



KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
Levent 34330 İstanbul
Tel +90 212 316 6000
Fax +90 212 316 6060
www.kpmg.com.tr

Independent Limited Assurance Report

To the Management of Zorlu Enerji Elektrik Üretim Anonim Şirketi

We were engaged by Zorlu Enerji Elektrik Üretim Anonim Şirketi (hereinafter "Company" or "Zorlu Enerji") to provide limited assurance on the "Selected Information" as contained in the Reporting Guidelines of the Integrated Annual Report (hereinafter "the Report").

Scope and Boundary and Limitations

The scope of our assurance is limited to review of the Selected Information listed below:

- Zorlu Enerji's Materiality Assessment
- Total energy consumed (GJ)
- Electricity consumption (kWh)
- Natural gas consumption (m³)
- GHG emissions
 - Scope 1 Direct GHG Emissions (tons CO₂e)
 - Scope 2 Direct GHG Emissions (tons CO₂e)
 - Scope 3 Direct GHG Emissions (tons CO₂e)
- Total water consumption (m³)
 - Total mains water consumption (m³)
- Amount and types of recycled hazardous waste (tons)
- Amount and types of recycled non-hazardous waste (tons)
- Total number of employees
- Breakdown of employees by gender
- Number of women in management
- Number of unionized employees
- Number of employees who attended to training on "Anti-Corruption and Anti-Bribery", "Principals of Ethics/Business Ethics", "Human Rights" and "Sustainability" and total training hours



Our assurance process was subject to the following limitations:

- Verification of the data or information provided at the Zorlu Enerji's Office in Istanbul and other locations stated in the Engagement Letter.
- Verification of data and information covered in the scope of work.

We have not been engaged to:

- Verify any statement indicating intention, opinion, belief and / or aspiration of Zorlu Enerji
- Determining which, if any, recommendations should be implemented

Management's Responsibilities

Zorlu Enerji's Management is responsible for the preparation and presentation of the Report for the Selected Information in accordance with the Zorlu Enerji's internally developed criteria based on the 'core' option of GRI Standards as described in the Report, and the information and assertions contained within it; for determining the Zorlu's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control system from which the reported performance information is derived.

The Management is responsible for preventing and detecting fraud and for identifying and ensuring that Zorlu Enerji complies with laws and regulations applicable to its activities.

The Management is also responsible for ensuring that staff involved with the preparation and presentation of the description and the Selected Information are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

The Management is also responsible for the adherence to the AA1000 AccountAbility Principles of inclusivity, materiality, responsiveness, and impact as set forth in the AA1000 AccountAbility Principles Standard (AA1000AP, 2018).

Our Responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000. Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard required that we plan and perform the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement. We also conducted our engagement in accordance with AA1000 Assurance Standard v3 (AA1000AS, 2020), issued by AccountAbility.

We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board of Accountants, which is founded on fundamental principles on integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Procedures performed

A limited assurance engagement on Selected Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Selected Information, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Interviews of management to gain an understanding of Zorlu Enerji's processes for determining the material issues for Zorlu Enerji's key stakeholder groups.
- Interviews with senior management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business
- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Selected Information.
- Using the Reporting Guidelines of the Report to evaluate and measure the Selected Information;
- Re-performing, on a sample basis, calculations used to prepare the Selected Information for the reporting period;
- Evaluating the disclosure and presentation of the Selected Information in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Zorlu Enerji.
- Comparing the information presented in the Selected Information to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Selected Information.
- Reading the information presented in the Selected Information to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Zorlu Enerji.
- Assessment of the level of adherence to the principles of inclusivity, materiality, responsiveness and impact set by AA1000AP Standards (2018) in the Report through the analysis of the contents of the Report.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a limited assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a limited assurance engagement been performed.



Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Selected Information may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Selected Information, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Selected Information of the Report of Zorlu Enerji for the year ended 31 December 2022 is not presented, in all material respects, in accordance with the Zorlu Enerji's internally developed reporting criteria as explained in the Report including adherence to the AA1000AS of inclusivity, materiality, responsiveness and impact.

In accordance with the terms of our engagement, this independent limited assurance report on the Selected Information has been prepared for Zorlu Enerji in connect with reporting to Zorlu Enerji and for no other purpose or in any other context.

Under separate cover, we will provide Zorlu Enerji management with an internal report outlining our complete findings and areas for improvement. Without prejudice to our conclusions presented above, we present some of the key observations and areas for improvement below:

As per AA1000AS principles

In relation to the Inclusivity principle

Zorlu Enerji has identified its key stakeholder groups based on the level of influence & impact the Company has on these stakeholder groups. Zorlu Enerji has partnered with various external stakeholder groups with the objective of enhanced value creation. The key concerns by stakeholders and Zorlu Enerji's response to these concerns have been fairly represented in the Report. Zorlu Enerji can consider increasing the sample size increase the response rate and also improve the quality of the responses of the individual stakeholders for its next Integrated Annual Report and consider conducting an introductory workshop for key groups to ensure the quality of the responses.

In relation to the Materiality principle

Zorlu Enerji has reported on their identified material issues across economic, environmental and social aspects. The methodology of materiality determination used for the Report considers the perspectives of senior representatives from various functions at Zorlu Enerji and various stakeholder groups. The Company has responded to the material issues by disclosing its performance in the report. We are not aware of any matters that would lead us to believe that materiality determination approach does not provide a balanced representation of material issues concerning its sustainability performance.

In relation to the Responsiveness principle

Zorlu Enerji has identified its various stakeholder groups and the engagement mechanism for each of them along with their concerns. Zorlu Enerji responds to concerns-raised by stakeholder groups through structured engagement channels at periodic intervals. Zorlu Enerji has also provided information on specific actions through disclosure of performance. Zorlu Enerji can consider integrating the responses of the concerns for the identified material issues in the organization's sustainability strategy and overall governance strategy.

In relation to the Impact principle

Zorlu Enerji discloses impacts generated through the response given in each material issue. Zorlu Enerji communicates its sustainability performance through regular internal reporting reporting throughout the year related to material sustainability topics. We are not aware of any matters that would lead us to believe that Zorlu Enerji has not been measuring, monitoring and evaluating the impact it has on its broader ecosystem.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Zorlu Enerji, for any purpose or in any other context. Any party other than Zorlu Enerji who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Zorlu Enerji for our work, for this independent limited assurance report, or for the conclusions we have reached.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Şirin Soysal
Partner
7 September 2023
İstanbul



AA1000
Licensed Assurance Provider
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Appendix 1: Integrated Annual Report

<https://www.zorluenerji.com.tr/uploads/pdf/pdflist/integrated-annual-report-2022-7.pdf>