

STATEMENT BY YK ENERJİ

Since 1987, YK Enerji has worked to maximise local resources which can help meet Turkey's energy demand and make a contribution to both the economy and people's welfare. Our mining activities for the purpose of electricity generation are conducted in line with global standards and fall within the framework of the company's sustainability vision.

We wish to directly address some of the false accusations which have been levelled against our organisation by recent press coverage, social media posts and statements from some civil society organisations.

The Power Plants and Their Importance to National and Local Economies

The Yeniköy and Kemerköy Thermal Power Plants are of strategic importance to the Turkish Republic. With a total installed capacity of 1,095 MW, they sit among the largest energy investments in the country's history. The Plants generate electricity with local resources that meets 15% of locally sourced electricity generation and approximately 2.5% of national electricity demand. This includes meeting approximately 62% of the electricity used off the Turkish coast of the South Aegean Sea, which is a critical asset for the country's tourism industry.

As YK Enerji we proudly completed the one and only rehabilitation investment in Turkey to comply with the European Union regulations and standards for the environmental treatment of the flue gases at a total cost of EUR 280 million.

With the first power generation module becoming operational in 1987, Yeniköy and Kemerköy Power Plants together became the biggest source of employment with their 3.100 employees in total. While the majority of the employees are from the local communities, the total number of individuals benefitting from the power plants as source of income is about 15.000, considering their families and households.

Domestic lignite resources utilized for power generation resulted with the power plants reducing Turkey's import of natural gas by 1.3 billion m³ in 2022 alone. This amounts to a USD 1 billion net reduction in Turkey's current account deficit in addition to significant contribution to the national energy strategy. This is to continue in the coming years with an increasing demand.

The Akbelen Forest

The General Directorate of Forestry who regularly assesses the economic potential of the Akbelen Forest that falls within the licensed-mining area of YK Enerji, defines the area as 'plantation with economic function' subject to cutwith its 93% industrial plantation, and 7% non-wood forest product, similar to many areas in the country.

As can be seen in the 1964 aerial maps included in the forest's technical studies, Akbelen is mostly an artificial (man-made) forest that doesn't connect the ecosystem. It only constitutes 0.29 percent of the forest areas covered by the Kayadere and Karacahisar forest sub-district. Moreover it is neither designated nor adjacent to an area holding a special purpose with ecologic or socio-cultural functions like a national park, natural park, protection forest, conservation forest or gene conservation forest etc.

. Following examination by three different commissions of experts in various lawsuits, no judicial obstacles were found.

In Response to Calls for the Plants to be Replaced with Renewable Energy

We would like to point out that claims regarding full replacement with renewable energy sources is not practically achievable. YK Enerji and both shareholders currently have substantial investments in the field of renewable energy in our country. The issue is that renewable technologies such as solar and wind are not at a sufficient development stage to offer an alternative for a base load power plant of this scale. Therefore, if mining activities do not continue in the Akbelen forest area, electricity generation at our power plants will have to stop in 2024.

YK Enerji's Plans for Rehabilitation and Reintegration of the Local Ecosystem

As with many examples globally, as well as in our country, once the underground resources brought to the surface and manufactured, re-integration of the areas to the ecosystem by rehabilitation has been a priority for us since the day we start our operations. To that end, since 1992, over 415,000 trees have been planted in the mining areas where operations have been completed.

According to the "Volunteer Afforestation Cooperation" protocol signed between our company and the General Directorate of Forestry in 2020, 3 million saplings were planted countrywide. While this corresponds to an area the size of 2.000 football fields, our target is to increase this number to 5 million by the end of 2025.

All YK Enerji employees, shareholders, and stakeholders have the highest level of environmental conscious and sensitivity as our fellow citizens. Since the day we were founded, in accordance with the law, with respect to human and environment we have been working 24/7 to maintain uninterrupted electricity production, a public service which is vital for our country.. Along with our thousands of employees, we will continue to work with this same consciousness in future endeavours and we invite all relevant parties to act similarly.