

ZORLUENERJİ

ZORLU ENERJİ SUSTAINABILITY JOURNEY

JULY 2024

**GELECEĞİN
ENERJİSİ**





ELECTRIC VEHICLE CHARGING STATION AND SOLAR PANEL TRADING & INSTALLATION

The logo for Zes, featuring the letters 'Zes' in a stylized font with a blue-to-green gradient.

Electric Vehicle Charging Station

Zorlu Enerji Solutions (ZES) was established in 2018. It provides fast charging services both within cities and on intercity roads by installing electric vehicle charging stations throughout Turkey and abroad.

As of 2023, ZES has achieved the following across Turkey:

- **81 provinces**
- **934 locations**
- An infrastructure capable of **simultaneously serving 1,605 vehicles.**

The logo for Zes, featuring the letters 'Zes' in a stylized font with a blue-to-green gradient.

Solar Panel Trading and Installation

Since the first quarter of 2016, Zes Solar has been providing services in domestic and international markets related to electricity generation from solar energy, as well as the sale, purchase, and export of solar photovoltaic panels

The logo for electrip, featuring the word 'electrip' in a stylized, italicized font with a blue-to-green gradient.

Electric Vehicle Charging Station

Under the ZES brand in Turkey and the Electrip brand in Europe, electric vehicle charging station services are provided in 22 countries.



SUSTAINABILITY MILESTONES

2009-2012

- In 2009, it became **the first Turkish energy** company to calculate its **carbon footprint**.
- Gökçedağ WPP became the largest renewable energy project in the world to receive the **Gold Standard certification**.
- **ISO 14064 GHG verification** was completed.
- Zorlu Doğal completed **ISO 9001, ISO 14001, and OHSAS 18001** certifications.
- It became the first energy company to voluntarily respond to the **CDP**.



2013-2019

- With the **Gold Standard certification** obtained for Pakistan WPP, it became the first company in the country to receive this certification.
- It was listed for the first time on the **BIST Sustainability Index**, to which it voluntarily joined.
- In 2018, it launched **ZES**, involved in the installation of **EV charging stations**, and the **vehicle sharing platform 'electrip'**.
- Zorlu Doğal received the **SA 8000** certification.



2020-2022

- It became a signatory of the **WEPs** and the **UN Global Compact**.
- It won the **British Safety Council International Safety Award**.
- It became **the first energy company** to publish an Integrated Annual Report.
- It became a signatory of **the CFO Principles for the UNGC SDG**.
- It committed to setting **Science-Based Targets (SBT)** for net zero.

WOMEN'S
EMPOWERMENT
PRINCIPLES



2023-2024

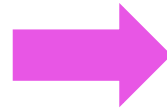
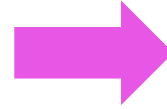
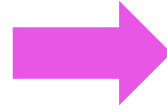
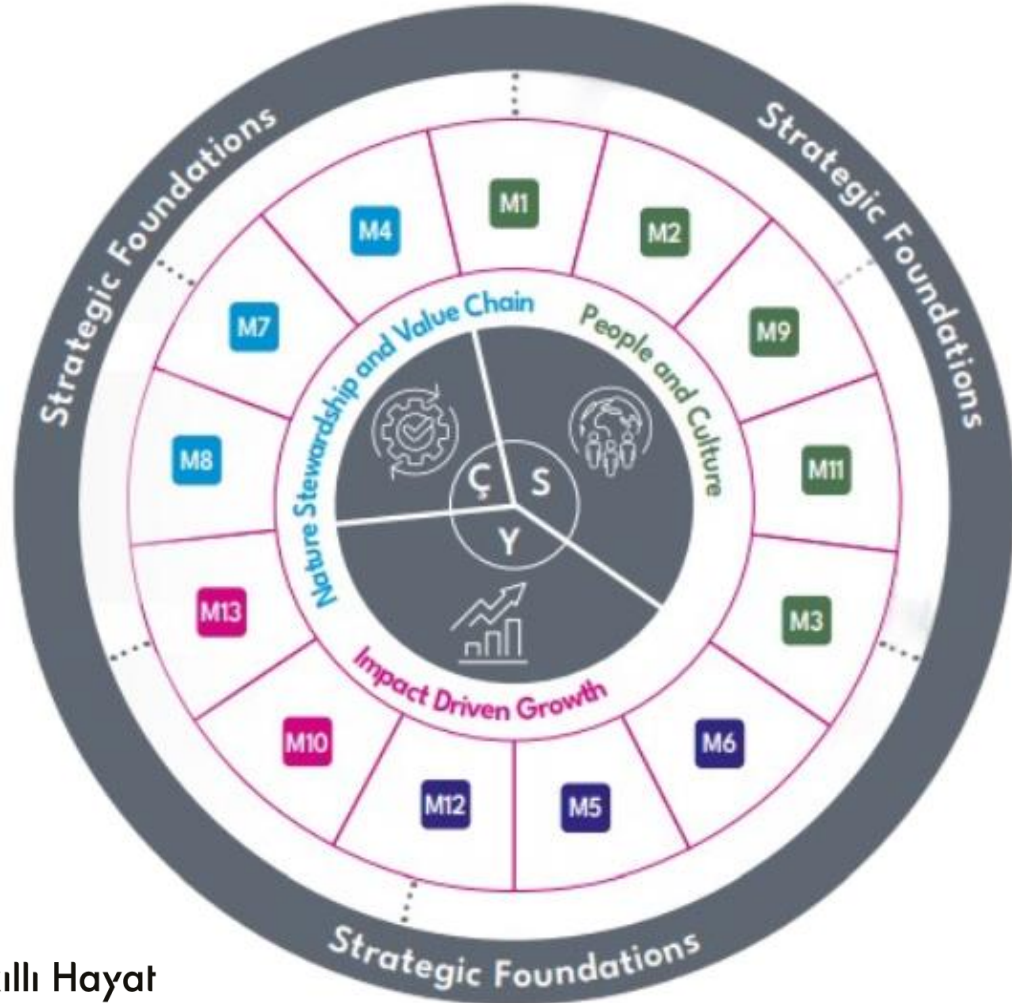
- It published the first **CDP Forests** and **TCFD** reports in its sector.
- In the first quarter of 2024, it was included in the **BIST 25 Sustainability Index**.
- **The net-zero commitment was approved** by SBTi.
- It achieved **Leadership** level with an A- score in the CDP Climate Change Program.
- **ISO 50001 Energy Management Standard** was obtained for the Kızıldere GPP and Gökçedağ WPP.



TCFD

SÜRDÜRÜLEBİLİRLİK STRATEJİSİ VE HEDEFLERİ

Based on key priorities, a sustainability strategy has been established. In line with this and within the framework of the **Smart Life 2030 Strategy**, Zorlu Enerji has set sustainability goals.



Value Areas	Top Material Issues	Goals
 NATURE STEWARDSHIP AND VALUE CHAIN	Climate Action →	Achieving net zero in operations and energy production by 2030 Achieving net zero across the entire value chain by 2040
	Green and Reliable Energy Supply →	Increase the share of renewable energy in total generation to 100% by 2030.*
	Biodiversity →	Investing 10 million TRY for the protection and improvement of biodiversity until 2030
 People and Culture	Talent Management and Employee Welfare →	To be one of the top three most desired energy companies in our country and in our region Increase the proportion of women in management to 40% by 2030 Being included in the Bloomberg Gender Index Achieving a zero workforce loss accident rate by 2030
	Local Socioeconomic Development →	Maintaining the continuous development in the local socioeconomic benefit we create based on our business model & social investments
	Innovation and New Business Models →	Ensuring that 20% of turnover comes from innovative business models**
 Impact Driven Growth	Sustainable Finance and Responsible Investments →	To meet all new project financing requirements to be used in Türkiye through sustainable financial instruments by 2030

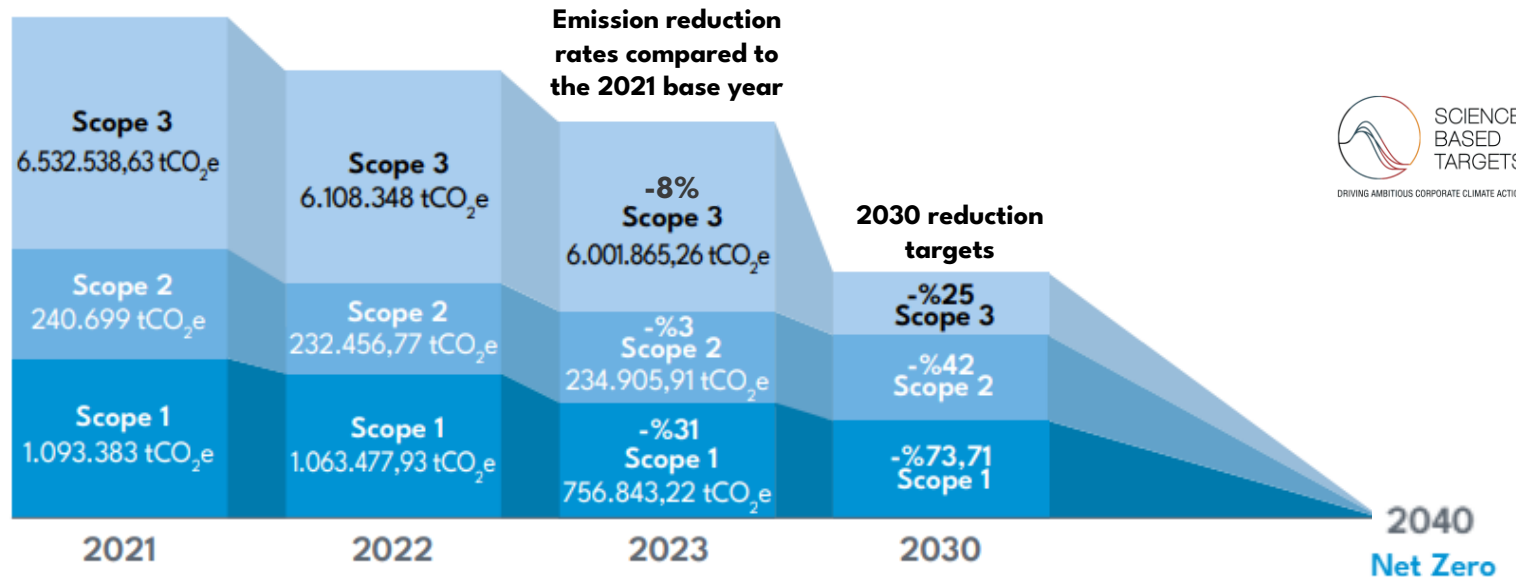
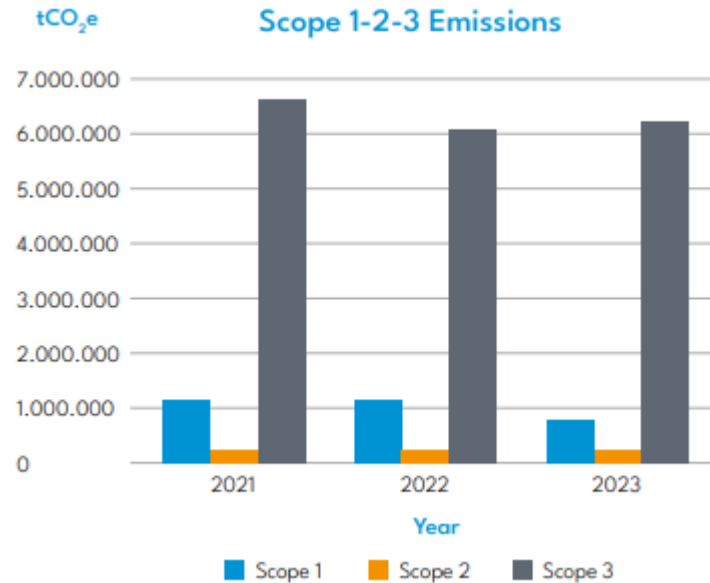


CLIMATE ACTION

Target: Achieving net zero across the entire value chain by 2040

Science-Based Targets Initiative (SBTi)

Zorlu Enerji has set a precedent in the Turkish energy sector by committing to limit GHG emission increases to 1.5°C in accordance with the Paris Agreement through its SBTi commitment. Our targets for 2030 and 2040 have been approved by SBTi.



Wind Power Plants with Energy Storage

The effective use of renewable energy and the reduction of Scope 2 emissions are targeted through the deployment of storage power plants that provide energy storage capacity.

GECO Project

Collaborative efforts with international institutions and organizations are underway for capturing and storing geothermal source emissions underground. A pilot facility has been established and operations have commenced at the Kızıldere III Geothermal Power Plant.

Termination of Investments in Israel

With the termination of investments in Israel, a reduction in carbon emissions from Scope 3.15 Investments category will be achieved.

CDP Climate Change Scores

2021	2022	2023
B	B	A-

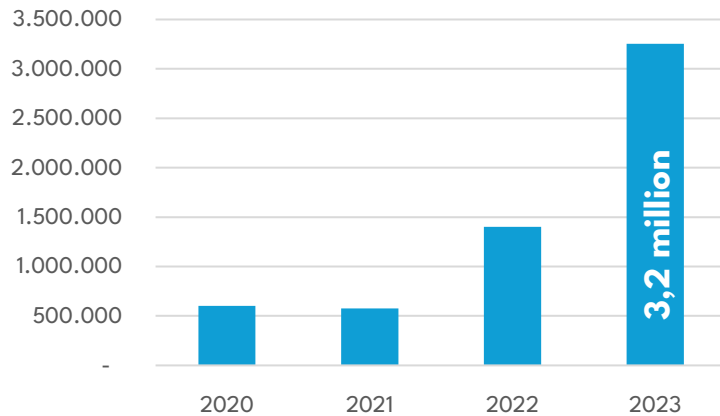


BIODIVERSITY

Target: Investing 10 million TL in the protection and enhancement of biodiversity by 2030

As of the end of 2023, the target achievement rate was **58%**.

Biyoçeşitlilik Harcaması (TL)



As part of the fight against deforestation, a commitment has been made to plant **1.2 million saplings** and to protect forests and promote sustainable natural resource use by 2030. By the end of 2023, **600,000 saplings** have already been planted.

Biodiversity and Ecosystem Management System

The Biodiversity and Ecosystem Management System, established in 2022, is managed through QDMS. For each facility, at-risk species have been identified, and strategic action plans have been developed for their protection.

Monitoring of Critical Species

For the protection of critical species in operational areas, there are **Biodiversity Action Plans** specific to each plant. Periodic monitoring studies are conducted in accordance with these plans for the species affected.



Beyköy HPP Critical Species



Kızıldere GPP Critical Species

Protection of the Yellow Bamboo Plant

In 2023, the '**Yellow Bamboo**' species, which has a very limited habitat near the Kızıldere 3 Geothermal Power Plant, was placed under protection. The conservation efforts for the '**Yellow Bamboo**,' which only grows in the Sarayköy district, were carried out in collaboration with Pamukkale University."



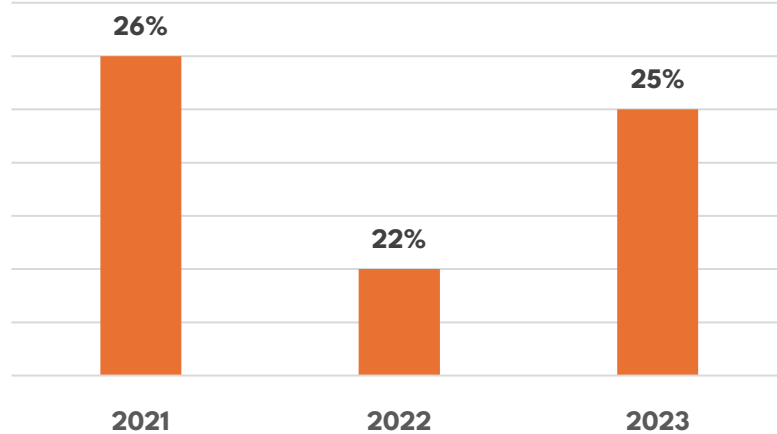
Kızıldere GPP Yellow Bamboo



TALENT MANAGEMENT AND EMPLOYEE WELL-BEING

Target: Increasing the percentage of women in management positions to 40% by 2030

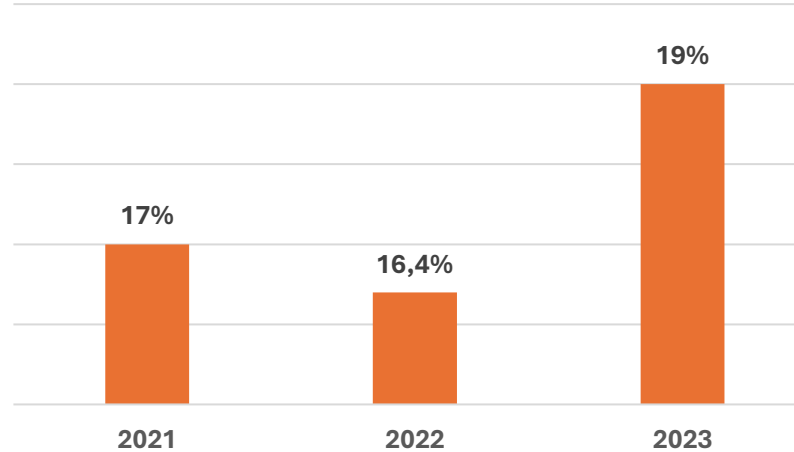
Increase in the Number of Women in Management Positions



KAGİDER Opportunity Equality Certificate

With our corporate culture that places great importance on inclusivity, diversity, and equal opportunities in business and society, we have been awarded the KAGİDER Opportunity Equality Certificate (FEM Certificate).

Increase in the Number of Female Employees



The company supports the 30% Club, which aims to increase the percentage of women in decision-making mechanisms, boards of directors, and senior management to 30%, with a goal of raising the proportion of female employees to 40% by 2030.



Target: To be evaluated in the Bloomberg Gender-Equality Index

Work has been completed in line with the goal of evaluation in the BGEI, an index that measures companies' performance in gender equality and recognizes organizations that demonstrate leadership in this area.

UN Women and UN Global Compact and WEPs signatories

Zorlu Enerji has signed the Women's Empowerment Principles (WEPs), a joint initiative of UN Women and the UN Global Compact, which provides companies with a roadmap on how to promote gender equality and empower women in the workplace and society.

**WOMEN'S
EMPOWERMENT
PRINCIPLES**

Akıllı Hayat

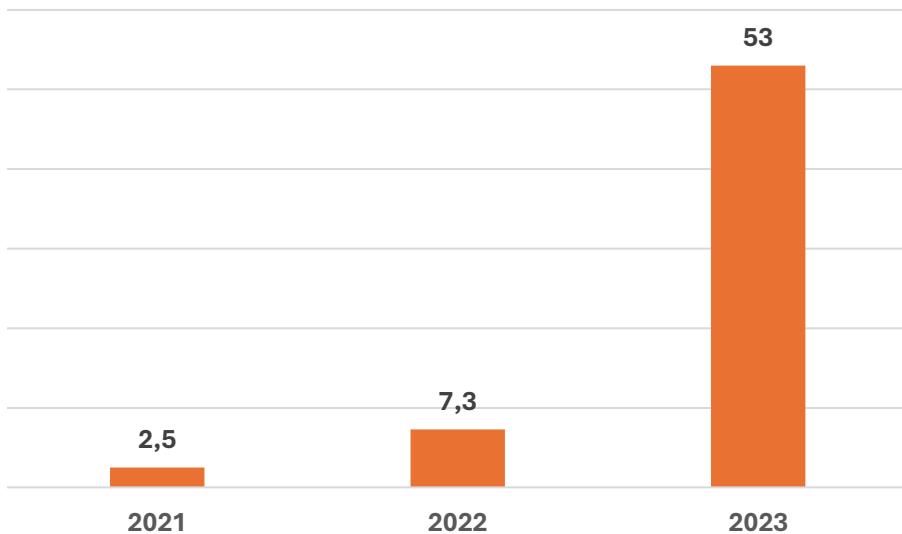
 2030










LOCAL SOCIOECONOMIC DEVELOPMENT

Taget: Maintaining the continuous development in the local socioeconomic benefit we create based on our business model & social investments

Social Investments (million TL)



53 million TL of social investment was made in 2023.

Social Investments	Related SDG	Amount (TRY)
Aid for Earthquake-Affected Areas	Reduced Inequalities 	22,367,662.55
Enerjimiz Bölgemiz için Project	Sustainable Cities and Communities 	198,815.35
ESG Projects	Quality Education 	1,555,000.00
Zero Carbon Footprint Forests Project	Life on Land 	2,520,000.00
Sponsorships	Partnerships for the Goals 	5,152,549.04
Donations to NGOs	Partnerships for the Goals 	18,539,520.00
Zorlu Enerji Scholarships	Quality Education 	3,037,300.00



Enerjimiz Bölgemiz İçin Project



Can Dostlar Project



Sponsorship Projects



Kadının Gücü Geleceğin Gücü Program



INNOVATION AND NEW BUSINESS MODELS

Target: Revenue's 20% coming from innovative business models.

By the end of 2023, it was achieved at **13%***. In this context, technological advancements in the sector and market trends are being closely monitored to develop innovative strategies and business models.

** Sales through Zorlu Solar, ZES, and Electrip have been considered*



electrip



zes

In the future, potential carbon credit sales and the transformation of digitalization projects with IT into products are expected to increase the achievement rate of the target.

R&D and Innovation

	Ongoing	Completed
ZORLU ENERJI	10 2 Horizon2020 2 Era-NET - Geothermica 4 Horizon Europe 1 Eurogia 1 TEMAK	5 2 Horizon2020 1 Era-NET ACT 1 Eurogia2020 1 ITEA3
OEDAŞ	19 1 HorizonEurope 17 EMRA 1 Horizon2020	18 15 EMRA 3 Horizon2020
GEOSMART	eCHARGE 4DRIVERS	FlexiGrid
GECCO	JIDEP	PlAMES
GEOPRO	BD40PEM	QuantEEFLEX
		winDTwin
		smart wind
		Deep Light

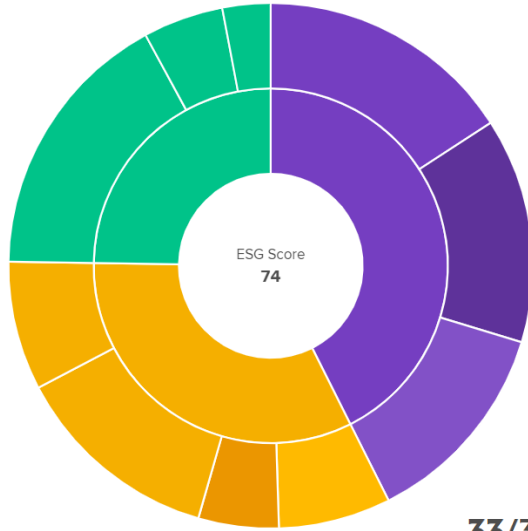
ESG SCORES

Refinitiv – BIST

Zorlu Enerji Elektrik
Üretim AS ESG score:
74/100

Based on Zorlu Enerji Elektrik Üretim AS's last
reported FY 2022 data

Environment	78
Emissions	73
Resource Use	97
Innovation	61
Social	77
Human Rights	69
Product Responsibility	99
Workforce	78
Community	71
Governance	63
Management	61
Shareholders	67
CSR Strategy	69

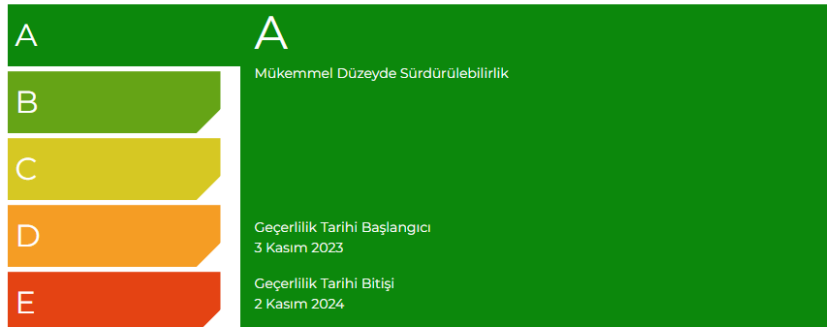


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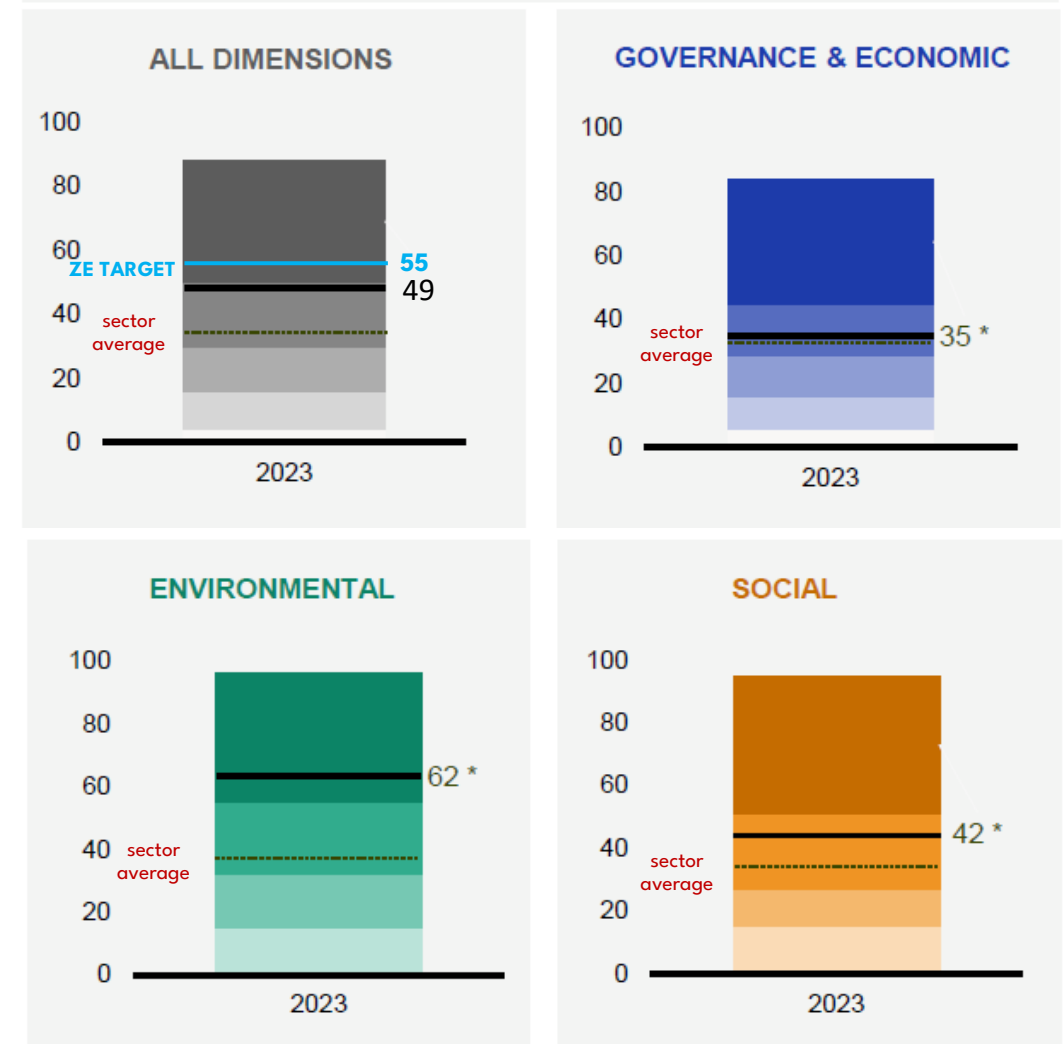
Out of Electric Utilities & IPPs
Companies.

CRIF - Synesgy

Genel skor



S&P Global - Dow Jones Endeksi



SUPPLIER ESG ASSESSMENTS

The ESG assessment prepared by Synesgy in collaboration with Zorlu Enerji and CRIF was applied to **16 critical suppliers**. As part of this study, suppliers were evaluated across **5 different subcategories**: sustainability, environmental, social, corporate governance, and sectoral performance. Based on the results, ESG scorecards and action plans were created for the suppliers, **and information was shared with the Sustainability and HSE-Q Directorate and the Procurement and Logistics Directorate for their knowledge and evaluation.**

Action Plans for Suppliers

Based on the scores received by suppliers, areas where they are lacking have been identified, and action plans have been created to address these issues. The actions in the prepared plans have been classified according to their level of importance. A total of **307 actions** have been developed, providing a roadmap for suppliers on their ESG journey

Distribution by Industrial Sub-titles



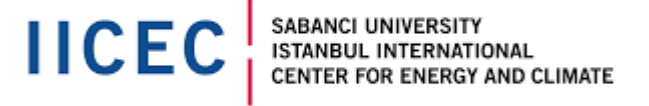
ESG Action Plan

CORPORATE ACTIVITY AND CORPORATE	
Increase the presence of women in corporate governance organs.	
Implement a supplier relationship management system.	
Establish a compliance unit for internal audits.	
Implement an anti-bribery management system.	
Monitor employee management performance.	
WATER, ENERGY AND WASTE	
Choose electricity suppliers generating predominantly from renewable sources.	
Consider installing renewable energy systems.	
Calculate the carbon footprint of a key product/service to understand its environmental impact and determine appropriate remedial actions.	
Develop a system to calculate the decrease in consumption rates compared to the previous year.	
ENVIRONMENTAL CERTIFICATION	
Receive ISO 50001 Energy Management certification.	
Apply environmental impact assessment tools such as Life Cycle Assessment, Carbon Footprint, Water Footprint, Environmental Product Declaration, Ecolabel, EMAS registration.	

Priority



CORPORATE MEMBERSHIPS



FUTURE PLANS AND POTENTIAL OPPORTUNITIES

Electricity Supply with I-REC for Scope 2 Emissions:

For Scope 2 emissions, it is planned to procure electricity certified by **I-REC**, demonstrating that the electricity generation source has a zero-emission factor.



THE INTERNATIONAL
REC STANDARD

Supplier Evaluation and Selection Processes:

In supplier selection and evaluation, sustainability criteria are considered, and the procurement of products with a **low emission factor** is planned.

Strategic Decisions:

Efforts are being made to revise certain activities within the portfolio and to optimize the supply chain.

Decarbonization Strategy:

Taking into account current licenses and new power plants, work is underway on projections for the net-zero emissions journey. Carbon-reducing investment requirements are being identified, with the aim of determining the **impact on EBITDA and cash flow during the net-zero emissions journey**.

Carbon Credit Opportunities:

Work is underway on the goal of generating potential **carbon credits** through the GECO project and charging stations.



ZORLUENERJİ

THANKS...

JULY 2024

**GELECEĞİN
ENERJİSİ**

