Zorlu Enerji

Sustainability-Linked Bond Framework

18th September 2024

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1. Overview of Zorlu Enerji

1.1 Introduction to 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.

Power Plant	Electricity Generation Capacity (MW)	Steam Generation Capacity (Tons/Hour)
Natural Gas	83.83	98.00
Wind	135.00	
Hydroelectric	118.94	
Geothermal	305.00	
Total	**642.77**	**98.00**

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.

1.2 Sustainability at Zorlu Enerji

Zorlu Enerji's Sustainability Strategy

All of Zorlu Enerji's operations are structured in line with the vision of "being the clean energy company of the future". At the core of Zorlu Enerji's sustainability strategy are the following main pillars.

Nature Stewardship and Value Chain

Zorlu Enerji's top priority is to contribute to the renewal and restoration of the biosphere, on which the existence of humanity and all living beings depends.

People and Culture

Developing innovative business models to contribute to the restoration of the ecosystem is only possible with sustainable communities.

People and communities are the cornerstones of a sustainable society. Establishing healthy systems is essential for the sustainability of societies and therefore humanity. With Zorlu Enerji's business and culture-focused approach, the business aims to have a positive impact on everyone it interacts with, from employees to local communities. Owing to innovative business models, Zorlu Enerji works to improve the ecosystem and create new organizational structures that meet the needs of individuals. Employee wellbeing is ensured by attaching importance to diversity and inclusion, as part of which

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.

Impact-Driven Growth

Zorlu Enerji is designing the future with sustainability-focused innovative business models.

In light of crises and changing conditions, focus is placed on sustainable solutions with new business models and innovation. We develop profitable businesses by considering environmental and social benefits and grow in the fields of digitalization and e-mobility.

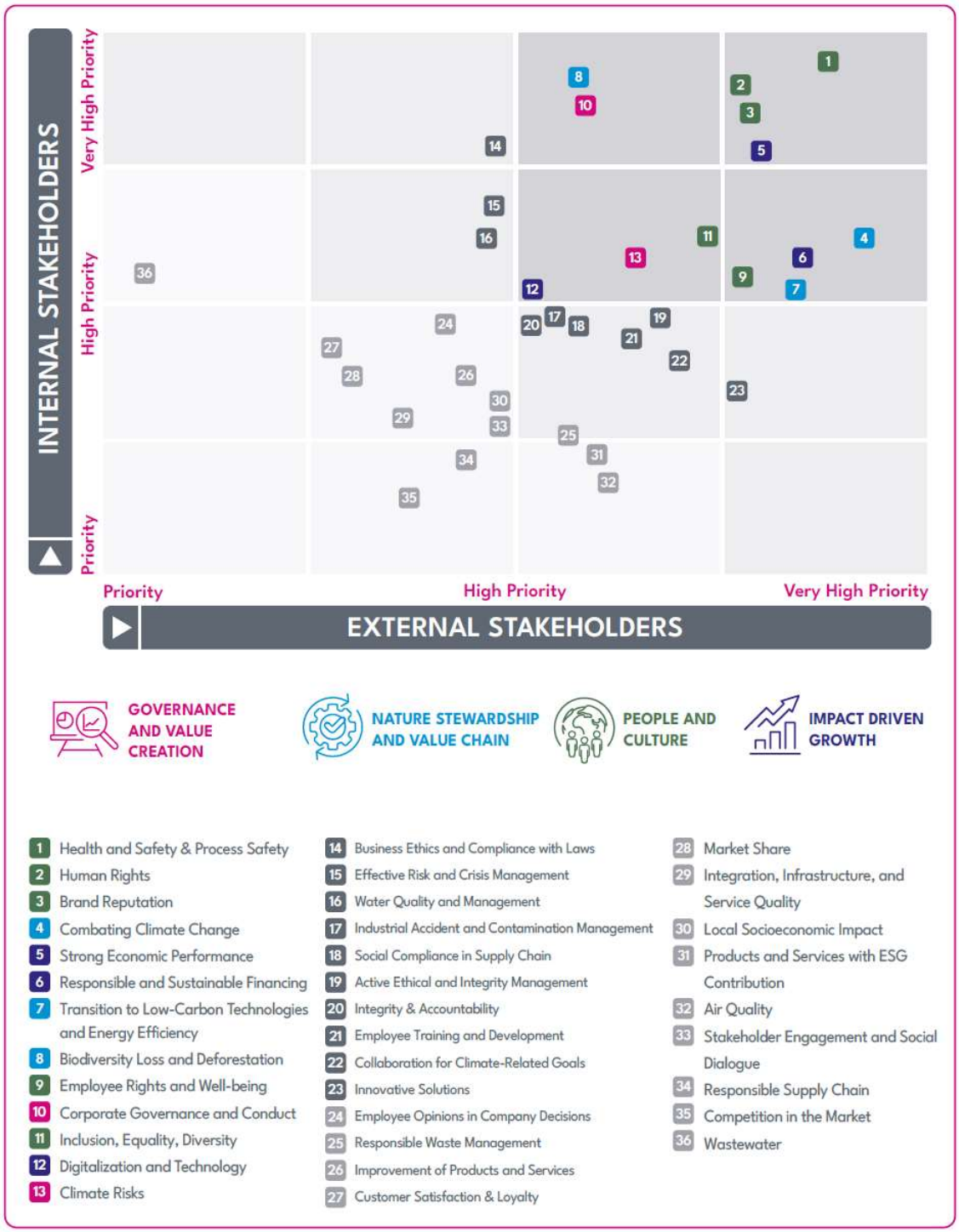
Zorlu Enerji aims to generate 20% of turnover from regenerative and impact-driven businesses by 2030, and we to pioneer electric mobility infrastructure by facilitating access to clean energy. With innovative business models, access will be improved to sustainable financing instruments.

By 2030, Zorlu Enerji intends to finance all new projects in Türkiye with sustainable financing instruments and to maximize the use of these instruments in Türkiye, thus confirming the efficiency of the business model.

Materiality Analysis

In line with its aim to create value and promote sustainable development in the societies in which Zorlu Enerji operates, while protecting both stakeholders and the environment, a comprehensive materiality analysis was conducted in 2022, focusing on 38 issues.

Of these issues, 12 were classified as “very high priority issues”, 12 were “high priority issuers” and the remaining 14 were “priority issuers”. The Material Issues Matrix is below.



The most high-priority item for external stakeholders was **Combating Climate Change**.

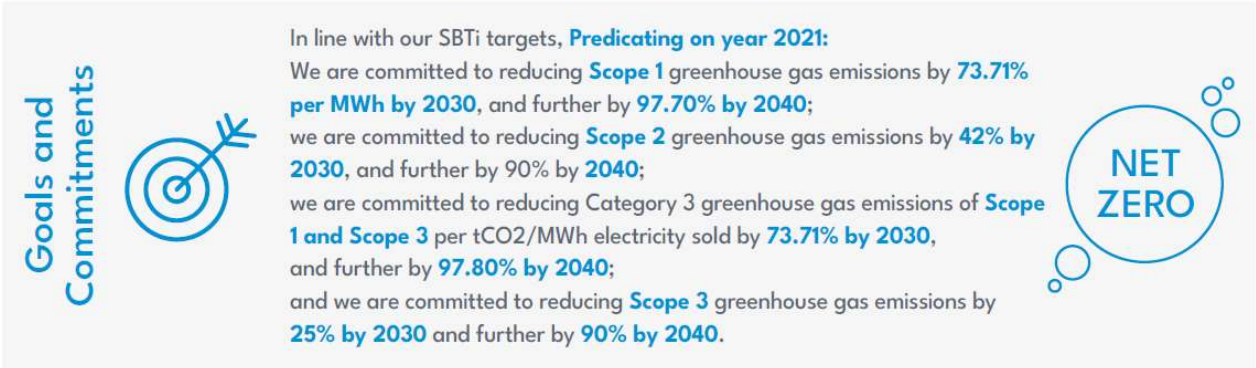
History of Sustainability at Zorlu Enerji

Zorlu Enerji's sustainability journey has been very longstanding to-date, originating back to at least 2010, demonstrating Zorlu Enerji's deep commitment to sustainability and responsible business practices throughout its organisation.

Science-Based Targets Initiative

Zorlu Enerji is committed to the goal of reaching net-zero Greenhouse Gas emissions across the value chain by 2040

To that end, Zorlu Enerji was the first energy company in Türkiye to receive target validation from the Science-Based Targets Initiative (SBTi)[1], affirming that its decarbonisation targets in both the near- and long-term are aligned to the goals of the Paris Agreement, to limit the rise in global temperatures to no more than 2ºC, and ideally no more than 1.5ºC, compared to pre-industrial levels.



It is on the basis of these externally-validated Science-Based Targets that Zorlu Enerji is publishing its Sustainability-Linked Bond Framework.

Overview of SBTi-validated targets and historical performance

Emissions (tCO2e)	2021	2022	2023
Scope 1	1,087,685	1,058,792	743,627
Scope 2	240,010	231,566	233,942
Scope 3 (Fuel and Energy-Related Activities)	3,318,497	2,476,489	2,833,991
Scope 3 (All Other Sources)	665,027	782,414	576,312

[1] https://sciencebasedtargets.org/

Intensity (tCO2e/MWh)	2021	2022	2023
Scope 1 GHG Intensity	0.402	0.385	0.277
Scope 1 and 3(Fuel) GHG Intensity	0.427	0.404	0.408

2030 SPTs	2021	2030	*Reduction*
Scope 1 GHG Intensity	0.402	0.106	*-73.71%*
Scope 2	240,010	139,206	*-42%*
Scope 1 and 3(Fuel) GHG Intensity	0.427	0.112	*-73.71%*
Scope 3 (All Other Sources)	665,027	498,770	*-25%*
2040 SPTs	**2021**	**2040**	***Reduction***
Scope 1 GHG Intensity	0.402	0.009	*-97.70%*
Scope 2	240,010	24,001	*-90%*
Scope 1 and 3(Fuel) GHG Intensity	0.427	0.009	*-97.80%*
Scope 3 (All Other Sources)	665,027	66,503	*-90%*

	2021	2022	2023
Electricity Generation (MWh)	2,708,415.53	2,753,096.00	2,688,413.88
Electricity Sold (MWh)	10,316,402.00	8,756,357.00	8,770,155.37

Impact on the UN Sustainable Development Goals

Across its business operations, Zorlu Enerji has the following material impacts on the UN Sustainable Development Goals (SDGs).

UN SDG	Zorlu Enerji Contribution
	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.
	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 diversifies economic productivity by investing in innovative and sustainable energy solutions. Zorlu Enerji offers a decent and safe working environment for its employees and adopts the policy of equal pay for equal work.
	Zorlu Enerji undertakes research and development activities on innovative energy technologies and sustainable solutions.
	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 preserves natural resources by improving the efficiency in energy generation processes and investing in renewable resources. It further reduces waste production by adopting environmentally friendly approaches.
	Zorlu Enerji aligns its infrastructure and operations to climate change in order to reduce the risks related to climate change and increase resilience. Integrates strategies to fight against climate change into business plans.
	Attaching utmost importance to biodiversity, Zorlu Enerji carries out activities to preserve water resources and marine ecosystems.
	Zorlu Enerji prioritizes the protection of biodiversity and forest areas while pursuing its activities. It also contributes this goal by carrying out projects that will support ending deforestation and protecting biodiversity.
	Zorlu Enerji adopts an ethical, transparent and accountable corporate governance approach by developing and implementing fair and anti-discrimination policies for all stakeholders.

Governance and Risk Management

Zorlu Enerji has adopted an integrated and centralized corporate risk management system in order to identify risks that may pose a threat. Thereby it can identify, evaluate and manage its risks in a more comprehensive, effective and cost-effective manner.

A risk management system was established in compliance with the COSO Internal Control Integrated Framework and ISO 31000 Risk Management Standards. Accordingly ISO 9001 and 14001 Management Systems procedures, based on ISO 31000, were implemented. This system constantly reviews risks and opportunities in daily operations. This management strategy makes it easier to analyze, rank and track risks.

Zorlu Enerji adopts a transparent and effective governance structure in managing sustainability-related risks and opportunities. Owing to the cooperation between the Sustainability Committee and the Board of Directors, the corporate governance structure ensures these processes to be managed with a holistic approach. The Sustainability Committee has been exclusively authorized by the Board of Directors to identify and evaluate the company's sustainability-related risks and opportunities and to provide strategic guidance on these issues.

The Committee assumes a critical role in the development and implementation of the sustainability strategies, thus regularly communicates with the Board of Directors. The Board of Directors directly oversees the work of the Sustainability Committee and makes strategic decisions regarding the management of sustainability-related risks and opportunities. This structure is a key factor in the company's understanding of sustainability-related risks and opportunities, responding proactively thereto and achieving sustainable development goals.

The strategy of Zorlu Enerji for managing sustainability and climate-related risks and opportunities is integrated into every stage of our business model and value chain. Climate change-related physical and transition risks, as well as opportunities, are actively taken into account during financial planning and decision-making processes. Zorlu Enerji's resilient strategy towards alignment with climate change and achieving mitigation targets was awarded with an A- score in the CDP Climate field in 2023.

Risk management processes include the ongoing identification, assessment, materiality and monitoring of climate-related risks and opportunities. These processes are integrated with the overall business strategy as part of Zorlu Enerji's corporate risk management framework. By using climate-related scenario analysis, the business determines in advance the potential impacts that may be encountered in achieving long-term sustainability goals and includes these analyses in strategic planning processes.

For a more fulsome description of Zorlu Enerji's approach to climate-related physical and transition risk, please refer to the company's TCFD Report, available on the company's website.

1.3 Rationale for Pursuing Sustainable Financing

Zorlu Enerji's corporate strategy is strongly aligned with its sustainability ambitions. For this reason, Zorlu Enerji is establishing this Sustainability-Linked Bond Framework, in order to align its funding strategy with its corporate strategy, by establishing the ability to issue Sustainability-Linked Financing Instruments which support Zorlu Enerji's sustainability strategy.

It is Zorlu Enerji's expectation that the pursuit of Sustainability-Linked Financing Instruments under this Framework will also:

- Reinforce the commitments Zorlu Enerji has made to sustainable goals, particularly with respect to renewable energy generation
- Provide green impact investors the opportunity to further diversify their portfolios with an issuer of high ESG quality, and promote continued engagement between these investors and Zorlu Enerji
- Facilitate continued enhancement of liquidity and depth in sustainable finance markets; and
- Encourage the development of further Green, Sustainable or Sustainability-Linked Bond Frameworks by other issuers

2. Framework Alignment with Voluntary Market Standards

This Sustainability-Linked Bond Framework ('the Framework') establishes the guidelines under which Zorlu Enerji can issue Sustainability-Linked Financing Instruments. These issuances could include bonds and/or private placements whose characteristics are tied with sustainability performance targets.

Zorlu Enerji's Sustainability-Linked Bond Framework is aligned with the June 2024 version of the Sustainability-Linked Bond Principles ("SLBP")[2], as published by the International Capital Market Association ("ICMA").

This Framework has been prepared in accordance with the core components of the aforementioned guidelines, namely:

Core Components

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Bond Characteristics
4. Reporting
5. Verification

Zorlu Enerji may update this Framework from time to time and at its discretion, to reflect new market developments, including changes to the Sustainability-Linked Bond Principles and related guidance, with the aim of adapting to, and aligning with, best market practices. In the event of material updates to this Framework, Zorlu Enerji will consult with its Second Party Opinion ("SPO") provider on the need for an updated SPO.

The scope of the target boundary, to which this Framework is applicable (including the below KPIs and SPTs), is defined as the entities where Zorlu Enerji has operational control – this includes all subsidiaries of Zorlu Enerji Elektrik Üretim A.Ş as well as that entity itself.

2.1 Selection of Key Performance Indicators (KPIs)

Zorlu Enerji has selected the following four KPIs which are core, relevant and material to its business and industry:

KPI 1: Scope 1 GHG Emissions Intensity from Electricity and Heat Generation, (tCO2e/MWh)

Definition

Scope 1 GHG Emissions are direct Greenhouse Gas (GHG) emissions occurring from Zorlu Enerji's electricity and heat generation activities. The definition of the denominator of the intensity metric will be the energy generated by Zorlu Enerji in MWh.

Calculation Methodology

The Company calculates its Scope 1 GHG emissions according to the International Panel on Climate Change (IPCC) guidelines and the 2006 Guidelines for National Greenhouse Gas Inventories.

[2] Available at https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Sustainability-Linked-Bond-Principles-June-2024.pdf

KPI 2: Absolute Scope 2 GHG Emissions (tCO2e) from Electricity and Heat Generation

Definition

Scope 2 GHG Emissions are defined as indirect GHG emissions from electricity and heat generation.

Calculation Methodology

The Company calculates its Scope 2 GHG emissions via a location-based approach, according to the International Energy Agency – CO_2 Emissions From Fuel Combustion Highlights, and using the GHG Protocol: Scope 2 Guidance.

KPI 3: Scope 1 and 3 GHG Emissions Intensity from Fuel and Energy-Related Activities, (tCO2e/MWh)

Definition

Scope 1 GHG Emissions are direct GHG emissions occurring from sources that are owned or controlled by Zorlu Enerji.

Scope 3 GHG Emissions are other indirect emissions, not covered in Scope 2, arising from fuel and energy-related activities in accordance with the GHG Protocol.

The definition of the denominator of the intensity metric will be the energy sold by Zorlu Enerji in MWh.

Calculation Methodology

The Company calculates its Scope 1 GHG emissions according to the International Panel on Climate Change (IPCC) guidelines and the 2006 Guidelines for National Greenhouse Gas Inventories.

The Company calculates its Scope 3 GHG emissions according to the GHG Protocol Standard.

KPI 4: All Other Absolute Scope 3 GHG emissions, (tCO2e)

Definition

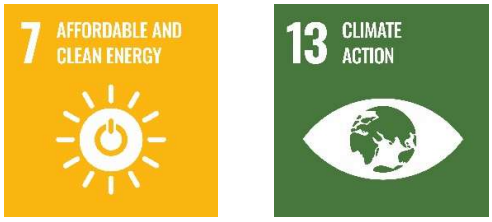
Scope 3 GHG Emissions are other indirect emissions, not covered in Scope 2 and not covered under KPI 3, arising from all other source categories in accordance with the GHG Protocol.

Calculation Methodology

The Company calculates its Scope 3 GHG emissions in accordance with the GHG Protocol Standard.

Contribution to UN SDGs and EU Environmental Objectives

The four KPIs listed above primarily contribute to the following UN SDGs:



The four KPIs listed above also primarily contribute to the following EU Environmental Objective:

2.2 Calibration of Sustainability Performance Targets (SPTs)

For the avoidance of doubt, references to target years in this section denote the end of that calendar year (e.g. "by 2030" denotes "by 31st December 2030").

SPT 1: Reduction of Scope 1 GHG Emissions Intensity from Electricity and Heat Generation

Target

KPI	Near-Term Target	Long-Term Target
KPI 1: Scope 1 GHG Emissions Intensity from Electricity and Heat Generation, tCO2e/MWh	-73.71% per MWh by 2030 vs 2021 baseline	-97.7% per MWh by 2040 vs 2021 baseline

Historical Performance

	2021	2022	2023
Scope 1 GHG Emissions Intensity from Electricity and Heat Generation, tCO2e/MWh	0.402	0.385	0.277

SPT 2: Reduction of Absolute Scope 2 GHG Emissions from Electricity and Heat Generation

Target

KPI	Near-Term Target	Long-Term Target
KPI 2: Absolute Scope 2 GHG Emissions from Electricity and Heat Generation, tCO2e	-42% by 2030 vs 2021 baseline	-90% by 2040 vs 2021 baseline

Historical Performance

	2021	2022	2023
Absolute Scope 2 GHG Emissions from Electricity and Heat Generation, tCO2e	240,010	231,566	233,942

SPT 3: Reduction of Scope 1 and 3 GHG Emissions Intensity from Fuel and Energy-Related Activities

Target

KPI	Near-Term Target	Long-Term Target
KPI 3: Scope 1 and 3 GHG Emissions Intensity from Fuel and Energy-Related Activities, tCO2e/MWh	-73.71% per MWh by 2030 vs 2021 baseline	-97.8% per MWh by 2040 vs 2021 baseline

Historical Performance

	2021	2022	2023
Scope 1 and 3 GHG Emissions Intensity from Fuel and Energy-Related Activities, tCO2e/MWh	0.427	0.404	0.408

SPT 4: Reduction of All Other Absolute Scope 3 GHG emissions

Target

KPI	Near-Term Target	Long-Term Target
KPI 4: All Other Absolute Scope 3 GHG Emissions, tCO2e	-25% by 2030 vs 2021 baseline	-90% by 2040 vs 2021 baseline

Historical Performance

	2021	2022	2023
All Other Absolute Scope 3 GHG Emissions, tCO2e	665,027	782,414	576,312

Interim SPTs

As noted in Section 1.2, Zorlu Enerji was the first energy company in Türkiye to receive target validation from the Science-Based Targets Initiative (SBTi) , affirming that its decarbonisation targets in both the near- and long-term are aligned to the goals of the Paris Agreement, to limit the rise in global temperatures to no more than 2ºC, and ideally no more than 1.5ºC, compared to pre-industrial levels. The targets which SBTi have validated have been set for 31st December 2030 (the "2030 Targets"), and 31st December 2040 (the "2040 Targets") – and these have been set out in this section. All targets have been set against a 2021 baseline year.

From time to time, Zorlu Enerji may issue Sustainability-Linked Financing Instruments which require SPTs falling on dates earlier than 31st December 2030 ("Interim SPTs"). In this event, Zorlu Enerji will calculate the level at which the Interim SPTs should be set, via linear interpolation of the 2030 Targets between 2021 and 2030. Therefore Zorlu Enerji will ensure that the ambition of any required Interim SPTs is consistent with the ambition of its 2030 Targets. For the purposes of such instruments, Interim SPTs will function exactly like SPTs and may be referred to as such.

A summary of all potential Interim SPTs, depending on the financial year for which the necessary data is available, is provided below for all 4 KPIs, from 2025 to 2029. These are levels calculated via linear interpolation of the 2030 Targets.

Interim SPT	KPI 1 (tCO2e/MWh)	KPI 2 (tCO2e)	KPI 3 (tCO2e/MWh)	KPI 4 (tCO2e)
2025	0.270	195,208	0.287	591,135
2026	0.238	184,008	0.252	572,662
2027	0.205	172,807	0.217	554,189
2028	0.172	161,607	0.182	535,716
2029	0.139	150,406	0.147	517,243

Means for Achievement

Zorlu Enerji intends to achieve the above SPTs via measures that include the following steps:

- **Renewable Energy Goals:** Zorlu Enerji aims to increase the share of renewable energy in total production to 100% by 2030. This is a significant step that will ensure Türkiye's energy independence by reducing imported energy and carbon emissions. Accordingly, investment opportunities are being evaluated in energy storage technologies.
- **Investments:** Strategic investments are focused on reducing greenhouse gas emissions and improving energy efficiency. Projects such as expanding Smart Grid systems, establishing hybrid energy facilities and expanding electric vehicle infrastructure will help to achieve decarbonization targets.
- **GECO Project:** Zorlu Enerji is taking part in an international project to reduce carbon emissions due to geothermal energy. For the purpose of this project, R&D activities will be carried out, and innovations will be implemented in the field of geothermal energy with the support provided by the EU's Horizon 2020 program.
- **I-REC and YEK-G Certificates**: Certified electricity will be supplied, for Scope 2 emissions, indicating that the sources where electricity generation is based has a zero-emission factor.
- **RES Plants with Storage Units**: RES Plants with Storage Units are included in our roadmap as a significant mitigating action towards achieving the above goal. Plants with Storage Units, which will provide efficient use of renewable energy as well as energy storage capacity, will help reduce Scope 2 emissions
- **Supplier Assessment and Selection Processes:** Zorlu Enerji further takes sustainability criteria into account for supplier selection and assessment purposes.
- **Strategic Decisions:** Steps are being taken to revise certain activities in our portfolio and optimize our supply chain.

Ambition & Materiality

The SPTs stated above support Zorlu Enerji's alignment with a well-below 2ºC scenario, as set out under the goals of the Paris Agreement, and commitment to reaching net-zero greenhouse gas emissions across the value chain by 2040.

Zorlu Enerji has successfully attained external validation of the ambitiousness of these SPTs from the Science-Based Targets Initiative[3], who note Zorlu Enerji's targets as "1.5ºC aligned".

The selection of KPIs themselves, namely the focus on GHG emission reduction on both an absolute and intensity basis, inclusive of the Scope 3 emissions, is reflective of the inherent materiality of the topic of decarbonisation on Zorlu Enerji's business, as evidenced by the materiality analysis conducted in 2022, and serves as further commitment on the part of Zorlu Enerji to decarbonisation and to responsible business practices.

Factors That May Affect the Achievement of the SPTs

Beyond Zorlu Enerji's direct control, the following factors may affect the achievement of the SPTs.

- Risks associated with the availability of renewable energy investment opportunities that Zorlu Enerji can find and execute
- Risks associated with the availability of certified electricity certificates
- Risks associated with non-guaranteed outcomes from R&D activities
- Risks associated with supply chain issues and regulatory changes which may disrupt capacity to execute strategic plans

2.3 Bond Characteristics

[3] https://sciencebasedtargets.org/

Unless otherwise stated, the net proceeds of any Sustainability-Linked Financing Instrument issued under this Framework, where applicable, will be used for general corporate purposes.

Sustainability-Linked Financing Instruments will incorporate all KPIs as outlined in the "Selection of Key Performance Indicators" section, as specified in each Sustainability-Linked Financing Instrument's respective legal documentation.

All Sustainability-Linked Financing Instruments issued under this Framework will have a sustainability-linked feature that will result in a coupon or margin adjustment, or a premium payment payable, if a Trigger Event occurs.

A Trigger Event occurs if:

- One or more of the selected KPIs have failed to achieve the SPTs on the date specified (the "Target Observation Date")
- The verification of the SPT has not been provided and made public in a timely manner as defined in the legal documentation of the relevant financing

The relevant KPIs, SPTs, coupon or margin step-up amount or the premium payment amount, as applicable, will be specified in the relevant legal documentation of the specific Sustainability-Linked transaction (e.g. Final Terms of the relevant Sustainability-Linked Bond.

For the avoidance of doubt, in the case of Sustainability-Linked Bonds, if the selected KPIs have achieved their SPTs, as identified in the relevant documentation of the Sustainability-Linked Bond, and the reporting and verification for the SPTs have been provided and made public in accordance with the reporting and verification sections of this Framework and the terms of the relevant legal documentation of the Sustainability-Linked Bond, the financial characteristics of the Sustainability-Linked Bond issued by Zorlu Enerji under this Framework shall remain unchanged.

2.4 Reporting

Zorlu Enerji will publish annually, and for any date/period relevant for assessing the trigger of the SPT performance leading to a potential coupon adjustment, a Sustainability-Linked Financing Progress Report, either on a standalone basis or within an Annual Sustainability Report that will include:

- Up-to-date information on the performance of the selected KPIs, including the baseline where relevant
- A verification assurance report, provided by an external verifier, relative to the SPTs outlining the performance of the KPI against the SPT and the related impact, and timing of such impact, on a financial instrument performance
- Any additional relevant information enabling investors to monitor the progress of the SPTs

Information may also include whenever feasible and possible:

- Qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPIs on an annual basis
- Illustration of the positive sustainability impacts of the performance improvement
- Any re-assessments of the KPIs due to any changes to the calculation methodology for the KPIs or significant changes in data due to better data accessibility, if relevant
- Any adjustments to the baseline or KPI(s) scope, if relevant
- Updates on new or proposed regulations from regulatory bodies relevant to the KPI(s) and the SPT(s)

2.5 Verification

Pre-issuance Verification

Zorlu Enerji's Sustainability-Linked Financing Framework has been reviewed by S&P Global Ratings, who provided a Second Party Opinion ("SPO") confirming the alignment of the Framework to the SLBP and SLLP. The SPO is available on Zorlu Enerji's website.

Post-issuance verification

Annually, and in any case for any date / period relevant for assessing the KPI(s) performance against the SPT(s) leading to a potential financial adjustment, such as a step-up coupon, margin or a premium payment on the instrument, until after the SPT trigger event of an instrument has been reached, Zorlu Enerji will seek independent and limited assurance verification by a qualified external auditor against the specified SPTs for the selected KPIs.

The verification of the performance of the KPI(s), along with the external auditor's verification report, will be made publicly available on Zorlu Enerji's website.

2.6 Recalculation Policy

The KPI(s), the baseline, and/or the SPT(s) set out in the Framework may be recalculated by Zorlu Enerji and applied to existing Sustainability-Linked Financing Instruments issued out of this Framework at the occurrence of any significant change in:

- The calculation methodology of any KPI
- The data due to better data accessibility and accuracy or discovery of data errors
- The applicable laws, regulations, official rules, guidelines and policies which are required for the determination of the KPI(s) and/or the SPT(s)
- The Group's perimeter as a result of, for example, acquisition, demerger, merger, corporate reconstruction, divestiture or disposal

Significant change is defined as a change that leads to an increase or decrease in GHG emissions of 5% or greater. Zorlu Enerji may also choose to recalculate the baseline(s) and/or SPT(s) for changes of less than 5%.

In such event of a recalculation of the baseline(s) and/or SPT(s), these will be revised in good faith by Zorlu Enerji, and remain consistent with Zorlu Enerji's sustainability strategy and in line with the initial level of ambition of the relevant SPT.

Baseline(s) and/or SPT(s) recalculation will be reported by Zorlu Enerji in the Sustainability-Linked Financing Progress Report.

Disclaimer

This Sustainability-Linked Bond Framework (the “Framework”) includes forward-looking statements including, but not limited to, statements regarding Zorlu Enerji Elektrik Üretim A.Ş. (Zorlu Enerji) and its subsidiaries and affiliates’ plans, objectives, expectations and intentions and other statements that are not historical facts. Forward-looking statements can generally be identified by the use of words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “aim”, “plan,” “target,” “believe”, “consider” or other words of similar meaning. These forward-looking statements reflect the current views and assumptions of management and are inherently subject to significant business, economic and other risks and uncertainties; actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Zorlu Enerji to control or estimate precisely. 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