

# ZORLU ENERJİ HUMAN RIGHTS REPORT 2024

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# Introduction

## About the Report

Zorlu Enerji has prepared this report to present the human rights practices it carried out in 2023 to all its stakeholders. This report has been primarily prepared in line with ESG requirements. This report contains evidence demonstrating Zorlu Enerji's strong stance on human rights and its approach to addressing it as a material issue.

## About Zorlu Enerji

Established in 1993, Zorlu Enerji is an energy company that aims to operate on different fields of energy sector providing a global scale integrated service.

Zorlu Enerji operates on various fields of the sector including electricity and steam generation and retail, electricity sales, electricity distribution, solar panel sales and installation, natural gas sales and distribution, construction, management and maintenance of power plants and EV charging stations.

Zorlu Enerji is vertically integrated across four main business segments as follows.

## Electricity Generation

Within its Electricity Generation business, Zorlu Enerji works across geothermal, wind, hydroelectric and natural gas power plants. As of 2023, total installed capacity in Türkiye was 642.77 MW (mainly from renewable sources), split across the following technologies and generation assets.

In addition, Zorlu Enerji has abroad investments in a 56 MW wind power plant in Pakistan, a 1.5 MW solar power plant in Palestine, and a 290 MW natural gas power plant in Israel, where it is preparing for an exit from its partnership.

Power Plant	Electricity Generation Capacity (MW)	Steam Generation Capacity (Tons/Hr)
Natural Gas	83.83	98.00
Wind	135.00	
Hydroelectric	118.94	
Geothermal	305.00	
<b>Total</b>	<b>642.77</b>	<b>98.00</b>

## Electricity Distribution

With nearly 25 years of experience and expertise in the energy sector, Zorlu Enerji is the incumbent operators of distribution services in the Osmangazi region, including Eskişehir, Bilecik, Uşak, Afyon and Kütahya cities. Zorlu Enerji provides electricity distribution services to more than 2 million connections in the region, and in 2023 distributed 6.73TWh of net electricity.

## Electricity Trade & Supply

Zorlu Enerji makes electricity sales to regulated customers in the Osmangazi region, as well as to eligible consumers across Türkiye, and is a trader in spot, OTC and wholesale markets. In 2023, Zorlu Enerji made 5.5 TWh of electricity sales to 2 million customers, while total sales of wholesale volumes reached 6 TWh.

## Zorlu Enerji Solutions (ZES) & Electrip Operations

Under the ZES & Electrip Operations business segment, Zorlu Enerji conducts the installation, sale and operation of EV charging stations, in order to facilitate the transition to electric vehicles in Türkiye and the surrounding region. In this space, Zorlu Enerji is the market leader, with a ~60% share, operating the fastest and widest network featuring 4,225 sockets and with presence in 81 cities across 19 countries predominantly in Europe.

## Scope & Methodologies for Due Diligence Process

Zorlu Enerji implements various standards and processes to identify human rights violations and areas for improvement on behalf of its affiliated assets, companies, suppliers, and partners. The standards, internal methods and management systems it utilizes in this context include the following:

Requirements & Due Diligence Process	Scope
Environmental & Social Impact Assessment (ESIA)	Power plants and electricity production business
IFC, IFC-PS6	Electricity Distribution business
ISO 45001	Joint ventures, power plants, electricity production business, electricity distribution process, contractors, subcontractors
ISO 26000	Critical suppliers
SA 8000	Power plants and electricity production business
Ethics Hotline (Notifications received through the ethics hotline)	All shareholders

## Human Rights in Energy Sector

Globally, human rights have become a critical issue in the energy sector as companies face growing scrutiny over their impact on communities, labor conditions, and the environment. With the energy transition underway, there is a renewed focus on ensuring that renewable energy projects respect human

rights, particularly in developing regions where large-scale infrastructure projects can displace local communities or affect vulnerable populations. The UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines have set the framework for due diligence, pushing companies to assess and mitigate risks in their operations and supply chains.

In the energy sector specifically, recent trends show an increased emphasis on protecting labor rights, ensuring community engagement, and safeguarding indigenous populations. Companies are now more focused on conducting human rights impact assessments (HRIAs) and adhering to international standards such as the International Labour Organization's (ILO) conventions and the Equator Principles. Energy firms are expected to implement proactive policies, including grievance mechanisms, to address potential violations, especially in regions where governance structures are weak or conflict prone. The pressure from investors, regulators, and civil society to enhance transparency and accountability continues to shape human rights practices within the industry.

## Human Rights & Sustainability in Zorlu Enerji

Human rights have been identified as a high-priority issue by all stakeholders because of Zorlu Enerji's prioritization efforts involving both internal and external stakeholders, and it is evaluated within the context of the 'People & Culture' pillar, one of the three core components of the sustainability strategy.

For more information about materiality works and strategy, please refer to [Zorlu Energy Integrated Annual Report 2023](#).

While talent management and the well-being of employees—key resources essential for ensuring the regenerative transformation of existing jobs and the design of regenerative/restorative business models—are discussed under the heading of People and Culture, human rights are integral to these efforts.

Zorlu Enerji places a strong emphasis on safeguarding the rights and dignity of all employees, ensuring fair and equal treatment, and promoting safe and inclusive work environments. Furthermore, local socio-economic development and ways of engaging with stakeholders in the regions where Zorlu Enerji operates are evaluated not only in the context of generating social benefits but also through the lens of upholding and advancing human rights, ensuring that all communities impacted by its operations are treated with respect, equity, and consideration.

Zorlu Enerji aims to increase the rate of female managers to 40%. Establishing a healthy organizational structure is important not only for employees but also for all the communities with which the business interacts.

Zorlu Enerji supports the Sustainable Development Goals by contributing to local development and to the progress of our country through both clean production and green growth, by supplying green and reliable energy.

Zorlu Enerji put smart targets and obtain KPIs for following human rights related performance. Time driven related targets and top material issues can be find via [Sustainability Targets Table](#). Page 82.

Zorlu Enerji believes that the Sustainable Development Goals (SDGs) are intrinsically linked to fundamental human rights, and we continue to invest in initiatives aligned with these goals. Zorlu Enerji Contributes UN SDGs such as;

- **4-Quality Education**, Zorlu Enerji invests more than 4.5 M TL in education in line with SDG 4 Quality Education with various projects & collaborations as stated below;
  - Zorlu Enerji Experience
  - Course Support Project
  - Enerjimiz Eşit Meslek Liseleri Project
  - Mehmet Zorlu Foundations
  - Scholarship Program
  - FutureFEM Project (2024)
  - Women Empower Program
- **5- Gender Equality**, Zorlu Enerji advocates gender equality, prevents gender discrimination in recruitment and promotion processes, and provides transparent opportunities to increase women's participation in the workforce. The company promotes gender equality in the work environment through training programs and supports women to take an active role in decision-making processes.

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  - Zorlu Holding Gender Equality Manifesto
  - Gender Equality Working Group and Gender Equality Committee
  - Becoming a signatory of WEPs
- **6- Clean Water & Sanitation**, Zorlu Enerji invest and contribute the local needs for clean water and sanitation in areas with limited access to water and sanitation. Enerjimiz Bölgemiz için Project: As Zorlu Enerji, we integrate with the local community in the regions we invest in, we undertake socio-cultural, infrastructural and technological initiatives and become a member of the community. We celebrate specific days and festivals of the region; we support the need for access to clean water in villages and we contribute to the energy needs of schools. We further provide sponsorships for the sports clubs in the regions we invest in and we regularly provide winter clothing to the children in disadvantaged climate regions. We support local women's production initiatives and economic development by supplying our needs from local women's cooperatives as much as possible. Water Supply Facilities: 15 tankers of water were provided to Ladho Ganjo village, 4 tankers of water were provided to Jhakhro village, 4 tankers of water were provided to Mosa Atho village, and 15 tankers of water were provided to Suleman Brohi village, all located around our facility. With these monthly subsidiaries, villages were provided access to clean water.

For details, please refer to IAR page 148 Enerjimiz Bölgemiz için Project, and page 151 for water supply facilities provided to Ladho Ganjo village.

- **7- Affordable & Clean Energy**, Zorlu Enerji increases its share of renewable energy globally by investing in renewable energy resources and developing clean energy technologies. It further offers innovative and efficient energy solutions to improve energy efficiency. Zorlu Enerji increases its share of renewable energy globally by investing in renewable energy resources and developing clean energy technologies. It further offers innovative and efficient energy solutions to improve energy efficiency.
  - Renewable Energy Commitment
  - Power Plant investments with storage units
  - ISO 50001 projects
  - I-REC certificate sales
  - Equipment sales via ZES Solar
- **10- Reduced Inequalities**, Zorlu Enerji creates value with sustainable social responsibility projects that will strengthen the company's egalitarian stance by eliminating inequalities in business life. Zorlu Enerji creates value with sustainable social responsibility projects that will strengthen the company's egalitarian stance by eliminating inequalities in business life.
  - Eşit Bi'Hayat (An Equal Life) program & Eşit Bi' Hayat Dictionary
  - Discourse Control Mechanism
  - Equal Opportunity Model
  - Certificate of KAGİDER
  - Rotation at Work Program
  - Power of Women,
  - Power of the Future Program
- **16- Peace, Justice and Strong Institutions**, Zorlu Enerji adopts an ethical, transparent and accountable corporate governance approach by developing and implementing fair and anti-discrimination policies for all stakeholders. Zorlu Enerji adopts an ethical, transparent and accountable corporate governance approach by developing and implementing fair and anti-discrimination policies for all stakeholders.
  - Stakeholder Communication
  - Environmental and Social Governance Principles Commitment

# Human Rights Commitments

Zorlu Enerji has developed and implemented its Corporate Restructuring and Human Rights Commitment in alignment with the Human Rights Policy of Zorlu Holding, of which it is a 32.3% shareholder. In accordance with this commitment, Zorlu Enerji has also developed its Supply Chain Policy, Human Rights Policy, and Occupational Health and Safety Policy for different purposes of related Management Systems. These commitments align with our social responsibility standards implementations; ISO 45001, ISO 26000 and ethical labor practices as outlined in SA8000, demonstrating our dedication to protecting and promoting human rights within our organization.

You can access these policies through the following links.

- [Zorlu Holding Human Rights Policy](#)
- [Zorlu Enerji Human Resources Policy](#)
- [Zorlu Enerji Sustainable Supply Chain Policy](#)
- [Zorlu Enerji Health & Safety Policy](#)

## Corporate Restructuring and Human Rights Commitment



At Zorlu Enerji, we are committed to respecting and upholding human rights in accordance with internationally accepted standards, including the United Nations Universal Declaration of Human Rights, the International Labour Organization's core conventions, and other global agreements to which our country is a party. This commitment highlights requirements and spans across our operations, partnerships, suppliers, and the products and services we offer.

We prioritize the well-being of our employees and ensure that corporate restructuring processes (such as company sales, mergers, acquisitions, or changes in business processes) do not negatively impact their rights or working conditions. Our commitment includes the following key principles:

### **1. Respect for Human Rights Across All Operations**

We are committed to preventing and addressing human trafficking, forced labor, child labor, discrimination, and ensuring freedom of association, the right to collective bargaining, equal remuneration, and non-discrimination across all areas of our operations, including employees, direct activities, products, and services.



## **2. Employee-Centered Restructuring**

We ensure that our employees' rights and well-being are at the core of any corporate restructuring process, with measures taken to mitigate any negative impacts on their rights, working conditions, and employment security.

## **3. Human Rights Due Diligence**

We conduct thorough human rights due diligence in our own operations, focusing on labor rights, safety, and working conditions, particularly during periods of corporate change. This includes assessments across direct activities, products, and services, to ensure that no adverse human rights impacts occur.

## **4. Senior Leadership Involvement**

Our senior leadership plays an active role in guiding and overseeing restructuring processes, ensuring institutional integration and the safeguarding of human rights throughout all stages of corporate transitions.

## **5. Dialogue and Problem Resolution**

We foster open and continuous dialogue with employees and their representatives, ensuring that any concerns or issues arising during corporate changes are addressed promptly and transparently. Our aim is to resolve problems in a collaborative manner that respects employees' rights.

## **6. Transparency in Corporate Change**

We provide clear and timely communication to all employees, including employee representatives, about corporate changes and transformation processes. We ensure that these processes are carried out in line with our commitment to respect workers' rights and prevent any recurrence of violations.

## **Application to Suppliers and Partners**

Our commitment extends beyond internal operations. We require that our suppliers and partners adhere to the same human rights standards we uphold. We conduct assessments and maintain strict oversight to ensure that our business relationships are free from human rights violations, including human trafficking, forced labor, child labor, and discrimination. Suppliers and partners are expected to uphold freedom of association, the right to collective bargaining, and provide equal remuneration to all workers, regardless of gender, race, or other forms of discrimination.

By embedding these principles into our corporate strategy, we aim to ensure that human rights are respected not only within our own operations but throughout our entire value chain, fostering a workplace and business ecosystem where all stakeholders are treated with dignity and fairness.

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CEO, Zorlu Enerji

# Human Rights Due Diligence Process

At Zorlu Enerji, our human rights due diligence process adopts a comprehensive approach to identify, assess, and mitigate risks related to forced labor, human trafficking, child labor, and other potential human rights violations across our operations and value chain. This process ensures that we safeguard the rights of all individuals impacted by our business. Our due diligence process covers the following key elements:

1. **Risk Identification in Our Own Operations**

We systematically identify potential human rights risks within our direct operations, ensuring that our employees can freely exercise their **freedom of association** and the **right to collective bargaining**. Regular assessments are conducted to guarantee that **equal remuneration** practices are in place and that any forms of **discrimination** are promptly addressed.

2. **Risk Identification in Our Value Chain**

Our due diligence extends to our entire value chain, where we actively assess risks related to **forced labor**, **child labor**, and **human trafficking** within the operations of suppliers, contractors, and partners. This ensures that human rights standards are upheld throughout the supply chain.

3. **Risk Identification in New Business Relations**

We conduct comprehensive human rights evaluations when entering new business relationships, such as mergers, acquisitions, and joint ventures. These assessments focus on identifying risks like **human trafficking**, **forced labor**, and **discrimination**, ensuring that human rights are respected in all new ventures and partnerships. Code of Conduct alignment is main instrument for risk identification process in new business relations.

4. **Systematic Periodic Review of Risk Mapping**

We perform **systematic, periodic reviews** of our human rights risk mapping, assessing both actual and potential risks, including those related to **forced labor**, **human trafficking**, **child labor**, **discrimination**, and the **right to collective bargaining**. This continuous review process allows us to proactively address concerns and adapt to emerging human rights challenges. Risk mapping is done in scope of ERM process and used for materiality process.

### Groups at Risk of Human Rights Issues

Our due diligence process recognizes specific groups that may be more vulnerable to human rights issues within our operations and value chain.

These include:

Groups at Risks/ Related DD Process	ISO 45001	SA 8000	ISO 26000	ESIA / IFC	Ethical Hotline
<b>Scope</b>	Joint ventures, power plants, electricity production business, electricity distribution process, contractors, subcontractors	Power plants and electricity production business	Critical suppliers	Power plants and electricity production business Electricity Distribution business	All shareholders
Own employees	X	X	X	X	x
Women	X	X	X	X	x
Children				X	
Indigenous People			X		
Migrant workers	X	X	X	X	
3 <sup>rd</sup> party employees	X	X	X	X	X
Local communities	X		X	x	x

By integrating these practices into our operations, we ensure compliance with our management system standards, including **ISO 45001**, as well as social responsibility standards **SA8000** and **ISO 26000**, safeguarding the rights of all stakeholders involved.

Our due diligence processes specifically addresses actual or potential human rights issues such as:

- Forced labor
- Human trafficking
- Child labor
- Freedom of association
- Right to collective bargaining
- Equal remuneration
- Discrimination

After the due diligence processes, the identified risk areas are investigated, and the findings are monitored through the QDMS platform and reported to senior management.

## Human Rights Assessment

Regular human rights assessments are conducted to ensure ongoing compliance with our commitments and relevant standards that Zorlu Enerji implements. These assessments evaluate risks related to forced labor, freedom of association, right to collective bargaining, equal remuneration, discrimination and child labor, ensuring that our practices uphold the freedom of association and right to collective bargaining. We also review our policies to guarantee equal remuneration and to prevent discrimination. By aligning with our management system standards implementations; IFC, ESIA, ISO 45001, and social responsibility standards SA8000 and ISO 26000, our assessments help us continuously improve and maintain high standards for human rights within the organization.

	<b>% of total assessed last three years</b>	<b>% of total assessed last three years where risks have been identified</b>
<b>Own Operations*</b>	48	0
<b>Contractors</b>	36	0
<b>Joint Ventures</b>	12	0

*\*ISO 45001 coverage ratio is 76%, SA8000 coverage ratio is 48%, SA coverage ratio is given for own operations.*

The results of the human rights assessment are reported to the process owner and senior management according to the relevant procedure. Findings related to the ESIA process are reported to the relevant financial institutions or government authorities in the ESIA progress report, while the evaluation results under the management systems (such as ISO 45001, SA 8000, ISO 26000) are shared with all interested parties upon management approval.