we provide the training support they need to achieve their assignments in the best way possible.

Total Trainings by Positions (man-hour)	2015	2014	2013
Senior Management	115	38	120
Mid-level Management	989	1,515	1,928
Non-managing White-collars	3,144	2,303	6,555
Operational Level	2,641	2,865	4,238
Total	6,889	6,720	12,841

Not: Board Members are not included in the table above.

Annual Average Training Days per Employee



Although the number of training days in 2015 was not very high, the content and quality of the trainings were highly sufficient and satisfactory

Among the trainings we provided to our employees in 2015 are:

- **Quality, Environment, Occupational Health and Safety Trainings:** General Rules of Occupational Health and Safety and Culture of Safety, Legal Rights and Responsibilities of Employees, Safe Use of Workplace Equipment, Flash, Explosion, Fire and Fire Protection, High-Risk (License-requiring) Positions, Ergonomics, Basic Healthcare, Advanced Driving Techniques, First Aid, Health and Security Representative, Employee Representative, Reasons of Occupational Illnesses, Working at High Altitudes, Working with Electricity, Physical Risk Factors, Environmental Legislation and Waste Management, Environmental Accidents and Complaints Reporting Procedure, Quality Management Systems, Document Management Systems, ISO 27001 Information Security Management System Awareness Raising and Internal Auditor Training.
- **Technical Trainings:** Electricity Project Reading and Project Devising, Overhead Crane, Rigger, Substation Operation Technician, Continuous Emission Measurement Reporting, Continuous Emission Measurement Communiqué, Quality Assurance Systems and Data Evaluation, Greenhouse Gas Monitoring, Environment Responsible Visa, Corporate Risk Management, Energy Trade and Risk Management, Electricity Market Simulation Day Market, Neo PIR Training, Business Evaluation Training, Corporate Electronic Mail, Ethical Principles.
- **Personal Development Trainings:** Akkök Orientation Program, Time Management, Negotiation and Communication Skills, Presentation Skills, Change Management, Boomerang Program (HR for non HR Managers), Working at the Speed of Trust, Leading at the Speed of Trust, Managing Contemporary Business, Market Orientation, Mid-level Executive Development Program, and English.

Employee Benefits

We use an internationally valid and reliable Job Evaluation and Remuneration Model. This is an objective, transparent, equality and fairness-based payment and benefits model that reflects the realities of national and international business and that focuses on remuneration and fringe benefits according to the work performed.

Within the scope of benefits to employees, we offer meals and shuttles for commuting. Employees who do not prefer to use the shuttles are paid for their commuting expenses. White-collar employees in the Head Office and power plants are provided with private health insurance. All employees benefit from personal accident insurance. Some senior and mid-level executives are provided with official cars or get supplementary allowance instead.

Employee Involvement in Company Management

At Akenerji, the involvement of employees in management is achieved through annual goal setting and performance evaluation meetings, suggestion systems and various other meetings in the Company. With the Human Resources Policy issued in 2011, the "Open Door Policy" had been adopted. With this policy, each employee can easily communicate with the General Manager and other senior executives for issues about his / her job and our Company.

Within the context of Kahvedeyiz Project, initiated as a result of the Employee Engagement Project in 2014, in 2015 we continued to periodically bring together our employees with our General Manager and senior executives to facilitate their communication.

It was announced that, with the Employee Suggestion System procedure, all employees can share their

requests, expectations and suggestions with the Social Committee Akenerjik founded in 2015. In this way, employees have the opportunity to inform senior executives on suggestions for a variety of issues by following the methods stated in the procedure. All proposals are evaluated by Akenerjik every 3 months.

Akenerji Human Resources Department organizes informative meetings at the Head Office and power plants. At these meetings, policies and procedures directly related to employees such as employee relations and basic human resources processes are explained; requests and suggestions of employees are gathered and significant issues are taken into consideration by senior management.

Internal Communication

In order to improve the motivation and efficiency of our employees, we organize a variety of communication activities and events within the Company. Some of these may be listed as follows:

- During the Development Planning process, we try to improve internal communication by using evaluation processes that require combined decisions of supervisors and employees in setting performance goals, reviewing and evaluating these goals.
- Akenerji corporate portal was initiated to enable employees to follow the developments regarding the Company and the Group, as well as to provide them, through different modules, with benefits regarding business and social life; thus facilitating information sharing and user interaction.
- Employee Suggestion System is a platform to encourage employees to share their suggestions and opinions. The suggestions, which have the potential to contribute to the Company and the employees, are selected and realized while the suggestion owners are awarded symbolically.
- The Social Committee Akenerjik that was formed to reinforce communication and improve loyalty among employees continued to organize a variety of social and cultural activities. Social Club activities, 'Kahvedeyiz' activity, employee dinners, celebration of special days such as Women's Day, Mother's Day, Father's Day as well as happy hours, messages for birthdays, losses, and newborn babies are examples of such activities.

Value Added to Community

It is our principle to contribute to the society during our operations and the path we follow for this is particularly to generate energy, which is a fundamental need for development. Our community investment efforts are focused on the social solidarity, educational, environmental, sportive, and cultural needs of the local people in cities and towns that our power plants operate in. We support various institutions and organizations to

meet these needs. Believing that education is the fundamental prerequisite for a better and safer future of our society, we contribute to education. Some examples of our practices in this scope could be the donations to carnivals and festivals in the region, as well as our sponsorship for Erzinspor football team since 2013.

Within the scope of our Corporate Social Responsibility principles, in 2015, Akenerji allocated TL 354,630 to donations and sponsorships, mainly for educational institutions, public institutions and foundations.

Feedback Mechanisms

Akenerji employees may report their complaints regarding environmental, ethical, human rights and labor force practices as described in Akenerji Environmental Accident and Complaint Reporting Procedure and the Ethical Principles Procedure. We provide training to all employees on both procedures. In addition, local communities and all other stakeholders in the areas where we operate can report their feedback on any issue to our Company through diversified channels. Among these channels, we prioritize direct communication with power plant managers. This way, we aim to rapidly process every request, suggestion and complaint. On sites of the investment-phase projects, we proactively manage complaint and feedback processes. During environmental and social impact assessments we keep in direct contact with local communities, NGOs and local administrations.

Relations with Local Communities

Employment of Local Communities

Within the framework of our community investment practices, we attach great importance to regional development and relations with local communities. We believe that our greatest contribution begins with employing local people and we pay attention to recruit local people for construction works of our power plants. We employ around 100 - 150 local people for each power plant construction. We prioritize their employment for different positions such as cleaning and security when the power plant starts operations. We employed a significant number of people in our power plants including those in Feke, Himmetli, and Gökkaya, this way.

Besides, for the procurement needs of our power plants, we pay attention to choose our subcontractors for services and products from within the region.

Raising Awareness of Local Communities

In locations where Akenerji power plants operate, we aim to raise awareness and provide information to local communities about our operations. Through our video training on electricity generation, environmental and OHS regulations, we inform contractors, visitors, or interns who come to visit our power plants.

With its meticulous, responsive and trustworthy management approach, Akenerji has been implementing various actions in the regions where its HEPPs are located, in order to raise awareness of the local community and to protect them from potential dangers. To this end, brochures and posters about potential dangers regarding HEPPs and means of protection were prepared.

In the previous years, 1,700 brochures were distributed and 400 posters were hung in public places such as

mukhtar units, schools, municipality, coffeehouses and aviation facilities in vicinity of hydroelectric power plants in Trabzon, Adiyaman, Bursa and Adana. In the upcoming years, our Company intends to increase the number of materials to be distributed and the number of cities where we will continue with our awareness raising activities.

Since 2013, a total of 2,105 students and 122 teachers were given informative presentations. For the sake of informing the local communities living where the HEPPs are, HEPP informative presentations regarding the operations and the personal protective precautions that need to be taken in the daily lives by the students were realized. Consequently, in November 2015, 859 students and 46 teachers in Adana; in December 2015, 220 teachers and 15 students in Bursa received these trainings.

For the last 3 years,
we provided
informative
trainings to 2,105
students and
122 teachers.



Our Corporate Social Responsibility Projects Continue

Akenerji has adopted as a principle to add economic, social and cultural value to the country and the society, with its practices. To this end, we have been carrying on our corporate social responsibility projects continuous fast. Akenerji subsidiaries contribute to all the educational, environmental and cultural / artistic projects of the Company.

Akenerji celebrated its 25th year in the sector with an art project and supported 25 young, middle and old generation artists of painting, sculpture and photography. The exhibition in Istanbul that was open for a month and named as "1292 MW" due to the Company's installed capacity. The income generated

from the sales of the artworks was donated to education via Turkish Education Foundation (TEV). The project that was also supported with symbolic contributions by famous people from cinema, theater, music and press, received intensive interest.

During the 6th Turkey Energy Summit, "1292 MW" project was awarded the "Golden Voltage" prize in the competition among corporate social responsibility projects. Since the day of its establishment, with the aim of leading the development of social and cultural life, Akenerji has been supporting corporate social responsibility projects in the fields of education and art, and will continue to do so in the future.







PERFORMANCE

- 🌱 Strategic Sustainability Goals
- 🌱 Economic Performance Indicators
- 🌱 Social Performance Indicators
- 🌱 Environmental Performance Indicators


Strategic Sustainability Goals

In line with our policies, evaluation of our goals in 2015 within the scope of our "Integrated Management Systems" and "Employees" and the goals we set for 2016 are presented in the table below.


ENVIRONMENT, QUALITY AND OHS

Subject	Commitments for 2015	Status	Evaluation of 2015	Commitments for 2016
Sustainability Management	To prepare our 2014 sustainability report according to GRI G4 principles.		We issued our Sustainability Report approved by GRI on 06 May 2015.	To prepare our 2015 sustainability report according to GRI G4 principles.
	In the 2014 reporting of Carbon Disclosure Project, to increase our disclosure score and performance grade compared to last year.		Our disclosure score increased from 85 to 88 and we kept the performance grade at C.	In the 2015 reporting of CDP Climate Change and CDP Water Program, to increase our disclosure and performance grade compared to last year.
Management Systems	To achieve continuation of ISO 9001, ISO 14001 and OHSAS 18001 Management Systems and carry on with the certifications of Ayyıldız, Uluabat, Akocak, Burç, Bulam, and Feke I, Feke II, Himmetli and Gökkaya HEPPs.		ISO 9001, ISO 14001 and OHSAS 18001 Management Systems certifications were sustained for Ayyıldız, Uluabat, Akocak, Burç, Bulam, Feke I, Feke II, Himmetli and Gökkaya.	To achieve adaptation to ISO 9001:2015 and ISO 14001:2015 and sustain the OHSAS 18001 Management System certifications of Ayyıldız, Uluabat, Burç, Bulam, Feke I, Feke II, Himmetli, Gökkaya and Erzin.
	To obtain ISO 9001, ISO 14001 and OHSAS 18001 certification for Erzin NGCCPP.		ISO 9001, ISO 14001 and OHSAS 18001 certifications were obtained for Erzin NGCCPP.	To maintain ISO 27001 Information Safety Management System certifications for Uluabat HEPP and Erzin NGCCPP which installed capacities are 100 MW and over.
	To obtain ISO 27001 Information Safety Management System certification for all production plants with at least 100MW of installed capacity.		Necessary works are completed and certification audit was realized on 21 – 25 Dec 2015.	
	To meet the requirements of ISO 14064 Greenhouse Gas Emission Mitigation, Avoidance, Calculation and Verification standards at Erzin NGCCPP; to collect data for verification in 2016; and to complete all required works.		Procedural works within the framework of the legislations regarding Greenhouse Gas emissions are ongoing; collection of 2015 data was complete as of December. Until end of April 2016, verification of 2015 greenhouse gas emission report will be completed by the verifying institution.	Verification of 2015 Greenhouse Gas Emission Report by the verifying institution in 2016.
	To evaluate at least one supplier within the scope of integrated management systems.		Within the scope of Integrated Management System, the Head Office audited 2, the power plants audited 4 suppliers.	To evaluate at least one supplier from the power plants and at least two suppliers from the Head Office, within the scope of integrated management systems.
Workplace Accidents	To ensure that frequency and weighted rate of workplace accidents in each of our operating power plants are zero.		Total frequency of workplace accidents at our power plants was 6.04 and weighted rate was 66.43.	To ensure that frequency and weighted rate of workplace accidents in each of our operating power plants are zero.

Achieved: 

Partially Achieved: 

Not Achieved: 

Ongoing: 

ENVIRONMENT, QUALITY AND OHS

Subject	Commitments for 2015	Status	Evaluation of 2015	Commitments for 2016
Workplace Accidents	To achieve zero frequency and weighted rate of workplace accidents by contractors and subcontractors of operating power plants.		Zero frequency and weighted rate of workplace accidents by contractors and subcontractors of operating power plants was achieved.	To achieve zero frequency and weighted rate of workplace accidents by contractors and subcontractors of operating power plants.
Vehicle Accident Rate	To maintain Total Vehicle Accident Rate (TVAR) below 3.80 at each operating power plant.		Average Total Vehicle Accident Rate (TVAR) was zero in all locations.	To maintain Total Vehicle Accident Rate (TVAR) below 3.80 at each operating power plant.
Quality, Environmental, OHS Trainings	<p>To deliver trainings on Quality, Environmental and OHS (hours/man/year):</p> <p>Quality: Head Office: 28 Per Each Power Plant: 4</p> <p>Environment: Head Office: 4 Per Each Power Plant: 5</p> <p>OHS: Head Office: 2 Power plant: 19</p> <p>To organize safety tool box meetings for 50% of the days for planned maintenance by team leaders for power plant employees.</p>		<p>Trainings delivered (hours/man/year):</p> <p>Quality: Head Office: 41 Per Each Power Plant: 4</p> <p>Environment: Head Office: 12 Per Each Power Plant: 6</p> <p>OHS: Head Office: 2.1 Power Plants: 19 At Akocak, Burç, Gökkaya, and Uluabat less than 19 hours/man/year. No meetings organized at Erzin.</p> <p>Meetings during maintenance days are as follows: Uluabat: 10 meetings in 20 days Ayyıldız: 21 meetings in 19 days Akocak: 5 meetings in 15 days Burç: 7 meetings in 21 days Bulam: 3 meetings in 11 days Fekeli: 1 meeting in 14 days Fekeli II: 7 meetings in 18 days Himmetli: 3 meetings in 17 days Gökkaya: 4 meetings in 16 days</p>	<p>Quality, Environmental and OHS training goals (hours/man/year):</p> <p>Quality: Head Office: 35 Per Each Power Plant: Ayyıldız WPP: 4 Uluabat HEPP: 8 Bulam HEPP: 4 Burç HEPP: 4 Fekeli HEPP: 4 Fekeli II HEPP: 4 Himmetli HEPP: 8 Gökkaya HEPP: 4 Erzin NGCCPP: 10</p> <p>Environment: Head Office: 7 Per Each Power Plant: Ayyıldız WPP: 6 Uluabat HEPP: 9 Bulam HEPP: 10 Burç HEPP: 10 Fekeli HEPP: 8 Fekeli II HEPP: 8 Himmetli HEPP: 8 Gökkaya HEPP: 8 Erzin NGCCPP: 6</p> <p>OHS: Head and Ankara Offices: 2 Power plants: 19</p> <p>To organize safety tool box meetings for 50% of the days for planned maintenance by team leaders for power plant employees.</p>
Training for Awareness raising	During the operation period of our plants in Adana and Bursa regions, to hold at least one activity in each location to create awareness in local communities on potential dangers and warnings.		4 trainings in Adana, 2 trainings in Bursa were held.	In Adıyaman, at least two trainings will be organized to raise awareness of the local community about dangers and related protective measures.

Achieved:

Partially Achieved:

Not Achieved:

Ongoing:

ENVIRONMENT, QUALITY AND OHS

Subject	Commitments for 2015	Status	Evaluation of 2015	Commitments for 2016
Risk Assessment practices within the Framework of Health, Safety and Environment	To tag danger categories of electrical equipment (arc flash rating) at each operating power plant and to re-identify Personal Protective Equipment standards accordingly.		The labeling is complete and PPE are identified in G/PR 012 Occupational Health and Safety Procedure.	
	To improve the ergonomic conditions of notebook users at the Head Office.		All notebook users at the Head Office were provided with screens to improve their ergonomic conditions.	
Renewable Energy	To generate electricity with PV Solar Panel projects within Adıyaman Burç HEPP, with an installed capacity less than 1 MW.		The project is not realized since the substation did not yet approve the capacity. Capacity approval is awaited.	To generate electricity with PV Solar Panel projects within Adıyaman Burç HEPP, with an installed capacity less than 1 MW.
Planting Trees	Plant 31 oak saplings within the scope of recycling electronic wastes project.		A total of 406 saplings were planted.	To plant one sapling for the birthday of each employee.

OUR EMPLOYEES

Subject	Commitments for 2015	Status	Evaluation of 2015	Commitments for 2016
Talent Management	To review Career and Promotion Processes and to start building a Career Map or Model by the end of 2015.		As part of Career and Promotion Processes; Succession Planning was prioritized and work has been initiated to this end.	Succession Planning, Career Planning and Promotion Process development works will be completed in 2016.
Development Planning	To re-implement the 360-degree evaluation process by the end of 2016.		Within the process of goal setting, 360-degree evaluation process is intended to be implemented for the following two years. It is planned to start in 2016.	To implement the 360-degree evaluation process within 2016.
Performance Management System	To review the Performance Management Process and make necessary process improvements in 2015.		This has been handled within the scope of Employee Engagement Project and decided to be completed in 2016 according to the project plan.	To finalize the development of Performance Management Process in 2016.
	To include blue-collars in "Mozaik" in 2015.		Blue-collars were not included in "Mozaik" since HR software was decided to be renewed throughout Akkök Holding.	To start the efforts for the initiation of the new software, which will also enable Performance Management.
Flexible Payment System	To enable Flexible Payment System for all employees in 2016		Energy Trade Premium System has been implemented as a significant component of the Flexible Payment System.	To enable Flexible Payment System in 2016 with the completion of the efforts for a performance based bonus system

Achieved:

Partially Achieved:

Not Achieved:

Ongoing:

OUR EMPLOYEES

Subject	Commitments for 2015	Status	Evaluation of 2015	Commitments for 2016
Trainings	To continue with the Mid-Level Executive Development Program in 2015.	✓✓	Within the scope of "Mid-Level Executive Development Program" 5 executives attended at the development program organizes in cooperation with Sabancı University.	To continue with the Mid-Level Executive Development Program in 2016.
Employee Satisfaction Survey / Employee Engagement Project	To repeat the Employee Satisfaction Survey in 2015.	✓✓	As a result of employee satisfaction survey, the issue is intended to be evaluated on a broader basis. To this end, Employee Engagement Project was developed and initiated.	The action items determined within the scope of Employee Engagement Project plan will be carried on in the following years.

Achieved: ✓✓

Partially Achieved: ✓

Not Achieved: ✗

Ongoing: ●

Economic Performance Indicators

With our corporate operations, we, as Akenerji, not only contribute to the Turkish economy by helping to meet the energy demand, but also generate economic value for our stakeholders.

Economic Value Generated and Distributed

The distribution of the economic value we generated as a result of our operations in 2015 is summarized in the table below. Our operating costs amount to 97% of the total economic value distributed.

The net sales, total debt and total equity capital of the companies included in the consolidated balance sheet of Akenerji, were TL 1,802,888,608 TL; 3,695,742,991 and TL 1,635,114,311 in 2015, respectively.

Economic Value Generated (TL million)	2015	2014	2013
Direct Economic Value Generated			
a) Revenues	1,803	1,125	771.0
Economic Value Distributed			
b) Operating costs	1,636	1,126	611.9
c) Employee wages and other benefits	7.6	9.1	9.7
d) Payments to providers of capital	0.0	0.0	0.0
e) Payments to the government	38.9	53.2	73.4
f) Community investment	0.4	1.0	0.8

Note: The figures are as of the end of the financial year, i.e. December 31st

Social Performance Indicators

Our Customers

Customer Satisfaction Survey Results

Main Sections of Survey	2015 Results
Overall Satisfaction	3.84
Understanding Customer Needs	3.84
Ease of Access to Responsibles	3.89
Employee Attitude	4.03
Employee Expertise Level	3.81
Quick Provision of Solutions	3.68
Troubleshooting for Electricity Consumption	3.73
Service Quality compared to Other Companies	3.76
Customer Satisfaction Score	3.82

Note: The highest score is 5.

Our Employees

Number of Employees by Region	2015	2014	2013
Akocak HEPP	12	13	13
Ayyıldız WPP	5	5	5
Bozüyük NGPP	1	9	19
Bulam HEPP	7	7	7
Burç HEPP	9	9	8
Çerkezköy NGPP	-	-	3
Erzin NGCCPP	46	47	47
Feke I HEPP	6	7	6
Feke II HEPP	5	7	7
Gökkaya HEPP	5	6	7
Himmetli HEPP	13	13	15
Kemalpaşa NGPP	2	8	22
Uluabat HEPP	17	16	16
Mardin NGPP	13	-	-
Head Office (İstanbul)	102	102	117
Ankara Office	5	6	7
Total	248	255	299

Note: Board Members are not included in the figures above.

As of 2015, Bozüyük NGPP and Kemalpaşa NGPP ceased operations.

Mardin NGPP started receiving Construction Management and Operations / Maintenance Services.

Employee Turnover Rate by Seniority (%)	2015			
	0 - 3 years (3 incl.)	3 - 5 years (5 incl.)	5 - 10 years (10 incl.)	Over 10 years
Head Office	23.7	26.1	16.2	5.7
Power Plants	25.0	26.7	17.2	18.8
Total	24.4	26.4	16.7	12.2

Average Annual Hours of Training per Employee (hour/man)	2015	2014	2013
Senior Management	23	11	24
Mid-level Management	47	47	41
Non-managing White-collars	28	21	59
Operational Level	21	24	31
Total Average	28	26	43

Note: Board Members are not included in the figures above.

Occupational Health and Safety

OHS Training Hours

Locations	Total Hours of Training (man.hour)	Hours of Training per Employee (hour/man)	
	2015	2015	2014
Akocak HEPP	211	17.6	21.5
Ayyıldız WPP	105	21.0	22.0
Bozüyük NGPP	-	-	16.9
Bulam HEPP	161	23.0	33.7
Burç HEPP	145	16.1	21.8
Erzin NGCCPP	714	15.5	-
Fekel I HEPP	115	19.2	23.4
Fekel II HEPP	107	21.4	23.4
Gölkaya HEPP	87	17.4	23.7
Himmetli HEPP	289	22.2	23.5
Kemalpaşa NGPP	-	-	36.5
Uluabat HEPP	304	17.9	16.1
Ankara Office	0	0	1.0
Head Office	214	2.1	4.3
External Institution	260	-	-
Overall Average Hours of Training		11.6	13.2
Overall Total Hours of Training	2,712		

Note: In 2015, Bozüyük and Kemalpaşa plants were shut down, Erzin Plant started its operations in 2014. On-site trainings for employees at Erzin NGCCPP include OHS trainings, but these are not included in the table above as OHS training hours are not recorded separately. In 2015, OHS trainings in Erzin were recorded and reported separately.

Total Vehicle Accident Number and Rate	2015		2014		2013	
	Number of vehicle accidents	Total vehicle accident rate	Number of vehicle accidents	Total vehicle accident rate	Number of vehicle accidents	Total vehicle accident rate
Ayyıldız WPP	0	0.0	0	0.0	0	0.0
Erzin NGCCPP	0	0.0	0	0.0	-	-
Kemalpaşa NGPP	-	-	-	-	0	0.0
Bozüyük NGPP	-	-	-	-	0	0.0
Akocak HEPP	0	0.0	0	0.0	1	12.8
Burç HEPP	0	0.0	0	0.0	1	11.0
Bulam HEPP	0	0.0	0	0.0	0	0.0
Fekeli HEPP	0	0.0	0	0.0	0	0.0
Uluabat HEPP	0	0.0	0	0.0	0	0.0
Fekeli HEPP	0	0.0	0	0.0	0	0.0
Himmetli HEPP	0	0.0	0	0.0	0	0.0
Gökkaya HEPP	0	0.0	0	0.0	1	42.4
Head Office	0	0.0	1	2.8	-	-
Total	0	0.0	1	1.8	3	4.4

Note: The following formula has been used in calculating vehicle accident rates:

$$\text{Total vehicle accident rate : } \frac{\text{Number of vehicle accidents}}{\text{Total driving distance (km)}} \times 1,000,000$$

Environmental Performance Indicators

Environment & Quality Training Hours

Locations	Total Hours of Training (man-hour)	Hours of Training per Employee (hour/man)	
	2015	2015	2014
Akocak HEPP	7	0.6	2.8
Ayyıldız WPP	18	3.6	3.5
Bozüyük NGPP	-	-	0.9
Bulam HEPP	22	3.1	2.3
Burç HEPP	31	3.4	1.4
Fekeli HEPP	15	2.5	9.7
Fekeli HEPP	32.5	6.5	10.3
Gökkaya HEPP	22.5	4.5	10.8
Himmetli HEPP	49	3.8	5.1
Erzin NGCCPP	166	3.6	-
Kemalpaşa NGPP	-	-	2.8
Uluabat HEPP	106.5	6.3	2.6
Head Office	283	2.8	2.6
External Institution	709	-	-
Overall Average Hours of Training		6.3	3.3
Overall Total Hours of Training	1,461.5		

Energy Consumption within the Organization (GJ)	2015	2014	2013
Non-renewable based			
Fuel	495,593	552,780	122,121
Natural gas *	488,162	546,147	111,422
Diesel (generators)	561	1,745	1,059
Fuel oil (heating)	40	50	67
Diesel (vehicles)	3,197	3,561	6,435
Gasoline (vehicles)	624	1,277	3,138
Electricity	103,393	80,775	25,348
Renewable based			
Electricity	7,966	2,993	5,716
Total Energy Consumption	607,312	636,548	153,185

* Natural gas consumption is the amount that corresponds to our internal consumption. As Erzin NGCCPP became operational as of 2014, natural gas consumption increased. On the other hand, as Kemalpaşa and Bozüyük Plants ceased operation in 2014, there has been a decrease in the consumption in 2015.

Greenhouse Gas Emissions (ton CO ₂ -equivalent)	2015	2014	2013
Scope 1	1,316,374	958,661	347,155
Scope 2	13,556	10,553	3,487
Scope 3	184	165	284
Total	1,330,114	969,379	350,926

Note 1: 2013 and 2014 data given in the table are the data acquired from Akenerji CDP Climate Change Program Reports. Scope 1 greenhouse gas emission data include not only the emission caused by the fuels used for our consumption, but also all fuels used for energy generation.

Note 2: Scope 3 emissions were calculated by using the EPA Climate Leaders: Optional Emissions from Employee Commuting, Business Travel and Product Transport May 2008 methodology. 2014 data in last year's report (87) was calculated by using "International Civil Aviation Carbon Emission Calculation Methodology" (IPCC Tier 3A).

Water Consumption (m ³)	Source	2015	2014	2013
Bozüyük NGPP	Waterworks	-	325,497	400,963
Kemalpaşa NGPP	Well	-	30,389	39,373
Erzin NGCCPP*	Sea Water	1,169,002	217,728	-
NGPP Total		1,169,002	573,614	440,336
Uluabat HEPP	Well	2,694	1,953	2,387
Akocak HEPP	Well	141	150	150
Feke I HEPP	Göksu River	461	350	365
Feke II HEPP	Spring water	765	280	146
Himmetli HEPP	Göksu River	1,599	362	260
Gökkaya HEPP	Göksu River	768	265	365
Burç HEPP	Well	240	242	240
Bulam HEPP	Spring water	144	132	150
HEPP Total		6,812	3,734	2,927
Ayyıldız WPP	Well	120	120	120
WPP Total		120	120	120
Head Office	Waterworks	2,231	1,666	1,242
Total		1,178,165	579,134	444,625

Note: Bozüyük and Çerkezköy Power Plants have open circuit cooling water cycle. Amount of water used includes cooling water data. Kemalpaşa and Erzin NGCCPPs have closed circuit cooling water cycle, therefore amount of water used excludes cooling water data.

* Erzin NGCCPP became operational in September 2014.



GRI G4 CONTENT INDEX

This Report includes information on the sustainability performance and practices of Akenerji between January 1st, 2015 and December 31st, 2015.

The contents of the Report are developed in accordance option Core of the GRI (Global Reporting Initiative) G4 Guidelines. The indicators between G4-17 and G4-27 in this Report are checked and approved by the GRI within the scope of its "Materiality Disclosure" Service.

STANDARD DISCLOSURES

STRATEGY AND ANALYSIS

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference Pages / Explanations	External Assurance
G4-1	Sustainability declaration from the highest level decision maker of the Company	Message from CEO	Full	4-5	-

ORGANIZATIONAL PROFILE

G4-3	Name of the organization		Full	Akenerji Elektrik Üretim A.Ş.	-
G4-4	Primary brands, products, and services.	Company Profile	Full	8, 11, 12	-
G4-5	Location of the organization's headquarters.		Full	Gümüşsuyu Miralay Şefik Bey Sok. Akhan No: 15 Beyoğlu-Istanbul, Türkiye	-
G4-6	Countries where the organization operates		Full	Turkey	-
G4-7	Nature of ownership and legal form.	Company Profile	Full	3, 12	-
G4-8	Markets served.	Company Profile	Full	Turkey	-
G4-9	Scale of the organization.	Company Profile Performance	Full	9-11, 81	-
G4-10	Total workforce in terms of employment type, employment contract, gender and region.	We Value People Performance	Full	69-70, 82	-
G4-11	Percentage of total employees covered by collective bargaining agreements.		Full	Our employees are not members to trade unions.	-
G4-12	Description the organization's supply chain.	Responsibility in Our Value Chain	Full	41, 42	-
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	About the Report Company Profile	Full	3, 8	-
G4-14	Addressing the precautionary approach or principle.	Our Integrated Management Systems	Full	44, 45	-

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference Pages / Explanations	External Assurance
ORGANIZATIONAL PROFILE					
G4-15	External charters, principles or initiatives endorsed.	Message from CEO Our Approach to Sustainability	Full	5, 25-26	-
G4-16	Membership of associations, national or international advocacy organizations.	Our Approach to Sustainability	Full	26	-
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES					
G4-17	Report coverage of entities included in the consolidated financial statements.	About the Report	Full	3	Not Assured
G4-18	Process for defining the report content and the aspect boundaries.	Our Approach to Sustainability	Full	22-25	Not Assured
G4-19	All the material Aspects identified in the process for defining report content	Our Approach to Sustainability	Full	22, 24, 25. (Most important and material issues, regardless of importance among them, are listed in the upper right section of the graph on page 25.)	Not Assured
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	Our Approach to Sustainability	Full	24, 25. All material issues are material for all operations of Akenerji.	Not Assured
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Our Approach to Sustainability	Full	24, 25. (Material issues outside the Company are explained in the footnote under the graph on page 25.)	Not Assured
G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements.		Full	There is no re-stated important information.	Not Assured
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.		Full	There is no significant change in Issues and frameworks identified in the previous reporting period.	Not Assured
STAKEHOLDER ENGAGEMENT					
Profile Disclosure	Description	Reported in	Scope of Reporting	Reference Pages / Explanations	External Assurance
G4-24	List of stakeholder groups engaged by the organization.	Our Approach to Sustainability	Full	22, 23	Not Assured
G4-25	Basis for identification and selection of stakeholders	Our Approach to Sustainability	Full	22-24	Not Assured
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically, as part of the report preparation process.	Our Approach to Sustainability	Full	22, 23	Not Assured
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Our Approach to Sustainability	Full	22-24	Not Assured

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference Pages / Explanations	External Assurance
REPORT PROFILE					
G4-28	Reporting period.		Full	1 January 2015–31 December 2015	-
G4-29	Date of most recent previous report.		Full	Our third Sustainability Report was issued in May 2015.	-
G4-30	Reporting cycle.		Full	Sustainability Report is issued annually.	-
G4-31	Contact point for questions regarding the report or its contents.		Full	info@akenerji.com.tr	-
REPORT PROFILE: GRI CONTENT INDEX					
G4-32	'In accordance' option, the GRI content index and external assurance.	GRI Index	Full	The Report is prepared in line with the GRI G4 "Core" application level. External assurance has not been used for the Report.	-
ABOUT THE REPORT: ASSURANCE					
G4-33	Policy and current practice regarding external assurance.		Full	Although external assurance has not been applied for the Report, Integrated Management Systems data and financial indicators in the Report are assured data.	-
GOVERNANCE					
G4-34	Governance structure of the organization and decision-making committees	Corporate Governance	Full	30-32	-
ETHICS AND INTEGRITY					
G4-56	Values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Corporate Governance	Full	33-34	-
SPECIFIC STANDARD DISCLOSURES					
Profile Disclosure	Description	Reported in	Scope of Reporting	Reference Pages / Explanations	External Assurance
Economic					
DMA Aspect: Economic Performance		Performance		Primary Material Issue	
G4-EC1	Direct economic value generated and distributed.	Performance	Full	81	-
G4-EC2	Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure	Environmental Responsiveness	Full	52-55	-
DMA Aspect: Indirect Economic Impact		Responsibility in Our Value Chain We Value People		Secondary Material Issue	
G4-EC7	Development and impact of infrastructure investments and services supported.	We Value People	Partial	73-75	-
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	Responsibility in Our Value Chain We Value People	Partial	42, 73-75	-

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference Pages / Explanations	External Assurance
Economic					
	DMA Aspect: Procurement Practices	Responsibility in Our Value Chain		Secondary Material Issue	
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	Responsibility in Our Value Chain	Partial	41	-
Environmental					
	DMA Aspect: Energy	Environmental Responsiveness		Primary Material Issue	
G4-EN3	Energy consumption within the organization.	Environmental Responsiveness Performance	Full	32, 62	-
	DMA Aspect: Water	Environmental Responsiveness		Primary Material Issue	
G4-EN8	Total water withdrawal by source.	Performance	Full	85	-
G4-EN9	Water sources significantly affected by withdrawal of water.	Performance	Full	85	-
	DMA Aspect: Biodiversity	Environmental Responsiveness		Secondary Material Issue	
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		Full	No such areas exist.	-
	DMA Aspect: Emissions	Environmental Responsiveness		Primary Material Issue	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	Environmental Responsiveness Performance	Full	54, 85	-
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	Environmental Responsiveness Performance	Full	54, 85	-
G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3).	Environmental Responsiveness Performance	Full	54, 85	-
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	Environmental Responsiveness	Full	52-55	-
	DMA Aspect: Effluents and Waste	Environmental Responsiveness	Full	Primary Material Issue	
G4-EN22	Total water discharge by quality and destination.	Environmental Responsiveness	Full	57	-
G4-EN23	Total weight of waste by type and disposal method.	Environmental Responsiveness	Full	56	-
	DMA Aspect: Product and Services	Environmental Responsiveness		Primary Material Issue	
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	Environmental Responsiveness	Full	52, 53	-
	DMA Aspect: Supplier Environmental Assessment	Environmental Responsiveness		Secondary Material Issue	
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	Environmental Responsiveness Performance	Full	78. All new suppliers.	-
	DMA Aspect: Environmental Grievance Mechanisms	Environmental Responsiveness		Secondary Material Issue	

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference Pages / Explanations	External Assurance
Social: Labor Practices and Decent Work					
DMA Aspect: Employment		We Value People		Secondary Material Issue	
G4-LA1	New employee hires and employee turnover by age group, gender and region.	We Value People	Full	68-70	-
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	We Value People	Full	72	-
DMA Aspect: Occupational Health and Safety		OHS		Primary Material Issue	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees.	OHS	Full	62, 63	-
G4-LA6	Injuries, lost days, absenteeism and fatalities.	OHS	Full	64-65	-
DMA Aspect: Training and Education		We Value People		Secondary Material Issue	
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	We Value People Performance	Full	72, 83	-
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	We Value People	Full	71	-
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	We Value People	Full	70, 71	-
DMA Aspect: Diversity and Equal Opportunity		We Value People		Secondary Material Issue	
G4-LA12	Composition of governance bodies and breakdown of employees.	Corporate Governance We Value People	Full	31-32, 69-70	-
DMA Aspect: Supplier Assessment for Labor Practices		Responsibility in Our Value Chain		Secondary Material Issue	
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	Responsibility in Our Value Chain OHS Performance	Full	62, 78. All new suppliers.	-
DMA Aspect: Labor Practices Grievance Mechanisms		We Value People		Secondary Material Issue	
Social: Human Rights					
DMA Aspect: Supplier Human Rights Assessment		Responsibility in Our Value Chain		Secondary Material Issue	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	Responsibility in Our Value Chain	Full	78. All new suppliers	-

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference Pages / Explanations	External Assurance
Social: Human Rights					
	DMA Aspect: Human Rights Grievance Mechanisms			Secondary Material Issue	
Social: Society					
	DMA Aspect: Local Communities			Primary Material Issue	
G4-SO1	Local community engagement, impact assessments, and development programs.	Responsibility in Our Value Chain OHS We Value People	Full	42, 62, 64, 74	-
	DMA Aspect: Anti-Corruption	Corporate Governance		Primary Material Issue	
G4-SO4	Communication and training on anti-corruption policies and procedures.	Corporate Governance	Full	33, 34	-
	DMA Aspect: Grievance Mechanisms for Impacts on Society	We Value People		Secondary Material Issue	-
Social: Product Responsibility					
	DMA Aspect: Product and Service Labeling	Responsibility in Our Value Chain		Primary Material Issue	
G4-PR5	Results of surveys measuring customer satisfaction.	Responsibility in Our Value Chain Performance	Full	41, 82	-

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