

# Sustainability Rating Certificate for Aydem Renewables

*Preliminary note: We assessed Aydem Renewables at its request in line with our methodology of unsolicited rating. This assessment results in an absolute score of 57/100. Since Aydem Renewables is not part of our listed issuers universe, this assessment does not result in a ranking against other listed companies. The A1 Rating serves an indicative purpose only, meaning that the company's absolute score appears superior to the ones obtained by listed companies within the 95th percentile of our universe. This position against sector components should not be used for legal reporting or legal valuation purposes.*

Aydem Renewables has solicited Vigeo Eiris to conduct an independent ESG and sustainability rating.

As of August 2020, Aydem Renewables receives an A1 rating, based on an overall score of 57/100. The company displays strong willingness and capacity to integrate ESG factors into its strategy, operations and risk management, with advanced performance on issues related to legal security and operational efficiency, and limited ones when it comes to human capital and reputation.



ESG Reporting Rate	92%
Sector average	68%

## ESG AND RISKS MANAGEMENT PERFORMANCE (../100)



## KEY TAKEAWAYS

**Impacts:** Aydem Renewables' energy mix (100% renewable) and the company's commitment to remain a producer of renewable electricity account for an advanced energy transition score and a major contribution to the UN sustainable development goals N°7 (Affordable and clean Energy), 12 (Sustainable consumption and production) and 13 (Climate action). KPIs demonstrating the company' social footprint (in terms of diversity, training and health and safety) reveal mixed trends.

**Risks:** Aydem Renewables' risk management system appears comprehensive, covering its most material ESG risks. The company displays robust to advanced capacity to safeguard and enhance its operational efficiency and legal security, while factors affecting human capital cohesion and reputation are addressed in a limited although above-average manner.

**Management:** Aydem Renewables appears to pro-actively integrate ESG factors into its strategy and operations. Its approach is supported by wide-covering commitment, which do however not entail quantitative objectives. Robust means and processes address the most material challenges. The absence of controversy strengthens our assurance on the company's management of its main CSR issues.

## SOLICITED SUSTAINABILITY RATING – August 2020

This issuer-solicited sustainability rating was produced using research about Aydem Renewables from Vigeo Eiris' database as well as interviews with 18 Company's managers and directors and one employee representative, conducted from 16/07/2020 to 17/07/2020.

Vigeo Eiris' 15 pages assessment report was delivered on 10/08/2010, covering 6 domains, 20 sustainability drivers and 31 impact indicators. It is structured around 3 key pillars:

1. The social and environmental impacts of Aydem Renewables's products and services, its strategy for the future, and its ability to invest in and create sustainable value;
2. Aydem Renewables's capacity to identify and mitigate its ESG risks and to preserve and increase the value of its strategic assets (including reputation, human capital, operational & organisational efficiency and legal security);
3. The strategic and operational integration of social responsibility topics in Aydem Renewables's governance, operations and reporting, including the balance and dynamics of stakeholder relationships.

Vigeo Eiris' analysis aims to inform investors, asset managers and other relevant stakeholders of the nature, weighting and level of integration of ESG factors by Company, as well as its ability to identify and mitigate related risks.

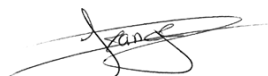
Aydem Renewables, a wholly owned subsidiary of Turkish company Aydem Energy, is involved in the generation of renewable energy. The company operates 20 hydroelectric plants (84% of installed capacity), 3 wind plants (15%), 1 geothermal plant and 1 biogas plant, for a total installed capacity of 1,020MW throughout Turkey. As of July 2020, the company plans to enter into an IPO process, whereby its mother company will remain the controlling shareholder.

Paris, 11 August 2020

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