

Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

ASELSAN is the face of technology in Türkiye for decades and an inspiration for the manufacture of electrical /electronic equipment since its establishment in 1975.

ASELSAN's vision is being a national technology company that maintains its sustainable growth by creating value in the global market; preferred due to its competitiveness, trusted as a strategic partner, and caring for the environment and people.

Today ASELSAN is a world class brand in expanding systematically into the local and global markets with more than 10,000 employees. ASELSAN has become a high technology, multi-product defense electronics company by introducing state-of-the-art equipment and systems solutions for both military and professional applications in 3 continents over 84 countries.

ASELSAN is a technology provider not only for the military but for the life and the environment. Beside defense technologies, ASELSAN has a wide range of scope in the technology areas such as public safety, transportation, health, energy and automation systems, communication and high-end agricultural technologies. In addition to contributions to the national technological needs in line with the mission, ASELSAN also creates value for its customers and partners with its exports.

ASELSAN operates under five business sectors:

- Communications and Information Technologies Business Sector (HBT): Tactical Radios, Tactical Area Communication Systems, Avionic, Satellite and Naval Communication Systems, Public Safety Communication Systems
- Radar, Electronic Warfare Business Sector (REHIS): Radar Systems, Electronic Warfare Self Protection Systems, Electronic Warfare Intelligence and Attack Programs
- Defense Systems Technologies Business Sector (SST): Weapon Systems, Command Control (C4ISR) Systems, Naval Combat Systems, Air and Missile Defense
- Microelectronics, Guidance & Electro-Optics Business Sector (MGEO): Electro-Optic Systems, Guidance & Unmanned Systems, Avionic Systems, Microelectronics
- Transportation, Security, Energy, Automation & Healthcare Systems Business Sector: Transportation Systems, Security Systems, Traffic and Automation Systems, Energy Systems, Homeland Security Systems, Healthcare Systems (UGES).

ASELSAN maintains engineering operations in Ankara, production and engineering operations in Macunköy, Akyurt , Gölbaşı and Temelli Headquarters are located in Ankara Macunköy. Some management offices are located in Istanbul Teknopark.

The Macunköy Facility was established over a total area of 186,848 m2. ASELSAN's headquarters are located in Macunköy Facility as well as Communications and Information Technologies Business Sector and Defense System Technologies Business Sector and Transportation, Security Energy Automation and Healthcare Business Sector. The Akyurt Facility was established on a total area of 635,309 m2. The Microelectronics Guidance and Electro-Optic Business Sector is located in the ASELSAN Akyurt Facility. The Gölbaşı Facility was established in the Gölbaşı district of Ankara, and houses production plants for radar and electronic warfare systems for land, air, sea, space and unmanned platforms. This Facility was established on a total area of 665,802 m2. Teknokent (ODTU- Titanium) offices and Akyurt 2 facility were included in the boundaries in 2020. In the reporting year, Temelli offices were included into the boundaries.

Decreasing carbon emission is the most important strategic goal for ASELSAN. We were entitled to receive the bronze award in 2022 with our "Climate Change Management" at the UK-based The Green Awards, which is shown among the most prestigious competitions by environmental authorities all over the world. Likewise, our climate change management was awarded the silver award from the USA-based The Stevie Awards.

The GHG reporting boundaries mapping was achieved in 2021. In April 2022, ISO 14064:2018 GHG Management Systems transition was carried out successfully.

In line with our country's 2053 net zero emission target and green development policy; studies and councils are organized in order to determine short, medium and long-term sector targets, to contribute to the legislation to be developed on climate change, to determine the policies for the sectors and responsible institutions, and to create a road-map that includes the priority actions of the institutions. ASELSAN takes an active role in this study, where a road-map for Türkiye's climate change will be drawn. In work-groups as a representative of their own workspace, the company works in partnership with the Ministry.

As a result of corporate governance rating activities carried out by an independent rating agency, SAHA in 2022, ASELSAN revised its score to 9.34 on 09.12.2022.

ASELSAN made 8,142 million TRY of external R&D expenditures in 2022 that 207 Patent Applications were made and 63 Registration Certificates were obtained .

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1, 2022

End date

December 31, 2022

Indicate if you are providing emissions data for past reporting years

No

C0.3

(C0.3) Select the countries/areas in which you operate.

Turkey

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	TREASLS00018
Yes, a Ticker symbol	ASELS

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	<p>The Board Chair who has been assigned as CEO as of April 27, 2018; has a direct responsibility for climate related issues on behalf of the Board and EC. The CEO also has an execution responsibility in the field of social responsibility and environment.</p> <p>The Board considers climate-related issues when reviewing and guiding the business strategy aligned with the economic performance of the company. Following the Strategic Plan, the Board carries out oversight power on Sustainability Committee Program integrated with climate related issues impacting economic, social and environmental performance of the company. In order to conduct its responsibilities ASELSAN Board of Directors formed three committees: Audit Committee, Corporate Governance Committee, Early Detection and Management of Risk Committee. The third one is comprised of three Board Members who ensure the determination of the operational, strategic, financial and other climate related R&Os.</p> <p>ASELSAN CDP Execution Group was established in 2019. This group is working under the presidency of Corporate Management Vice President who is a member of Executive Board. The group's goal is to carry out science-based target studies and strategy review with scenario-base analyses and TCFD requirements. In this group there is one representative from each sector chair, including financial affairs and strategy department. Energy reduction projects that will serve as a basis for setting targets are also reported to the same group. The Corporate Management Vice President assists the Board of Directors in fulfilling oversight of CDP related issues with the collaboration of ERM within the organization. In 2020, Climate Change Management Unit (CCMU) has been established under the roof of Integrated Management Systems. The Unit works with all facilities' leaders to drive an integrated, enterprise-wide management on climate issues. In line with the 2053 net zero emission vision of Türkiye, in the reporting year ASELSAN continued to take an active role in the workshops that will draw up Türkiye's road map on climate change. As a representative of its field of business, ASELSAN carries out studies in working groups in partnership with the related authorities serving the strategy alignment with the vision of becoming carbon-neutral by 2053.</p>

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain

<p>Scheduled – all meetings</p>	<p>Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Overseeing and guiding scenario analysis Overseeing the setting of corporate targets Overseeing and guiding public policy engagement Overseeing value chain engagement</p>	<p>The Board reviews and guides climate related risk management policies as scheduled. The Corporate Management Vice President who leads the Sustainability Committee, briefs the Executive Committee (EC) of ASELSAN about climate related developments and practices by bringing the attention of the EC to social, legal and environmental R&O's that may have an impact on the Risk Management Policy of the Company including TCFD requirements. The CEO and the Board of Directors oversee policy by considering global climate related issues, government relations and corporate responsibility including reviewing and providing oversight of the Company's Environmental Sustainability Program. The board considers also climate-related issues when reviewing and guiding the whole business strategy, plans, risk management policies, budget plans as well as, setting organizational performance objectives and targets, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions and divestitures. In 2022 the following decisions and actions were carried out for addressing climate-related risks and opportunities based on main scenario analysis. 1-The transition plan sections' oversight continued for the purpose to facilitate emission reduction target of the company in 2050. In Sustainability workshops presided by the Board Chairman/CEO, the Climate Strategy and Transition Plan items have been discussed by ASELSAN's Sustainability Ambassadors. Company-wide acceleration of awareness raising for "Transition Action Plan Items" were decided. The Board Approval realization will be done after the company wide internalization of this road-map. 2-For the achievement of "2050 net zero target"; in 2025 electricity use in all campuses will be met entirely from renewable solar energy, generated from company's own Solar Power Plant installation. 3-100% access to electrification of company passenger vehicles in all campuses will be completed at the end of 2030. 4- As med & long-term transition plan, the use of ASELSAN's own products in Türkiye's installed Wind and Solar Power Plants will be 2% in 2030 and 8% in 2050 compared to 2022.</p>
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C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	<p>In ASELSAN; the members of the board are competent in different fields.</p> <p>The criteria used to assess competence of board members is: Academic background or business proficiency on climate/ energy/ environment related projects & tasks. These capabilities will ensure the company's commitment to understand and respond to risks, opportunities, and impacts within its highest decision-making body.</p> <p>The Board-Chair of ASELSAN has a competence on climate-related issues, he can fulfill any plans to address board-level competence as a whole.</p> <p>The board-chair has served as the chairman of Control and Automation Engineering Department in Yıldız Technical University, between the years 2009-2013. During his chairmanship, he has been the founder of many postgraduate programs. He served as the Türkiye Delegate of European Union 7th Framework Program Energy Field in between the years 2007-2010. He carried his duties as a Board Member of Yıldız Technical University Techno-park, BAP Coordinate, Science Application and Research Center, served as the Editor of YTU Sigma Engineering and Science Journal between 2010-2013. He also carried his duties as Yıldız Technical University Deputy Manager of the Institute of Science and Vice Rector. He has numerous national and international articles / reports, editorial editions and projects. He was elected as the Rector of the Year in 2015, 2016, 2017 and 2018 in organizations organized by different institutions due to his pioneering contributions to university-industry cooperation during his rectorate. As an electrical engineer he was actively involved in energy efficiency and energy saving methods.</p> <p>Some International Articles of the Board Chair/CEO</p> <p>1-A Nonlinear Observer Design for Fuel Cell Hydrogen Estimation</p> <p>2-An algorithm for estimation of membrane water content in PEM fuel cells (2005)</p> <p>2-A Voltage-Based Observer Design for Membrane Water Content in PEM Fuel Cells</p>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Managing climate-related acquisitions, mergers, and divestitures
Developing a climate transition plan
Integrating climate-related issues into the strategy
Monitoring progress against climate-related corporate targets
Managing public policy engagement that may impact the climate
Managing value chain engagement on climate-related issues
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The direct responsibility for climate change within ASELSAN lies with Executive Committee presided by the CEO representing also the Board Chair.
The CEO informs the board of directors who oversight the company performance on climate related issues. The Board assigns strategic and program management responsibility to related board committees especially in assessing and managing climate related risks and opportunities.
After the mature study of TCFD requirements ; Communication based integrated oversight of risks & opportunities is ensured at Board level.
The ultimate goal of the Company's Risk Management Framework is to define and manage all risks and opportunities with all related functions and to strengthen decision making processes via regular reporting and follow-up.
Regularly reported items are:
New climate policies with actions and targets by taking into consideration value chain engagement.
New emerging regulations, mitigation activities expenditures' analysis, investments/divestment or organic expansion having impact on budget plans and influencing the transition plan activities' performance.

Position or committee

Risk committee

Climate-related responsibilities of this position

Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Risk - CRO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

Early Detection and Management of Risk Committee (EDMR) is comprised of three Board members. It is chaired by an independent Board member. Committee ensures the determination of the operational, strategic, financial and other climate related risks and those risks are managed in compliance with company's enterprise risk-taking profile. The Committee assembles at least six times a year. It oversees the performance of the enterprise risk management system.

Enterprise Risk Management Coordination Council is responsible to assign a risk representative who has the duties to prepare risk detection and management documents and to make the coordination of related activities which are reported to EDMR .

The follow-up of enterprise risk management system aligned with ASELSAN's strategy, politics and other processes is ensured by Internal Audit Presidency. It oversees the functioning and effectiveness of the risk management system processes. Internal Audit Presidency reports directly to Audit Committee and Board of Directors. The committee assembles at least four times a year. Follow-up on the implementation of action plans is also made by Audit Committee.

The ultimate goal of the Company's Risk Management Framework is to define all risks and opportunities to all functions and to strengthen decision making processes via regular reporting and follow-up.

ASELSAN allocates management responsibility for climate-related issues to senior roles.

Regularly reported items are:

Results of detailed climate risk analysis having the potential to impact the strategy and the transition plan activities' performance.

Position or committee

Sustainability committee

Climate-related responsibilities of this position

- Implementing a climate transition plan
- Managing public policy engagement that may impact the climate
- Managing value chain engagement on climate-related issues
- Assessing climate-related risks and opportunities
- Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Corporate Sustainability/CSR reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

One of the EC core members who is the Vice President of Shared Services presides the Sustainability Committee (SC) for sustainability and climate related actions.

ASELSAN allocates management responsibility for climate-related issues to senior roles.

In 2021 for the first time, the SC meetings were presided by the CEO/Board Chair for all climate related issues. ASELSAN organized the first Sustainability Workshop covering climate related topics with the participation of the Senior Management and Sustainability Ambassadors. The meetings continued in the reporting year.

The SC develops and implements economic, environmental and social sustainability strategies focusing on responsible consumption and production by setting targets to reduce the impact of identified risks and making performance reviews. The seize of identified opportunities are also discussed in this committee.

The Corporate Management Vice President is the authorized person who drives and adapts climate related decisions of the company. The activities are executed by the following positions in the SC: Management Director of Infrastructure and Facilities who performs energy related legal and operational issues in the operational field.

Finance Director, Strategy Management Director, Investors Relations Manager, Enterprise Risk Management Manager, Supply Chain Management Vice President provide all guidance on their own expertise about climate management issues by reporting to Vice President.

Climate Change Management Unit (CCMU) established in 2020 by Integrated Management Systems, works with all facilities' leaders to drive an integrated, enterprise-wide management that includes the products, services, processes, operations, subsidiary suppliers, contractors and employees has been established under the roof of Integrated Management Systems (IMS) within the leadership of its manager. The Unit works with all facilities' leaders to drive an integrated, enterprise-wide management that

includes the products, services, processes, operations, contractors and employees
IMS ensures to drive the calculation of carbon footprint value of the facilities annually in compliance with ISO 14064:2018, making notifications to national/international initiatives in connection therewith. The information forming, based on climate related R&Os are updated first by the IMS position. With the collaboration of internal control manager, the risk mapping is updated for identifying the potential risks of flooding and storms, but also the consequences of these events: environmental, property damage, impact on the business.

Position or committee

Chief Procurement Officer (CPO)

Climate-related responsibilities of this position

Managing public policy engagement that may impact the climate
Managing value chain engagement on climate-related issues
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

Climate related legal and financial issues, governmental relations, energy, customer and green procurement services have stringent impacts on strategic planning, optimization and other corporate responsibility/ reputation issues covering responsible production and consumption as upstream and downstream activities.

The ultimate goal of the procurement framework is to provide transparency to ensure that the value chain activities are aligned with SDG Goals. The related department is always in close collaboration with Corporate Sustainability Committee and Early Detection and Management of Risk Committee (EDMR) .

ASELSAN allocates management responsibility for climate-related issues to senior roles.

Regularly reported items are: the ESG key performance indicators, related risk analysis including green procurement activities.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	<p>The “Performance Development and Feedback System (PGSS),” which was implemented in 2020, is designed to strengthen goal-based performance management and feedback culture.</p> <p>The goals for all organizational units have been mutually determined in alignment with corporate goals.</p> <p>The PGSS is tracked on a software infrastructure to identify employees’ career management, remuneration, and rewarding processes. The system aims to encourage the motivation to achieve together and the employee performance is evaluated in four different dimensions. The final performance evaluation of the employee consists of the evaluation of the goals defined for the employee by the manager, the evaluations of the employee’s colleagues/ internal customers regarding their contribution in the projects they worked together, and the ratio of the target realization status of the higher and two times higher organizational units of the department to which they are affiliated, based on certain weights.</p>

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

The CEO carries out performance assessments and decisions in line with support to Sustainability and CDP Reporting. Performance of the activities’ incentive metrics is

reported to the Board of Directors and factor into executive compensation through the Balanced Scorecard Method.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This incentive is linked to our commitment to net zero emissions throughout our entire operations including supply chain by 2050. The performance indicators form a part of climate transition plan on emission mitigation which includes:

- E-VEHICLES -100% Electrification of Company Cars-100% in 2030
 - RENEWABLE ELECTRICITY CONVERSION in 2025- 100% Company-Wide
 - ASELSAN ENERGY SOLUTIONS- Local and National Solutions with Self-Products.
- The use of ASELSAN's own products in Türkiye's installed Wind and Solar Power Plants will be 2% in 2030 and 8% in 2050 compared to 2022.

Entitled to incentive

Other C-Suite Officer

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

- Achievement of climate transition plan KPI
- Achievement of a climate-related target
- Increased investment in low-carbon R&D
- Increased value chain visibility (traceability, mapping, transparency)

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

The Corporate Management Vice President carries out performance assessments and decisions in line with support to Sustainability and CDP Reporting. Performance of the activities' incentive metrics is reported to the Board of Directors and factor into executive compensation through the Balanced Scorecard Method

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This incentive is linked to our commitment to net zero emissions throughout our entire operations including supply chain by 2050. The performance indicators form a part of climate transition plan on emission mitigation which includes:

- E-VEHICLES -100% Electrification of Company Cars-100% in 2030
- RENEWABLE ELECTRICITY CONVERSION in 2025- 100% Company-Wide
- ASELSAN ENERGY SOLUTIONS- Local and National Solutions with Self-Products.

The use of ASELSAN's own products in Türkiye's installed Wind and Solar Power Plants will be 2% in 2030 and 8% in 2050 compared to 2022.

Entitled to incentive

Environment/Sustainability manager

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

Performance indicators cover CO2 emission reduction, energy and natural resources consumption reduction, support for Sustainability and CDP reporting. And these indicators find place as a target in the Balanced Score Card Method. The corporate and personal performance is evaluated through the Balanced Scorecard Method and the realization scores has a direct impact on the salary increase.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This incentive is linked to our commitment to net zero emissions throughout our entire operations including supply chain by 2050. The performance indicators form a part of climate transition plan on emission mitigation which includes:

- E-VEHICLES -100% Electrification of Company Cars-100% in 2030
 - RENEWABLE ELECTRICITY CONVERSION in 2025- 100% Company-Wide
 - ASELSAN ENERGY SOLUTIONS- Local and National Solutions with Self-Products.
- The use of ASELSAN's own products in Türkiye's installed Wind and Solar Power Plants will be 2% in 2030 and 8% in 2050 compared to 2022.

Entitled to incentive

All employees

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary
Promotion
Shares

Performance indicator(s)

Reduction in absolute emissions
Energy efficiency improvement

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

In ASELSAN, there is a suggestion system called “Idea Management System” in the intranet since 2013. This system is accessible for all employees. An employee who has an innovative idea on climate change, energy efficiency or improvement on water and any other topic, can send his/her idea note to the Strategy Department through this suggestion system.

The Strategy Department evaluates the idea and if it is feasible, the idea note is shared with the related department. The employee is entitled with a monetary reward if the idea is assessed to be applicable and profitable for the company.

If the proposal results with an emission reduction the reward is 3 gold coins.

Other activities and rewards:

1- As part of the World Environment Day events on June 5 every year Environmental Painting Contest is organized.

In the competition held on the ASELSAN Techno Adventure platform and attended by the 5th, 6th, 7th and 8th grade students of primary schools in Ankara, the children who ranked in the competition were presented with their awards in a ceremony held in June.

2- The Design Directorates, working under the Sector Presidencies, continue their efforts to produce product and packaging designs in the most optimized way in terms of environment and climate change. Best team awards will be launched next year.

3- ASELSAN plans to give excellence awards to its suppliers in four different categories by launching the Supplier Rewarding Program. The categories to be awarded are:

1. Supplier Sustainability Award:

It covers suppliers who have achieved outstanding success in environmental and social sustainability practices, which are given great importance by ASELSAN.

2. Supplier Process Improvement Award:

Within the ASELSAN supplier ecosystem, with the improvements it will make, design, production, quality, etc. It includes suppliers that show the most value-added development in their processes.

3. Supplier Quality Performance Award:

Within the ASELSAN supplier ecosystem, it includes the suppliers that have the lowest quality non-compliance rate in their deliveries.

4. Supplier Delivery Performance Award:

Within the ASELSAN supply ecosystem, it covers the suppliers with the highest rate of compliance with the delivery date

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This incentive is linked to our commitment to net zero emissions throughout our entire operations including supply chain by 2050. The performance indicators form a part of climate transition plan on emission mitigation which includes:

- E-VEHICLES -100% Electrification of Company Cars-100% in 2030
 - RENEWABLE ELECTRICITY CONVERSION in 2025- 100% Company-Wide
 - ASELSAN ENERGY SOLUTIONS- Local and National Solutions with Self-Products.
- The use of ASELSAN's own products in Türkiye's installed Wind and Solar Power Plants will be 2% in 2030 and 8% in 2050 compared to 2022.

Entitled to incentive

All employees

Type of incentive

Non-monetary reward

Incentive(s)

Internal company award
Internal team/employee of the month/quarter/year recognition

Performance indicator(s)

Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

Events and activities:

1-EYS Cup; This is a traditional competition, held between the Vice Presidents, every year. The environment/climate related criteria for the relevant year are determined in January. The Sector Presidencies are assessed based on these criteria and a winner is chosen at the end of the year. The Cup is presented to the winner at the Executive Board meeting by the Chairman of the Board of Directors/CEO, and the cup is displayed at the relevant offices throughout the year. Among the criteria, there are items such as the rate of participation in climate change education, the rate of making improvement suggestions on environmental issues such as energy, water, wastes.

2-Visible Leadership activities are held every month for managers to participate in climate change and environmental management, to see the work on the field, to communicate with employees on these issues and to get their opinions. Every month, a field visit is made with the relevant Vice President or the Chairman of the Board of Directors/CEO, and climate change and environmental studies are observed with a wide participation with employees.

3-At The Stewie Awards International Business Awards; We received a Silver Award in the "Green Climate for the Future" category as a result of our activities aimed at

reducing the carbon emissions of our country, such as the Zero Waste Project, CDP Climate Change Reporting, and CDP Water Reporting.

Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan

This incentive is linked to our commitment to net zero emissions throughout our entire operations including supply chain by 2050. The performance indicators form a part of climate transition plan on emission mitigation which includes:

- E-VEHICLES -100% Electrification of Company Cars-100% in 2030
 - RENEWABLE ELECTRICITY CONVERSION in 2025- 100% Company-Wide
 - ASELSAN ENERGY SOLUTIONS- Local and National Solutions with Self-Products.
- The use of ASELSAN's own products in Türkiye's installed Wind and Solar Power Plants will be 2% in 2030 and 8% in 2050 compared to 2022.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	Major global, national and enterprise risks and opportunities which have potential impacts on our operations and life of our assets according to the profile of the climate related risks that we may face are considered in 5-year period for short-term time horizon.
Medium-term	5	10	Major global, national and enterprise risks and opportunities which have potential impacts on our operations and life of our assets according to the profile of the climate related risks that we may face, are considered in 10- year period for medium-term time horizon.
Long-term	10	30	Major global, national and enterprise risks and opportunities which have potential impacts on our operations and life of our assets according to the profile of the climate related risks that we may face ,are considered in 30 years period for long-term time horizon.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

At ASELSAN's practice; there is a great bonding between Corporate Strategy and Enterprise Risk Management system. We believe this understanding contributes positively on ASELSAN's sustainability. In this approach; every risk factor that could be an obstacle by meaning of achieving ASELSAN's goals, are being defined. In risk assessment phase ASELSAN applies a risk matrix where risks are placed by their impact and likelihood. This is a 5x5 matrix and the impact degree is ranged from Very Low to Very High. Furthermore; to evaluate, to monitor and to diversify the risks better, every risk is categorized under 4 components (Financial, Operational, Compliance and Strategic).

Environmental risks that have a significant financial or strategic impact (i.e rated "very high" and have an EBITDA impact of over TRY 2,650 million) are reported to the Early Detection and Management of Risk Committee every two months, which is then sent to the ASELSAN's Board of Directors.

Each environmental risks are evaluated according to impact and probability criteria. The probability and impact of the risks are scored (1-5 points).

Criticality levels are "very low" (less than TRY 106 million effects on EBITDA) "low" (effect on EBITDA between TRY 106 and 530 million), "medium" (effect on EBITDA between TRY 530 and 1,060 million), "high" (between 1,060 and 2,650 million TRY effect on EBITDA), "very high" (over TRY 2,650 million impacts on EBITDA).

In order to minimize and prevent from the impacts of climate change; yearly a very comprehensive insurance policy is being taken by ASELSAN. Risks such as; snowstorm, tornado, flood (increase in severity and frequency of extreme weather events) are some of the subjects of this policy, moreover every employee and ASELSAN's all facilities are fully covered.

Financial risks and non-financial risks that can significantly have an impact on our business objectives or financial condition vary in different conditions. Based on our context of risk assessment procedure, the substantive risks can be measured depending on assessment factors; impact of occurrence and size of potential impact. In case to find out whether the issue is a significant risk or not, we conduct a risk assessment according to these criteria to prioritize the risk. The assessment method is applicable for every risk.

ASELSAN defines substantive potential impact on its business as the change to operations and cost and considers reputation risks having negative impact on company's own business, operations, revenue, profitability and overall market value in Borsa Istanbul.

Sustainability and environment friendly practices are gaining more and more importance all around the globe. The investors' approach to companies' such practices is also evolving accordingly. As days pass by, the number of corporate funds which are including sustainability as a separate parameter to their evaluation criteria and even investing only to firms with high ESG scores are increasing. Our efforts on climate change mitigation will help ASELSAN positively differing from other publicly traded companies on the eye of current and prospective investors. Taking these concerns into account, we consider the most important aspect of climate change that influences the strategy as the opportunity to develop a green business. **From this point of view, ASELSAN foresees climate change not only as a risk**

factor but also as an opportunity for widening its environment friendly solutions, as ASELSAN is a technology company.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

ASELSAN's Enterprise Risk Management Policy aims to ensure that appropriate actions are taken against all uncertainties that threaten the corporate existence of the Company. The corporate identity of the Company and the interests of all its stakeholders are protected under all circumstances. Risk management is an integral part of corporate governance. At ASELSAN, the information produced within the scope of risk management activities is integrated into decision mechanisms. "Top-down" and "bottom-up" approaches are applied together in Enterprise Risk Management studies, risks that may affect ASELSAN's achievement of its goals are identified, evaluated, monitored and reported together with the risk reactions and the measures to be taken. At ASELSAN; The Enterprise Risk Management process is regularly reviewed and improved. At both company and asset levels, climate change related risks and opportunities include, changes in fuel and energy prices, climate related laws and regulations, global competitiveness, changing customer needs and suppliers' profile, potential threats of national security and employee related issues. The climate related risks and opportunities at the company level are assessed by the Sustainability Committee. Risks and opportunities associated with the environment or climate change are often coupled with energy-related activity and are subject to our Risk & Opportunity Evaluation Process. The Strategy Department in coordination with the Sustainability Committee is responsible of setting targets to reduce the impact of identified risks and making performance reviews to assess whether the climate related targets are met and also decides on how and when the identified opportunities can be seized. Sustainability

Committee and the Early Detection and Management of Risk Committee review and finalize all climate related risk analysis and present the critical risks that are assessed to be of “High” importance to the Board of Directors according to the scoring methodology defined below. They also present a report to Board of Directors about the financial and operational measures that need to be taken by ASELSAN to prevent the occurrence of the identified risks. The Board of Directors decides which measures shall be applied and the evaluations are then reported to the Early Detection and Management of Risk Committee to be monitored and brought into action.

Additionally, when the relative significance of climate-related risks is determined by the strategic decision makers after a comparable structured review, they are itemized as implementation plan within the scope of ISO 14001:2015 for a detailed assessment and planning.

The risks are first analysed at the facility and activity level as compliance risks, project risks, operational risks, management and adaptation risks. These are assessed according to the methodology given as process(es) for managing climate-related risks and opportunities. The identified risks are then classified to be; very low, low, medium, high and very high (critical). The results of the evaluation are reported to the EC, which in turn makes decisions. ASELSAN’s overall risk management objective is to reduce controllable risk impacts and minimize the impact of the ones that cannot be controlled. We analyse short, med and long-term risks and opportunities having the potential of substantive strategic and financial impact on the organization.

We define substantive financial impact; as risks with a threshold over TRY 2,650 Million impact on EBITDA.

Process(es) for managing climate-related risks and opportunities: The major climate related risks and opportunities at the asset level are the events that may have a major impact on the GHG emissions which may trigger compliance risks.

These events usually are related to energy and fossil fuel consumption.

Renovations in product design enabling less energy consumption are assessed as an opportunity, and increased consumption of fossil fuel during production is assessed as a major climate related risk.

The process is described as follows: First, the probability of occurrence of the identified risk is scored from Very Low to Very High occurrence. Then, the impact of the identified risk event is also determined from Very Low to Very High.

According to final score the risks and opportunities are prioritized from Very Low to Critical. If the assessment result is Critical, the company establishes a response plan and implements the response and regular monitoring.

The responsible who identifies first the risk and/or opportunity, tracks the actions.

Communication with the risk manager is always setup within a defined official time frame. Climate Change Management Unit carries out the coordination, reporting and monitoring processes of all climate engagement activities across business divisions and external official institutions and organizations.

The Integrated Management Systems Manager also involves to operations, actions and status tracking for climate-related R&O. The opportunities are evaluated by related department, with the above-mentioned team survey and reported to the Board of Directors. If there are new opportunities detected for med-term and long-term time horizon, they are integrated in the annual budget planning.

Loss of productive labor force as a consequence of health problems caused by environment and climate related problems ending by facility shut-off, is an example of physical risk assessment realized by ASELSAN's IMS department.

As a transitional opportunity; For the purpose of image transmission, covering meteorology, sea-land- air pollution and forest fires in observation satellites very high speed X-Band Transmitter (> 600 Mbits/s) unit validated on desktop for use in 2022. Another example of transition risk is to make some additional modifications in the performance parameters of designed products as a consequence of climate related conditions.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>ASELSAN is always in compliance with current regulation, when a current regulation- based climate related potential risk is detected, it is forwarded to Enterprise Risk Management Coordination Committee Representative via "Risk Cards". ASELSAN management identified with a form the risks and opportunities which have impact on Integrated Management Systems' performance (IMS). This form moved to digital platform in the context of digitization less paper usage purposes, in 2021.</p> <p>The climate related detailed R&Os (MRV, PMR activities etc) are started to be assessed based on the context of the company. Although ASELSAN is not in the scope of MRV; in 2021, Current National MRV regulation was reviewed with an approach of detecting potential risks that our industry may face in mid-term period referring PMR project of the Ministry.</p> <p>Sustainability Committee and the Early Detection and Management of Risk Committee reviews and finalizes all climate related risk analysis, and presents the critical risks that are assessed to be of high importance to the Board of Directors, according to process and the scoring methodology defined in C 2.2 They also present a report to Board of Directors about the financial and operational measures that need to be taken by ASELSAN to prevent the occurrence of the identified risks. The Board of Directors decides which measures shall be applied and the evaluations are then reported to the Early Detection and Management of Risk Committee for the purpose to be monitored and brought into action.</p> <p>Additionally when the relative significance of current regulation risks are identified and assessed by the strategic decision makers after a comparable structured review, they are itemized as implementation plan within the scope of ISO 14001:2015 for a detailed management.</p>

		<p>Risk rating is classified as low- medium and high rate. When high rated climate related risks are identified, the action planning commence with the initiation of IMS department. Risks and Opportunities document is annually updated and reviewed with the collaboration of IMS Department and Enterprise Risk Management Coordination Committee (ERMCC) Representative.</p>
Emerging regulation	Relevant, always included	<p>Emerging Regulatory risks indicate the potential increase in costs (carbon taxes related with energy and raw material or future cap & trade implementation plans, long-term strategies, actions, policies and legislation in line with Türkiye's 2053 Net Zero Emissions and Green Development target (the 'Climate Change Law) and the discouragement for the establishment of new production facilities. These potential threats are always assessed by the Sustainability Committee who is responsible of bringing attention to these potential impacts. When an emerging regulation-based climate related potential risk is detected, it is forwarded to Enterprise Risk Management Coordination Committee Representative via "Risk Cards". ASELSAN management identified with a form the R&O's which have impact on Integrated Management Systems' performance. (IMS). This form moved to digital platform in the context of digitization less paper usage purposes, in 2021. The climate related detailed R and O' s are assessed based on the context of the company. In 2021, Draft National Climate Change Law, Türkiye's 2053 Net Zero Emissions and Green Development target assessments, updating process of NDC at the 27th Conference of Parties (COP27) in 2022, ETS transaction studies were evaluated covering short-med and long- term time horizon. (Risk1) The SC& EDMR Committee review and finalize all climate related risk analysis, and presents the critical risks that are assessed to be of high importance to the Board of Directors according to process and the scoring methodology defined in C 2.2 They also present a report to Board of Directors about the financial and operational measures that need to be taken by ASELSAN to prevent the occurrence of the identified risks. The Board of Directors decide which measures shall be applied and the evaluations are then reported to the EDMR Committee to be monitored and brought into action. Additionally when the relative significance of emerging regulation risks are identified and assessed by the strategic decision makers after a comparable structured review, they are itemized also as implementation plan within the scope of ISO 14001:2015 for a detailed management.</p> <p>Risk rating classification realizes when high rated climate related risks are identified, the action planning commence with the initiation of IMS department. Risk and Opportunities document is annually updated and reviewed with the collaboration of IMS Department and ERMCC Representative.</p>

Technology	Not relevant, included	<p>Substitution of existing products with lower emission options will not cause technology-based climate related risks for ASELSAN. There is a growing potential for low carbon technologies, like smart digital solutions, smart mobility, solar cells, insulation and products that help studies of biodiversity etc. for different sectors. Producing such technologies will enable ASELSAN to differentiate. In ASELSAN, every technologically developed product or service also serves an environmental and energy based transitional improvement and innovation. The Midas project is an example of this category and it is explained in opportunity 2.</p> <p>Previous reporting year, all workflows related to procurement were reconsidered and their effectiveness was increased. With the efforts of the Component Engineering Unit, which was newly created under the Supply Chain Management Vice Presidency, ASELSAN's engineering units contribute to the creation of alternative materials starting from the design phase. Purchasing strategies have been diversified. Within the scope of the proactive attitude, strategy changes, process improvements and customs procedures of the Supply Chain Management teams in the procurement and foreign trade processes, a savings of USD 220 million was achieved in 2022.</p> <p>The potential is always assessed by the Sustainability Committee who is responsible of bringing attention to these potential impacts with the collaboration of research and development, production and other related departments. At company level major global and national risks that meet ASELSAN's risk management criteria are included in annual risk assessment reports. The Strategy Department in coordination with the Sustainability Committee is responsible of setting targets to reduce the impact of identified risks and making performance reviews. The Committee decides which risks and opportunities shall be reported to the Board of Directors according to process and the scoring methodology defined in C 2.2 These reports are presented to senior executives for subsequent follow-up.</p>
Legal	Relevant, always included	<p>Legal risks indicate increasing pricing of GHG emissions which could result in increased product prices. These potential threats are always assessed by the Sustainability Committee who is responsible of bringing attention to these potential impacts with the collaboration of production and other related departments. At company level low carbon products become more attractive for customers. This is an opportunity for ASELSAN which has the ability to produce technologies for low carbon products. The Strategy Department in coordination with the Sustainability Committee is responsible of setting targets to reduce the impact of identified risks and making performance reviews. ASELSAN did not envisage legal issues but aspects are considered and evaluated on an annual basis as part of our company-wide risk assessment process. The Committee decides which risks and opportunities shall be</p>

		reported to the Board of Directors according to process and the scoring methodology defined in C2.2 These reports are presented to senior executives for subsequent follow-up.
Market	Relevant, always included	<p>Market risks indicate increasing production costs due to changing input prices like materials, water, energy, etc. ASELSAN elaborates digital solutions for major defense industry companies in Europe and US. As a sub-contractor ASELSAN realizes the assessments about the effects of the products on climate change in order to be able to compete with the sector peers.</p> <p>These potential threats or opportunities are always assessed by the Sustainability Committee who is responsible of bringing attention to these potential impacts with the collaboration of production, purchasing, marketing and other related departments. At company level low carbon products become more attractive for customers. This is an opportunity for ASELSAN who has the ability to produce technologies for low carbon products. The Sustainability Committee decides which risks and opportunities shall be reported to the Board of Directors according to the scoring methodology defined in C 2.2 These reports are presented to senior executives for subsequent follow-up.</p>
Reputation	Relevant, always included	<p>Reputation risks indicate potential impacts associated with negative perceptions experienced by the public around ASELSAN's carbon performance. These potential threats are always assessed by the Sustainability Committee who is responsible of bringing attention to potential impacts with the collaboration of production and other related departments.</p> <p>In 2022, a total of seven patents and utility model registrations were obtained within the scope of design and system engineering. The process of 77 applications continues. 33 of them were completed in 2022.</p> <p>The Sustainability Committee decides which risks and opportunities shall be reported to the Board of Directors according to process and the scoring methodology defined in C 2.2. These reports are presented to senior executives for subsequent follow-up.</p> <p>In the reporting year Chairman/ CEO and ASELSAN's Sustainability Ambassadors attended the workshops consisting of working group sessions under the main topics of environment/ climate, society and corporate governance.</p>
Acute physical	Relevant, always included	<p>Acute physical risks indicate extreme weather events which can lead to higher operational costs due to supply chain disruption as described in Risk:4. These potential threats are always assessed by the Sustainability Committee who is responsible of bringing attention to potential impacts with the collaboration of production, utility and other related departments.</p> <p>The Sustainability Committee decides which risks and opportunities shall be reported to the Board of Directors according to process and</p>

		the scoring methodology defined in C 2.2. These reports are presented to senior executives for subsequent follow-up.
Chronic physical	Relevant, always included	Chronic physical risks indicate changed precipitation and droughts patterns which can have negative impact on energy management in the facilities as described in Risk:3. These potential threats are always assessed by the Sustainability Committee who is responsible of bringing attention to potential impacts with the collaboration of production, utility and other related departments. The Sustainability Committee decides which risks and opportunities shall be reported to the Board of Directors according to process and the scoring methodology defined in C 2.2 These reports are presented to senior executives for subsequent follow-up.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

The Paris Agreement bears high future possibilities of additional regulations coming into force in the near term. After the ratification of the Paris Agreement in October 2021, Türkiye has declared its net zero pledge by 2053. The National Climate Council has completed its workshops which will form the infrastructure of short, medium and long-term strategies, actions, policies and legislation in line with Türkiye's 2053 Net Zero Emissions and Green Development target.

In the reporting year, the Minister of Environment, Urbanization and Climate Change (MEU&CC) notified that a national ETS will be implemented. It is expected that the

scheme will be very similar to EU-ETS. Implementation phase for the establishment of a national emission trading system covering the scope of MRV Regulation's sectors, are projected to start as pilot phase in 2024 and commence to implementation in 2025.

Emission-intensive sectors with high emissions intensity may face penalties or limitations due to ETS quotas

ASELSAN is not in the scope of MRV, but The National MRV regulation is likely to be revised; having the potential to bring additional emission quotas forcing our industry to face carbon cap allocation.

In a med-term time horizon this new system will have uncertainties which may result to pose some potential risks on ASELSAN such as; obligation to reduce the GHG emissions. Additional cost could be associated with "carbon pricing" resulting with an increase in indirect costs.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

17,749,784

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Base on SDS of IEA, the cost of CO₂-e emitted in 2030 would be US\$100/ton ASELSAN's 2022 total Scope 1 CO₂-e emissions were 22,593 tons. If we were in the context of MRV system, 10,712 tonnes of total Scope 1 verified emissions would be taken into account for ETS. For med-term time horizon, the unmitigated cost of current scope 1 emissions (2022 average currency: 1\$=16.57 TRY) would be 10,712*100=1,071,200 \$ (17,749,784 TRY).

But the impact could diminish after the energy efficiency projects which will be implemented in this period.

Cost of response to risk

400,000

Description of response and explanation of cost calculation

The risk magnitude on our operations will be reduced by energy efficiency projects and activities.

Therefore, this risk will be likely to have less impact on our OPEX even after the foreseen time horizon

In order to manage this risk ASELSAN's Corporate Management Vice President assigned some sustainability committee members to participate the PMR and National Climate Council Meetings executed by the MoEU&CC.

This communication which will prepare our company to this approaching system, continued in 2022.

ISO 14064:2018 GHG inventory & certification activities took place in May 2023.

In 2021 the Energy Management System ISO 50001:2018 was set in our facilities. The certification was realized in May 2022.

Comment

Cost of managing this risk is approximately 400,000 TRY, covering management activities' related expenses to frame up energy management system in our facilities.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Increased direct costs

Company-specific description

In ASELSAN one of the primary goals is to increase the activities as a subcontractor for major defense industry companies in Europe and the US by providing services in such a way that enables the company to contribute to the development of global defense industry. In the context of EU taxonomy, ASELSAN may face product labeling requirements. Carbon footprint assessment of all the products that is planned to produce as sub-contractors of European and American companies may force the company to perform a more detailed and enhanced analysis of the systems, including assessing the environmental impacts of the products throughout the whole life cycle (i.e. a detailed LCA). ASELSAN may also need to comply with Eco-Labeling standards such as EPD in order to be able to export the products and systems to the US and Europe, which may force to make changes in product design to be able to compete with the sector peers.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

14,500,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

It is expected that these types of requirements will not exceed 0.5% of our OPEX.
(ASELSAN Annual Report-2022 Financial Information section for OPEX details)

Cost of response to risk

450,000

Description of response and explanation of cost calculation

We closely follow the Environmental regulations in our target markets, and whenever we see that there is a need for such action, we will perform the related environmental analysis before it becomes a regulatory obligation.

ASELSAN is very meticulous in such actions and in the past many standards and reporting schemes such as ISO 27001, CDP, CMMI (Capability Maturity Model Integration) have been applied even before it was asked for by our clients. LCA thinking which is an evolving requirement of ISO 14001: 2015 and ISO 14064:2018 is inherently in the concern of ASELSAN.

Comment

The cost may consist of acquiring consultancy and verification services regarding "Environmental Product Declaration". This cost of management was calculated for a same product family.

The Product Life Cycle System, expressed as PLM (Product Life Cycle Management), which can be considered one of the milestones for ASELSAN, is the most important part of ASELSAN's digital transformation included in the ASELSAN Strategic Plan for this purpose. PLM will prepare ASELSAN for the future by providing the infrastructure for the concurrent engineering method that enables interactive and efficient work from design to production, from program management to integrated logistics support. In 2021 as part of the Project, PLM road-map and PLM program details were created, and procurement studies for PLM software were initiated. PLM and LCA may be associated with the work to be done, and the design teams may take environmental issues into account in the

early design phase and may give the company a global vision about their product portfolios.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Heat wave

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Featured in IPCC assessment reports our country is in a vulnerable location which could be impacted by extreme weather events. Our facilities may potentially be impacted by some big and sudden events due to extreme changes such as: Heat waves, floods, hail storms. This extreme precipitation could be cause to flood as seen as in recent years. There have been an increasing trend in Türkiye's observed temperature and similarly in extreme weather events number since 1997. SCT 2015 reported that heavy rain/floods (26%), wind storm (25%), hail (12%), heat wave (11%), and lightning (4%) were recorded as the most observed disaster respectively in 2015. Although rare, 2 dust storm and 4 tornado also occurred in 2015. (Ref: Climate Change Projections for Türkiye: Three Models and Two Scenarios- Turkish State Meteorological Service.) According to obtained results based on RCP2.6 and RCP 4.5 the average annual temperature rising for 2016-2040 in Türkiye is expected to vary between 1°C - 2°C. ASELSAN is located in Central Anatolia where it may face some significant impacts due to these conditions. Changes in temperature extremes will result in an increase in cooling demand in the summer period and heating demand in the winter period. The business continuity is ensured by the deployment of specific protection systems. This change may cause an increase in the energy expenses of the company.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

522,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

As the energy expenses constitute approximately 12% of our OPEX, this risk may increase our energy expenses. 50% rise will result in energy expenses to constitute over 18% of our OPEX.

ASELSAN Annual Report- 2022 Financial Information section for OPEX details

Cost of response to risk

0

Description of response and explanation of cost calculation

In order to manage this risk, we priorities managing the assets in a way to prevent excessive energy consumption by enhancing building and infrastructure insulation to be able to optimize the energy consumption and reduce both cooling and heating demand to an optimum level. Some projects:

*Improvement focused regular inspections on maintenance processes, and efficient energy management systems

(SCADA systems)

*Giving priority to green solutions in the technological infrastructures and buildings design of the facilities (New smart buildings' installations aligned with the expansion projects)

*Use of environmentally friendly materials by upstream management (smart-green procurement as supplier specific resolutions)

With these precautionary projects, ASELSAN tries to be better prepared to temperature extremes. The business interruption loss insurance is in place. Those risks are managed through our insurance process.

Comment

No monetary investments were made regarding managing this risk during the reporting period.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical

Flood (coastal, fluvial, pluvial, groundwater)

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Featured in IPCC assessment reports our country is in a vulnerable location which could be impacted by extreme weather events. Our facilities may potentially be impacted by some big and sudden events due to extreme changes such as: Heat waves, floods, hail storms. This extreme precipitation could be cause to flood as seen as in recent years. There have been an increasing trend in Türkiye's observed temperature and similarly in extreme weather events number since 1997. SCT 2015 reported that heavy rain/floods (26%), wind storm (25%), hail (12%), heat wave (11%), and lightning (4%) were recorded as the most observed disaster respectively in 2015. Although rare, 2 dust storm and 4 tornado also occurred in 2015. (Ref: Climate Change Projections for Türkiye: Three Models and Two Scenarios- Turkish State Meteorological Service). In this climate modelling study, it was tried to reveal the possibilities of future climate change for Türkiye with the regional climate model. According to obtained results based on RCP2.6 and RCP 4.5 the primary climate risk driver may have impacts in the med-term.

ASELSAN's main suppliers who are located in Central Anatolia may be exposed to flooding risks which may cause business interruption in the supply system. Daily shut-off due to supplier activity disruption may occur and the shipment could be interrupted related to the risk assessed. The business interruption loss insurance is in place.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

150,776,396

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The financial impact figure is calculated based on sales or delivery figure of the impacted day.

It is assumed that all suppliers located in Central Anatolia will be exposed to this risk for 1 day.

Calculation:(Revenues)35,281,676,606 /234 (working days in 2022) = 150,776,396
(TRY)

Cost of response to risk

4,140,000

Description of response and explanation of cost calculation

The business interruption insurance is in place.

The cost is related with insurance premium value, covering only physical risk driver.

Those risks are managed through our insurance process.

Comment

Supplier and value chain engagement process is the management method of this risk driver. On a local level, we work on implementing more short- term solutions such as diversifying the supply chain. Activities to expand the ASELSAN Supplier Portal, which was put into use to ensure effective information exchange, have been established. Apart from this, supplier communication and development with our "Birlikte Güçlüyüz/Powerful Together"platform developed specifically for our suppliers, infrastructure works for moving our works to a single interface have been completed. The accurate risk detection and assessment of our global suppliers located in vulnerable regions will be specified. And also, the criteria to evaluate the significant indirect emissions with their justification will be set-up. After August 2020, we conducted direct risk assessments on sustainability issues with our local companies and tried to support the improvement of their processes.

Hereafter these risk assessments will be fulfilled by the Supply Chain Management integrated to company-wide assessments. It is planned that the risk assessment of 100% of the companies will be completed in 2023.

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Emerging regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Increased direct costs

Company-specific description

EU aims to be climate neutral in 2050, its efforts could be undermined by lack of ambition by EU's international partners. This would mean a risk of carbon leakage which occurs when companies transfer production to countries that are less strict about emissions. In such case, global emissions would not be reduced. The European Green Deal provides an action plan to boost the efficient use of resources by moving to a

clean, circular economy; restore biodiversity and cut pollution; The EU Green Deal would counteract the risk of carbon leakage by putting a carbon price on imports of certain goods from outside the EU. Base on Green Deal- Carbon Border Adjustment mechanism, increased pricing on imported goods is considered a key regulatory-driven climate risk at ASELSAN.

"The New Climate Regime through the Lens of Economic Indicators" Report discusses the impacts of CBA on the Turkish industry with economic models. It was launched in September 2020, with the participation of the MoEU&CC and Chief Climate Negotiator. Base on general balance model, possible costs of Border Carbon Regulation for 30€ & 50 €/ton CO₂-e price in export and production categories of different industry sectors was assessed for 2020-2030 period. For ASELSAN the likelihood of a carbon border-adjustment based tax is expected to have a long-term effect on operational costs in the future. We closely monitor compliance with this emerging regulation and other critical climate policies. In the long term; increases in operational costs will directly affect the affordability of our products and our competitive position against EU industry peers. Supply chain costs will also be assessed after the sequel impact of the system.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

11,230,980

Potential financial impact figure – maximum (currency)

18,718,300

Explanation of financial impact figure

ASELSAN's Enterprise Risk & Sustainability team calculated the annual financial impact on an estimated carbon tax of €30/ton CO₂e and €50/ton CO₂e base on general balance model of "The New Climate Regime through the Lens of Economic Indicators" Report. A realistic forecast with existing EU-ETS system tax and Scope 1 emissions was included.

ASELSAN's 2022 total Scope 1 CO₂-e verified emissions were 22,593 tons.

As carbon tax figure, we used 30 -50€ in calculations, in case of unmitigated scope 1 emissions.

For med-term time horizon financial implication (2021 average currency: 1€= 16,57 TRY);

min $22,593 \times 30 = 677,790$ € (11,230,980 TRY)
max $22,593 \times 50 = 1,129,650$ € (18,718,300 TRY)

Cost of response to risk

0

Description of response and explanation of cost calculation

For the purpose to understand and manage this risk ASELSAN is taking action. In 2020 Enterprise Risk and Sustainability team directly applied estimated carbon taxes against verified emissions for 2020. This tax rate range is based on nationally approved "The New Climate Regime through the Lens of Economic Indicators" report. These cost intervals will drive up overall costs for our products and impact affordability for our customers. The cost of responding to a specific affordability issue cannot be disaggregated from existing overhead expenditures, resulting in a disclosed value of "0" end of 2022.

Comment

Each climate-related risk category has been initially assessed by the ASELSAN's Enterprise Risk & Sustainability team. European Green Deal as a risk for Türkiye may be considered as a new opportunity as a conversion tool aimed at sustainable development:

- Within the framework of a strategic transformation whose elements have been determined with determination,
- Emission reduction,
- Using the funds obtained for the green transformation of companies
- Focusing on renewable energy and energy efficiency

Thanks to an alternative Green Economic Transformation scenario, both in national income, It is predicted that significant improvements can be achieved in both greenhouse gas emissions.

- The green economic transformation in the national economy shows the emission reduction target can be achieved by increasing production and employment.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

The Hybrid Shunting Locomotive Project uses battery and diesel generator as power sources.

The main factors that make the hybrid locomotive environmentally friendly are;

- For the highest power requirement, both the battery and the diesel generator can be activated at the same time. Therefore, a smaller diesel generator is sufficient.
- Due to the presence of the battery, the diesel generator can be operated at the most efficient point.
- Due to its plug-in hybrid feature, the battery can also be charged from the grid.
- Due to the regenerative feature, the battery could be charged via braking energy. In this way, wasted braking energy could be recovered.

This product provides lower fuel consumption and therefore lower CO2 emissions.

In addition, operating and maintenance costs are reduced thanks to the short operating time of the diesel generator and friction brakes.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

124,275,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The estimated sales price of a vehicle that will enter serial production is around 1,500,000 Euro. The systems given by ASELSAN for the vehicle are close to 50% of the total price. Initially, sales projections are made for 10 vehicles . The data is fixed by estimation. The potential financial impact for the short-term time horizon is around 750,000 €*10*16.57=124,275,000 TRY (Currency 2022 1€=16.57 TRY)
For the long-term time horizon: It is evaluated that approximately 80 of these products can be sold domestically. It is expected that ASELSAN will earn over 60,000,000 Euros.

Cost to realize opportunity

99,420,000

Strategy to realize opportunity and explanation of cost calculation

The total cost of the project is approximately 6,000,000 Euros
(6000000*16.57= 99,420,000TRY in 2022)

In order to turn this project into an opportunity, more than 2 years of self-employed R&D project has been carried out in ASELSAN. During the project period, ASELSAN-UGES processes needed were implemented (project management, system, hardware and software development, subcontractor management processes, etc.)

Comment

The ERCI Innovation Awards, organized for the sixth time this year by the European Railway Clusters Initiation (ERCI), evaluate the leading innovation projects of European railway industry companies and reward the best selected projects. Developed by ASELSAN, MIDAS-R ERCI was nominated for the Innovation Awards, previous reporting year.

ASELSAN was deemed worthy of the “Best Large-Scale Company” Award with MIDAS-R.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

ASELSAN MIDAS Intrusion Detection System offers the utmost capability of sensing by measurement at thousands of different points simultaneously with a fiber optic communications cable. Using the pr-existing fiber optic cable, the system locates,

classifies and tracks activities/threats against valuable assets. It is ideally suited for monitoring pipelines for third-party intrusion detection, and this is the initial target for the technology. However, in addition to pipelines, recent developments allow technology to be used in leak detection and security of borders, critical facilities, railway lines and infrastructure lines (gas, water etc.) in cities. MIDAS provides early warning of an event before damage occurs while intelligently filtering non-threatening activities. Using Artificial Intelligence (AI), tailor-made algorithms analyse environmental factors and apply the parameters that give the best performance with minimum nuisance alarms. MIDAS (AI) is patented first time in the market place and being used in the pipeline and border security application for years. This project's timeline was between 2016-2019. It started to bring substantive opportunity to ASELSAN in terms of revenue. The product has started to be used in many projects and related patent has been obtained in 2020. System installations are in progress.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

132,560,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The financial contribution to ASELSAN as Total Revenue for the period 2017-2027 is ;
220.500.000 \$

(2,866,500,000 TRY, based on 2021 average currency, 1\$=13 TRY), for the same time horizon the financial contribution to the government and pipeline enterprise is
420.840.000 \$, covering prevention of illegal tapping and pipeline damages.

Revenue (2017-2019): 8,750,000 \$

Total number of MIDAS Units Sold = 50; Approx. Unit Price = 175,000 \$

Revenue 3 Year period forecast (2020-2022) = 8,000,000 \$ *16,57 =132,560,000 TRY
in 2022 time period.(1\$=16,57 TRY)

Forecast number of units to be sold ; 50; Approx. Unit Price = 160,000 \$

Revenue 2023-2027 period forecast = 40,000,000 \$

Cost to realize opportunity

82,485,460

Strategy to realize opportunity and explanation of cost calculation

The product has started to be used in many projects and related patent has been obtained in 2020.

MIDAS secures critical infrastructures such as petroleum and gas pipelines, and detects illegal tapping and intrusions caused by the thieves and terrorist groups. Furthermore, farmers' routine activities can also cause accidents on the pipelines and might generate unexpected damage on infrastructure and the environment as well. When a damage happens on a pipeline, entire operation halts, damaged pipelines are repaired, and the damaged pipeline segment can cause a reduction in the life-time of the entire pipeline segment. Additionally, MIDAS can be used in detecting of unauthorized digging and construction works in urban areas. Those unauthorized activities can cause serious damages on the gas and water pipelines of the cities. Using MIDAS, those activities can be detected, enabling operators to quickly intervene in to the intrusions. Consequently, serious damages, operation halts, gas or water leakages and related explosions of gas pipelines can be prevented before the incident. Most of the time, oil leakages occur after tapping and thieves steel large gallons of crude oil with trucks. Considering all these cascading impacts, any single intrusion causes a huge significant financial loss for both governments and enterprises. As financial contribution to ASELSAN, the Project Cost is 4.978.000 \$. Environmental impact needs to be calculated for each incident on the pipeline.

In order to minimize the threats related to energy supply security, whose importance is increasing day by day, fiber-optic based MIDAS violation detection systems were commissioned and delivered on oil and natural gas transmission lines. In addition, MIDAS violation detection systems; has been exported abroad in the field of railway and line security and opened to the world market.

Comment

MIDAS prevents possible direct environmental hazards such as; Fires, Crude oil leakage causing destroyed farm fields, damaged habitats and forestry, carbon & poisoning gasses emission, other (public resistance etc.)

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

According to the information given by the Automotive Manufacturers Association, 200,000 fast charging stations will be needed in Türkiye by 2025. ASELSAN can seize a serious opportunity with the installation of these systems. Financial effects are being investigated. The fast-charging station is located at certain stops and bus depots on the passenger transport route of buses. Thanks to its modular and redundant infrastructure, these stations have the transfer and control infrastructure that will transfer 400-600kW of power to the batteries in the buses, with high safety and reliability, at high speed. ASELSAN ensures that the charging stations work effectively and efficiently with the network to which they are connected, with smart grid system solutions. Avenue EV, the Turkish automotive industry's first 100% domestic electric bus developed in cooperation with ASELSAN and TEMSA, set off from Samsun. On July 16, 2021, the contract for the Ultra Fast Charging Bus and Charging Infrastructure System Project was signed by the Metropolitan Municipality and ASELSAN.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial implications of these projects are in the evaluation phase. They have the potential to increase our revenue in the med-term. The financial figures are sensitive data. Specific confidentiality constraints prohibiting the disclosure.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

ASELSAN's Technology Road Map and Investment Plan is created in line with ASELSAN's Strategic Plan having detailed plans on each technology area (including climate friendly technologies) that will be researched and developed in the next 5 years along with the required investments." The progress of this plan is monitored and used as

a measure in corporate performance.

ASELSAN actively follows a policy that would ensure maximum efficiency and profitability while seizing new opportunities and eco-friendly solutions offered by the latest technologies. Besides the maximum efficiency and profitability, new opportunities for reducing the effects of climate change is emphasized in the ASELSAN's Technology Road Map and Investment Plan.

Research and Development activities for new climate friendly product groups are currently being analysed and planned for implementation such as electric vehicles to be used for public transport as well as portable hybrid electricity generation system using renewable energy sources. We are already on the process of extending our product line to include renewable energy sources' implementation.

Producing new and more climate friendly products is a good opportunity for the company to gain new markets.

Comment

Specific confidentiality constraints prohibiting the disclosure (cost to realize opportunity)

Identifier

Opp4

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

ASELSAN's Technology Road Map and Investment Plan is created in line with ASELSAN's Strategic Plan having detailed plans on each technology area (including climate friendly technologies) that will be researched and developed in the next 5 years along with the required investments." In line with Türkiye's road map on climate change and the 2053 net zero emission vision of Türkiye, the progress of this plan is monitored every year and used as a measure in corporate performance, including ASELSAN 's ability to produce technologies for low carbon products/ services.

ASELSAN, as the leading Turkish company in toll collection systems, has carried out intensive work in this field in 2018 as well. On the Istanbul-Izmir Highway, Yavuz Sultan Selim Bridge and Northern Ring road, along the newly opened road sections, new toll collection stations have been added to the existing tolling systems. The toll collection system for the new ambitious Northern Marmara Highway is provided by ASELSAN. With the establishment of 16 new MLFF systems on the newly built roads of cities in 2019, the cumulative average vehicle speed on the roads where the wage was collected

increased by 9%. In this way, there is no increase in CO2 emission in these new roads due to fee collection.

In 2020, new highway toll collection systems were established to cover the Northern Marmara Highway and the Ankara Niğde Highway, and a contract was signed for the Çanakkale 1915 highway and works completed in 2021.

Vehicles of interest are identified and tracked throughout different system locations. MLFF system that allows highway users to pass through tolling point at high speed even when changing lanes without having to slow down to pay for toll. Congestion at MLFF is decreased at about %21 according to toll plazas. MLFF system reduce congestion rate at the Toll Plazas by increasing vehicles' throughput at more than 1500 vehicles per hour. The research shows that the average delay of vehicle is 13 seconds per vehicle per km (comparing to the MLFF). In general, higher penetration rates give better results in term of emission reductions. On the highway road, modeled benefits at the macro level are 1.5% reduction in CO2 emissions for a %20 penetration rate, 4.5% reduction in CO2 emissions for a %60 penetration rate, 6.5% reduction in CO2 emissions for a %90 penetration rate. Thus, MLFF improve public transportation and help to reduce air pollution, NOx and CO2 and road noise via a decline in traffic.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial implications of these projects are evaluated. They have the potential to increase our revenue in the short-med and long-term. The financial figures are sensitive data. Specific confidentiality constraints prohibiting the disclosure.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Toll Collection Systems have been developed to maximize performance and expanded to cover all private and state highways in Türkiye in 2021

Research and Development activities for this system is analysed and planned for the implementation Therefore, the time frame of this opportunity is well performed as we can already project an increase in our revenue. The activities for this important tolling project have continued in 2021 as well. The actions to be taken in order to manage this opportunity will consequently cause an increase in our OPEX in the first place.

Comment

The Research and Development activities we hold as part of this opportunity has third parties involved to this subject. In addition to securing tolls for the constructed highways, ASELSAN toll collection systems also play an important role in the revenue reconciliation and auditing of private concessions by state institutions. For this task, special solutions were developed in order to provide security, integrity, trace-ability and control-ability of the data recorded in the system.

Identifier

Opp5

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Markets

Primary climate-related opportunity driver

Use of public-sector incentives

Primary potential financial impact

Increased diversification of financial assets

Company-specific description

By following up on all kind of technological developments pertaining to land, air, naval and aerospace platform product/system technologies, the Company not only applies technology but also designs, develops and produces product/system technologies in order to share or sell with/to national and international collaborations.

Projects are striving at maximum level in order to benefit from the technological opportunities existing in the country aiming to increase the national contribution share. For this purpose, cooperation is made with universities and various R&D organizations and importance is given to the use of local suppliers and subcontractors.

As for the projects carried out within the Group, the Research and Development incentive in compliance with the provisions of the Law on Corporate Tax numbered 5520 and Research and Development center application pursuant to the Law regarding the support of Research and Development activities numbered 5746 are being implemented together. As for non-public R&D projects, the approval of TEYDEB (Technology and Innovation Support Programs Directorate) and ARDEB (Research Support Programs Presidency) are received and supported by the institutions. Türkiye's 10th Development

Plan includes multi programs on different incentives including R&D projects such as Enhancing Energy Efficiency etc. ASELSAN has a chance to benefit from governmental incentives in the scope of this program.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

69,856,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The incentive obtained consists of the incentives that are accrued in accordance with TÜBİTAK's R&D recognition letter prepared with respect to the Group's ongoing projects Current government total grants and incentives 2022 Annual Report; 69,856,000 TRY. This figure represents the total grants covering also climate related ones.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

We don't have any cost regarding the management of this opportunity, we strictly monitor the incentive programs and apply to the ones that are related to our scope of business. The Group obtains capital support from "Support and Price Stabilization Fund" of Central Bank of Türkiye via Under secretariat of Foreign Trade's consent. The Scientific and Technological Research Council of Türkiye ("TÜBİTAK") and Technology Development Foundation of Türkiye ("TTGV") act as intermediary in accordance with Communiqué No:98/10 published by the Money-Loans and Coordination Board. In accordance with Law on Technology Development Zones numbered 4691, Group utilizes withholding income tax incentive, social security premium incentive and stamp tax exceptions.

Comment

Such incentives are utilized through not paying withholding income tax incentive, social security premium incentive and stamp tax exceptions calculated based on research and development and software personnel payroll. According to Article 8 of the relevant law,

all research and development expenses can be deducted until the determination of commercial earnings.

Identifier

Opp6

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

ASELSAN has adopted the mission of manufacturing low-cost, efficient and high-tech products with domestic contents in civil sector for transportation, energy, smart systems, healthcare and civil telecommunication systems. Systems developed for transportation, energy, smart systems and healthcare are intended for a better and safer world. Life-cycle costs of systems and products for transportation, energy, smart systems and healthcare are calculated as part of the design requirement. The results are followed for optimization, and reported to the customer if needed.

Approximately 60% of our country's energy production is met from imported Coal, mainly Lignite and natural gas resources. Replacing these sources with renewable energy sources in the medium term will reduce the carbon emission rate of our country.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Specific confidentiality constraints prohibiting the disclosure (cost to realize opportunity)

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

The company will work with Global Design consultants for technology transfer. Additionally, ASELSAN will use the generator designed together with Middle East Technical University and the power converter designed by ASELSAN in the local wind turbines. The first two turbines will be installed at the Elektrik Üretim A.Ş.(EÜAŞ) Alaçatı WPP site. In this context, ASELSAN signed an Industry Collaboration Program with the Ministry of Industry and Technology together with EÜAŞ.

Comment

This project will be completed in 2024.

Identifier

Opp7

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Ability to diversify business activities

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

GÜKAS Product Family provides the energy that the user needs by making use of renewable energy systems in regions where there is no energy source. Products are divided into two different product families according to their needs and uses:

1-Renewable Energy Powered Mobile/Portable Energy Generation and Storage Systems

2-Renewable Energy Powered Mobile/Portable Surveillance and Image Transfer Systems

* Renewable Energy Powered, Mobile Surveillance and Image Transfer System can be transported by vehicle or helicopter, can be commissioned within 15 minutes by two personnel without requiring special equipment, logistics support and infrastructure, and can operate with high reliability for a long time.

With its mobile structure, integrated radio link, solar panel, battery block and customized

ASELSAN Ekinoks camera options, it effectively takes control of every point and transmits the acquired image wireless up to a distance of 15 km.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Within the scope of product partnership, development and production are carried out with domestic facilities.

The figure will be clear in two years

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Within the scope of product partnership, development and production are carried out with domestic means.

Comment

Thanks to its features shaped in the light of the needs encountered, it is an important force multiplier in both military and civilian use.

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

No

Mechanism by which feedback is collected from shareholders on your climate transition plan

We do not have a feedback mechanism in place, but we plan to introduce one within the next two years

Attach any relevant documents which detail your climate transition plan (optional)

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Use of climate-related scenario analysis to inform strategy	
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IEA 2DS	Company-wide		ASELSAN is assessing how the organization can shape its purpose, business model, and strategies to deliver climate related positive impacts that contribute to the goal of sustainable development The business strategy decisions are informed by climate-related scenarios on emission reduction pathways that related task groups assess by aligning with the opportunities. The global market trends help us to assess transitional risks. The use of climate related scenario analysis was shared with the board who oversight the performance of the system. While conducting our qualitative analysis, for transition scenario IEA 2DS, the coverage is company-wide such as; operations, supply chain and product portfolio. As parameters: GDP and macro- economic variables that may have material impact on the business performance were chosen. Assumptions by region, fossil fuel prices, customer global market forecasts on CO2 emissions related with the sector were done.

		<p>Various inputs to consider the 2020–2050-time horizon was used.</p> <p>Global trends were reassessed base on the NDC of Türkiye which was revised in COP 27. After the examinations, this analysis directed us to energy efficiency and facility base emission reduction activities in asset level.</p> <p>In corporate level, ASELSAN works to align its climate scenarios and climate transition studies with its climate-related business strategy. It updates its ESG mechanism to manage and review this transition process which has emission avoidance approach for its products and services-smart systems- accelerating positive impact in civilian field.</p> <p>Türkiye's 2053 Net Zero Emissions and Green Development target setting task was initiated by the National Climate Council of the Ministry. The workshops that the company is attending continuously will form the infrastructure of short and long-term strategies, actions, policies and legislation in line with Paris Agreement and Green Deal Framework.</p> <p>Case Study Smart Systems</p> <p>The Contract for Smart City Traffic Safety Project, which constitutes an important step in smart city applications, was signed between Samsun Metropolitan Municipality and ASELSAN on June 01, 2021. Avenue EV, the Turkish automotive industry's first 100% domestic electric bus developed in cooperation with ASELSAN and TEMSA, set off from Samsun. On July 16, 2021, the contract for the Ultra- Fast Charging Bus and Charging Infrastructure System Project was signed by the Metropolitan Municipality and ASELSAN.</p>
Physical climate scenarios RCP 4.5	Company-wide	<p>To assess the qualitative risk analysis, based on physical climate scenario, we applied climate change scenario analysis compliant with the requirements of the SBT Initiative (SBTi), RCP 4.5 representing the IPCC's 2-3 degrees Celsius scenario.</p> <p>Some important improvements have been made in the last three years, based on physical risk analysis. In ASELSAN, facilities are managed with the Building Management System, Integrated Data Based Control, Surveillance System and Energy Monitoring System infrastructures.</p> <p>System infrastructures that are inter-connected and capable of detecting the environment via sensors,</p>

		<p>performing data analytics, and identifying requirements. This is how organizational processes are managed proactively to monitor consumption values and take prompt action to prevent any loss of energy and water. The purpose here is to help establish traceable and measurable smart systems. Information on energy consumption is shared with internal stakeholders regularly.</p> <p>Efforts are undertaken to adopt the principles of “Total Productive Maintenance” as an integral element of the corporate culture. The scenario analysis looked out to 2030 and 2050; 2030 was chosen as a time horizon because 10 years is in our planning. The assessment’s findings on acute and chronic physical risk as well as damages and energy costs are influencing our planning and capital allocation and expenditures for new facility buildings. As for new investments, devices are selected and systems installed with utmost attention to prefer energy-efficient, high-performance, and automatically-controlled devices (energy-efficient procurement) and minimize the risk of human error.</p> <p>Our new buildings are designed with an approach that integrates environmental advocacy into building infrastructure alongside the integrated building technology systems to resource efficiency, sustainability, building performance and enhanced management & occupant functions. In this regard, our constructions comply with national/international standards of Green and Smart Construction like LEED , which includes energy efficiency requirements and site selection criteria counter acute and chronic physical risk due to climate change.</p>
Physical climate scenarios RCP 2.6	Company-wide	<p>To assess the qualitative risk analysis, based on physical climate scenario, we applied climate change scenario analysis compliant with the requirements of the SBT Initiative (SBTi), RCP 2.6 representing the IPCC’s below 2 degrees Celsius scenario.</p> <p>Some important improvements have been made in the last three years, based on physical risk analysis. In ASELSAN, facilities are managed with the Building Management System, Integrated Data Based Control, Surveillance System and Energy Monitoring System infrastructures.</p> <p>System infrastructures that are inter-connected and capable of detecting the environment via sensors,</p>

		<p>performing data analytics, and identifying requirements. This is how organizational processes are managed proactively to monitor consumption values and take prompt action to prevent any loss of energy and water. The purpose here is to help establish traceable and measurable smart systems. Information on energy consumption is shared with internal stakeholders regularly.</p> <p>Efforts are undertaken to adopt the principles of “Total Productive Maintenance” as an integral element of the corporate culture. The scenario analysis looked out to 2030 and 2050; 2030 was chosen as a time horizon because 10 years is in our planning. The assessment’s findings on acute and chronic physical risk as well as damages and energy costs are influencing our planning and capital allocation and expenditures for new facility buildings. As for new investments, devices are selected and systems installed with utmost attention to prefer energy-efficient, high-performance, and automatically-controlled devices (energy-efficient procurement) and minimize the risk of human error. Our new buildings are designed with an approach that integrates environmental advocacy into building infrastructure alongside the integrated building technology systems to resource efficiency, sustainability, building performance and enhanced management & occupant functions. In this regard, our constructions comply with the national/international standards of Green and Smart Construction like LEED, which includes energy efficiency requirements and site selection criteria counter acute and chronic physical risk due to climate change.</p>
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C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

Training and knowledge gaining about scenarios and their interactions in company context was accomplished. Problem definition accompanied with swot analysis was fulfilled by interactive engagement and communication; the assumptions, biases and differing mental approaches were used to help the company’s decision-process. The

communication relation with other departments and EDRM was fulfilled. The CEO was carried out the executive-level support.

Assessment of past trends was completed. Topical climate risks were fulfilled after the study of current climate state of the company. The focal physical and transitional questions:

Has the company been affected significantly from past climate-related events, patterns, trends or variables?

What are the factors exerting influence on the company? List physical and transitional potential significant points that climate-related issues have impacts on the company and its environment (upstream and downstream)

What are the effects on people, infrastructure, business continuity?

What expected future developments need to be analysed? As transitional phase what are the significant changes in customer preferences, markets, societies, policies, legal frameworks, and technological innovations.

Which of the technological trends could play a key role in 2030 and 2050 and what is ASELSAN's contribution (e.g, renewable energy, smart buildings, electrification, green hydrogen etc.)

List of the driving forces and key uncertainties to shape future performance

The variables to choose to support the decision making.

For the purpose to understand better the focal questions on the assessment of R&O we use IPCC RCP 2.5 and RCP4.5 scenario and International Energy Agency (IEA 2DS) scenario providing a large structure.

ASELSAN studied first energy intensive and critical facilities with critical business units. The useful life of large corporate assets is taken into account when considering the time frame addressed in focal questions. In scenario selecting we consider corporate capital, expansions and investment planning with Paris Agreement time-frames.

All are compatible with selected scenarios and in line with the decarbonization strategy, new smart system preparations in products and services will facilitate transition action phases.

Results of the climate-related scenario analysis with respect to the focal questions

Transition R&O

Results of the scenario analysis demonstrated that the climate related strategy will bring several opportunities to the company who can afford customer expectations.

In the field of civil technologies ASELSAN creates new and accessible opportunities such as energy, transportation, security, traffic, automation, medical and financial systems, biodiversity etc. R&D projects on smart rail systems, water technologies and electric vehicles, renewable energy systems are in a continuous improvement.

The protocols on smart city systems formation was signed with two metropolitan municipalities of Türkiye. A contract for "Renewal of Alaçatı WPP by Manufacturing Local Wind Turbines" was signed on September 22, 2021.

ASELSAN allocates an average of 7% of its annual turnover to internally funded R&D activities. ASELSAN aims to gain strength with its new business partners that will join the family as important pillars of its strategy, and to enrich the national industry ecosystem with national and domestic solutions.

Target results for med & long-term transition plan which has been embedded in Company Strategy;

1-The use of ASELSAN's own products in Türkiye's installed Wind and Solar Power Plants will be 2% in 2030 and 8% in 2050 compared to 2022.

2-100% access to electrification of company passenger vehicles in all campuses will be completed at the end of 2030.

3-For the achievement of "2050 net zero target"; in 2025 electricity use in all campuses will be met entirely from renewable solar energy, generated from company's own Solar Power Plant installation.

ASELSAN is conducting IPCC scenarios based risk analyses (2016-2030) to reduce internal carbon emissions and took measures against the identified risks. As a result of the focal questions in physical risks part, following results came out:

1-Need to build smart buildings in the facilities; the office building in Istanbul Teknopark campus was designed taking into account the LEED GOLD certificate requirements. To encourage Green/Renewable Energy generation in our facilities, Roof mounted Photovoltaic System to be implemented on this project. The construction implementation of the project, whose design studies have been completed in Istanbul Teknopark, continues.

2-A budget has been allocated for infrastructure improvement studies against physical risks that will affect our production and activity areas. With additional assemblies, the total number of analyzers are over 400.

3-The supply management plan was revised against the interruptions that physical risks might create in the supply chain activities, and the approved suppliers were reassessed in terms of supply size and backed up separately base on regional activity.

4-"Aim to reach "Consultant Country" status in the Antarctic Treaty came out. Within the scope of the Antarctic Agreement, the scientific team conducting research in the fields of climate related topics carbon, water and biodiversity in Antarctica.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	In ASELSAN climate related risks and opportunities related to products and services innovation, standards, emerging regulations and market presence are identified in the risk assessment process and influence our strategy. Our strategy canalizes to be one of the main producers of renewable energy technologies in the World and substitution of existing products with lower emission options. There is an increased demand for new low carbon technologies,

		<p>materials, products and services such as smart digital solutions, smart mobility, solar cells, insulation etc. for different sectors. The most important aspect of climate change influencing our strategy is the opportunity to develop a green business which will allow emission avoidance in the use phase. To support our strategy, a ten-year time frame was set to address opportunities in the transition to low carbon economy in mobility and renewable energy products/services in the context of emerging regulations and new markets. As transportation related GHG emissions account for nearly 14% of Türkiye's total emissions, it is aimed to supply necessary electric vehicle systems designed for public transportation of major municipalities in Türkiye. In line with the expectations of the automotive industry, our mass production capabilities have been developed and effective cost management processes have been operated to meet expectations. Avenue EV, the Turkish automotive industry's first 100% domestic electric bus developed in cooperation with ASELSAN and TEMSA, set off from Samsun. On July 16, 2021, the contract for the Ultra-Fast Charging Bus and Charging Infrastructure System Project was signed by the Metropolitan Municipality and ASELSAN.</p> <p>ASELSAN also decided to conduct internally funded R&D activities for the design of local wind turbines and power conversion components for capacities over MW power range.</p> <p>ASELSAN and EÜAŞ signed a contract for "Renewal of Alaçatı WPP by Manufacturing Local Wind Turbines" on September 22, 2021.</p> <p>Year 2022 company -wide transition plan target: The use of ASELSAN's own products in Türkiye's installed Wind and Solar Power Plants will be 2% in 2030 and 8% in 2050 compared to 2022.</p> <p>These projects are the most important business decisions executed after the risk and opportunities assessments and have high impacts on the business strategy of 2021-2022.</p>
Supply chain and/or value chain	Yes	<p>In ASELSAN climate related risks and opportunities, related with current and emerging regulation, energy procurement, physical risks are identified in the risk assessment process and influence our strategy for value chain.</p> <p>For the achievement of "2050 net zero target"; in 2025 electricity use in all campuses will be met entirely from renewable solar energy, generated from company's own Solar Power Plant installation.</p>

		<p>To support our strategy, a ten-year time frame was set to address risks such as current or emerging regulations. Targets include a goal to reduce first-tier production supplier and product transportation.</p> <p>Most substantial business decision: Activities to expand the ASELSAN Supplier Portal, which was put into use to ensure effective information exchange, have been completed. Apart from this, supplier communication and development with our "Birlikte Güçlüyüz Platform" developed specifically for our suppliers, infrastructure works for moving our works to a single interface have been completed and put into practice in the first quarter of 2020.</p> <p>Previous reporting year, the New Procurement Management Process was used to strengthen internal and external communication and data gathering activities. Energy Efficient Purchasing Procedure was used for procurement activities. With the studies carried out in this context, taking into account energy efficiency at the procurement stage with process innovations such as integration and minimization of logistics activities, emphasis on environmentally friendly technologies in the selection of machinery / equipment, etc. applications continued. Packaging process has been revised in 2022. For an ongoing improvement, the Sustainability Scorecard is used to set expectations, evaluate our suppliers' performance,</p> <p>Within the supplier risk management activities and new rewarding system, the accurate risk detection and assessment of our global suppliers located in vulnerable regions were facilitated.</p> <p>In the previous reporting year, it was determined that the weight of suppliers' risks within the scope of ESG in total risks is 12%. With these efforts, a transition to LCA activities will be provided while strong and stable data source will be ready for an ambitious scope 3 target setting.</p>
Investment in R&D	Yes	<p>In ASELSAN climate related risks and opportunities directing investment in R&D that affords product and services' innovation and also customer expectations have impacted and influenced R&D decisions and investments.</p> <p>After the R&O assessments, it was concluded that more public or private institutions and companies in Türkiye depend on ASELSAN for their high-tech system requirements. Progressing studies are carried out to develop innovative and unique technologies that will provide efficient and uninterrupted electricity production from solar and wind energy, one of the rich renewable energy sources of our</p>

		<p>country. Studies on renewable energy, efficient energy transmission and distribution are continued in this respect. Most substantial business decision is that critical components have to be developed with maximum national possibilities to provide competitive advantage in renewable energy system solutions. Another decision was passed to establish an R&D Management Vice Presidency to ensure an effective, efficient, and centralized management of R&D, which constitute one of the most important elements of ASELSAN's mission in defense and civilian activities, since its founding.</p> <p>In the field of wind energy; full scale power converter systems and grid connection algorithms required by national power transmission operator; design, development and production processes have been completed. ASELSAN and EÜAŞ signed a contract for "Renewal of Alaçatı WPP by Manufacturing Local Wind Turbines" on September 22, 2021. This project within the scope of Industrial Collaboration Program is intended for dismantle of 12 turbines of 600 KW which expired economic life at Alaçatı WPP site as well as manufacturing, installation and commissioning of 2 locally manufactured wind turbines. ASELSAN considers ten-year time horizon to integrate advanced design and production innovation and decided to spend approximately 7% of the annual turnover to its Research and Development activities financed with its own resources. In addition, it allocates a share of approximately 2% of its turnover every year for technological investments that support innovation.</p> <p>According to Turkish Time Magazine's "R&D 250 - Companies with Highest R&D Spending in Türkiye" Survey, ASELSAN ranked 1st with its R&D spending.</p>
Operations	Yes	<p>The operational risks are assessed by the company by taking into account energy saving, potential and possible optimization points in the production & activities. In line with the responsible and effective management of the resources it uses, ASELSAN received the strong support of the Senior Management in the implementation process of the ISO 50001:2018 Energy Management System, which is a management approach that considers the conscious and efficient use of energy in its activities. In this context, in 2021; improvements with the Energy Management System infrastructure was in progress in all campuses where certification was accomplished in May 2022.</p> <p>ASELSAN considers ten-year time horizon in support of the</p>

		<p>operations strategy while addressing near-med term risk such as current or emerging regulations. Energy reduction activities are carried out during the processes. Renewable electricity transition is already underway, although we are not yet influenced by the regulatory changes in Türkiye, it is also another aspect of climate change, as we prefer precautionary to be prepared to the changes in regulation. Carbon pricing systems (as disclosed in C 2.3 a Risk 1) is on the rise and could result by an increase in operational costs for our company for the med-term period, but currently ASELSAN is not in the context of MRV system.</p> <p>As part of the most important component of our strategy regarding climate change, due to efficiency of our carbon reduction projects, absolute target setting process have been activated in the reporting year. Natural gas and electricity emission reduction absolute targets have been set, new EV's started to be used in the company. A 100% conversion target on EV 's by 2030 was set. All targets would be enlarged in the short term base on energy performance in operations.</p> <p>We have factored the risks of increased chronic and acute physical risk and rising energy costs into new facility building establishments; The office building in Istanbul Teknopark campus was designed by taking into account the LEED GOLD certificate requirements. To encourage Green/Renewable Energy generation in our facilities, Roof mounted Photovoltaic System to be implemented on this project. İstanbul Teknopark, building construction is in progress</p> <p>Our Energy Systems Program Management Department, will support the deploying of renewable energy usage.</p>
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C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs	Climate related risk& opportunity assessments have influenced the company's financial planning as relates to revenues, direct costs, indirect costs, capital allocation, capital expenditures. As a transition case; climate-related risks and opportunities related to product and services' innovation, emerging regulations and standards, and customer

<p>Capital expenditures Capital allocation</p>	<p>requirements were identified in company's climate risk assessment which influence long term financial planning with related revenues. It poses an opportunity for ASELSAN to develop more low-emissions goods and services. This would likely impact the projected revenue in the future that ASELSAN aims to be one of the main producers of renewable energy technologies in Türkiye. Due to emerging opportunities to develop low-emission goods and services the investment in R&D will continue. ASELSAN made 8,142 million TRY of external R&D expenditures in 2022 that 207 Patent Applications were made and 63 Registration Certificates were obtained .</p> <p>We have the opportunity to increase our revenue by answering the expectations of the metropolitan cities, public corporate, automotive industry. Our mass production capabilities have been developed and effective cost management processes have been operated to meet expectations.</p> <p>The Protocol for Smart City Traffic Safety Project was signed between Samsun Metropolitan Municipality and ASELSAN. The project is primarily intended to change the existing traffic signaling system in Samsun City and make it dynamic, thus ensuring the communication of the intersections with each other and relieving the traffic flow with the most appropriate signal times. Avenue EV, the Turkish automotive industry's first 100% domestic electric bus developed in cooperation with ASELSAN and TEMSA, is setting off from Samsun.</p> <p>ARTU-Advanced Remote Terminal Unit devices and the local SCADA system developed within the UGES Industry Presidency started to be used in BOTAŞ oil and natural gas networks. Within this scope, the installation of the ASELSAN SCADA system and ARTU devices has started on the Batman-Dörtyol line, the oldest crude oil pipeline in Türkiye, to replace the current manual control method.</p> <p>Within the scope of the cooperation agreement signed with Sabancı University and Konya Metropolitan Municipality, ASELSAN started to work on the roadmap that includes the smart city strategies of Konya Metropolitan Municipality.</p> <p>ASELSAN's transition road map includes integration of 100% renewable electricity for its activities by the end of 2025. To reduce the operational energy costs and GHG emissions, new efficiency increasing projects are now accelerated. GHG Emission Reduction Criteria setting for main suppliers will be effective after 2027.</p> <p>The Company's net profit also increased by 67% compared to previous year to stand at TRY 11.9 billion.</p> <p>In 2022, ASELSAN's turnover rose by 75% year-on-year totaling over TRY 35.2 Billion.</p> <p>In case of any capital expenditure or allocation we consider implementing efficient technologies compatible to reduce the magnitude of climate related potential risks. It is also an opportunity to reduce the costs. While making an investment decision both for a new production</p>
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		facility, a capacity increase (Gölbaşı and Temelli expansion project) we consider installing the most efficient technologies in order to reduce the risk of high operating costs. In the long-term the capital expenditure/capital allocation could be impacted to be overall low to medium through the financial planning.
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C3.5

(C3.5) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

	Identification of spending/revenue that is aligned with your organization’s climate transition
Row 1	No, but we plan to in the next two years

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Base year

2021

Base year Scope 1 emissions covered by target (metric tons CO2e)

22,594

Base year Scope 2 emissions covered by target (metric tons CO2e)

41,389

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

63,983

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

55

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

28,792.35

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

22,594

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

41,389

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

63,983

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

0

Target status in reporting year

Revised

Please explain target coverage and identify any exclusions

The S1 and S2 emissions' target setting was revised in the reporting year, as ABS1
For the purpose to reach the net zero target of 2050 this revision was fulfilled.

The organic expansion in the Gölbaşı facility and Temelli offices influenced the increase
of the absolute emissions of the company.

There is no any exclusion in the target coverage.

Plan for achieving target, and progress made to the end of the reporting year

1-For the achievement of “2050 net zero target”; in 2025 electricity use in all campuses
will be met entirely from renewable solar energy generated from company's own Solar
Power Plant installation.

2-100% access to electrification of company passenger vehicles in all campuses will be
completed at the end of 2030.

2% performance improvement was identified in electricity consumption compared to the
reference year based on the EnPI.

Annual targets were set based on the Energy Performance Indicator (EnPI) for each
type of energy (electricity, natural gas, and diesel) and SEU consumption. Annual
targets, and realizations are evaluated in monthly EnPI controls and necessary actions
are taken. Within this scope, Energy Efficiency potentials and projects that can be
performed, were determined by conducting an Energy Study at ASELSAN Macunköy,
Akyurt and Gölbaşı facilities in 2021.

The “Energy Management System Awareness” videos, shot in cooperation with the
Energy Management System project team, are planned to be shared both in the
Company's internal communication channels and social media channels in 2022.

ASELSAN prioritizes green building designs in new buildings in line with the Principle of
Energy Efficient Design.

Maintenance, repair, and revision work on heating & cooling devices, ventilation
devices, pressure air, vacuum, aspirators, steam humidifiers, process coolers, treatment
devices, transformers, UPS and generators, CCTVs, the entrance control system, fire
detectors and extinguishers, illumination, lifters, and conveyors are carried out in a
systemic manner as part of the operation, maintenance, and repair of facilities'
technology infrastructure.

All these systems are managed via the Building Management System (BMS) and
Integrated Data Driven Supervisory Control and Data Acquisition System (SCADA), and
Energy Monitoring System infrastructures that are interconnected and capable of
detecting the environment via sensors, performing data analytics, and identifying
requirements.

LED-equipped fixtures, motion sensors, local lighting techniques, as well as central
compensation at transformers and building insulation works all contribute to energy
optimization. In addition, steps are taken for energy efficient system design and
practices as well as for renewable energies in heating, cooling, and pressure air
systems.

**List the emissions reduction initiatives which contributed most to achieving
this target**

Target reference number

Abs 2

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 4: Upstream transportation and distribution

Category 5: Waste generated in operations

Category 6: Business travel

Category 7: Employee commuting

Category 9: Downstream transportation and distribution

Base year

2022

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

27,137.26

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

7,994.23

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

1,003.52

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

121.45

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

3,575.08

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

1,098.59

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

27.87

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

**Base year Scope 3, Category 15: Investments emissions covered by target
(metric tons CO2e)**

**Base year Scope 3, Other (upstream) emissions covered by target (metric tons
CO2e)**

**Base year Scope 3, Other (downstream) emissions covered by target (metric
tons CO2e)**

Base year total Scope 3 emissions covered by target (metric tons CO2e)
40,959

**Total base year emissions covered by target in all selected Scopes (metric
tons CO2e)**
40,959

**Base year Scope 1 emissions covered by target as % of total base year
emissions in Scope 1**

**Base year Scope 2 emissions covered by target as % of total base year
emissions in Scope 2**

**Base year Scope 3, Category 1: Purchased goods and services emissions
covered by target as % of total base year emissions in Scope 3, Category 1:
Purchased goods and services (metric tons CO2e)**
100

**Base year Scope 3, Category 2: Capital goods emissions covered by target as
% of total base year emissions in Scope 3, Category 2: Capital goods (metric
tons CO2e)**

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not
included in Scopes 1 or 2) emissions covered by target as % of total base year
emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not
included in Scopes 1 or 2) (metric tons CO2e)**
100

**Base year Scope 3, Category 4: Upstream transportation and distribution
covered by target as % of total base year emissions in Scope 3, Category 4:
Upstream transportation and distribution (metric tons CO2e)**
100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

15

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

34,815.15

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

27,137.26

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

7,994.23

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

1,003.52

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

121.45

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

3,575.08

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

1,098.59

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

27.87

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

40,959

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

40,959

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

0

Target status in reporting year

New

Please explain target coverage and identify any exclusions

The scope 3 target is new. This is the first scope 3 emission reduction target set by the company for the purpose to be aligned with our net-zero target by 2050. It covers all scope 3 emissions verified in 2022. The expansion plans of the company will rotate to renew this target in coming years. There is no any exclusion.

Plan for achieving target, and progress made to the end of the reporting year

By implementing new green purchasing procedures ASELSAN is planning to manage its value chain starting from its suppliers for 6 years.

The first phase started to be implemented in 2021 by revising approved supplier selection procedures. For the purpose to provide suppliers' emission information and communication in most efficient way, supply chain emission inventory software was established. Apart from this, supplier communication and development with our "Birlikte Güçlüyüz" platform developed specifically for our suppliers, infrastructure works for moving our works to a single interface have been completed. The accurate risk detection and assessment of our global suppliers located in vulnerable regions will be specified. And also, the criteria to evaluate the significant indirect emissions with their justification will be set-up. It is planned that the risk assessment of 100% of the companies will be completed in 2023.

For the purpose to reach the targeted S3 emissions, as the first step, the critical suppliers will be encouraged to diminish their S1&S3 emissions. The training on ISO 14064 will be accelerated. The residual- unmitigated part of the emissions could be diminished through the voluntary carbon offsetting mechanisms or renewable energy certifications.

The following demands will be scored in the short term:

*14064:2018 related energy data gathering

* ISO 14001 certification and /or activate existing environmental management systems

* Reducing their own energy usage; electricity / water / natural gas etc.

They will be encouraged;

• To consider Environmentally Friendly Technology in their investment decisions (wetlands and biodiversity)

• To participate the training on Greenhouse Gas Emission monitoring and reduction methods, executed by ASELSAN

• To participate the Carbon Disclosure Project Supplier Module.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management

Percentage of total waste generated that is recycled

Target denominator (intensity targets only)

Base year

2019

Figure or percentage in base year

0.68

Target year

2030

Figure or percentage in target year

0.83

Figure or percentage in reporting year

0.9

% of target achieved relative to base year [auto-calculated]

146.6666666667

Target status in reporting year

Achieved

Is this target part of an emissions target?

It is a different target being a part of a project called zero-waste project

Is this target part of an overarching initiative?

Other, please specify

It is a part of the National Policy on Zero Wastes

Please explain target coverage and identify any exclusions

The target is achieved.

There is no any exclusion.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

In this context, at the Zero Waste Summit held throughout Türkiye in 2022, ASELSAN was awarded by MoEU&CC .

The awareness raising of the FTE and monitoring, contributed to achieve this target.

Target reference number

Oth 2

Year target was set

2019

Target coverage

Site/facility

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon buildings

Percentage of buildings with a green building certificate

Target denominator (intensity targets only)

Base year

2019

Figure or percentage in base year

0

Target year

2025

Figure or percentage in target year

2

Figure or percentage in reporting year

1

% of target achieved relative to base year [auto-calculated]

50

Target status in reporting year

Underway

Is this target part of an emissions target?

It is not a part of an emission target. There will be an indirect decreasing impact on facilities emissions.

Is this target part of an overarching initiative?

Other, please specify

Gold Certified Leed buildings construction

Please explain target coverage and identify any exclusions

The target covers the construction of these 2 buildings. There is no any exclusion

Plan for achieving target, and progress made to the end of the reporting year

The first building's construction is nearly completed.

List the actions which contributed most to achieving this target

Target reference number

Oth 3

Year target was set

2021

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon vehicles

Percentage of battery electric vehicles in company fleet

Target denominator (intensity targets only)

Base year

2020

Figure or percentage in base year

0

Target year

2030

Figure or percentage in target year

100

Figure or percentage in reporting year

25

% of target achieved relative to base year [auto-calculated]

25

Target status in reporting year

Underway

Is this target part of an emissions target?

It is part of the absolute emission reduction ABS1 in the scope of Net-Zero target (4.1.a)

Is this target part of an overarching initiative?

Other, please specify

Mobility base absolute emission reduction in the scope of Net-Zero target

Please explain target coverage and identify any exclusions

100% access to electrification of company passenger vehicles in all campuses will be completed at the end of 2030.

One of ASELSAN's most important emission sources is passenger vehicles. In this context, it is planned to convert 20% of our passenger car fleet to electric vehicles in 2025 and 100% in 2030.

Plan for achieving target, and progress made to the end of the reporting year

In this context, it is planned to convert 20% of our passenger car fleet to electric vehicles in 2025 and 100% in 2030.

List the actions which contributed most to achieving this target

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Abs2

Target year for achieving net zero

2050

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain target coverage and identify any exclusions

The transition action plan studies are in progress.

In order to set companywide target, all scopes will be included and an absolute target will be given.

Emissions from campus offices will be eliminated by carbon offset.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

Within the scope of net zero emissions for 2050, the work to determine the road map has started. In this context, the entire ASELSAN family continues to work in their respective fields. As the most important step, ASELSAN has added the item “removal of net zero emissions road map by 2050” as an activity to its main strategy. In this context, targets have been started to be assigned to all Sector Presidencies/Deputy General Managers. Meetings held within the scope of our country's commitment to net zero emissions for 2053 are attended, and mutual negotiations are held in order to advance a parallel process in line with our country's goals.

For the achievement of “2050 net zero target”; in 2025 electricity use in all campuses will be met entirely from renewable solar energy, generated from company's own Solar Power Plant installation.

100% access to electrification of company passenger vehicles in all campuses will be completed at the end of 2030.

One of ASELSAN's most important emission sources is passenger vehicles. In this context, it is planned to convert 20% of our passenger car fleet to electric vehicles in 2025 and 100% in 2030.

By using its renewable energy products, ASELSAN will take advantage to supply its electricity from renewable energy sources in the near-term. The feasibility studies are under development.

As of 2022, ASELSAN has started tree planting activities. In this context, it is planned to support the process.

The Carbon Capture Technologies Workshop organized by the Ministry of Energy and Natural Resources was attended and opinions were given on this matter.

We started to share each stage of the road map with the entire value chain in a transparent manner.

Planned actions to mitigate emissions beyond your value chain (optional)

We will offer incentives for suppliers who reduce our operational emissions (Scopes 1 &2) and also incentives for suppliers who reduce our upstream emissions (S:3) ENERGY EFFICIENT PURCHASING PROCEDURE was established for procurement activities. With the studies carried out in this context, taking into account energy efficiency at the procurement stage, etc. with process innovations such as integration and minimization of logistics activities, emphasis on environmentally friendly technologies in the selection of machinery / equipment, etc. applications are activated. It is planned to create some indicators in the upcoming period in order to monitor and report the outcomes to be achieved.

In 2022, it is aimed to include more firms in the process and to increase awareness by providing training within the framework of CDP climate change.

Within the scope of ISO 50001 Energy Management System, purchasing of materials with certain criteria started to be carried out in accordance with the Energy Efficient Procurement Procedure as of 11.03.2021. Significant Energy Users (SPEs), are procured in accordance with this procedure.

With this system;

- Energy Efficient Purchasing option has been added to the Request for Quotation and

Purchase Request screens so that the requester can mark and inform the purchasing staff.

- Since the purchasing units are responsible for purchasing the materials specified as Energy Efficient by the requester in this way, warning letters are provided on the purchasing screens so that the demands in the relevant product groups are not overlooked.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	100
To be implemented*	5	1,000
Implementation commenced*	5	1,000
Implemented*	5	1,151
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes
Machine/equipment replacement

Estimated annual CO2e savings (metric tonnes CO2e)

394.35

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

3,278,186

Investment required (unit currency – as specified in C0.4)

3,471,554

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Fan Change, Adiabatic Humidification System, Air dryer replacement and other replacement activities in the facilities

Initiative category & Initiative type

Energy efficiency in buildings
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

525

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1,832,258

Investment required (unit currency – as specified in C0.4)

1,589,723

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Making LED Conversions in Lighting Systems

Initiative category & Initiative type

Energy efficiency in production processes

Machine/equipment replacement

Estimated annual CO2e savings (metric tonnes CO2e)

215.74

Scope(s) or Scope 3 category(ies) where emissions savings occur

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

219,245

Investment required (unit currency – as specified in C0.4)

97,888

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Engine, air conditioner changes in cooling towers, heat system replacement etc.

Initiative category & Initiative type

Energy efficiency in buildings
Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

16

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

50,928

Investment required (unit currency – as specified in C0.4)

7,120

Payback period

<1 year

Estimated lifetime of the initiative

11-15 years

Comment

Automatic Closing of Water Dispensers and Cabinets Out of Working Hours
Shutting down Akyurt 2 process chiller at night when not in use

Initiative category & Initiative type

Company policy or behavioral change
Resource efficiency

Estimated annual CO2e savings (metric tonnes CO2e)

0.04

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 5: Waste generated in operations

Voluntary/Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

8,100

Investment required (unit currency – as specified in C0.4)

20,700

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Use of water-saving aerators in common toilets

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	In ASELSAN, we constantly try to develop projects that increase energy efficiency. When we have a project idea, the related directorate makes a detailed feasibility analysis that shows how much investment is required for a certain project and how much savings (both in terms of energy and financial savings) can be achieved with that particular project. If the payback period of the project is below 5 years and if the project lifetime is over 10 years, a report is prepared and the project is submitted for budget approval. Then this project is included in the budget plans for the upcoming

	<p>year. Previous years' GHG emission target revision was materialized by Integrated Management Systems Department for the strategic planning covering the period 2016-2022. The financial optimization calculations on energy efficiency are completed, the new absolute targets have been set.</p>
<p>Dedicated budget for low-carbon product R&D</p>	<p>ASELSAN aims to be a responsible producer for a globally responsible consumption. Substitution of existing products with lower emission options is aligned with the Research and Development activities. There is an increased demand for new low carbon technologies, materials, products and services such as smart digital solutions, smart mobility, solar cells, insulation etc. for different sectors. ASELSAN aims to be one of the main producers of renewable energy technologies and low carbon products in Türkiye in the mid- term. The Electric Vehicle Systems Program Management Department started a Research and Development project with TEMSA in March 2015 with the aim of producing the first domestic electric buses.</p> <p>As transportation related GHG emissions account for nearly 14% of Türkiye's total emissions, it is aimed to supply necessary electric vehicle systems designed for public transportation for major municipalities of Türkiye. In addition to the development activities carried out with TEMSA and ANADOLU ISUZU, the sale of electric vehicle systems to BMC has started. In line with the expectations of the automotive industry, our mass production capabilities have been developed and effective cost management processes have been operated to meet expectations.</p> <p>Avenue EV, the Turkish automotive industry's first 100% domestic electric bus developed in cooperation with ASELSAN and TEMSA, set off from Samsun. On July 16, 2021, the contract for the Ultra Fast Charging Bus and Charging Infrastructure System Project was signed by the Metropolitan Municipality and ASELSAN.</p> <p>ASELSAN being a leading defense industry establishment developing advanced technology system solutions on land, air, naval and aerospace platforms, has given importance to Research and Development activities and technological gains and targets since it was founded. Besides, it aims to spend approximately 7% of the annual turnover to its Research and Development activities financed with its own resources. More than 6,000 employees work in the six R&D centers within the company. ASELSAN's total R&D expense was 9,995 million TRY in 2022.</p>
<p>Marginal abatement cost curve</p>	<p>The savings to be made in the narrative and reporting of many projects are also kept as information. For example, the financial impact in fuel savings, carbon emission reduction and how much of a reduction it corresponds in ASELSAN were examined in changing the fleet.</p>

	<p>The compatibility of this plan with the transition pathway, which is thought to be created for the 2050 road map, has been examined. In all investments made or to be made, a section is included in the reporting for the reduction in the continuous payments of this investment.</p>
Compliance with regulatory requirements/standards	<p>Changes made within the scope of ISO 50001 are made according to productivity index measurements. To comply with the standards; Energy efficient purchasing and energy efficient maintenance activities are also carried out. Along with engines, air conditioners and lighting fixtures are also being replaced with efficient ones. Engines that are observed to be inefficient are replaced and a budget is created for this. In order to measure the efficiency of engines and energy; methods such as classical productivity calculations, regression analysis, creating a specific index for certain parameters (m2, air temperature, number of employees, etc.) are used. An investment process is initiated to improve the process with efficiency below a certain value.</p> <p>For the preparation process of the European Green Deal, legal harmonization studies and legal product investments works on electric vehicles, that reflect new GHG reduction opportunities to our country are studied to drive investment.</p>
Other Partnering with the Ministry on technology improvement by digitization	<p>Many projects in the field of Smart Systems were signed and accepted in the reporting year.</p> <p>Within the frame of the project related to Toll Collection Systems, a total of five station acceptance activities was carried out.</p> <p>Software process of the Automated Unmanned Payment Systems R&D Project which will bring a different working principle in this field was brought to completion as well. This project will have an indirect positive contribution to GHG emissions reduction.</p>
Internal incentives/recognition programs	<p>Fields related to Efficiency Increasing Project (EIP) studies were determined by conducting surveys and 5 Productivity Increasing Project (EIP) applications were approved by the Ministry of Energy and Natural Resources. For each project within the scope of EIP, 30% of the project amount will be paid to ASELSAN by the Ministry as an incentive.</p>
Partnering with governments on technology development	<p>Within the scope of the Sixth National Antarctic Science Expedition carried out by TÜBİTAK MAM Polar Research Institute, ASELSAN's domestic and national systems ensured the communication of our scientists in Antarctica. We became a part of this scientific research with our radio systems used in this voyage of discovery, where biodiversity is explored and new discoveries are expected.</p>

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

Type of product(s) or service(s)

Systems integration

Other, please specify

ENERGY MANAGEMENT and SMART GRID SYSTEMS

Description of product(s) or service(s)

System solutions consisting of critical hardware, algorithms and software for the National Smart Grid Network Management have been developed in order to transmit electricity efficiently, flexibly and effectively from the generation of electricity to its consumption throughout the country.

Within this scope, the development of the National Electric SCADA and the National Energy Management Systems continued successfully in 2021. For this purpose, collaborations have been established with different companies and universities. ARTU device, which is an advanced telemetry system used at the end points of smart grids, has started to be used in different networks- such as electricity, natural gas, oil, water, railways and micro-grids. It has proven itself in the operational environment. Activities to expand the DEPAR Low Voltage Monitoring and Control System developed for the conversion of the electricity distribution network into a smart grid were carried out. With the ASELSAN Energy Business Intelligence Platform, it is aimed to monitor the energy consumption of the facilities instantly, to detect the anomalies with artificial intelligence and to achieve energy savings with the alarms and suggestions to be created. There is an analysis document showing that the suggestions made in the Van project-a pilot Project for a Water Management System in a small area- will increase the energy efficiency in the represented area by 32%. It will provide 32,559 kWh improvement per month.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Estimating and Reporting the Comparative Emissions Impacts of Products (WRI)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

kWh/month

Reference product/service or baseline scenario used

Internally modeled calculation methods

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or baseline scenario

170

Explain your calculation of avoided emissions, including any assumptions

This improvement includes the water pump motors that our software recommends replacing. In the analyzes made, it has been revealed that one of the motors works with 47% efficiency and the other with 51% efficiency. This is not the optimal operating range of the pumps and is not healthy for the motors.

Discovering this result, our SCADA software offers suggestions for replacing motors. And with this change, the energy savings will be 32.559 kWh/month. This value shows that the investment to be made for the replacement of the engines will be amortized in about 6 months. Emission avoidance= 170 ton CO₂-e/year.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.001

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Systems integration

Other, please specify

Multi-lane Free Flow Electronic Toll Collection System (MLFF-ETC) which does not affect traffic on the highway

Description of product(s) or service(s)

Multi-lane Free Flow Electronic Toll Collection System (MLFF-ETC) which does not affect traffic on the highway during its operation, enables the collection of tolls from highways around large cities such as Istanbul, and also enables applications aimed at preventing traffic congestion resulting with high ghg emissions in urban roads, by introducing electronic road charging methods.

MLFF Vehicle recognition system, recognizes the license plate of a vehicles on the roadway. Vehicles of interest are identified and tracked throughout different system locations. MLFF system that allows highway users to pass through tolling point at high speed even when changing lanes without having to slow down to pay for toll.

New highway toll collection systems were established to cover the Çanakkale 1915 highway use, and crossings has been started in 2021.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify

Internally modeled calculation methods

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

MLFF system reduces congestion rate at the Toll Plazas by increasing vehicles' throughput at more than 1500 vehicles per hour. The research shows that the average delay on vehicle is 13 seconds per vehicle/ km (comparing to the MLFF).

Reference product/service or baseline scenario used

Scenarios used for different penetration rates.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

635,048

Explain your calculation of avoided emissions, including any assumptions

Congestion at MLFF is decreased at about %21 according to toll plazas. MLFF system reduces congestion rate at the Toll Plazas by increasing vehicles' throughput at more than 1500 vehicles per hour. The research shows that the average delay on vehicle is 13 seconds per vehicle/ km (comparing to the MLFF). In general, higher penetration rates give better results in term of emission reductions. On the highway road, modeled benefits at the macro level are 1.5% reduction in CO2 emissions for a %20 penetration rate, 4.5% reduction in CO2 emissions for a %60 penetration rate, 6.5% reduction in

CO2 emissions for a %90 penetration rate. Thus, MLFF improve public transportation and help to reduce air pollution, NOx and CO2 and road noise via a decline in traffic. With the establishment of new MLFF systems on the newly built roads of cities, the cumulative average vehicle speed on the roads where the wage was collected increased by 9%.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.001

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Rail

Other, please specify

In this system, it will become possible to reduce the electricity consumption of railway transportation vehicles and allow railway vehicles to be operated without a catenary system. allowing energy savings of up to 30% on public railway lines.

Description of product(s) or service(s)

ASELSAN has begun its activities to develop the energy management system which improves efficiency for railway transportation vehicles and reduces costs. In this system, it will become possible to reduce the electricity consumption of railway transportation vehicles and allow railway vehicles to be operated without a catenary system. With its modular structure, which can be used in both the vehicle and the station, the Energy Management System (EMS) allows railway vehicles, particularly trams, to be operated without a catenary system, allowing energy savings of up to 30% on public railway lines. In this context, the Energy Management System has been developed in order to store the braking energy in the Hybrid Shunting Locomotive, to achieve emission-free operation in the close areas, to reduce the noise level and to ensure fuel saving. In urban applications e.g. Metro, 200.000 km distances are covered annually. In the maneuvering locomotive, high distances are covered in parallel with the frequency of use. In this way, ASELSAN solutions for hybrid electric vehicles and hybrid rail vehicles also contribute to reducing emission values. It is aimed to save 40% fuel in the hybrid maneuvering locomotive being developed, an average of 20-30% reduction in CO emissions and an average 30-40% reduction in CO2 emissions.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify

Internally modeled calculation methods

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

Consumption data per hour was calculated separately at load and idle phase.

Daily working hours were found

Reference product/service or baseline scenario used

These climate resilient goods and services will allow third party to avoid emissions, % revenue is not categorized.

The ERCI Innovation Awards, organized for the sixth time this year by the European Railway Clusters Initiation (ERCI), evaluate the leading innovation projects of European railway industry companies and reward the best selected projects.

ASELSAN was deemed worthy of the “Best Large-Scale Company” Award with MIDAS-R.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

7,084

Explain your calculation of avoided emissions, including any assumptions

According to the shunting locomotive operating statistics published by the EPA, it has been observed that these locomotives spend 60% of their working life while idling 40%. Current fuel consumption is calculated using idle and running fuel consumption values. A total working period of 16 hours per day was used, and calculations were made over 330 days per year. The specific gravity of diesel is taken as 0.84 kg/l. 644 ton CO₂-e/year figure represents only one locomotive.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.002

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Road

Other, please specify

First domestic electric bus. A traction system has been developed for electric buses.

Description of product(s) or service(s)

The Electric Vehicle Systems Program Management Department started a project with TEMSA in March 2015 with the aim of producing the first domestic electric bus. A traction system has been developed for electric buses. Within the scope of the system, electric traction motor, motor driver (inverter), power distribution unit, high voltage battery system, vehicle control unit, driver instrument panel and vehicle charge control unit were developed by ASELSAN. These units were integrated into a bus developed together with TEMSA, and a domestic bus with the entire traction system was produced and type approval was obtained. Developed with the cooperation of TEMSA and ASELSAN, the bus is also important in terms of creating a sustainable ecosystem in this area with its locality rate of over 65%. Vehicle level emission is zero. It has become possible to bring the total emissions closer to zero, with electricity generation being directed towards renewable energy technologies. It will provide financial returns with the widespread use from 2021.

Project development period labor and material costs is around 9 million USD

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Estimating and Reporting the Comparative Emissions Impacts of Products (WRI)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

emission / liter

Reference product/service or baseline scenario used

Electric buses produced in cooperation with Aselsan and Temsa started to carry passengers in Samsun since last September.

In 2 months when electric buses were put into service, 47,456 liters of fuel were saved.

The carbon emission has been reduced to zero on the 112 thousand 990 kilometers of road covered by the newly purchased electric buses in 2 months.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

77,118

Explain your calculation of avoided emissions, including any assumptions

It is a customer specific data

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.55

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Road

Other, please specify

CITY TRAFFIC CONTROL AVOIDING TRAFFIC JAM RELATED EMISSIONS

Description of product(s) or service(s)

CITY TRAFFIC CONTROL AVOIDING TRAFFIC JAM RELATED EMISSIONS, Junction control devices communicate with each other and provide traffic management both at the intersection and at the city level. Unlike the use of predetermined plans, which is the method generally used in the industry, the system works in real time with a fully adaptive model. By using various sensors and image processing technologies such as cameras and "loop" detectors, the duration of traffic lights at intersections is determined instantly with the vehicle density information coming from the intersections. For example, if there is no vehicle in one of the intersection arms, the green light does not turn on for that direction in order to increase the efficiency of the traffic flow.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify

Internally modeled calculations

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

emission/ liter

Reference product/service or baseline scenario used

By using various sensors and image processing technologies such as cameras and "loop" detectors, the duration of traffic lights at intersections is determined instantly with the vehicle density information coming from the intersections. For example, if there is no vehicle in one of the intersection arms, the green light does not turn on for that direction

in order to increase the efficiency of the traffic flow.

Data: Annual 331,385 kg CO₂ emissions at the Station Junction in Kırıkkale Project

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or baseline scenario

11,193,228

Explain your calculation of avoided emissions, including any assumptions

According to the data collected at the same time periods before and after the use of the intersection control device at the designated intersections, there was a 19% increase in the average speed of the vehicles and a 21% decrease in the average number of stops per vehicle at the Station.

This project has started to be implemented in the cities of Samsun and Tekirdağ.

Emission reduction assumptions will be re-studied and re-calculated.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.001

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

Type of product(s) or service(s)

Other

Other, please specify

GUKAS Product Family (Renewable Energy Powered Product Family)

Description of product(s) or service(s)

GÜKAS Product Family provides the energy that the user needs by making use of renewable energy systems in regions where there is no energy source. Products are divided into two different product families according to their needs and uses:

1-Renewable Energy Powered Mobile/Portable Energy Generation and Storage Systems

2-Renewable Energy Powered Mobile/Portable Surveillance and Image Transfer Systems

* Renewable Energy Powered, Mobile Surveillance and Image Transfer System can be transported by vehicle or helicopter, can be commissioned within 15 minutes by two personnel without requiring special equipment, logistics support and infrastructure, and can operate with high reliability for a long time.

Thanks to its features shaped in the light of the needs encountered, it is an important

force multiplier in both military and civilian use.

- With its mobile structure, integrated radio link, solar panel, battery block and customizable Aselsan Ekinoks camera options, it effectively takes control of every point and transmits the acquired image wireless up to a distance of 15 km.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.001

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	For the calculations representing year 2022 emissions, it was started to use AR6 GWP referenced emission factors. The verification was accomplished in May 2023.

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	No, because the operations acquired or divested did not exist in the base year	Organic growth that will result in an increase in production, such as an investment in a newly built facility, is not considered a purchase and does not require recalculation of base year emissions. Ref: ASELSAN Base year recalculation procedure; Article 2: Methodology. In the reporting year an organic expansion was realized in Gölbaşı facility where this process will continue in 2023. The impact of this expansion on absolute emissions for the next year, will be assessed.	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO2e)

14,690

Comment

In 2015, the Gölbaşı Facility started its operations and the system boundary was revised accordingly.

In 2021 another new facility Akyurt 2 started its operations.

The system boundary did not change according to the company's procedure.

It is an organic expansion. The system boundary is the same as in 2015.

Scope 2 (location-based)

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO2e)

42,320

Comment

Only location-based result was used, there is no market-based figure.

The system boundary is the same as in 2015.

Scope 2 (market-based)

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO2e)

Comment

There is no market- based figure.

Scope 3 category 1: Purchased goods and services

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

22,565.15

Comment

Within the transition to ISO 14064:2018 version in 2021, a detailed study of scope 3 emissions was executed. Data collection systematic has been changed and thus reporting boundaries have been expanded. All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards in 2022.

Scope 3 category 2: Capital goods

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO₂e)

Comment

Green procurement process is in the concern of our company. The company does not have the information and inventory to account for these emissions associated with this source.

ASELSAN does not predict the full inclusion over a three years period.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO₂e)

7,212.43

Comment

DEFRA -WTT fuel conversion factors were used to account for the upstream Scope 3 emissions associated with extraction, refining and transportation of the raw fuel sources to the organisation's site, prior to combustion.

The activity data was collected from the third- party energy invoices. All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards in 2022.

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

1,263.49

Comment

Within the transition to ISO 14064:2018 version in 2021, a detailed study of scope 3 emissions was made.

Data collection systematic has been changed and thus reporting boundaries were expanded.

The comparison of 2021 with 2022 data was done, there is no need to change the base year.

All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards in 2022.

Scope 3 category 5: Waste generated in operations

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

116.9

Comment

Within the transition to ISO 14064:2018 version in 2021, a detailed study of scope 3 emissions was made. Data collection systematic has been changed and thus reporting boundaries have been expanded. The comparison of 2021 with 2022 data was done, there is no need to change the base year. All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards in 2022.

Scope 3 category 6: Business travel

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

1,623.31

Comment

Within the transition to ISO 14064:2018 version in 2021, a detailed study of scope 3 emissions was made. Data collection systematic has been changed and thus reporting boundaries have been expanded.

The comparison of 2021 with 2022 data was done, there is no need to change the base

year.

All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards in 2022.

Scope 3 category 7: Employee commuting

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

971.14

Comment

Within the transition to ISO 14064:2018 version in 2021, a detailed study of scope 3 emissions was made. Data collection systematic has been changed and thus reporting boundaries have been expanded. The comparison of 2021 with 2022 data was done, there is no need to change the base year.

All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards) in 2022.

Scope 3 category 8: Upstream leased assets

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

We did not use upstream leased assets in 2021

Scope 3 category 9: Downstream transportation and distribution

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

34.04

Comment

Downstream shipping activities covering the entire transport cycle of the supply chain will be improved thanks to the "Supplier Portal" in the next 2 years. Access on accurate

and valid data will be completed.

All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards in 2022.

Scope 3 category 10: Processing of sold products

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

Specific confidentiality constraints prohibiting the disclosure

Scope 3 category 11: Use of sold products

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

Specific confidentiality constraints prohibiting the disclosure

Scope 3 category 12: End of life treatment of sold products

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

NA

Scope 3 category 13: Downstream leased assets

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

We did not use downstream leased assets in 2021

Scope 3 category 14: Franchises

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

We do not have any franchises, so this category is not relevant to our organization.

Scope 3 category 15: Investments

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

NA

Scope 3: Other (upstream)

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

NA

Scope 3: Other (downstream)

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO₂e)

0

Comment

NA

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

ISO 14064-1

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

22,593.68

Comment

The data cover Scope 1 GHG emissions of all facilities located in Ankara and İstanbul.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

In ASELSAN, only the electricity purchased from National Interconnected System Grid is consumed.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

41,389.27

Comment

This figure represents the purchased electricity from National Interconnected System. ASELSAN do not have any source of market-based Scope 2 emissions

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

27,137.26

Emissions calculation methodology

Supplier-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Data cover the emissions from the use of goods and services purchased from main subsidiaries and suppliers.

Data collection process from suppliers was improved and Supplier Specific Method was used with the new Portal.

In the reporting year the number of site visits have been multiplied, this is the reason of increase in related emissions.

GHG emissions caused by used materials such as plastics, metals, paper, etc. are calculated by using the weight, and related emission factors. Emissions were calculated using DEFRA GHG Conversion Factors for Company Reporting. (DEFRA Greenhouse Gas Reporting: Conversion Factors 2022)

This category comprises 25.97 % of our GHG inventory emissions for the reporting year.

The result is over the materiality threshold. The value is already included in our GHG inventory. The company started to revise the improvement policies and to demand green procurement requirements from its suppliers related to this activity.

All these activities are aligned with the transition action plan. Supplier risk assessment process is in place.

All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards.

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

Green procurement process is in the improvement phase.

We have started to perform a screening with GHG Protocol-Quantis Scope 3 Evaluator Tool.

Spend-based method will be used as emission calculation methodology.

The capital purchases will be categorized by type for 2023.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

7,994.73

Emissions calculation methodology

Hybrid method

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

DEFRA -WTT fuel conversion factors were used to account for the upstream Scope 3 emissions associated with extraction, refining and transportation of the raw fuel sources to the organisation's site, prior to combustion.

The activity data was collected from the supplier energy invoices.

Upstream emissions of purchased fuels such as Natural gas, LPG, Diesel etc. were calculated.

Transmission & distribution losses arising from purchased electricity were calculated using approved electricity emission factor for Türkiye and TEİAŞ statistics.

This category comprises 13.055 % of our GHG inventory emissions for the reporting year. The result is over the materiality threshold. The value is already included in our GHG inventory. The company started to revise the improvement policies related to this activity in its transition action plan.

All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,003.52

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

DEFRA – Freightin Goods 2022 emission factors were used for calculations based on the GHG Protocol Corporate Value Chain (Scope 3) Standard.

This category comprises 0.96 % of our GHG inventory emissions for the reporting year.

The result is under the materiality threshold, but the value is already included in our GHG inventory for improvement purposes.

In 2021 this process was revised; the system boundary was enlarged before the transition to new ISO 14064:2018 Standard.

In the reporting year, all calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

121.45

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Waste generated in operations is calculated based on Defra 2022 methodology on Waste Disposal.

Wastewater generated from operations is calculated based on Defra 2022 methodology on Water Treatment.

This category comprises 0.12 % of our GHG inventory emissions for the reporting year.

The result is under the materiality threshold, but the value is already included in our GHG inventory for improvement purposes.

All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3,575.08

Emissions calculation methodology

Supplier-specific method

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The assessment and the data gathering process is in place. Air travel based emission is calculated based on DEFRA 2022 methodology for Business Travel-Air.

The data is provided from ASELSAN's Travel Supplier.

This category comprises 3.4 % of our GHG Inventory emissions for the reporting year.

The result is under the materiality threshold, but the value is already included in our GHG inventory for improvement purposes.

All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,098.59

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Employee commuting based data is calculated based on DEFRA 2022 methodology for BusinessTravel- Land

This category comprises 1.04 % of our GHG inventory emissions for the reporting year.

The result is under the materiality threshold, but the value is already included in our GHG inventory for improvement purposes.

All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Upstream leased assets are not relevant for our operations. As we are calculating our GHG Inventory using operational control approach, all of the GHG emissions of upstream leased assets are reported under our Scope 1 and Scope 2 emissions.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

27.87

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

DEFRA – Freightng Goods 2022 emission factors were used for calculations based on the GHG Protocol Corporate Value Chain (Scope 3) Standard.

Downstream shipping activities covering the entire transport cycle of the supply chain will be improved thanks to the "Supplier Portal" in the next year. Access on accurate and valid data will be completed.

All calculations are completed in accordance with ISO 14064-1:2018 and verified in accordance with ISO 14064-3:2019 standards.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Specific confidentiality constraints prohibiting the disclosure.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Specific confidentiality constraints prohibiting the disclosure

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

The products and services delivered by ASELSAN to our customers do not require any further end of life treatment after the use process. This category is not relevant to report on.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

We don't have any assets that are leased to other companies therefore this category is not relevant for ASELSAN.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

We do not have any franchises, so this category is not relevant to our organization.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

GHG emissions of new facility investments have been accounted in Scope 1&2 emissions.

In the reporting year the scope 1 & 2 emissions increased due to investment activities.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

We have no other upstream GHG emissions

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

We have no other downstream GHG emissions

C-CG6.6

(C-CG6.6) Does your organization assess the life cycle emissions of any of its products or services?

	Assessment of life cycle emissions	Comment
Row 1	No, but we plan to start doing so within the next two years	<p>ASELSAN is aware that the Scope 3 inventory enables us to identify the GHG reduction opportunities across the entire corporate value chain, while product life cycle assessment enables a company to target individual products with the greatest potential for reductions.</p> <p>For the next 2 years we plan to start assessment of life cycle emissions for one product group. This subject will be studied for some selected product group after the transition to ISO 14064: 2018 Standard.</p> <p>The Product Life Cycle System, expressed as PLM (Product Lifecycle Management), which can be considered one of the milestones for ASELSAN, is the most important part of ASELSAN's digital transformation included in the ASELSAN Strategic Plan for this purpose. PLM will prepare ASELSAN for the future by providing the infrastructure for the concurrent engineering method that enables interactive and efficient work from design to production, from program management to integrated logistics support.</p> <p>The design teams may take environmental issues into account in the early design phase and may give the company a global vision about their product portfolios with the ASELSAN PLM Project.</p>

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0018

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

63,982.95

Metric denominator

unit total revenue

Metric denominator: Unit total

35,281,676,606

Scope 2 figure used

Location-based

% change from previous year

31.6

Direction of change

Decreased

Reason(s) for change

Change in methodology
Change in physical operating conditions

Please explain

Our business growth rate was increased 75,1 % in terms of revenue, there is a 31.6% decrease in the intensity figure
Due to organic expansion in the Gölbaşı facility and the new referenced Global Warming Potential Emission Factors of AR6 the absolute emissions increased in the reporting year.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	12,667.35	IPCC Sixth Assessment Report (AR6 - 100 year)
CH4	8.43	IPCC Sixth Assessment Report (AR6 - 100 year)
N2O	34.85	IPCC Sixth Assessment Report (AR6 - 100 year)
HFCs	9,883.05	IPCC Sixth Assessment Report (AR6 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Turkey	22,593.68

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

By activity

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Macunköy	5,854.98	39.96763	32.76631
Akyurt 1	8,510.76	40.08628	33.02409

Akyurt 2	290.29	40.51025	33.1184
Gölbası	7,360.56	39.71837	32.81612
Teknokent ODTÜ	19.81	39.89353	32.77346
Teknokent ODTÜ (Titanyum)	3.21	39.8934	32.7713
Teknokent-Hacettepe	2.34	39.863	32.7378
Teknopark-Ivedik	30.45	39.9961	32.7521
Teknopark- İstanbul	81.71	40.8513	29.28764
Şişli	89.22	41.05613	28.98536
Temelli	350.35	39.4858	32.2256

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Natural Gas Consumption for heating, boilers and kitchen	10,355.42
Diesel consumption for generators and fire pumps	315.29
LPG consumption at kitchen	1.68
CNG consumption in the production process	0
Gasoline consumption for company cars	42.24
Diesel oil consumption for company cars	1,950.09
Diesel oil consumption for forklifts	5.54
Fugitive emissions from air conditioning system	3,768.98
Fugitive emissions from fire extinguishers	6,115.28
Fuel-oil consumption for heating	39.14

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Turkey	41,389.27	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Macunköy	13,969.12	0
Akyurt 1	11,292.61	0
Akyurt 2	856.47	0
Gölbaşı	12,031.4	0
Teknokent ODTÜ	275.78	0
Teknokent- ODTÜ (Titanyum)	94.79	0
Teknokent- Hacettepe	1,281.64	0
Teknopark-İvedik	416.78	0
Teknopark- İstanbul	173.68	0
Şişli	45.45	0
Temelli	951.54	0

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable	0	No change	0	NA

energy consumption				
Other emissions reduction activities	1,151.08	Decreased	1.79	The emissions activities implemented during 2022 have been resulted with a reduction of 1,151.08 tons of CO2e. We calculated 1.79 through $(-1,151.08/63,982.95) * 100 = -1.79\%$
Divestment	0	No change	0	NA
Acquisitions	0	No change	0	NA
Mergers	0	No change	0	NA
Change in output	11,726	Increased	18.33	Building and office expansions in Gölbaşı and Temelli campuses have changed the fuel and energy related activities. Because of the organic growth, the scope 1&2 related activities increased: $11,726/63,983 = 18.33\%$ Absolute emissions have increased with these extensions in the existing areas.
Change in methodology	0	No change		NA
Change in boundary	0	No change	0	NA
Change in physical operating conditions	0	No change	0	NA
Unidentified	0	No change	0	NA
Other	0		0	NA

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C-CG7.10

(C-CG7.10) How do your total Scope 3 emissions for the reporting year compare to those of the previous reporting year?

Increased

C-CG7.10a

(C-CG7.10a) For each Scope 3 category calculated in C6.5, specify how your emissions compare to the previous year and identify the reason for any change.

Purchased goods and services

Direction of change

Increased

Primary reason for change

Other, please specify

Increase of site visits as second party audit

Change in emissions in this category (metric tons CO2e)

4,572.11

% change in emissions in this category

20.26

Please explain

Data collection process from suppliers was improved and Supplier Specific Method was used with the new Portal.

In the reporting year the number of site visits have been multiplied, this is the reason of increase in emission figure.

This category comprises 25.97 % of our GHG inventory emissions for the reporting year. The result is over the materiality threshold. The value is already included in our GHG inventory. The company started to revise the improvement policies and green procurement requirements from its suppliers related to this activity. It will be aligned with the transition action plan.

Fuel and energy-related activities (not included in Scopes 1 or 2)

Direction of change

Increased

Primary reason for change

Other, please specify

Expansion activities in Gölbaşı and Temelli

Change in emissions in this category (metric tons CO2e)

781.8

% change in emissions in this category

10.83

Please explain

Building and office expansions in Gölbaşı and Temelli campuses have changed the fuel & energy related activities.

This refers to changes that occur as a result of increases in our business output as new offices.

Absolute emissions have increased with these extensions in the existing areas.

This category comprises 13.055 % of our GHG inventory emissions for the reporting year. The result is over the materiality threshold. The value is already included in our GHG inventory. The company started to revise the improvement policies related to this activity in its transition action plan.

Upstream transportation and distribution

Direction of change

Increased

Primary reason for change

Other, please specify

Increase in site visits

Change in emissions in this category (metric tons CO₂e)

259.97

% change in emissions in this category

20.57

Please explain

Data collection process from suppliers was improved and Supplier Specific Method was used with the new Portal.

In the reporting year the number of site visits multiplied, this is the reason of increase in emission figure

This category comprises 0.96 % of our GHG inventory emissions for the reporting year.

The result is under the materiality threshold, but the value is already included in our GHG inventory for improvement purposes. The green procurement process will be improved.

Waste generated in operations

Direction of change

Increased

Primary reason for change

Other, please specify

Expansion and relocation activities

Change in emissions in this category (metric tons CO₂e)

4.55

% change in emissions in this category

3.89

Please explain

Waste generation increased due to relocation activities to Gölbaşı and Temelli campuses.

This category comprises 0.12 % of our GHG inventory emissions for the reporting year.

The result is under the materiality threshold, but the value is already included in our GHG inventory for improvement purposes.

Business travel

Direction of change

Increased

Primary reason for change

Other, please specify

Increase in physical meetings instead of online meetings

Change in emissions in this category (metric tons CO2e)

1,951.77

% change in emissions in this category

220.23

Please explain

Increase in physical meetings instead of online meetings

The assessment and the data gathering process is in place. Air travel based emission is calculated based on DEFRA 2022 methodology for Business Travel-Air.

The data is provided from ASELSAN's Travel Supplier.

This category comprises 3.4 % of our GHG Inventory emissions for the reporting year.

The result is under the materiality threshold, but the value is already included in our GHG inventory for improvement purposes.

Employee commuting

Direction of change

Increased

Primary reason for change

Other, please specify

expansion activities related emission increase

Change in emissions in this category (metric tons CO2e)

127.45

% change in emissions in this category

13.12

Please explain

Since Gölbaşı and Temelli campuses are further away from the existing residential areas, distance traveled for employee commuting has increased.

This category comprises 1.04 % of our GHG inventory emissions for the reporting year.

The result is under the materiality threshold, but the value is already included in our GHG inventory for improvement purposes.

Downstream transportation and distribution

Direction of change

Decreased

Primary reason for change

Other emissions reduction activities

Change in emissions in this category (metric tons CO2e)

6.17

% change in emissions in this category

19

Please explain

Other scope 3 related emission reduction activities.

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 15% but less than or equal to 20%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	60,410	60,410
Consumption of purchased or acquired electricity		0	95,224	95,224
Total energy consumption		0	155,634	155,634

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

LHV

Total fuel MWh consumed by the organization

0

Comment

We have not consumed any fuels within this category in the reporting year.

Other biomass

Heating value

LHV

Total fuel MWh consumed by the organization

0

Comment

We have not consumed any fuels within this category in the reporting year.

Other renewable fuels (e.g. renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

0

Comment

We have not consumed any fuels within this category in the reporting year.

Coal

Heating value

LHV

Total fuel MWh consumed by the organization

0

Comment

We do not consume any fuels within this category.

Oil

Heating value

LHV

Total fuel MWh consumed by the organization

8,459

Comment

The figure covers the diesel oil and gasoline consumed in the reporting year.

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

51,951

Comment

The figure covers the Natural gas and LPG consumed in the reporting year.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

0

Comment

We have not consumed any fuels within this category in the reporting year.

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

60,410

Comment

The figure covers total fuel consumed by ASELSAN

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Turkey

Consumption of purchased electricity (MWh)

95,224

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

95,224

C-CG8.5

(C-CG8.5) Does your organization measure the efficiency of any of its products or services?

	Measurement of product/service efficiency	Comment
Row 1	Yes	Many of our products contain smart components. All parameters related to efficiency measurement are measured, evaluated and recorded by sensors and smart units in the systems. These data can be analysed later to measure efficiency.

C-CG8.5a

(C-CG8.5a) Provide details of the metrics used to measure the efficiency of your organization's products or services.

Category of product or service

Power tools

Product or service (optional)

Hybrid Energy System including battery, power panel and wind turbine

% of revenue from this product or service in the reporting year

0.02

Efficiency figure in the reporting year

0.7

Metric numerator

megawatt hour (MWh)

Metric denominator

Other, please specify
kilowatt hour (kWh)

Comment

The ratio of the energy produced by the Hybrid Energy System from its own renewable energy sources, to the total consumed energy is evaluated as efficiency. The efficiency figure is 70% in the reporting year.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

1,468.29

Metric numerator

Tonnes of waste

Metric denominator (intensity metric only)

NA

% change from previous year

18.7

Direction of change

Decreased

Please explain

ASELSAN manages the waste generated from its operations by taking the waste management hierarchy into account, in a manner that minimizes their environmental impacts. This management approach starts by reducing waste at the source and continues with waste reuse, recycling and disposal as a last resort. The verification of regularly reported wastes to MoEU&CC is fulfilled by the 3rd party audit for 2022 activities. In order to prevent and minimize waste generation and ensure recycling, ASELSAN started to work voluntarily in May 2019 to implement the "Zero Waste Project" in all its campuses. Every year the training is given to all workers and related staff who will take an active role in waste separation /collection.

Description

Other, please specify

Waste water discharged into sewer system

Metric value

374,869.7

Metric numerator

Cubic meter of waste water

Metric denominator (intensity metric only)

NA

% change from previous year

17.8

Direction of change

Increased

Please explain

The relocation activity was performed in 2022 into the new buildings of Gölbaşı and Temelli campuses.

The full-time employee figure continue to increase due to expansion activities.

Description

Energy usage

Metric value

60,410

Metric numerator

MWh from non-renewable sources

Consumption of fuel

Metric denominator (intensity metric only)

NA

% change from previous year

15.55

Direction of change

Increased

Please explain

The relocation activity was performed in 2022 into the new buildings of Gölbaşı and Temelli campuses.

The energy usage for heating purpose has increased

Energy use from renewable energy projected in our transition action plan

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	<p>ASELSAN aims to strengthen its position as the leading company in the industry by adding advanced technology such as augmented reality, artificial intelligence and similar capabilities to autonomous aircraft in the future. Research projects on sensing and planning technologies to increase the autonomy level of unmanned aerial vehicles are carried out at the ASELSAN Research Centre. In addition, intelligent control methods are being developed for energy efficiency in unmanned systems and for unmanned aerial vehicles to perform their operations with more agile maneuvers.</p> <p>Another field of activity carried out to support civil applications in the field of space is cube satellites. In this area, the first ASELSAT cube satellite project was carried out.</p> <p>Through remote sensing applications, it is aimed to continue with cost and calendar effective satellite development studies for civilian applications in areas such as Meteorology, Agriculture, Disaster and Emergency Management.</p> <p>One of the main fields of activity of our company is renewable energy systems.</p> <p>For the purpose to drive opportunities in this new system, ASELSAN has already begun to position as a leader in technology base projects in order to meet the needs of all stakeholders in the global energy systems market with efficient, reliable, economic, high quality state of- the-art products and services in the areas of electricity generation, transmission, distribution, consumption and management.</p> <p>ASELSAN has established programs for the R&D, design, production, integration and after sales support in the following areas:</p> <ul style="list-style-type: none"> · Energy Management and Smart Grid Systems · Renewable Energy Systems. - e-mobility, e-charging <p>In the reporting year; A technology transfer was made from the German Aerovide company in the field of wind energy, where the Turkish market is estimated to be over US\$ 40 billion.</p> <p>With the agreement, the technological know-how and intellectual rights of Aerovide in the field of wind turbines were transferred to ASELSAN.</p> <p>In 2022, a total of seven patents and utility model registrations were obtained within the scope of design and system engineering (six domestic and one abroad). The process of 77 applications continues; 33 of them were made in 2022.</p> <p>4 reporting years' (2019-2022) successive total expenditure on R&D activities are: 2975, 3356, 5615 and 9,995 million TRY.</p>

C-CG9.6a

(C-CG9.6a) Provide details of your organization's investments in low-carbon R&D for capital goods products and services over the last three years.

Technology area

Renewable energy

Stage of development in the reporting year

Large scale commercial deployment

Average % of total R&D investment over the last 3 years

40

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

Average % of total R&D investment planned over the next 5 years

40

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

ASELSAN makes the necessary investments within the scope of the projects without delay. Annual maintenance and calibrations of investments are constantly monitored. Technological trends are closely followed and new investments are planned and implemented. For example; The project for the original development of generator and full-scale power converter units, which are critical components of the Wind Turbine, has been launched. In order to test these study outputs, an investment activity of over MW Scale Power Electronics and Electrical Machines Laboratory is carried out. Within the scope of renewable energy and all other projects, many investments are needed to be used in design, development, test and verification activities. For example; Various computer aided software tools were provided to be used within the scope of design activities (Homer, PVSol Matlab etc.). Similarly, investments were made for measurement and testing purposes (Lidar, dynamo-meter, PV simulator etc. for wind measurement)

Technology area

Control systems

Stage of development in the reporting year

Applied research and development

Average % of total R&D investment over the last 3 years

20

**R&D investment figure in the reporting year (unit currency as selected in C0.4)
(optional)**

Average % of total R&D investment planned over the next 5 years

20

**Explain how your R&D investment in this technology area is aligned with your
climate commitments and/or climate transition plan**

Micro-grids are small-scale energy networks that can be operated independently or connected to the grid, have their own energy sources, generation and loads with certain limits. Micro-grids have advantages such as providing energy in off-grid regions with on-site generation, reducing inter-regional transmission losses, increasing service quality by detecting faults instantly, using resources efficiently by supporting demand management, commissioning more domestic resources, and having a more durable and dynamic network.

The development and nationalization of micro-grids, of which there are many examples in the world, is critical for a green sustainable energy in the near future and reduces foreign dependency in order to ensure energy security. Smart micro grids will ensure stability, efficiency and energy security. Also, the use of renewable resources in micro-grids more and more will expand in this way.

In this context, Cyprus Advanced Technologies Research Center under R&D Vice Presidency continues its pre-studies on smart micro-grids.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Aselsan_14064 VOS FINAL_for 2022.pdf

Page/ section reference

2022 ASELSAN Carbon Footprint Verification Opinion Statement Scope 1 and 2 (Page 3)

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Aselsan_14064 VOS FINAL_for 2022.pdf

Page/ section reference

2022 ASELSAN Carbon Footprint Verification Opinion Statement Scope 1 and 2 (Page 3)

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

- Scope 3: Purchased goods and services
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- Scope 3: Upstream transportation and distribution
- Scope 3: Waste generated in operations
- Scope 3: Business travel
- Scope 3: Employee commuting
- Scope 3: Downstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Aselsan_14064 VOS FINAL_for 2022.pdf

Page/section reference

2022 ASELSAN Carbon Footprint Verification Opinion Statement Scope 3 (Page 3)

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, we are waiting for more mature verification standards and/or processes

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

The EU emissions trading scheme (EU-ETS) has been the region's key policy tool for containing rising greenhouse gas emissions over the past two decades, and remains a fundamental pillar of the EU Green Deal, which commits the region to reach carbon neutrality by 2050. Türkiye is taking steps to prepare its economy for closer ties with EU legislation, while Türkiye does not yet have carbon pricing systems in place, it has started to explore opportunities to implement a National Emissions Trading Scheme. The two main policy options that are being used as carbon pricing mechanisms are carbon taxation and emissions trading systems (ETS).

In November 2018 a synthesis report was submitted to the Climate Change and Air Management Coordination Board, outlining possible carbon market policy options for Türkiye. Following this, the end of the year saw the completion of the primary phase, and beginnings of the second phase of the plan. The second phase, which was completed at the end of 2020 – includes development of a 'Climate Change Law', ETS regulation and institutional framework for a pilot ETS, the pilot ETS cap and preliminary specifications for MRV sectors, Turk-SIM (an ETS digital simulation with gamification features), The pilot ETS transaction registry and Assessment of Article 6; Paris Agreement implications and options for Türkiye.

ASELSAN will continue to attend related workshops for the alignment of its strategy with the National Strategy covering ETS regulation and Paris Agreement Requirements. Internal and customer related requirements base on the European and International policy developments related with climate change are followed.

Türkiye aims to achieve net zero emissions by 2053. At COP 27, UN climate conference, the government has committed to a 41% cut by 2030, compared with a business-as-usual scenario.

ASELSAN states her corporate views on these issues. Several number of stakeholder meetings and feedback rounds were conducted by the MoEU&CC in 2021&2022.

In Türkiye, emission data is reported to the Ministry annually by high energy intensive sectors according to the MRV regulation. ASELSAN is not in the scope of this regulation yet. However, since we have established our ISO 14064-1 system and have been calculating our emissions and processing verification by accredited third parties, we are ready to report our emissions.

Studies, for the establishment of a national emission trading system covering sectors primarily which are in the scope of MRV Regulation, are projected to start as pilot phase in 2024 and switch to implementation in 2025

We are ready to comply with the schemes when the market is once established in Türkiye. National ETS or taxation system can influence our company after 2025.

As part of our involvement in this new upcoming system, our energy efficiency was upgraded with Energy Management Systems, ISO 50001:2018. The ISO 14064:2018 transition was completed. For the 3 main facilities, the energy efficiency projects started to be implemented as from the second quarter of 2019.

Energy analyzers have been set up to accelerate improvement projects.

The company shares its expertise and perspective to the policy-making process on high priority emerging Climate Law and ETS regulation. The regulatory compliance team monitors regulatory developments, establishes procedures, carries out data review and internal audits. A cross functional team of environmental and energy efficiency experts exert and maintain the strategy. There is a dedicated carbon risk management team working on regulatory risk management strategy and internal carbon pricing. The communication with the Board is always performed with related meetings.

In the reporting year the attendance on National Council workshops on National Climate Strategy was performed by ASELSAN.

For the purpose to be ready for such carbon pricing mechanism before it is introduced, the company works with the policy makers to mitigate its GHG emissions to be resilient to the anticipated potential impacts in the long-term.

For the purpose to drive opportunities in this new system, ASELSAN has already begun to position as a leader in technology base projects in order to meet the needs of all stakeholders in the global energy systems market with efficient, reliable, economic, high-quality products and services in the areas of electricity generation, transmission, distribution, consumption and management.

A technology transfer was made from the German Aerovide company in the field of wind energy, where the Turkish market is estimated to be over US\$ 40 billion. With the agreement, the technological know-how and intellectual rights of Aerovide in the field of wind turbines were transferred to ASELSAN.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price

Shadow price

How the price is determined

Alignment with the price of a carbon tax
Cost of required measures to achieve emissions reduction targets
Price with material impact on business decisions

Objective(s) for implementing this internal carbon price

Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities
Navigate GHG regulations
Stakeholder expectations
Reduce supply chain emissions

Scope(s) covered

Scope 1
Scope 2

Pricing approach used – spatial variance

Differentiated

Pricing approach used – temporal variance

Evolutionary

Indicate how you expect the price to change over time

The EU Green Deal would counteract the risk of carbon leakage by putting a carbon price on imports of certain goods from outside the EU. Base on GD- CBAM, increased pricing on imported goods is considered a key regulatory-driven climate risk at ASELSAN. "The New Climate Regime through the Lens of Economic Indicators" Report discusses the impacts of CBA on the Turkish industry with economic models. Base on general balance model, possible costs of Border Carbon Regulation for 30€ & 50 €/ton CO₂-e price in export and production categories of different industry sectors was assessed for 2020-2030 period. For ASELSAN the likelihood of a carbon border adjustment based tax is expected to have a long term effect on operational costs in the future. We closely monitor compliance with this emerging regulation and other critical climate policies.

Internally the Evolutionary pricing is used.

The price used is min 522 TRY for 30 € and max 870 TRY for 50 €
(Average currency 1€=17.39 TRY in 2022)

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO₂e)

522

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO₂e)

870

Business decision-making processes this internal carbon price is applied to

Operations
Procurement
Product and R&D
Risk management
Opportunity management
Value chain engagement

Mandatory enforcement of this internal carbon price within these business decision-making processes

Yes, for all decision-making processes

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

We use internal shadow carbon prices on Capital expenditure, R&O management, Public Policy Engagement to assess the impact of regulation on energy used and existing asset's value, as well as to evaluate organic enlargements.

We are closely getting ready to emerging regulation by using shadow carbon price mechanism.

The price on carbon influences the decision-making process for current strategies and future emerging situations.

ASELSAN's strategic opportunity is to invest in renewable energy sources for energy supply during the R&D investments and other activities.

This tool helps also the investments toward energy efficiency measures in our campuses as well as organization's climate commitments and climate transition plan aligned with the carbon price levels needed to meet the Paris Agreement goals.

In Türkiye; ETS studies are triggered from CBAM. According to the CBAM regulation, if national carbon price is lower than EU ETS price , countries should pay additional CBAM certificate price which is equal to the difference between these prices.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers/clients
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers

Collect targets information at least annually from suppliers

Collect climate transition plan information at least annually from suppliers

Collect other climate related information at least annually from suppliers

% of suppliers by number

50

% total procurement spend (direct and indirect)

75

% of supplier-related Scope 3 emissions as reported in C6.5

40

Rationale for the coverage of your engagement

With the belief of being a responsible producer for responsible consumption, we try to improve our entire value chain while managing our business continuity risk. Our domestic companies constitute a very important part of our company's over 5,000 suppliers and our nationalization efforts are continuing rapidly. We communicated with 50% of our local companies on climate change issues, get information from them and try to support the improvement of their processes.

Our suppliers' performance has a significant impact on the management of economic, social and environmental (ESG) issues of our company.

The rationale for the coverage of this survey is Assessment of Suppliers which have an impact on total procurement spent. ASELSAN has created a pioneering and innovative platform in order to strengthen the bond with its suppliers, to reduce foreign dependency by increasing the effectiveness of nationalization efforts, and to carry out cooperation with its suppliers under an integrated roof. "Gücümüz Bir" platform went live in April 2020. It is an interactive platform that the target audience is ASELSAN's current and potential suppliers. This platform serves through a corporate website and mobile applications. ASELSAN contacts supply chain stakeholders to manage the inventory process base on ISO 14064:2018 standard. The subsidiaries and main suppliers were visited by the company during data gathering phase of the new GHG certification.

14064:2018 related energy data gathering process continued in the reporting year.

The company attaches importance to the value of acting together against climate risks, which can greatly affect the supply chain. With the software developed to create a systematic approach within the scope of the adaptation of suppliers regarding climate change, emission information and communication was provided in 2022.

ASELSAN has successfully completed the ISO 50001:2018 EnYS audit conducted in 2022 and continues its activities within the scope of the Energy Efficient Procurement Procedure.

Impact of engagement, including measures of success

Supplier risk assessment studies have started as of August 2020, and companies have been subject to risk assessments. Within the scope of supplier risks, the targets are:

* High Risk Critical Supplier Ratio: 0% *High Risk Supplier Ratio <1%

At ASELSAN, supply chain risks are determined and followed up by the relevant units in detail, such as global crises, epidemics, natural disasters and terrorist incidents, which are difficult to foresee, as well as those arising from the dynamics of the industry, suppliers, customers or production activities. Risks that are evaluated at a critical level are monitored and measured. Short and medium-term strategies are developed, and necessary practices are implemented to prevent risks or reduce their effects. ASELSAN determines the risks of all its approved suppliers, primarily critical suppliers. After the follow-up visits and the completion of the improvements, the medium risk companies are placed in the low-risk group to be eligible as good performers. The topics of GHG emissions measurement and climate change strategies are added into environmental management questionnaire and our suppliers are monitored and scored according to their replies.

Supplier Scorecard development activities were started in 2019 for the purpose of measuring the performance of approved sub-industry firms with a scorecard and last year it took its final form as a result of the improvements. Scorecards help ASELSAN now to look into the performance of suppliers and determine from which firm it will request a quote. The performance measurements have been deployed in 2022.

In the evaluation process of environmental and social criteria

Companies that need improvement are subjected to follow-up examinations and their improvement status is analyzed.

With this practice, an encouraging role is assumed for companies that cannot fully perform their social, social and legal responsibilities to fulfill these responsibilities. The introduction of scorecard practices into procurement processes is intended to prioritize successful firms in requests for proposals and attain a performance-based procurement process.

Comment

Questionnaire include following items:

1. EMS

- Do you have any studies / management system related to EMS and policies and targets within this scope?

- Do you have any products / activities that you think pose a risk for the environment?

- Have you received any environmental law enforcement or criminal action in the last 3 years?

2. GHG Emissions

- Do you have any work to reduce energy consumption? Can you give an example

3. Use of Environmentally Friendly Technology

- Do you take into account the use of clean and environmentally friendly technology in your investments?

14064:2018 related energy data gathering process continued in 2022

Expectations and demands of ASELSAN's Supply Chain Management from the suppliers:

•To obtain ISO 14001 certification and / or activate existing environmental management

- systems, (Ex: Waste management practices, use of reusable equipment, etc.)
- To reduce the consumption of electricity / water / natural gas etc. by starting to record the consumption,
 - To use energy-saving and sensor lamps / taps etc.
 - To consider Environmentally Friendly Technology in their investment decisions (wetlands and biodiversity)
 - To participate the training on Greenhouse Gas Emission monitoring and reduction methods, executed by ASELSAN
 - To participate the Carbon Disclosure Project Supplier Module

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Climate change performance is featured in supplier awards scheme

Offer financial incentives for suppliers who reduce your operational emissions (Scopes 1 & 2)

Offer financial incentives for suppliers who reduce your upstream emissions (Scopes 3)

% of suppliers by number

50

% total procurement spend (direct and indirect)

75

% of supplier-related Scope 3 emissions as reported in C6.5

40

Rationale for the coverage of your engagement

All our activities are carried out by focusing on the "sustainability" approach embedded in our strategy and business model. Our suppliers' performance has a significant impact on the management of economic, social and environmental (ESG) issues of our company. We communicated with 50 % of our local companies on climate change issues, get information from them and try to support the improvement of their processes. We will offer financial incentives for suppliers who reduce our operational emissions (Scopes 1 &2) and also financial incentives for suppliers who reduce our upstream emissions (S:3) ENERGY EFFICIENT PURCHASING PROCEDURE was established for procurement activities. With the studies carried out in this context, taking into account energy efficiency at the procurement stage, etc. with process innovations such as integration and minimization of logistics activities, emphasis on environmentally friendly technologies in the selection of machinery / equipment, etc. applications are activated.

In order to monitor and report the outcomes to be achieved some indicators have been created by Procurement Department; Strategic Cooperation Agreement is signed by identifying high-performing companies with a potential parallel to ASELSAN's growth targets. In this context, a Strategic Cooperation Agreement was signed with 25 more

companies in 2022, increasing the number of companies in this field to 100.

Additional Info: Within the scope of ISO 50001 Energy Management System, purchasing of materials with certain criteria started to be carried out in accordance with the Energy Efficient Procurement Procedure as of 11.03.2021. Within the scope of energy efficient procurement, the purchases of items with high energy consumption, which are considered as Significant Energy Users (SEUs), are procured in accordance with the Energy Efficient Procurement (EVS) procedure.

With this system;

- Energy Efficient Purchasing option has been added to the Request for Quotation and Purchase Request screens so that the requester can mark and inform the purchasing staff.
- Since the purchasing units are responsible for purchasing the materials specified as Energy Efficient by the requester in this way, warning letters are provided on the purchasing screens so that the demands in the relevant product groups are not overlooked.

Impact of engagement, including measures of success

Supplier risk assessment studies have started as of August 2020, and the companies have been subject to risk assessments. Within the scope of supplier risks, the targets are:

* High Risk Critical Supplier Ratio: 0% *High Risk Supplier Ratio <1%

ASELSAN recognizes the efforts of suppliers who deliver extraordinary contributions to its existing operations, business continuity, and achievements.

The company continued to use the Supplier Rewarding Program, presenting excellence awards to suppliers in 4 different categories. These categories are;

1. Supplier Sustainability Award, It covers suppliers who have attained outstanding achievements in environmental/ climate related and social sustainability practices that ASELSAN regards as a top priority.
2. Supplier Process Improvement Award, It covers suppliers who achieve the most value added development through improvement in design, production, quality, etc. processes within the ASELSAN supplier ecosystem.
3. Supplier Quality Performance Award covers suppliers who achieve the lowest rate of quality non-compliance in their deliveries.
4. Supplier Delivery Performance Award covers suppliers who achieve the highest rate of compliance with the delivery dates within the ASELSAN supply ecosystem.

Comment

These companies, which are the primary suppliers of ASELSAN in the field of activity in which they work, can also primarily benefit from the supports provided by ASELSAN. ASELSAN also provides financial support to its suppliers. Sub-industry companies that have been approved within the scope of this application and whose cooperation has been continuing for a certain period of time, can only get an additional guarantee, guarantor, etc., by contacting the banks within the scope of the relevant system with the orders.

They can have the opportunity to use credit and receive a letter of guarantee without citing a source.

ASELSAN continued to strongly support its suppliers financially in 2022, as in previous

years. Accordingly, an amount exceeding USD 1 billion was transferred to its suppliers. With the Supplier Financing System, nearly 50 suppliers were provided with resources of 12 million USD through 13 banks.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

60

% of customer - related Scope 3 emissions as reported in C6.5

20

Please explain the rationale for selecting this group of customers and scope of engagement

ASELSAN aims to grow, embrace globalization, create value for its customers, conduct R&D studies, remain competitive and efficient, and improve its human capital and financial structure. In this respect, we have built a Strategic Plan covering a five-year period. Accordingly, we have developed a compliance monitoring program within the Strategic Management System. We also carry out examinations, analyses and reporting to support our strategic decisions. World's leading defense industry companies, who provide the major portion of the defense needs of their country, lack of customer diversification caused by selling to mainly a single customer. The main client of the Company is the Public Institutions and Organizations, especially the Turkish Armed Forces. This situation is accompanied by the fact that the activities of the Company are generally directed towards the public demands of our country. It is aimed to reduce this risk by working on increasing the sales abroad and carrying the existing know-how to the civilian sectors. Such as: Civilian satellites, surface and underwater technologies, railway signalling and modernization, health systems, naval electron-optical systems, unmanned vehicle systems, advanced material for the energy systems covering electricity generation; transmission, distribution, consumption and management areas. In the reporting year, ASELSAN realized 58 % of its total sales to the Turkish Armed Forces, 24% of its sales to private organizations or other corporate customers, and with 18% of its exports. We engage and raise our customers' awareness by information sharing on our products with the activities to offer system solutions, covering R&D, design, production, integration and after-sales support by focusing on Energy Management and Smart Grid Systems and Renewable Energy Systems (solar, wind and hybrid systems). ASELSAN continues to rapidly expand its global effectiveness.

The following information covering company's product and services was shared with customers in the reporting year: Smart Cities Monitoring and Management system, Mobil Hybrid Energy Systems, Digitization of cities, Main line signalization system counter traffic jams, waste categorization, battery and electronic equipment disposal.

Impact of engagement, including measures of success

ASELSAN's mission is to produce low-cost, effective and high-quality products with domestic content in the civil sector for transportation, energy, smart systems, health and civil telecommunication services. High quality standards and high technological solutions are offered for services or delivered products with regard to customer needs and expectations so as to meet customer satisfaction. Requirements of these quality standards are met and inspections, tests are applied through every process from projects' start till the delivery phases.

Our all processes are administered by directives, quality plans, standards, audits and test instructions. Our processes have been certified by internationally accepted standards such as AS 9100, ISO 9001, ISO 14001, ISO 14064, ISO 45001, AQAP and CMMI so that our products and services are secured to protect quality standards. These certificates are renewed every year with the audits performed. Changes and improvements of international standards are being followed and our processes are developed accordingly. Customer satisfaction, which is the primary objective, is evaluated and reported for the access of related executives. In addition, results and trends are evaluated by the upper management in an annual basis and required recovery activities are planned.

The main factors to our success include training and cultivation of R&D personnel, full Customer Relation Management, mastering of core technology with experience and improvement, maintaining the stability of human resources and adequate funding for R&D.

In 2022 ASELSAN measured its customer satisfaction, and operated to ensure full customer satisfaction. Customers are notified of any delays in handling their requests. The company complied with the quality standards with respect to its products and services.

Life cycle Costs of systems and products for transportation, energy, smart systems and healthcare are calculated as part of the design requirement. The results are followed for optimization, and reported to the customer if needed.

Decommissioning and disposal are considered in product life-cycle plans in the transportation systems area.

Packaging is considered as a design requirement according to the needs of the industry and the customer.

Most of the cardboard and paper packaging materials are purchased as recycled paper. packaging materials

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Our company's value chain engagement strategy is to treat climate change not only our own risk, but also a risk for our entire value chain. For this reason, high technology design to avoid related emissions of our products or services is our priority when being a responsible producer for responsible consumption.

Value chain other partners represent: Employees, Ministries, Municipalities and other public Institutions, Sectorial and Non-Governmental Organizations, universities, investors, entrepreneurs, society.

Decreasing carbon emission is the most important strategic goal for ASELSAN. We were entitled to receive the bronze award in 2022 with our "Climate Change Management" at the UK-based The Green Awards, which is shown among the most prestigious competitions by environmental authorities all over the world. Likewise, our climate change management was awarded the silver award from the USA-based The Stevie Awards. The GHG reporting boundaries mapping was achieved previous year, and in April 2022 ISO 14064:2018 GHG Management Systems transition was carried out successfully

ASELSAN, aiming to include not only its employees but also the entire value chain in its development journey, produced an informative film for the delegations on occupational safety, environment, and climate change. The film is screened for every delegation that visits ASELSAN facilities to reflect ASELSAN's perspective on these issues. In 2022, a total of 6,978 employees were given on-line training on environmental protection. ASELSAN received an award in 2021 at the UK-based Green Apple Awards, one of the most widely accepted environmental awards in the world, and in 2022 It was deemed worthy of an award at the Third Zero Waste Summit coordinated by the Ministry of Environment, Urbanization and Climate Change.

In order to achieve climate related sustainable growth:

* In line with our country's 2053 net zero emission target and green development policy; studies and councils are organized in order to determine short, medium and long-term sector targets, to contribute to the legislation to be developed on climate change, to determine the policies for the sectors and responsible institutions, and to create a road-map that includes the priority actions of the institutions. ASELSAN takes an active role in this study, where a road-map for Türkiye's climate change will be drawn. In work-groups as a representative of their own workspace, the company works in partnership with the Ministry.

* 59 Value Ambassadors, determined with the voluntary contribution of employees, took an active role in values promotion activities in 2022 together with the Internal Communication Unit. They received Corporate Sustainability and Climate Change training from the Boğaziçi University. Ambassadors work in cooperation with the Human Resources Directorate to carry out a project aiming to develop the Value-Oriented ASELSAN Climate Survey. As part of all these efforts, ASELSAN was deemed worthy of the Bronze Award in the "Values Communication Activities" category at the 2022 Stevie Awards.

* The quality and technological perspectives of the cooperation formed with the universities have been continuing during 2022. ASELSAN has worked on a total of 133 projects with 30 universities in the reporting year within the scope of both self-sourced projects and contracted projects.

* ASELSAN continued to grow its R&D activities in the framework of national goals, in areas such as energy, transportation, medical systems, and next generation cellular communication. Continuing cooperation with METU GÜNAM in the field of photovoltaic solar energy, developing new cell cutting techniques for Shingled PV modules and PV module production has been

included in the TÜBİTAK collaborative project. Production of hybrid energy system solutions that provide reliable, economical and clean energy from sun and wind, continued in the reporting year.

* In order to serve the obligation to use wind turbines with at least 65% locality in accordance with the YEKA-RES-1 tender specifications of the Ministry of Energy, ASELSAN UGES Sector Presidency initiated Alaçatı WPP project and Power Conversion Components Development Project for Renewable Energy Systems in the reporting year.

* Within the scope of the Sixth National Antarctic Science Expedition carried out by TÜBİTAK MAM Polar Research Institute, our domestic and national ASELSAN production systems carried out the communication of our scientists in Antarctica. We became a part of scientific research with our radio systems used in this journey of discovery, where biodiversity is explored and new discoveries are expected.

As a result of corporate governance rating activities carried out by an independent rating agency, SAHA in 2022, ASELSAN revised its score to 9.34 on 09.12.2022.

ASELSAN made 8,142 million TRY of external R&D expenditures in 2022 that 207 Patent Applications were made and 63 Registration Certificates were obtained.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Implementation of emissions reduction initiatives

Description of this climate related requirement

Expectations and demands of ASELSAN's Supply Chain Management from the suppliers:

- To obtain ISO 14001 certification and / or activate existing environmental management systems, (Ex: Waste management practices, use of reusable equipment, etc.)
- To reduce the consumption of electricity / water / natural gas etc. by starting to record the consumption,
- To use energy-saving and sensor lamps / taps etc.
- To consider Environmentally Friendly Technology in their investment decisions(including wetlands& biodiversity)
- To participate the training on Greenhouse Gas Emission monitoring and reduction methods, executed by ASELSAN
- To participate the Carbon Disclosure Project Supplier Module

% suppliers by procurement spend that have to comply with this climate-related requirement

50

% suppliers by procurement spend in compliance with this climate-related requirement

70

Mechanisms for monitoring compliance with this climate-related requirement

Certification

Supplier self-assessment

First-party verification

Second-party verification

On-site third-party verification

Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Adopting a strategy in harmony with its vision and mission, ASELSAN aims to grow, embrace globalization, create value for its suppliers and customers, conduct R&D studies, remain competitive and efficient, and improve its human capital and financial structure. In this respect, we have built a Strategic Plan covering a five-year period. Accordingly, we have developed a compliance monitoring program within the Strategic Management System. We also carry out examinations, analyses and reporting to support our strategic decisions. ASELSAN continues to be in regular dialogue with

lawmakers and regulatory authorities. It participates the meetings of industry groups and trade associations. A transparent management of information sharing and policy dialogue is in place for direct and indirect activities that influence climate policy. In the last quarter of 2020, the Company's Board announced its intention to put an ambitious emissions reduction target by 2050 and the enthusiasm to achieve them by a Climate Transition Action Plan. The planning and other actions were discussed and developed during 2021-2022. Low carbon transition studies, new and emerging regulations, renewable energy related activities, supply chain security, Sustainable Development Goals of the UN and Paris Agreement Requirements are assessed under the compliance control mechanism with the coordination of Sustainability Committee. In 2022, the CEO continued to preside the Sustainability Committee. Moreover, to ensure that a common approach is in place; our Sustainability Committee together with our Strategic Planning and Corporate Performance Directorate are responsible of setting and tracking actions to ensure our direct and indirect activities are consistent with our overall climate change strategy in all geographies. Climate Change Management Unit carries out the coordination of meetings, reporting and monitoring processes of all climate engagement activities across business divisions and external official institutions and organizations. Sustainability management program is also covering Environment & Sustainability performance that is under the oversight of CEO who partakes regular meetings.

ASELSAN maintains its communication with its suppliers, which it considers among the most important rings of its value chain, through the Supplier Portal. There is a constant flow of information as communication and meetings, between the groups and the related divisions.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Türkiye's 2050 net zero target and draft climate law and other draft regulations to keep the emissions under control, draft National Climate Change Act, draft National Climate Change Adaption Strategy and Action Plan, Türkiye's Action Plan on EU Green Deal (especially CBAM).

Category of policy, law, or regulation that may impact the climate

Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate

Climate-related reporting

Climate-related targets

Climate transition plans

Emissions – CO2

International agreement related to climate change mitigation

Policy, law, or regulation geographic coverage

Global

Country/area/region the policy, law, or regulation applies to

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Turkish government is working on a long-term climate change strategy and action plan that will help the country meet its targets in line with the Paris Agreement Requirements. The government is planning to complete the work on a national statement of contribution and long-term climate change strategy and action plan by the end of 2023. The Turkish President announced the Country's 2053 net-zero emissions and green development targets, the country ratified the agreement and the Paris Agreement entered into force on Nov. 10, 2021. At the council, Türkiye's new road map was determined in seven different areas such as greenhouse gas reduction, green financing, carbon pricing, adaptation to climate change, local governments, migration, just transition and social policies, science and technology.

217 new decisions were taken in line with 2053 net-zero emissions and green development targets within the scope of combating climate change.

The decisions of the council lay the foundation for local governments' climate change practices and responsibilities, urban infrastructure planning, sustainable and resilient urban design, and contribute to the development of support mechanisms.

These decisions will ensure a new, sustainable, fair and equitable transition process, in line with the 2053 net-zero emission target. In 2022 ASELSAN attended the workshops to form the infrastructure of long-term national strategies, actions, policies and legislation in line with Paris Agreement Framework.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

Climate related Policy, law or regulation is central to the achievement of our climate transition plan

These decisions will ensure a new, sustainable, fair and equitable transition process, in line with the 2053 net-zero emission target. In 2022 ASELSAN attended the workshops to form the infrastructure of long-term national strategies, actions, policies and legislation in line with Paris Agreement Framework.

The board and other executives are informed about the transition plan alignment process.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

 2022_ASELSAN_Annual_Report.pdf

Page/Section reference

2022_ASELSAN Annual_Report pages:

Governance: 21-24-25-191

Strategy: 42-43

Enterprise Risk Management: 187,210

Emissions:225,227

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Comment

ASELSAN Annual Report 2022 is available on the company's website.

https://www.aselsan.com.tr/2022_ASELSAN_Annual_Report_

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

 2021 ASELSAN Sustainability Report.pdf

Page/Section reference

2021 ASELSAN Sustainability Report and pages.
 Corporate Governance: 28-33
 Risk Management: 33-35
 Strategy:33-38
 Environmental Responsibilities: 92-95
 Emissions and Energy: 95-105
 Water Management: 100
 Waste Management: 112
 Green Solutions in Operations: 103

Content elements

Governance
 Strategy
 Risks & opportunities
 Emissions figures
 Emission targets
 Other metrics
 Other, please specify
 Energy Performance

Comment

ASELSAN Sustainability Report 2022 will be available on the company’s website
https://www.aselsan.com.tr/ASELSAN_SUSTAINABILITY_REPORT_2022_

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization’s role within each framework, initiative and/or commitment
Row 1	Other, please specify TAP and TÜMAKÜDER	Working together with relevant associations on batteries and accumulators within the framework of Sustainable Solutions in the fields of waste prevention, reduction and recycling.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

Board-level oversight and/or executive management-level	Description of oversight and objectives relating to biodiversity
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	responsibility for biodiversity-related issues	
Row 1	Yes, both board-level oversight and executive management-level responsibility	<p>In 2022, oversight of the items related to net zero emissions and sustainability were performed by the board.</p> <p>Energy management, biodiversity assessment, water/ waste water/ waste management issues are reviewed by the executive management.</p> <p>Biodiversity is analyzed under the climate-related topic. Targets are reviewed every 3 months.</p> <p>The board of directors is reviewing this issue, which is included in the climate-related strategic objectives.</p> <p>For the goal to adopt ecologically sound land and water management, the systematic integration of biodiversity assessment in all land and water-related investment pathways is performed in our organizational activities. The restoration of natural systems and the use of green infrastructure is prioritized. Innovative organizational arrangements is performed to overcome cost partitioning.</p> <p>The impact of our investing activities on biodiversity with R&O's started to be discussed in sustainability and board committee meetings, and the oversight on the R&O's assessments is performed.</p> <p>Within the scope of the Antarctic Agreement, the scientific team conducting research in the fields of climate, water and biodiversity in Antarctica, was supported with ASELSAN's technologies. After the Board level decision made in 2021, the following task was completed:</p> <p>Within the scope of the "National Support to the National Expedition". Sixth National Antarctic Science Expedition carried out by TÜBİTAK MAM Polar Research Institute, the HBT Sector Presidency radio and modular repeater radio, one of our products developed with domestic and national resources, completed the relevant task.</p> <p>Our radios will add a new one to their success in many challenging environments around the world, and will be the life partner of our teams in the harsh environment of the polar regions. The Portable Hybrid Power Support Unit, which produces energy with high-efficiency solar panels for the uninterrupted operation of the systems and can be installed by two people, will provide energy support to the scientists in Antarctica, where there is no electricity infrastructure.</p> <p>Turkish researchers who reached the continent at the end of January 2022 returned to our country at the beginning of March. We were honored to take part in this successful study with the radios and equipment used in this journey of discovery, where</p>

		biodiversity and climate related other issues are explored and new discoveries are expected.
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C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to respect legally designated protected areas Commitment to avoidance of negative impacts on threatened and protected species Commitment to no conversion of High Conservation Value areas	Other, please specify Within the scope of the Antarctic Agreement, the scientific team conducting research in the fields of climate, water and biodiversity in Antarctica, was supported with ASELSAN's technologies.

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

No

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years


C15.6


(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Other, please specify we plan to do within the next two years.

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Governance	Sustainability Report pages: 18  1


 12021 ASELSAN Sustainability Report.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

 Water Policy.pdf

 ASELSAN Sustainable Climate Change Policy.pdf

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Corporate Management Vice President	Board/Executive board

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms