

**12 November 2021, Sabancı Center**

Istanbul, Turkey

**IICEC 11<sup>th</sup> Conference**

**“Global Energy and Climate Trends & Implications on Turkey”**

Global energy and climate trends and implications on Turkey, which are among the most important items on the global agenda, were covered in the “Global Energy and Climate Trends & Implications on Turkey” conference and “Business Leaders’ Perspectives” panel organized in Istanbul by Sabancı University Istanbul International Center for Energy and Climate (IICEC).

The Founding Chair of Sabancı University Board of Trustees, Güler Sabancı said they prioritized energy and climate for a long time, and continued, “We aim to make Sabancı University campus net-zero. We share this with you for the first time on this occasion. We have started to work on it and will announce the results”.

Ayşem Sargın, Chair of YASED highlighted that green transition agenda became more important for evolution and development of international investments, and she added, “International investments will play a catalyst role in the green transition”.

Dr. Fatih Birol, Executive Director of the International Energy Agency (IEA) and Honorary Chair of IICEC, emphasized that a rapid transformation started in energy. He said, “A new energy system is born in the world. The change has started and is going on rapidly”.

Global energy and climate trends and implications on Turkey were discussed in the “Global Energy and Climate Trends & Implications on Turkey” conference of IICEC held at Sabancı Center. During the conference which started with the opening speech of Güler Sabancı, the Founding Chair of Sabancı University Board of Trustees, Ayşem Sargın, Chair of YASED, and Dr. Fatih Birol, Executive Director of the International Energy Agency (IEA) and Honorary Chair of IICEC made speeches. Delivering the opening speech of the conference “Global Energy and Climate Trends & Implications on Turkey”, Güler Sabancı

highlighted the importance the IICEC conference, and thanked Ayşem Sargın, Dr. Fatih Birol and panelists for their contributions.

**Güler Sabancı: “We aim to make Sabancı University campus net-zero”**

Reminding that Dr. Fatih Birol, Executive Director of the International Energy Agency (IEA) and Honorary Chair of IICEC, was the only person from Turkey on the TIME magazine’s “The Most Influential People of 2021” list, Güler Sabancı said she was proud of him and congratulated him once again. Güler Sabancı continued as follows:

“We can secure a more sustainable future through energy policies that promote energy security, competitiveness and transition to clean energy, investments with a focus on sustainable value and innovative business models, and clean energy technologies. As you know, we as Sabancı University have been prioritizing energy and climate for a long time. We established IICEC, as an Energy and Climate center, with the vision that these two topics cannot be separated, in order to contribute to a cleaner and more secure, and therefore, a better future of energy for economic growth, social development and new generations. I am very glad to see that IICEC, which is now 11 years old, grows its contribution to these goals. As you know, IICEC broke a ground in Turkey and published “Turkey Energy Outlook”. This study was adopted by stakeholders from the sector, and received very positive feedback. It became a “reference” study. IICEC will publish another big project, “Turkey Electric Vehicles Outlook” in December. This study will cover electric vehicles, e-mobility ecosystem and growth perspectives in addition to opportunities in Turkey. IICEC will continue to let us meet the most important dynamics in the field of energy and climate. I would like to thank Dr. Fatih Birol once again for his contributions to the development of IICEC as the Honorary Board Chairman. As the Executive Director of the International Energy Agency, Dr. Fatih Birol has made it an institution that leads “global clean energy transition”. ‘Net Zero by 2050’ report, prepared by the International Energy Agency upon request of Heads of G7 States and Chair of COP26 Climate Change Conference, to determine the “Pathway” to critical goal of clean energy, set out important messages and recommendations to decision-makers about the transformation

that energy sector should go through in order to reach international climate goals, and to reach a cleaner and more secure future of energy. I also would like to thank IICEC's Board of Directors Members for their support.

I would like to share with you a news about Sabancı University for the first time. We aim to make Sabancı University campus net-zero. We have started to work on it and will announce the results.

**“The green transition agenda became more important for evolution and development of international investments”**

Delivering a speech at the conference, Ayşem Sargın, Chair of YASED (International Investors Association) said the following: “The most positive development after the pandemic is that the green agenda became more and more important, to such an extent that it impacts evolution of international investments now. The 2021 theme of the global investment report was “a sustainable recovery”, parallel to the COP26 agenda, and pointed to the growing chances for green investments and financing, and highlighted that there were important opportunities ahead. All global actors agree that international cooperation is the key to success in leaving the pandemic behind and fighting climate change. However, it is not only about transition; what we should focus on is to secure a lasting, sustainable transition as inclusively as possible. International investments will play a catalyst role in the green transition.”

**“A clear message from Glasgow to the world of energy and investors”**

Emphasizing at the IICEC Conference that there was a new trend in global energy markets, Dr. Fatih Birol continued as follows:

“There is a certain trend in energy markets. A new energy system is born. When you look at the energy market over the last 30 years, 80% of energy came from fossil fuels, coal, gas and oil, but the change has started. The change is continuing rapidly and the speed at which the change will continue depend on the decisions made in Glasgow and further decisions of governments. All the countries in the world adopted

the Paris Agreement. In Turkey, the Paris Agreement became a law yesterday, which is a very nice development. Many countries set zero emission targets for 2050 and some others for further years. A clear message was sent from Glasgow to the world of energy and investors. The message is the following: 'You, investors, if you want to continue to invest in fossil fuels, go ahead, but beware, your investments may be a bit risky'. Whether you believe in climate change or not, whether you like fossil fuels or not, the risk of investing in fossil fuels, particularly coal, is now factored in as a parameter for predictions. I think the most important message from Glasgow to investors in the world was this. 80% of emissions leading to the climate change come from energy, which means that solutions to the climate change must focus on energy sector. What should be done to do this? A great transformation is needed in energy sector. As Güler Hanım put it, G7 leaders COP Presidency requested us to prepare a roadmap. What should the world of energy look like by 2050 so that there can be zero emission? We established a big team, worked with many international organizations and prepared a roadmap. As a matter of fact, unprecedented changes must occur to get to the level of zero emission.

### **“Three homework for zero emission”**

There are three homework: First, we should increase the speed of growth of our current clean energy technologies by three times until 2030, which is very critical for the world. Second, we should make new clean energy technologies, which are currently not operational in the market, but are worked on through R&D, part of energy system through innovation as soon as possible. Third, we should see a major reduction in the current consumption of fossil fuels.

### **“Turkey has a great solar rooftop potential”**

Turkey made a considerable move in solar energy, but still we can only use 3% of our total solar energy potential. There is a huge potential. It is a system applied successfully in many countries and people generate solar energy on their own. Turkey can generate rooftop solar energy in residential units, industrial facilities, building, schools, and can even export such energy.

### **“There is no scarcity in gas or oil, what matters is dispatching it to markets”**

Currently, we see an upwards pressure on gas prices in Europe, Asia, and America. The price was 5 USD in 2019, and it is 25 USD today. The first reason of it is that the world economy heads to a 6% growth in 2021, which is the biggest economic growth globally over the last 50 years. Unfortunately, this growth is fueled by fossil fuels. We can see an incredible growth in gas, oil and coal. The second reason is the extreme weather conditions in some countries. And the third reason is that many maintenance works that should have been done in production facilities in 2020 could not be done due to COVID, and the facilities came to a halt. But let me say that there is no scarcity in gas or oil. There is enough gas and oil. What matters is dispatching it to markets.”

### **Recent developments in climate and energy were discussed from the perspective of energy sector and energy companies**

Following the speeches, “Business Leaders’ Perspectives” panel started. Moderated by Ahmet Erdem, Shell Turkey Country Chair, Sinan Ak, CEO of Zorlu Energy, Erkan Kafadar, CEO of Borusan Holding, Merve Öztunç, Baker Hughes, TPS Country Leader, Hakan Yıldırım, CEO of Sanko Energy, and Kıvanç Zaimler, Sabancı Holding Energy Group President discussed recent developments in climate and energy from the perspective of energy sector and energy companies.

### **“Turkey ranks 5<sup>th</sup> in Europe and 12<sup>th</sup> in the world by installed renewable energy capacity”**

Ahmet Erdem, Shell Turkey Country Leader:

“We need to provide more and cleaner energy for continued growth and welfare globally and in our country. In this context, energy transition is very important. This transition can be achieved only if energy policies, energy companies and sectors work together in harmony. Thanks to its steps for energy independence and clean energy future, Turkey ranks 5<sup>th</sup> in Europe and 12<sup>th</sup> in the world by installed renewable energy capacity. Implementation of necessary regulations and practices is very important to achieve this transition, which is critical for our country to reach its objectives under the Paris Agreement,

and to maintain its international competitiveness. For this to happen, we should continue to work together with all the stakeholders.”

### **“Hydrogen has a growing role in renewable energy”**

Sinan Ak, CEO of Zorlu Energy:

“As the world focuses on transition to low carbon energy systems in order to attain the 2050 Paris Agreement objectives, hydrogen has a growing role in renewable energy. Currently on the agenda of Europe, hydrogen has the potential to transform the transportation sector and industries, especially those involved in manufacturing under very high temperatures such as steel, cement, refinery and petrochemicals. In addition to renewable energy, many different technologies such as internet of energy (IoE), Blockchain, artificial intelligence will play an important role to make energy sector more sustainable. Implementation of digital transformation and investments with correct strategies will decrease costs in energy generation, distribution, and consumption, and will secure energy supply. It will help use inert energy, decrease losses and create new micro networks with renewable energy sources, and manage consumption securely with transparent and traceable production data.”

### **“We aim to be carbon-neutral by 2030”**

Erkan Kafadar, CEO of Borusan Holding:

“We do not only focus on energy generation. As a group with production facilities, factories, we take care of the energy that we consume. We monitor energy use in our companies. We aim to follow up scope 1, scope 2, and if possible in the future, scope 3 emissions of goods and services that we produce, take necessary actions and become carbon-neutral by 2030. On the other hand, we believe that wind energy will be one of the key sources of energy to combat the climate change in our country and in the whole world. We are confident that the existing wind potential of our country will be further utilized through investments, and this local, clean and renewable source of energy will be the biggest contributor to Turkey’s sustainable development.”

**“We commit to make important steps to mitigate environmental impact”**

Merve Öztunç, Baker Hughes, TPS Country Leader:

As Baker Hughes energy technology company, we believe that the climate change is one of the greatest challenges facing the world and we commit to make important steps to mitigate the environmental impact of energy sector on our planet. We support these steps with our company policies about the climate change and our Paris Climate Agreement Commitment. We commit to decrease our GHG emissions to net zero by 2050, and implement available products and services to help our clients decrease their emissions and invest in new technologies for the future of energy. The essence of our mission is to offer the most efficient solutions today and carry the decarbonization of energy to the future.”

Öztunç also emphasized the empowerment of women roles and increase of women employment in all the sectors, to start with energy, and she thanked IICEC for its awareness about this subject.

**“We are moving to a new, carbon-free economic order”**

Hakan Yıldırım, CEO of Sanko Energy:

“Over the last 10 years, the world is on the verge of a ‘new, carbon-free economic order’. This impacts all our lives to the utmost extent. I find it important that companies have an ‘integrated’ approach to carbon. We should always ask ourselves “as a producer, at which points do I cause carbon emission, and how should I eliminate it?”. I believe the performance of energy sector in this sense will also guide other sectors. Green energy investments can grow at full speed and we can manage to make clean energy technologies available to all, and we as the sector can attain our targets if we focus on energy efficiency carefully.”

**Transition should be supported with social awareness and realistic targets**

Kivanç Zaimler, Sabancı Holding Energy Group President:

"Energy transition with a focus on sustainability must focus on optimization of fundamental aspects including climate and environment, cost of transition and impact on consumer prices in addition to ensuring security of supply. For the success of energy transition, innovation and new energy technologies will be the most critical elements. Transition should be supported with social awareness and realistic targets."