

Welcome to your CDP Forests Questionnaire 2023

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

This report discusses the following services covered by the company:

1. Electricity Generation:

- Geothermal Power Plants (GPP)
- Hydro PP
- Wind PP
- Natural Gas PP
- Thermal PP

2. Electricity trade and sales

3. Smart systems for energy use The company's climate change strategy focuses on achieving net zero emissions from power generation and facilitating the transition to a low-carbon economy through the implementation of smart systems such as electric vehicle (EV) charging stations.

Company Profile: Established in 1993, Zorlu Enerji (ZE) is currently one of the major players in Turkey's energy sector. Its operations include electricity generation, sales, trade, and distribution, as well as solar panel trade and installation, EV charging station sales and installation, and EV rental. As of 2022, ZE employs 2736 people and ZE's consolidated turnover in 2022 increased by 158% compared to the previous year and amounted to TL 30.1 billion. ZE is the first energy company in Turkey to calculate its carbon footprint and hold the ISO 14064-1 Greenhouse Gas Emission Standard Certificate. It annually shares its carbon footprint with stakeholders in a transparent manner. ZE signed a Green Loan Agreement with Garanti Bank in 2017, making it the first signatory in Turkey. The company is also a signatory of The Women's Empowerment Principles and became a member of The UN Global Compact in 2021.

Sustainability Strategy: ZE aims to become the energy company of the future by focusing on the environmental, economic, and social impacts of its actions. Its sustainability strategy revolves around combating the climate crisis, reducing carbon emissions, using sustainable resources, achieving energy efficiency and security, investing in clean technologies, water

conservation, protecting human and employee rights, ensuring equal opportunity, and maintaining effective corporate governance. Zorlu Enerji announced its sustainability strategy in 2020, which includes a Net Zero Target and a signed Science-Based Target (SBT) in 2022.

Targets Related to Climate Change:

- Achieving Net Zero emissions by 2030 in all operations and energy generation
- Generating 100% renewable energy by 2030
- Investing 10 million TL in biodiversity loss and restoration
- Generating 20% of total revenue from innovative business models
- Ensuring sustainable financial resourcing for new projects in Turkey

Electricity Generation: By the end of 2022, ZE had a total installed capacity of 991 MW. This includes 305 MW of geothermal capacity, 191 MW of wind capacity, 1.5 MW of solar energy capacity, and 119 MW of hydroelectric capacity. ZE's generation portfolio consists of hydroelectric, wind, geothermal, and natural gas power plants in Turkey, as well as wind and solar power plants in Pakistan and Palestine, respectively. Renewable energy resources account for 87% of ZE's installed capacity in Turkey and 62% of its total installed capacity. ZE is a significant producer of geothermal energy, accounting for over 20% of Turkey's total geothermal energy production.

Smart Systems: Zorlu Enerji Solutions (ZES) was established in 2018 to focus on smart and digital systems. Investments have been made in smart home technology, smart energy management systems, electric car systems, and electric vehicle charging stations. Fast-charging stations have been installed in cities and along intercity roads since 2019. ZE plays a role in facilitating the transition to low-carbon transportation through electric vehicles. The electricity obtained from ZE's stations is certified with an I-REC Certificate. As of the end of 2022, ZE has increased its EV charging station capacity to 1,570 points and 2,840 sockets (vehicle charging capacity) in 81 provinces. The number of ZES electric charging stations is 1592.

Electricity Trade and Sales: The scope of electricity trade services provided by ZE covers only office services. Electric transmission and distribution are not included. The emissions from electricity trade and sales account for less than 1% of ZE's total emissions.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1, 2022	December 31, 2022

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

TRY

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

Timber products

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Palm oil

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Cattle products

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Soy

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Other - Rubber

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Other - Cocoa

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Other - Coffee

Commodity disclosure

This commodity is not produced, sourced or used by our organization

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Operational control

We are planning to use the Science Based Target (SBT) FLAG guide to establish science-based targets for combating deforestation. Similarly, for our ongoing greenhouse gas emissions reduction program, we are using the operational control approach within the science-based target program. We intend to apply the operational control method to the FLAG approach as well.

F0.6

(F0.6) Select the countries/areas in which you operate.

Pakistan
Turkey

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F0.8

(F0.8) 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
No	

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Using as input into manufacturing process for power generation

Form of commodity

Paper

Other, please specify

Windfarm Construction, Distribution electricity overhead lines

Source

Multiple contracted producers

Country/Area of origin

Pakistan
 Turkey

% of procurement spend

<1%

Comment

The forest-related impacts of Zorlu Enerji are limited to the use of wood materials in its Wind Power Plants located, distribution electricity overhead lines and the use of paper in its office. The procurement expenditure for these limited uses is less than 1%.

F1.2

(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	<1%	The revenue of Zorlu Enerji, associated with forest risk, is less than 1% and depends on its commodities.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

0

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

No, but we are planning to verify volumes as deforestation- and/or conversion-free in the next two years

% of reported volume verified as deforestation- and/or conversion-free

Please explain

Zorlu Enerji uses approximately 5% of wood materials for each turbine blade during the installation of Wind Power Plants. No new Wind Power Plant was constructed in the year 2022.

Forest risk commodity

Timber products

Data type

Commodity production/ consumption volume

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

No, but we are planning to verify volumes as deforestation- and/or conversion-free in the next two years

% of reported volume verified as deforestation- and/or conversion-free

Please explain

Zorlu Enerji previously used wooden poles in low-voltage electricity distribution lines. However, nowadays, wooden poles are no longer utilized in maintenance works and

new investments. In renewal projects, wooden poles are replaced with concrete or metal poles.

Forest risk commodity

Timber products

Data type

Commodity production/ consumption volume

26.4

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

No, but we are planning to verify volumes as deforestation- and/or conversion-free in the next two years

% of reported volume verified as deforestation- and/or conversion-free

Please explain

There is paper consumption in offices. After use, the paper is sent for recycling.

F1.5c

(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

100

Please explain

Zorlu Enerji's impact on forests is related to the use of wood in wind turbines, wooden poles in low-voltage electricity transmission lines, and paper used in their offices. However, in 2022, the company did not make any new investments in wind turbines or electricity transmission lines. All the paper used in their offices is sourced from Turkey.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Have you monitored or estimated your deforestation/conversion footprint?

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

Issues considered

Availability of forest risk commodities

Impact of activity on the status of ecosystems and habitats

Climate change

Brand damage related to forests risk commodities

Social impacts

Stakeholders considered

Employees

Investors

Local communities

NGOs

Suppliers

Please explain

Zorlu Enerji implements an integrated and centralized corporate risk management system to identify, assess, and manage risks that could pose a threat to its business operations. This allows them to consistently, efficiently, and economically define, evaluate, and mitigate all their risks. In this context, the installation of the risk management system complies with COSO's Internal Control Integrated Framework and ISO 31000 Risk Management Standards. Following these steps, Zorlu Enerji also applies ISO 9001 and 14001 Management System procedures based on the ISO 31000 Risk Management Standards. With this structure, risks and opportunities are reviewed

daily in their operations. This management approach facilitates the assessment, prioritization, and monitoring of risks. Additionally, the Corporate Risk Management and Finance Departments calculate the financial impacts of risks based on scenario analysis. The Corporate Risk Management Department shares the results of conducted scenarios with the Sustainability Board and consolidates the risks. As the Board maps all sustainability-related risks, the most significant risks are communicated to the top-level management board to determine how to manage them. At this point, the Board reassesses the level of risk and determines the necessary measures to be taken. The Board shares their views with the Management Board and CEO. Consequently, required actions are taken upon the recommendation of the Management Board and the approval of both the Management Board and CEO.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping
Timber products	Yes, we have partially mapped the value chain

F2.2a

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Timber products

Scope of value chain mapping

Tier 1 suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

Zorlu Enerji considers suppliers who have a SAS (Supplier Assurance System) cost of over 1,000,000 TL and/or suppliers involved in the procurement of main equipment and/or turnkey project providers as critical suppliers. Suppliers are evaluated based on their compliance with ISO 26000 Social Responsibility Standard and ISO 14001 Environmental Management System Standard.

The assessment criteria carried out in accordance with ISO 26000 Social Responsibility standard are as follows:

- Governance
- Due diligence for human rights

- Situations of risk for human rights
- Avoidance of complicity in human rights abuses
- Resolving grievances
- Discrimination and vulnerable groups
- Economic, social, and cultural rights
- Fundamental principles and rights at work
- Civil and political rights
- Employment and labor relations
- Working and social protection conditions
- Social dialogue
- Health and safety in the workplace
- Human development and training in the workplace
- Prevention of pollution
- Sustainable resource use
- Mitigation of climate change and adaptation
- Protection of the environment, biodiversity, and restoration of natural habitats
- Prevention of misbehavior and misuse
- Responsible political involvement
- Fair competition
- Increasing social responsibility in the value chain
- Respect for property rights
- Fair marketing, fair and unbiased information, and fair contract practices
- Protecting consumers' health and safety
- Sustainable consumption
- Consumer data protection and privacy
- Access to essential services
- Consumer education and awareness
- Community involvement
- Community education and culture
- Creation of employment and skill development
- Technology development and access
- Wealth and income generation
- Health
- Social investments

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
<p>1 Yes, we use a classification system</p>	<p>Zorlu Enerji evaluates the environmental impacts resulting from the processes of its wholly-owned subsidiary companies, which are aimed at achieving sustainability goals. The company assesses the utilization of resources based on the resulting environmental effects. According to the Impact Severity Assessment, there are four types of impacts (risks/opportunities) as outputs:</p> <p>Acceptable Impact: It should be kept under surveillance, and no action is required.</p> <p>Potential Impact: It should be evaluated by taking actions in the long term (on a yearly basis).</p> <p>Significant Impact: It should be evaluated by taking actions in the short term (on a monthly basis).</p> <p>Inevitable Impact: Immediate action should be taken.</p>	<p>The identified impact should be evaluated based on its positive (opportunity) or negative (risk) implications for Zorlu Enerji's sustainability goals, considering the internal and external context. The potential outcomes that may arise if a risk/opportunity associated with a particular condition occurs must be taken into account. The 5x5 matrix methodology is used for calculating the impacts.</p> <p>Based on the probability and potential outcomes of an impact, severity values are selected. After determining the probability, an estimated severity value (ranging from 0 to 5) should be assigned for each identified impact result. The goal is to bring the composite impact value to an acceptable level by reevaluating the probability and severity scores after</p>	

		implementing actions. Impacts should be reviewed at the designated intervals by the risk and opportunity manager, taking the impact value into consideration.	
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F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	No

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

Any measurable financial impact that can alter our costs, sales performance, business, and supply chain continuity is considered materially significant. The intensity of these effects is measured in TRY in relation to the relevant monetary financial impacts.

F3.1c

(F3.1c) Why does your organization not consider itself to be exposed to forests-related risks with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Timber products	Other, please specify No forest risk identified	Deforestation risks are analysed yearly, but not relevant risks have been detected until now. Zorlu Enerji is not exposed to deforestation risks. Timber has very little impact on company's activity.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Expansion into new markets

Company-specific description

Zorlu Enerji implements the Zero Carbon Footprint Forests Project at a micro-level as part of its efforts to combat the climate crisis and create a sustainable future. This project, initiated as a social and environmental responsibility initiative, was expanded through collaboration with the General Directorate of Forestry, a subsidiary of the Ministry of Agriculture and Forestry, in 2017.

By the end of 2022, Zorlu Enerji has carried out afforestation efforts involving 520,000 saplings. The project, which was launched with a target of 1,200,000 saplings, aims to conduct afforestation activities with 90,000 saplings annually. The carbon sink areas created within these forests are evaluated in voluntary carbon markets, presenting an opportunity for carbon credit trading.

Estimated timeframe for realization

>6 years

Magnitude of potential impact

Medium

Likelihood

Virtually certain

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)

3,446,338,102

Potential financial impact figure – maximum (currency)

7,260,974,400

Explanation of financial impact figure

Zorlu Enerji anticipates that through the saplings it plants, it will prevent 1.2 million tons of carbon emissions by the year 2072. According to the second scenario of the CBAM (Carbon Border Adjustment Mechanism) report, there are two different carbon pricing schemes: low and high carbon pricing. In the low scenario, the price of carbon per ton is estimated to be 95 Euros, while in the high scenario, the price of carbon per ton is estimated to be 200 Euros.

The carbon pricing has been converted to Turkish Lira based on the prices mentioned above.

Cost to realize opportunity

1,250,000

Strategy to realize opportunity

Zorlu Enerji creates carbon sink areas through the planting of 90,000 saplings annually. These carbon sink areas provide an opportunity for carbon credit trading by being evaluated in voluntary carbon markets. The average cost of planting 90,000 saplings has been declared.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual or committee	Responsibilities for forest-related issues
Chief Executive Officer (CEO)	Zorlu Enerji has a Sustainability Committee that addresses all matters related to sustainability and is led by the CEO. The committee is responsible for evaluating existing operations on an annual basis, monitoring the performance of ongoing expansion initiatives, and ensuring the payment of taxes for expenditures lagging behind in terms of performance. It comprises top-level structures from various departments to obtain a holistic and comprehensive perspective, achieve heights

	in sustainability knowledge, and create behavioral changes within the company. Group collaborations also provide content and support to the Sustainability Committee.

F4.1b

(F4.1b) Provide further details on the board’s oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Monitoring progress towards corporate targets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Setting performance objectives	Zorlu Enerji's Sustainability Committee is responsible for evaluating the current initiatives, monitoring performance towards goals, and determining regulatory actions in areas where performance is lagging. Working Groups provide content and support within their respective responsibilities to the Sustainability Board. Forest-related matters are evaluated under the Working Group for Restorative Operations and Value Chain, focusing on strategy, goals, and risk assessments. The Sustainability Committee is led by the CEO.

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

We have a member on the Board of Directors who leads the Zero Carbon Footprint Forests Project. The goal is to plant 90,000 saplings annually. With this project, it is expected to prevent the emission of 1.2 million tCO₂e until 2072.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Managing public policy engagement that may impact forests Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	Annually	Zorlu Enerji has a Sustainability Committee that addresses all matters related to sustainability and is led by the CEO. The committee is responsible for evaluating existing operations on an annual basis, monitoring the performance of ongoing expansion initiatives, and ensuring the payment of taxes for expenditures lagging behind in terms of performance. It comprises top-level structures from various departments to obtain a holistic and comprehensive perspective, achieve heights in sustainability knowledge, and create behavioral changes within the company. Group collaborations also provide content and support to the Sustainability Committee.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	As part of Zorlu Holding's Smart Life 2030 vision, all the goals related to sustainability, including the conservation of natural resources and transitioning to a low-carbon economy, are among the targets set by the CEO of Zorlu Enerji. Profit-sharing, in the form of monetary incentives, is based on the fulfillment of environmental performance in terms of transitioning to a low-carbon economy and preserving natural resources.

F4.3a


(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	Chief Executive Officer (CEO)	Other, please specify Achievement of commitments and targets	The profit is shared as a bonus (monetary reward) based on the fulfilment of sustainability performance in terms of protection of natural resources.	We have implement incentives in line with our commitment to combat deforestation and our sustainability goals.
Non-monetary reward	Other, please specify Sustainability Manager	Other, please specify Achievement of commitments and targets	A certain amount of profit is shared as a bonus (monetary reward) by the achievement indicators. The achievement level is followed through the scorecard systems. Also, specific project ideas are rewarded with incentives such as, monetary support in training or plane tickets for the chosen cities.	We have implement incentives in line with our commitment to combat deforestation and our sustainability goals.

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

 integrated-annual-report-2022-2.pdf

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Row 1

Scope

Company-wide

Commodity coverage

General forests policy covering all commodities

Timber products

Content

Commitment to eliminate conversion of natural ecosystems

Commitment to no land clearance by burning or clearcutting

Commitment to eliminate deforestation

Commitment to transparency

Recognition of the overall importance of forests and other natural ecosystems

Document attachment

 Deforestation Combat Policy_EN.pdf

Please explain

- We are committed to ensuring that our activities, both directly and throughout our supply chain, do not contribute to deforestation. As part of our business strategy, we will address deforestation combat within our operations.
- We recognize the critical role of forests in maintaining ecological balance and combating climate change. As part of our environmental responsibility, we commit to developing and supporting reforestation projects that preserve biodiversity, restore ecosystems, and sequester carbon dioxide in the atmosphere. Our reforestation project aims to plant 1.2 million saplings by 2030.
- In line with global goals, we commit to focusing on the sustainable use of natural resources, particularly forests, to prevent the destruction of natural habitats and manage deforestation-related risks in our supply chain by 2030. We work towards preserving the value of our equipment dependent on forest resources through a circular economy approach.
- We believe in the power of collaboration and knowledge sharing to drive positive change. Accordingly, we commit to working in collaboration with stakeholders, promoting research and awareness. We collaborate with other industry players, research institutions, and environmental experts to exchange information and contribute to the development of best practices in reforestation and ecosystem regeneration.
- We are dedicated to strengthening our fight against deforestation by embracing new technologies, innovative approaches, and scientific advancements. We invest in R&D and innovation to advance our efforts in this field.

Zorlu Enerji's Deforestation Combat policy can be accessed on their website.

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Forest risk commodity	Public commitments made
Timber products	No

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	Zorlu Enerji is also implementing the Zero Carbon Footprint Forests Project at the micro level to combat the climate crisis and ensure a sustainable future. To raise awareness of climate change, the company calculates the carbon footprint of its booths and visitors who visit its booths at all trade shows and summits in which it participates, and initiates reforestation activities in the regions where the activities are held. This project, which began as a social/environmental responsibility project, was expanded in 2017 in collaboration with the General Directorate of Forestry of the Ministry of Agriculture and Forestry. Zorlu Enerji carried out reforestation works planting 520,000 saplings in the regions where the company operates, within the framework of the regulation of the General Directorate of Forestry Memorial Forests as of the end of 2022. Under the project, which was launched with a target of 1,200,000 saplings, 90,000 saplings are to be planted every year.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	Our strategy is to be a company with zero impact on forests. Even though our impact on forests may already be minimal, reducing it further is our priority. We include our impact on forests in our strategy.

Financial planning	Yes, forests-related issues are integrated	5-10	Forests-related issues are integrated into Zorlu Enerji's strategy as well as the strategy for long-term objectives and financial planning. A sample of this is that Zorlu Enerji has embraced the Sustainable Development Goals as part of its business strategy, an agenda that marks the way until 2030.
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F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Year target was set

2017

Target coverage

Company-wide

Target category

Natural ecosystem restoration and protection

Metric

Other, please specify

Number

Traceability point

Third-party certification scheme

Base year

2017

Base year figure

35,000

Target year

2030

Target year figure

1,200,000

Reporting year figure

545,000

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

43.7768240343

Target status in reporting year

Underway

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

Zorlu Enerji initiated the "Zero Carbon Footprint Forest" project in collaboration with the General Directorate of Forestry in 2017, aiming to plant 90,000 saplings annually. Within this scope, the reforested areas vary each year, and by 2030, Zorlu Enerji plan to plant saplings in an area of 1,200,000 saplings. In 2022, Zorlu Enerji planted saplings in an area of 90,000 saplings in the Mercan region of Erzincan.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?
Timber products	No

F6.2b

(F6.2b) Why do you not have system(s) in place to track and monitor the origin of your disclosed commodity(ies) and what are your plans to develop these in the future?

Forest risk commodity

Timber products

Primary reason

We are planning to track and monitor the origin of forest risk commodities within the next two years

Please explain

Zorlu Enerji has a very low level of timber usage. Therefore, we do not yet have a system in place to trace the origin of the timber.

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

Third-party certification scheme adopted?	
Timber products	No, but we plan to adopt a third-party certification scheme within the next two years

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	No, but we plan to develop one within the next two years	

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Please explain
Timber products	Not applicable	Zorlu Enerji's impact on forests is limited to the use of wood materials in wind power plants and low-voltage electricity transmission lines, as well as paper consumption in offices. In this regard, we do not have any purchasing activities from smallholders.

F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Details of engagement

Supplier questionnaires on environmental and social indicators

Description of engagement

We use a "Supplier Evaluation Survey" to better understand our supply chain's environmental, social, and governance (ESG) performance. The survey consists of a total of 405 questions, which delve into detailed inquiries to assess our suppliers' ESG performance. We shared the survey with all our critical suppliers, receiving responses from 12 of them, resulting in a response rate of 25%. The outcomes provided an evaluation of the sustainability performance of our critical suppliers.

Below is the score evaluation:

- Suppliers scoring below 30 points do not meet Zorlu Enerji's ESG criteria.
- Suppliers scoring between 30 and 60 points may conditionally meet Zorlu Enerji's ESG criteria.
- Suppliers scoring above 60 points fully meet Zorlu Enerji's ESG criteria.

% of suppliers engaged by procurement spend covered by engagement

1

Explain the impact of your engagement on the selected action

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Unknown

Does this engagement contribute to achieving a reported target?

No

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working beyond first tier?

No, not working beyond the first tier

Action(s) on forest-related issues driven by engagement

Type of engagement

Details of engagement

Description of engagement

Explain the impact of your engagement on the selected action

Does this engagement contribute to achieving a reported target?

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	No, we do not engage in landscape/jurisdictional approaches, but we plan to in the next two years	Important, but not an immediate priority	Engaging in landscape/jurisdictional approaches is not an immediate priority

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with non-governmental organizations

Country/Area

Turkey

Subnational area

Please specify

Turkey

Initiatives

Please explain

The management of forest ecosystems and carbon sink areas holds critical importance in Turkey's fight against the climate crisis. While afforestation and carbon sequestration through tree planting are the most common practices used to offset carbon emissions in the fight against the climate crisis, the semi-arid climate zone in which our country is located poses certain challenges. When areas that cannot be afforested, such as protected areas, wetlands, and agricultural lands, are excluded, it is observed that the suitable area for afforestation in our country is quite limited, and within these areas, the ones with appropriate cost and favorable local conditions are even more scarce.

In collaboration with the TÜSİAD (Turkish Industry and Business Association) and with contributions from ZE's Sustainability Manager (who is also the Chairman of the TÜSİAD Working Group on Forest Conservation and Carbon Sink Areas), the report on 'Forest Ecosystems and Carbon Sink Management in Turkey' has been prepared. The report evaluates the significance of forests, other sink areas, and land management in carbon offsetting efforts, as well as the integrity of ecosystems, opportunities created by ecosystem services, and constraints in these areas. Within the framework of sustainable land and forest management, some of the actions included in the report are listed below:

- Expansion of protected areas; protection of natural mature forests,
- Actions that can increase carbon stocks, including living biomass and soil fertility (afforestation, ecosystem restoration, etc.),
- Measures to make land use and management more efficient (forest management, watershed management, etc.),
- Natural and technological solutions that reduce ecosystem damage and lower disaster risks (e.g., nature-based solutions for flood control, early warning systems for landslides and droughts),
- Actions that enhance circularity in the wood industry and promote higher-value, longer-lasting technological products,
- Good agricultural practices (e.g., reduced tillage, low fertilizer use, mulching, nitrification inhibitors, etc.),
- Scientific/technical review and extension of rotation periods of forest types whenever possible,
- Updating the long-term strategies and actions of forestry and broader land use, considering the dimensions of climate change adaptation, mitigation, and carbon sequestration.

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Forest ecosystem restoration

Expected benefits of project

Improvement to environmental regulation

Is this project originating any carbon credits?

No

Description of project

During the construction of Kızıldere 3 Geothermal Power Plant, the fig trees located in the area were relocated to suitable locations indicated by the municipality. Zorlu Enerji is responsible for the periodic maintenance of these trees.

Where is the project taking place in relation to your value chain?

Project based in area with direct operations

Start year

2017

Target year

Indefinitely

Project area to date (Hectares)

Project area in the target year (Hectares)

Country/Area

Turkey

Latitude

37.95707

Longitude

28.842827

Monitoring frequency

Annually

Total investment over the project period (currency)

For which of your expected benefits are you monitoring progress?

Improvement to environmental regulation

Please explain

Before the construction of Kızıldere 3 Geothermal Power Plant within the borders of Buharkent district in Aydın province, we carried out tree relocation (transplantation) operations, and successfully transplanted 1600 fig and olive trees to a site located 15 km away.

Project reference

Project 2

Project type

Biodiversity offsetting

Expected benefits of project

Reduce/halt biodiversity loss

Is this project originating any carbon credits?

No

Description of project

Zorlu Enerji, with its sensitivity to protect natural life, invested 500000 US Dollars in order to protect both birds and turbines, and installed Turkey's first bird tracking radar at Gökçedağ Wind Power Plant in 2011.

Thanks to the Bird Radar System, birds or flocks of birds approaching the wind farms can be detected and monitored in real time from the monitor. Operationally, the turbines can be stopped for a short time during bird passage, while the flight direction of the birds can be changed by sending sound waves with the LRAD (Long Range Acoustic Device) system.

Where is the project taking place in relation to your value chain?

Project based in area with direct operations

Start year

2011

Target year

Indefinitely

Project area to date (Hectares)

Project area in the target year (Hectares)

Country/Area

Turkey

Latitude

37.164431

Longitude

36.601295

Monitoring frequency

Six-monthly or more frequently

Total investment over the project period (currency)

1,335,000

For which of your expected benefits are you monitoring progress?

Reduce/halt biodiversity loss

Please explain

With the data obtained from bird watching studies and regular monitoring activities, no operation-related bird deaths have occurred at Gökçedağ Wind Power Plant so far.

Project reference

Project 3

Project type

Biodiversity offsetting

Expected benefits of project

Reduce/halt biodiversity loss

Is this project originating any carbon credits?

No

Description of project

As Zorlu Enerji, to manage the risks related to biodiversity, we conduct periodic observation studies to identify the impacts on endemic species in the regions where we operate within Turkey. We then follow up with action plans and monitor and control them accordingly.

Where is the project taking place in relation to your value chain?

Start year

2021

Target year

Indefinitely

Project area to date (Hectares)

Project area in the target year (Hectares)

Country/Area

Turkey

Latitude

Longitude

Monitoring frequency

Six-monthly or more frequently

Total investment over the project period (currency)

For which of your expected benefits are you monitoring progress?

Reduce/halt biodiversity loss

Please explain

To prevent impacts on critical and endemic species, we regularly monitor and track our action plans at our facilities. We conduct observation studies regularly to identify and assess the effects on these species.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

No, we are waiting for more mature verification standards/processes

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Limited value chain engagement

Comment

Raising awareness and providing information among suppliers is a crucial step towards achieving certification. By encouraging more companies to participate and become certified, we can significantly reduce the deforestation risk associated with our products.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Direct operations

Main measure

Greater transparency

Comment

In line with our sustainability goals, we publish detailed information about our forest-related impacts in our Integrated Annual Report as part of our environmental performance. Through increased transparency efforts, we aim to enhance the quality and content of the data we disclose, enabling us to improve our ability to mitigate impacts.

Furthermore, we continuously revise our Deforestation Combat Policy based on

evolving practices, aiming to be more transparent with our stakeholders. By doing so, we enhance our capacity to tackle deforestation effectively and demonstrate our commitment to greater transparency.

F17 Signoff

F-FI

(F-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.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Sector President	Chief Executive Officer (CEO)

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