

ZORLUENERJİ

INTEGRATED ANNUAL REPORT 2024



**FOCUSING ON THE
ENERGY OF THE FUTURE**



ZORLUENERJİ

**INTEGRATED
ANNUAL REPORT
2024**

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FOCUSING ON THE ENERGY OF THE FUTURE

Just as a lens concentrates dispersed beams of light into a powerful and focused ray, **Zorlu Enerji channels the diverse energy sources offered by nature -wind, solar, hydro, and geothermal- into a unified vision for a sustainable future.** Each resource contributes uniquely: Wind embodies motion, solar represents continuity, water symbolizes life, and geothermal signifies depth. Together, under Zorlu Enerji’s strategic framework, these sources lay the foundation for a resilient and sustainable energy transformation.

Zorlu Enerji’s committed vision is reflected in a wide array of initiatives, from electric vehicle (EV) charging stations to cutting-edge energy storage technologies. **By expanding EV charging infrastructure, Zorlu Enerji reduces carbon emissions and supports the transition to low-impact mobility. At the same time its innovative energy solutions align production with broader environmental and social value.** Just as a lens brings clarity by directing light, Zorlu Enerji’s sustainability strategies and long-term vision illuminate the path forward for the energy sector.

This report underscores Zorlu Enerji’s role not only as an energy producer but also as a catalyst for change -leveraging the potential of diverse energy resources to transform the future. Our commitment to the energy of tomorrow is rooted in a strategic vision that places nature, people, and sustainability at its core.



881.37 MW

Total installed
capacity

THE LENS OF ENERGY

Just as a lens concentrates beams of light into a single, powerful focus, Zorlu Enerji integrates the strength of geothermal resources with wind, solar, and hydro energy to drive a unified vision for a sustainable energy future. By harnessing the energy sources of nature and aligning them with modern-day needs, the Company enables a clean and impactful transformation.

74

**S&P Global ESG
rating score**

COMPLIANCE AND CONTINUITY

Just as the sun delivers uninterrupted energy by consistently focusing its light, Zorlu Enerji manages its operations with unwavering commitment -guided by employee contributions and a focus on transparency, accountability, and alignment with international standards. Our governance approach is rooted in strong collaborations and ethical principles. Through this framework, we ensure operational consistency, foster trust, and drive sustainable transformation across the energy sector.



TL 62 million
Social
investments

A FOCUSED RESTORATIVE FORCE

At Zorlu Enerji, we channel our business model toward restorative operations and circular economy practices, transforming energy into environmental and social value. By harnessing the life-sustaining and regenerative power of water, and using resources efficiently, we deliver sustainable solutions that contribute to societal development.



51%
Reduction in
carbon emissions

CENTER OF MOTION

Wind, with its continuous movement, symbolizes transformation and renewal in the energy sector. At Zorlu Enerji, we harness this dynamic force by aligning it with a broad ecosystem of influence—from our employees and local communities to CSR initiatives and occupational health and safety practices. By managing energy efficiently and purposefully, we shape the future through sustainable solutions driven by wind momentum.

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FOCUSING ON THE ENERGY OF THE FUTURE WITH A STRONG GOVERNANCE APPROACH

With our evolving and strengthening governance structure, we focus on the energy of the future—carrying forward the strength drawn from our roots.

ABOUT THE REPORT



Qualifications, Period and Scope of the Report

As Zorlu Enerji Elektrik Üretim A.Ş. (Zorlu Enerji or the Company), we are pleased to present the Integrated Annual Report for 2024, which includes the financial, environmental, social impact and governance data of our domestic and international subsidiaries and affiliates covering the 12-month period between 1 January and 31 December 2024.

The integrated annual report covers all Zorlu Enerji subsidiaries. The sustainability reporting covers all of the Company's activities in Türkiye and the environmental and social data of the facilities under our control overseas, while the financial reporting covers different activities such as generation of electricity and steam, electricity trade, distribution and sale of electricity and electricity, solar panel trade and installation, electric vehicle leasing, installation and operation of charging points.

With our 2024 report, we aim to make it easier for our stakeholders to obtain information by transparently reflecting the Company's economic, environmental and social performance.



Capitals Approach and Value Creation Model

The report discloses Zorlu Enerji's current operations, future plans and sustainable value creation approach in holistic terms based on the classification of capital proposed by the International Integrated Reporting Council (IIRC).

The report clearly demonstrates the interplay between our business model and strategy, how we manage risks and opportunities, how well we create long-term value and how we contribute to our stakeholders.



Compliance with the Legislation and Regulatory Framework

We have entered a new phase in our integrated thinking and reporting journey. In our 2024 report, we renewed our materiality analysis based on the double materiality approach. In this process, we assessed our financial risks and opportunities as well as non-financial dimensions and integrated the views of our stakeholders into our analysis. We reshaped our risk matrix in a more comprehensive and dynamic manner within the scope of our integrated risk management approach.

Our 2024 Integrated Annual Report has been prepared in full alignment with the materiality principle of the GRI Sustainability Reporting Standards, in accordance with the Integrated Reporting Framework (<IR>). The report has also been guided by the Türkiye Sustainability Reporting Standards (TSRS 1 and TSRS 2) and the European Union's Corporate Sustainability Reporting Directive (CSRD) documents. While the Company's performance is primarily presented through GRI disclosures, our commitments under the Capital Markets Board of Türkiye's (CMB) Sustainability Principles Compliance Framework, the United Nations Global Compact (UNGC) progress report, and the Women's Empowerment Principles (WEPS) have also been considered during the preparation of the report.

The TSRS Report will be published in the following period.



Independent Audit and Assurance

The report is planned to receive independent verification audit in accordance with ISAE3000 (International Standard on Assurance Engagements). Verification reports resulting from the audit will be published on the Zorlu Enerji website.



Statement of Senior Management

With the assessment of Zorlu Enerji senior management, this report provides a detailed overview of the Company's capacity to create value for stakeholders, its performance in 2024 and its sustainability commitments. The Statement of Responsibility for the Board of Directors' Annual Report can be found on page 256 of the report.



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WE CONTRIBUTE TO GLOBAL ENERGY TRANSFORMATION

While energy efficiency and sustainability standards have become increasingly important, investments in clean energy technologies have grown rapidly.

608.47 MW
Total Installed
Capacity in Türkiye

Dear Stakeholders,

In 2024, the world experienced several major events in the form of political events, economic turbulence, global warming, digital and geopolitical developments. While the world economy, which was trying to recover from the pandemic, showed record resilience this year, there were stringent money policies implemented in developed economies to address the cost-of-living crisis and inflation. Despite all these, the world achieved stable economic growth and advances in international trade. The United Nations Department of Economic and Social Affairs (UN DESA) expressed that world trade volume is going to grow 3.4% up to 2024. As per OECD estimates, India, China and the USA are expected to grow at 6.8 per cent, 4.9% and 2.8% respectively in 2024, while the Eurozone will be at 0.8%. Türkiye was able to grow at 3.5%. According to the economic assessment of the OECD in December, average inflation in member countries decreased to 5.4%. In Türkiye, the downward trend of inflation continued, and CPI stood at 44.38% as of December 2024. As inflation started to decrease worldwide, interest rates started to decrease, and money flow started to increase in some economies. While this situation permits aggregate demand to increase, economic growth will persist but at reduced levels than the pre-2019 averages.

On the other hand, environmental challenges, conflicts, and migration driven by industrialization and digitalization continue to pose serious threats to sustainability. In this context, the main agenda item of COP29, held in Baku, was climate finance. However, it was widely agreed that the conclusions reached would not sufficiently contribute to global climate change mitigation efforts or adequately address the financing needs of developing countries.

Urgent need for transformation in energy

2024 was a pivotal year for the energy sector. Global geopolitical tensions caused fluctuations in energy markets, while the urgency to combat climate change intensified. The accelerating impacts of climate change further underscored the need for a radical transformation in the sector.

During this process, technological advancements accelerated transformation and reshaped energy systems. In this context, energy supply security emerged as one of the most important agenda items of the year. Countries intensified their efforts to diversify energy sources, while investments in renewable energy gained significant momentum. The declining costs of solar and wind energy have made these resources more accessible. Furthermore, advancements in energy storage technologies have enhanced the stability of renewable energy supply structures and increased the reliability of energy systems.

The importance of energy efficiency is increasing day by day

As part of efforts to combat climate change, many countries have taken concrete steps toward achieving net-zero emission targets. While energy efficiency and sustainability standards have become increasingly important, investments in clean energy technologies have grown rapidly. Simultaneously, incentives for electric vehicles and smart grid investments emerged as noteworthy developments in the sector. In Türkiye, renewable energy investments have played a crucial role in this transformation. Energy efficiency measures were further strengthened through projects focused on solar and wind energy. The effective use of domestic energy resources was bolstered by natural gas discoveries and increased production.

Ahmet Nazif Zorlu

Chairman of the
Board of Directors



WE ARE PROUD OF BUILDING A SUSTAINABLE FUTURE

As Zorlu Holding, we continue to take strategic steps to adapt to and contribute to global energy transformation. Under the umbrella of Zorlu Enerji, we contribute to sustainable energy generation through investments to expand our renewable energy capacity.

In 2024, we issued USD 1 billion Sustainability-Linked Bond (SLB) Eurobond.

Zorlu Enerji contributes to transformation

As Zorlu Holding, we continue to take strategic steps to adapt to and contribute to global energy transformation. Under the umbrella of Zorlu Enerji, we contribute to sustainable energy generation through investments to expand our renewable energy capacity. We aim to integrate renewable energy generation more consistently with energy storage systems and smart grid technologies. In the field of energy efficiency, we implement climate-friendly and cost-effective practices with advanced technology solutions at every stage from production processes to services.

We effectively utilize green bonds and sustainable financing instruments that comply with international standards to support our projects and establish sustainable financing models. In 2024, we issued USD 1 billion Sustainability-Linked Bond (SLB) Eurobond. These funds were directed toward our renewable energy, energy efficiency, and electricity infrastructure projects. Through such financing instruments, Zorlu Enerji not only creates economic value but also leads to the transformation of the sector with projects that deliver both environmental and social benefits.

Leadership change will take us further

At the beginning of 2025, a significant leadership change took place at Zorlu Enerji. Elif Yener, who has held various management positions within Zorlu Group since 2011, assumed the role of CEO at Zorlu Enerji as of 1 January 2025.

Elif Yener's appointment as the first female CEO of our Group companies reflects Zorlu Group's commitment to diversity and inclusion. I extend my best wishes to Yener, and I am confident that, as one of the leaders of our Smart Life 2030 sustainability strategy, her visionary leadership and innovative approach will contribute significantly to advancing Zorlu Enerji toward a more sustainable and resilient future.

Since 2000, we have been travelling together as colleagues, and I would like to thank Sinan Ak, who has served as CEO of Zorlu Enerji for the last eight years, for his significant contributions to Zorlu Enerji's transformation journey.

Today, as Zorlu Holding, we are proud of building a sustainable future with our achievements and with the values we create. We work with all our stakeholders to meet the needs of the future today with innovative solutions, and we continue our services that will benefit the industry, our country and the planet without slowing down.

I would like to thank our colleagues, business partners and all our stakeholders for their valuable contributions and wish 2025 to be a good and fair year for our world and all humanity.

With the belief that we will reach a brighter and more sustainable future together...

Best regards,

Ahmet Zorlu
Chairman of the Board of Directors

We aim to integrate renewable energy generation more consistently with energy storage systems and smart grid technologies.



WE ARE COMMITTED TO SUSTAINABLE SUCCESS

In 2024, when new records were achieved in natural gas and oil exploration and production activities, a balanced transition plan was demonstrated on the way to the 2053 Net Zero Emission Target.

TRY
29,658
million
Consolidated
Turnover

Dear Stakeholders,

2024 was a year of significant developments in the energy sector due to global and local dynamics. The change and transformation of the energy sector, which has a vital importance in all areas of life, continued unabated this year, while clean energy targets on a global scale continued to be emphasized more strongly due to geopolitical, environmental and political instabilities.

Our country continued to realize a significant transformation in energy production by increasing renewable energy investments, especially solar energy investments. In 2024, when new records were achieved in natural gas and oil exploration and production activities, a balanced transition plan was demonstrated on the way to the 2053 Net Zero Emission Target.

According to the International Monetary Fund (IMF) Global Economic Outlook Update published in January 2025, global economic growth is projected to reach 3.3% in both 2025 and 2026. While this forecast aligns with the IMF's October 2024 report, it remains below the growth rate observed between 2000 and 2020. Despite moderate growth expectations, we are closely monitoring all variables and taking proactive steps toward our targets, particularly during this period when regional differences and potential risks are being carefully assessed.

We maintained our commitment and focused on sustainability

At Zorlu Enerji, we remained committed to sustainable success, aligning our efforts with global trends throughout the year. We continued to expand our portfolio with a strong emphasis on renewable energy, leading the charge in energy transformation. In line with our goal of achieving 100% renewable energy, we advanced our efforts to phase out natural gas operations from our portfolio. Through investments in social

and environmental initiatives, we significantly improved our ESG (Environmental, Social and Governance) score, an important indicator alongside our financial performance. We successfully implemented numerous projects in this area and had the privilege of receiving nine national and global awards in recognition of our achievements.

We demonstrated strong financial performance

With our strong financial performance as Zorlu Enerji, our consolidated turnover reached TRY 29,658 billion in 2024. In the same period, EBITDA was realized as TRY 12.1 billion, while the Net Financial Debt/EBITDA ratio was kept at 3.6.

We attracted the attention of international investors

Through the issuance of USD 1.1 billion Eurobond, we aimed to strengthen our financial strategies and secure resources for new investments. This issuance, designed to enhance our company's financial flexibility and support growth and transformation in the energy sector, successfully attracted the attention of international investors.

The global success of our brands in electrification has grown

Our Zes and Electrip brands continued to grow under Electrip Global Ltd., a joint venture between Zorlu Enerji and Wren House. By signing a co-operation agreement with Hubei, the world's largest e-roaming charging network provider, we ensured that our stations are included in the European roaming network. Within the scope of the agreement, approximately 4,000 Zes EV stations in Türkiye and Electrip EV stations in Italy, France, Bulgaria, Greece, Croatia, Montenegro and Poland have become integrated with hundreds of e-mobility service providers across Europe. Thanks to the global collaborations of our brands, which we aim to strengthen the low-carbon transport infrastructure, we have accelerated the growth journey.

Elif Yener
Sector President



WE WILL CONTINUE TO LEAD TÜRKİYE’S ENERGY TRANSFORMATION

At Zorlu Enerji, we are taking firm steps forward to further enhance our industry leadership and sustainability commitments. We will continue to lead Türkiye’s energy transformation with our renewable energy investments, technological innovations, environmental and social contributions.

We scored 88 points in the ESG assessment conducted by LSEG (London Stock Exchange Group).

SBTi Approval for Zero Carbon Targets
Our 2030 and 2040 net zero carbon targets have been endorsed by the Science Based Targets Initiative (SBTi). This endorsement demonstrates that our company’s actions to address the climate crisis are internationally recognized as consistent and effective.

This year, we also took important steps toward decarbonization in line with our net-zero goal. With the natural gas power plants, we have begun to retire from our overseas portfolio, we have reinforced our goal of building a more sustainable energy future by taking our vision of investing in renewable energy, which we focus on domestically, abroad.

By 2040, we will work with determination to achieve net zero carbon emissions across our operations and value chain.

Successful performance in ESG
In 2024, we consolidated our progress towards sustainability by significantly improving our environmental, social and governance (ESG) achievements. We scored 88 points in the ESG assessment conducted by LSEG (London Stock Exchange Group) and improved our performance from 77 points last year. This success enabled us to achieve one of the highest scores in the sector. We once again proved our leadership in this field by receiving an A score.

We increased our score from 49 to 74 in the 2024 Corporate Sustainability Assessment conducted by S&P Global.
Our strong cooperation with our suppliers also plays a major role in our sustainability performance. This year, we received an A grade in the 2023 Supplier Engagement Rating (SER) conducted by the Carbon Disclosure Project (CDP) and became one of the leaders of the Supplier Engagement Rating (SER).

We reinforce our success in this area by realizing sustainability in all its dimensions. We fulfil our social responsibilities without interruption through projects that increase social benefit and support education, local development and women’s employment.

We continue to work for a Greener World
We continued to shape the future of the energy sector in 2024 with our renewable energy investments, zero carbon target, international awards and innovative efforts. In our sustainability-oriented journey, we are committed to working for a more equal, cleaner and greener world with our stakeholders in Türkiye and around the world.

At Zorlu Enerji, we are taking firm steps forward to further enhance our industry leadership and sustainability commitments. We will continue to lead Türkiye’s energy transformation with our renewable energy investments, technological innovations, environmental and social contributions.

A thank you...
Finally, I would like to extend a special thank you to Sinan Ak, from whom I took over the CEO position at Zorlu Enerji, for his significant contributions to our company.

With confidence in the future of our country, we will continue to carry out our value-added activities that pave the way for, support and strengthen our country, our industry and our Company in 2025. I would like to sincerely thank all our shareholders, business partners, managers and colleagues for their support as we move forward on this path, and I sincerely hope that the year 2025 will bring peace and prosperity to the whole world and our country.

Best Regards

Elif Yener
Sector President



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FOCUSING ON CONTEMPORARY NEEDS AND THE ENERGY OF THE FUTURE

By aligning global trends with local dynamics in a harmonious and sustainable way, we shape the new era of the energy sector.

POWERING AHEAD TO BECOME TÜRKİYE’S LEADING ENERGY COMPANY

We have been persisting our existence as a leading brand in the Turkish energy industry since 1993.

We support sustainable energy transformation with innovative technologies.

Leadership in Sustainable Energy Solutions

In line with our vision, **we have built a strong energy portfolio** in domestic and international markets with the aim of becoming Türkiye’s leading energy company. We are expanding our activities with **end-to-end integrated** services such as electricity generation and distribution, solar panel trade and installation, electric vehicle charging station solutions and electric vehicle leasing.

Future Vision Focusing on Innovation and Sustainability

At Zorlu Enerji, we adopt innovation and sustainability as the cornerstones of our business model and **realize the energy solutions of the future today** with our strategic investments in renewable energy resources.

While continuously expanding our portfolio based on clean energy sources such as geothermal, wind, solar and hydroelectric, **we increase the share of renewable energy and strengthen resource diversity**. While **pioneering Türkiye’s energy transformation** with our leadership in geothermal energy investments, we make a difference in the sector by bringing our know-how to global projects through international collaborations.

With the innovative projects we develop in the field of R&D, we produce solutions that respond to the needs of our industry as well as the future. We are one step closer every day to our goal of becoming a reference point in the sector with our applications, which are the first of their kind worldwide in the field of geothermal energy, and **we support sustainable energy transformation with innovative technologies**.



Leading the Fight against the Climate Crisis

At Zorlu Enerji, we are determined to build the sustainable world of the future with our leadership role in the fight against the climate crisis. In line with our Net Zero Emission target, we continue to invest in renewable energy without slowing down and realize **energy transformation based on low-carbon and environmentally friendly technologies**.

As a pioneer in transparency and accountability in Türkiye’s energy sector, we are proud to be **the first energy company to report** our greenhouse gas emissions **in accordance with ISO 14064-1 standard**. Within the scope of the Carbon Disclosure Project (CDP), we regularly share our carbon footprint data and emission reduction strategies with the public and investors.

Within the framework of the Science Based Targets initiative (SBTi), we have had our 2030 and 2040 targets, which are fully aligned with the 1.5°C scenario, approved. Accordingly, we are committed to significantly reducing our carbon intensity by 2030 and achieving **Net Zero Emissions** by 2040. These targets are a concrete demonstration of our determination to build a sustainable energy future.

The protection of biodiversity and ecosystems is an integral part of our sustainability vision. In this context, we ensure the continuity of ecosystems through projects that respect the balance of nature and minimize our environmental impact through innovative practices. While contributing to Türkiye’s energy transformation, we continue to generate solutions for climate and nature, lead and reshape the future. While supporting a sustainable future with the **Zero Carbon Footprint Forests Project**, we create a wide impact area with awareness-raising activities.

Smart Life 2030: Our Strategy Shaping the Future

“Smart Life 2030” vision offers a holistic strategy that aims to create social benefits while reducing our environmental impact. As a member of the United Nations Global Compact, we maintain our leadership in gender equality, employee rights and social responsibility. As a signatory of the “Women’s Empowerment Principles,” we promote gender equality and develop policies and practices to increase diversity in the workplace.

Community Contribution and Responsible Corporate Citizenship

In line with our understanding of adding value to society, we continue to transform lives with the projects we realize in the fields of education, health and environmental protection. While supporting sustainable development in the regions where we operate, we pioneer initiatives to improve the welfare of local communities.

Our Priority Safety and Health of Our Stakeholders and Employees

The safety of our employees continues to be a fundamental element of our sustainability strategy. We make safety culture an integral part of our operations and take all necessary measures to ensure that our employees have access to a safe and healthy working environment.

The safety and health of our stakeholders and employees is an integral part of our sustainability strategy. We priorities providing safe, environmentally friendly and high standardized energy services to our customers and develop solutions to protect their health and safety. At the same time, we make safety culture a fundamental element of our business processes in all areas we operate, and we take proactive measures to ensure that our employees have access to a safe and healthy working environment.

We are committed to achieving Net Zero Emissions by 2040.

While continuously improving our occupational health and safety standards, we implement the best practices in this field and aim to build a safer future together with our stakeholders.

Our Work for a Better Future

With our strong vision and sustainability-oriented strategy, Zorlu Enerji carries the responsibility of being a pioneering brand in Türkiye’s energy sector and leads the energy transformation. We are determined to build the sustainable future of both Türkiye and the world with our climate-friendly solutions and projects that contribute to society.

ABOUT ZORLU ENERJİ

ZORLU ENERJİ’S FIELD OF ACTIVITY AND INTERACTION

We operate as one of the leading energy companies in Türkiye with a total installed capacity of 881.37 MW.

At Zorlu Enerji, we lay the foundation for a more sustainable future.

As Zorlu Enerji, we add value to the energy sector with innovative and sustainable energy solutions and offer integrated services. We operate in all stages of the value chain such as electricity generation, distribution, trade, smart energy systems and electric vehicle charging infrastructure.

Since 1993, we have been producing low-carbon energy with a total installed capacity of 881.37 MW based on renewable energy sources. With our geothermal, wind, solar and hydroelectric power plants, we support low-carbon energy targets in Türkiye and in international markets. With our leadership in geothermal energy in Türkiye, we contribute to approximately 20% of the country’s total geothermal energy installed capacity.

Under our Zorlu Enerji Solutions (Zes) brand, we have reached more than 4,000 charging stations in over 1,700 locations across Türkiye. We also pioneer energy transformation by diversifying our business model with sustainable financing instruments such as carbon credit sales, I-REC and YEK-G certificates.

ENERGY PRODUCTION

Focusing on renewable energy, we operate as one of the leading energy companies in Türkiye with a total installed capacity of **881.37 MW** from sources such as geothermal, wind, solar, hydroelectric and natural gas.

Renewable energy sources account for 92% of our installed capacity in Türkiye and 70% of our total installed capacity. All our electricity generation in Türkiye is provided by renewable energy sources.

Renewable Energy Solutions

At Zorlu Enerji, we not only generate energy, but also lay the foundation for a cleaner and more sustainable future. In the fight against the climate crisis, **we contribute to Türkiye’s and the world’s decarbonization targets** by leading the transformation of the energy sector.

With our investments in renewable energy and the low-carbon solutions we offer, we develop projects that create economic and social value while reducing our environmental impact. Thanks to our investments in wind, solar and geothermal energy, we continue to pioneer a permanent and effective transformation in the energy sector.



Business Strategy

In line with our growth projection, we are making investment plans to increase renewable energy capacity until 2035. We aim to create a sustainable energy future by accelerating our investments in renewable energy. In this direction, you can access our current project development, pre-license, license and operating license portfolio in the annexes.

Wind Power Plants

We contribute to Türkiye’s energy transformation with our wind energy investments. We are realizing the Tekirdağ Yeniçiftlik and Lüleburgaz Hamitabat Wind Power Plant projects in the Thrace region with high wind potential.

With these projects, we aim to establish **wind power plants with a total capacity of 375 MW**. We have completed the pre-license processes, installed the wind measurement poles and started engineering works.

With the completion of the projects, we aim to make significant contributions to Türkiye’s energy supply security and reduction of carbon emissions by increasing our renewable energy capacity.

Hydroelectric Power Plant

Since 2007, Zorlu Enerji has been establishing hydroelectric power plants and electricity generation facilities based on renewable energy resources and offering the energy produced in these facilities to the market. Within the scope of privatization, we took over the operating rights of seven hydroelectric power plants for 30 years, and we continue electricity generation and improvement works.

Solar Energy and Zes Solar Solutions

As Zorlu Enerji, we are pioneering Türkiye’s renewable energy transformation with our solar energy investments. We expand our solar energy solutions with our Solar Power Plant projects, rooftop systems and Zes Solar brand, and offer energy solutions to global markets by increasing our domestic production capacity.

With our Zes Solar brand, we offer comprehensive solar energy solutions that facilitate access to sustainable and clean energy for individuals and businesses. With end-to-end services ranging from sales to installation of solar panels, we support environmentally friendly energy production and increase energy independence by reducing energy costs.

While our professional technical teams ensure that solar energy systems operate **with maximum efficiency**, we further facilitate the transition to renewable energy with our consultancy services.

In 2024, we sold 200 MW of solar panels and 233 MW of inverters, reducing dependence on fossil fuels and contributing significantly to the reduction of greenhouse gas emissions.

Leadership in Geothermal Energy

As Türkiye’s leading company in geothermal energy production, we represent approximately 20% of the total geothermal energy capacity of our country. While increasing our investments in this field in line with sustainability and efficiency targets, we continue to strengthen our international collaborations.

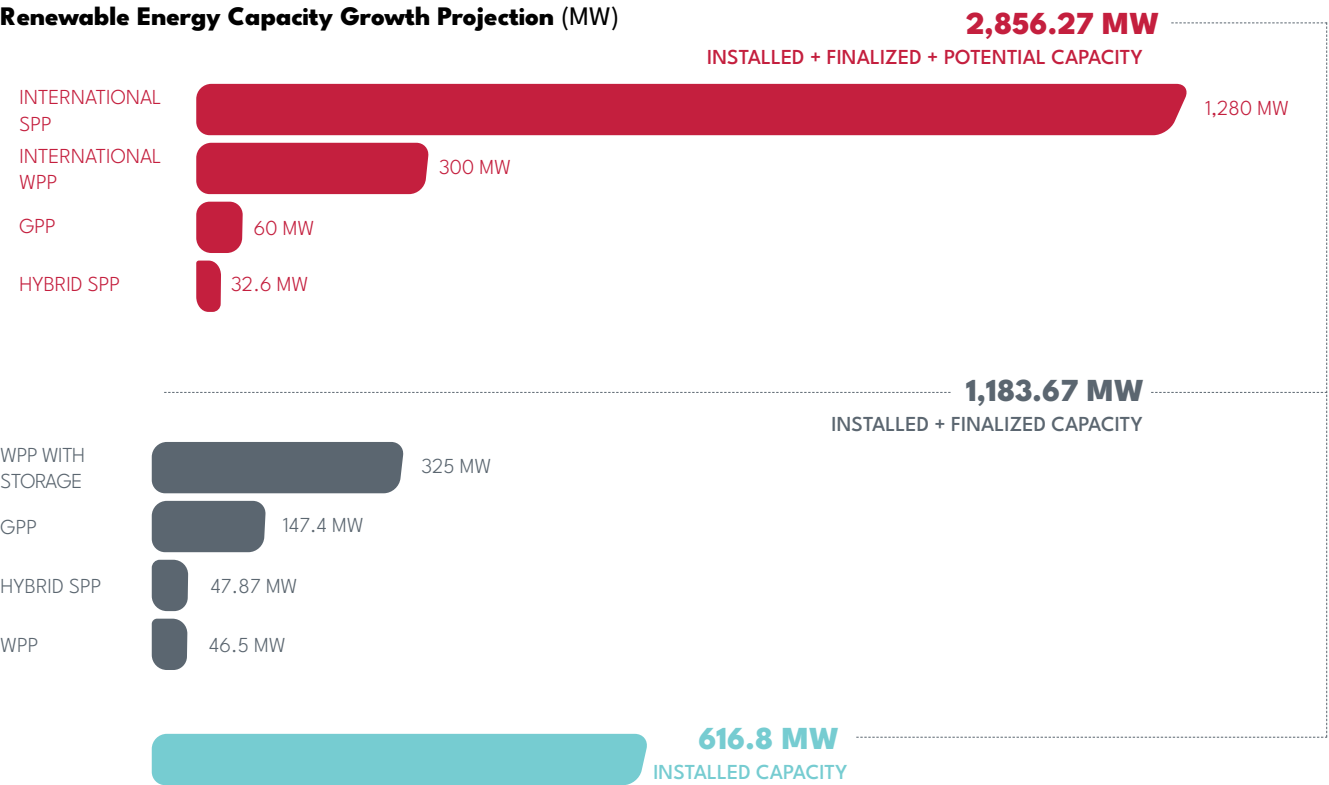
We aim to increase our current 305 MW geothermal capacity to 500 MW. We apply innovative engineering solutions such as ESP (Electrical Submersible Pump) technology to increase efficiency in the fields.

The cooperation agreement we signed with **Harbin Electric International**, one of China’s leading engineering and energy companies, is a strategic step towards increasing the efficiency and reliability of our geothermal energy projects. Within the scope of this cooperation, we aim to maximize the geothermal potential of our country by focusing on innovative technologies in energy production.

We are the leading energy company in our sector with the highest level of investment in geothermal energy. In the coming period, we will continue to increase our geothermal investments within the scope of renewable energy investments. In this sense, we are proud to be a company that produces and serves on a global scale with the international expertise of Harbin Electric International.

Zorlu Enerji General Manager Responsible for Investments, Operation and Maintenance - Ali Kindap

Renewable Energy Capacity Growth Projection (MW)



*Development of the 1,000 MW SPP in the U.S. is ongoing.

ABOUT ZORLU ENERJİ

ZORLU ENERJİ'S FIELD OF ACTIVITY AND INTERACTION

At Zorlu Enerji, we are rapidly continuing our investments in renewable energy with storage to ensure energy supply security and reduce dependence on fossil fuels.

We make a strong contribution to Türkiye's decarbonization targets.

Carbon Capture in Geothermal Energy

Geothermal energy has a strategic importance in our renewable energy portfolio. However, managing the carbon emissions created by the fluid extracted from underground is a critical requirement for the sustainability of this resource. Accordingly, we have implemented the GECO (Geothermal Emission Control) Project to strengthen our leadership in geothermal energy and minimize our environmental impact.

This project, which we carry out together with our international partners, aims to capture carbon emissions at the source and store them safely underground in our geothermal power plants. GECO also enables us to pioneer environmental innovation in our sector by increasing efficiency in energy production.

Detailed information can be found in the R&D and Innovation section.

Hybrid and Storage Power Plants

Energy storage systems are critical to stabilize the fluctuations inherent in renewable energy generation. At Zorlu Enerji, we are rapidly continuing our investments in renewable energy with storage to ensure energy supply security and reduce dependence on fossil fuels. With these investments, **we ensure the uninterrupted and reliable use of renewable energy and make a strong contribution to Türkiye's decarbonization targets.**

To strengthen our energy storage investments, we evaluate cooperation opportunities with Türkiye's leading energy storage technology companies. In this context, innovative solutions developed by the industry's leading companies are among the strategic steps that support our sustainable energy transformation. Possible collaborations in areas such as **lithium-ion battery production and grid-scale energy storage systems** will make significant contributions to the efficient and uninterrupted integration of our renewable energy resources into the grid. In this way, our wind and solar energy projects with storage will have a stronger infrastructure, energy supply security will be increased, and a critical step will be taken towards reducing carbon emissions.

The preliminary license processes for our WEPP with Storage projects with a total capacity of 375 MW in Tekirdağ and Kırklareli have been completed. At our Alaşehir Geothermal Power Plant, we commissioned a solar power plant with a capacity of 3.75 MWp, Türkiye's first hybrid renewable energy facility, and we aim to add another 104 MWp capacity to our portfolio with our hybrid projects.

In the coming years, we aim to significantly reduce carbon emissions by converting all our power plants into hybrid structures.

ELECTRICITY DISTRIBUTION AND RETAIL SALE

In 2017, we acquired Osmangazi Elektrik Dağıtım A.Ş. (OEDAŞ) and Osmangazi Elektrik Perakende Satış A.Ş. (OEPSAŞ) and gained a strong position in electricity distribution and retail sales. With our activities in this field, we increase the reliability of energy supply and priorities customer satisfaction with our investments focused on digitalization and sustainability.

Electricity Distribution Activities (OEDAŞ)

As Osmangazi Elektrik Dağıtım A.Ş. (OEDAŞ), which provides electricity distribution services in Afyonkarahisar, Bilecik, Eskişehir, Kütahya and Uşak provinces, we make a difference in the sector with our technology and localization-oriented investments and carry out management, modernization, maintenance and repair activities of the electricity distribution network. Since 2017, we have modernized the infrastructure with a total investment of TRY 19.4 billion, reducing the age of the network from 26 to 16. In the coming period, we aim to increase infrastructure investments, especially in rural areas. We continue our investments to support the region's energy infrastructure in an uninterrupted and efficient manner.

Domestic Software Development Studies:

Thanks to the domestic software infrastructure we developed to make our electricity distribution services more efficient, the management of more than 2 million subscribers is now provided entirely with domestic solutions. This transformation has led to significant savings in license fees and strengthened our independence in cyber security.

Operational Performance: In 2024, the System Average Interruption Duration Index (SAIDI) was recorded as 15.5 hours per customer per year. According to the System Average Interruption Frequency Index (SAIFI), there was an average of 23.6 outages and the Customer Average Interruption Duration Index (CAIDI) was 39.45 minutes on average. In 2024, the electricity distribution loss-leakage rate is calculated as 6.98%. Our investments in reducing outage times and losses continue to contribute to energy security and customer satisfaction.

Digitalization and Smart Technologies: We monitor our electricity distribution networks with unmanned aerial vehicles and drones with thermal cameras. These systems enable us to detect faults instantly and intervene remotely when necessary. Drone interventions to prevent transformers from freezing during winter periods have been another important innovation that increases our operational flexibility.



We focus on gradually increasing our energy distribution capacity and customer portfolio. In this context, we envisage annual energy distribution reaching 10 TWh and serving 3 million consumers by 2040.

We shape this strategy with an understanding of sustainable growth, energy supply security and customer-oriented service. At Zorlu Enerji, we aim to reach a wider customer base by increasing our energy distribution capacity, to ensure energy efficiency by effectively utilizing renewable energy resources, and to assume a leading role in Türkiye's energy transformation process.

Retail Sales Activities (OEPSAŞ)

We provide uninterrupted service to our subscribers with 18 Customer Service Centers and 1,277 contracted payment points in Afyonkarahisar, Bilecik, Eskişehir, Kütahya and Uşak.

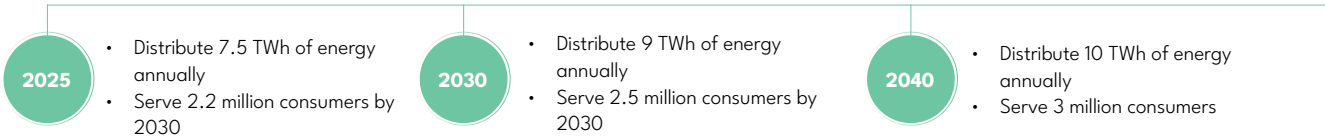
Leadership in Customer Satisfaction

As OEPSAŞ, we provide energy supply to approximately 2 million subscribers and eligible consumers in the Osmangazi Electricity Distribution Region. We are the leader in the energy retail sector with our service network that extends beyond regional borders. We make a difference in the sector by reaching 95.2% in customer satisfaction with our innovative and digitalization-oriented solutions.

Digitalization and Sustainability Oriented Solutions

We make our services more accessible and environmentally friendly with our digitalization projects. We speed up subscription processes with our distance contract and online transaction infrastructures, and save paper, water and energy by encouraging the use of digital invoices. In this way, we both offer convenience to our customers and contribute to our sustainability goals.

Business Strategy



ABOUT ZORLU ENERJİ

ZORLU ENERJİ'S FIELD OF ACTIVITY AND INTERACTION

With our Zes brand, we are reinforcing our industry leadership both locally and internationally by creating the largest electric vehicle charging infrastructure in Türkiye.

We provide uninterrupted driving services to electric car drivers with nearly 4,000 electric vehicle charging stations.

ELECTRIC VEHICLE CHARGING STATIONS AND SMART SYSTEMS

At Zorlu Enerji, we invest in innovative solutions and technologies that will enable the widespread use of electric vehicles to reduce carbon emissions and support sustainable development. With our Zes brand, we are reinforcing our industry leadership both locally and internationally by creating the largest electric vehicle charging

infrastructure in Türkiye. With the knowledge and experience we have gained; we continue our journey in Europe with our 'Electrip' brand.

We provide uninterrupted driving services to electric car drivers with nearly 4,000 electric vehicle charging stations in more than 1,700 public locations across Türkiye.

Business Strategy



In our journey that started in 2018, we completed our expansion across Türkiye by expanding our charging infrastructure with technology leadership, completed the incorporation processes in many countries by reinforcing our presence in Europe, and accelerated our global growth through strategic collaborations.

In the coming period, we aim to continue our growth by focusing on high-power charging infrastructure in Europe by 2025 and to achieve a sustainable position by maintaining our market share in the public charging network by 2030. Our strategy for the future is centered on innovative solutions, strong partnerships and sustainable growth.

Roaming in Electric Vehicles: Next Generation Mobility

Our Electrip brand, which belongs to the Wren House Zorlu Enerji partnership, provides integration into the global electric vehicle charging network by operating in countries across Europe, while efforts are underway to be included in the world's largest e-roaming network in cooperation with Hubject. This cooperation offers electric vehicle users the opportunity to use any charging station in a flexible and uninterrupted way. Our Electrip brand, which belongs to the Wren House Zorlu Enerji partnership, provides integration into the global electric vehicle charging network by operating in countries across Europe, while efforts are underway to be included in the world's largest e-roaming network in cooperation with Hubject. This cooperation offers electric vehicle users the opportunity to use any charging station in a flexible and uninterrupted way.

In electric vehicles, roaming makes it easier for users to access charging stations, eliminating the need to be connected to any one provider. Like roaming technology in mobile phones, vehicle users can easily use stations belonging to different providers nationally and internationally. This innovation encourages the transition to electric vehicles and contributes to a sustainable transport ecosystem.

Sustainability and Innovation Oriented Approach

As Zorlu Enerji, we aim to facilitate the travel experiences of electric vehicle users and lead the transformation processes in the sector by investing in digitalization and advanced technologies in the electric vehicle charging ecosystem. We take an active role in international projects such as the echarge4Drivers project that covers electric vehicle charging stations and energy storage projects, carried out under the European Union's Horizon 2020 programme.

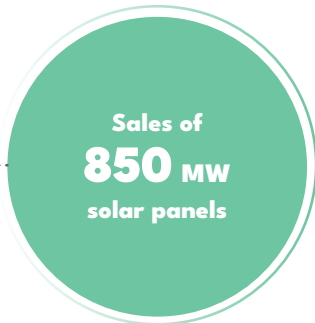
Detailed information can be found in the R&D and Innovation section.

Our strategy for the future is centered on innovative solutions, strong partnerships and sustainable growth.

ABOUT ZORLU ENERJİ

ZORLU ENERJİ'S FIELD OF ACTIVITY AND INTERACTION

As Zorlu Enerji, we carry our expertise in renewable energy to leadership in the solar energy sector with our Zes Solar brand. With our broad product portfolio, strategic collaborations and innovative business models, we are pioneering sustainable energy transformation both in Türkiye and in countries in the region.



SOLAR PANEL AND EQUIPMENT TRADING

Zes Solar
As Zorlu Enerji, we carry our expertise in renewable energy to leadership in the solar energy sector with our Zes Solar brand. With our broad product portfolio, strategic collaborations and innovative business models, we are pioneering sustainable energy transformation both in Türkiye and in countries in the region.

We are the distributor of globally recognized brands such as First Solar, SolarEdge, Jinko Solar, Enphase and Solis in Türkiye. We have achieved a strong position in the sector with the sales of 200 MW panels and 233 MW inverters in 2024, and a total of 850 MW solar panels and 308 MW inverters to date. We priorities quality and international standards in product supply.

Solar Energy Solutions with Storage
2025 will be an important milestone for Zorlu Enerji in solar energy storage solutions. As a company, we aim to set new standards in solar energy storage systems. In this context, we are developing storage systems with 2 MWh and 5 MWh capacities.

We plan to launch these innovative products soon, once the relevant legislation is published and the necessary licenses are obtained. Advances in storage technologies will increase the capacity of energy storage while at the same time improving the continuity and reliability of solar energy.

Strategic Collaborations
We consider supporting domestic production and labor force in the renewable energy sector as one of our main priorities. In this context, we aim to increase Türkiye's competitiveness in the solar energy sector through collaborations with our local business partners. The solar panels we have produced in Türkiye with the contract manufacturing model both strengthen the domestic industry and contribute to the national economy.

With our strategic partnerships, we continue to offer sustainable energy solutions for both domestic and international investors and put innovative technologies at the service of Türkiye. In a strategic cooperation with Astronergy, one of the pioneers of the renewable energy sector, we are bringing PV modules with the latest N-Type TOPCon technology to investors in Türkiye. With this cooperation, we aim to supply a total of 1 GW of PV modules within three years. In addition, by working with global companies in photovoltaic solar energy projects, we increase our export activities and promote the international use of solar energy.

Zes Solar and TBEA Cooperation
Within the scope of the distributorship agreement between Zes Solar and TBEA Group, we have become the sole authorized distributor of TBEA inverter solutions in Türkiye. We believe that this cooperation will contribute to Türkiye's renewable energy targets by increasing dynamism in the solar energy sector. Within the scope of this partnership, we aim to increase the efficiency and sustainability of the projects and support sectoral development through the transfer of global know-how.

Business Strategy
We continue to work towards the domestic production of solar inverters, PCS inverters for storage systems, solar panel cells and storage cells in Türkiye. With these projects planned to be realized until 2027, we aim to increase Türkiye's competitiveness in renewable energy technologies while reducing foreign dependency in the energy sector.

EPC, MAINTENANCE AND OPERATION

As Zorlu Enerji, we are taking a leading role in the development, construction and operation of energy projects both in Türkiye and in international markets by expanding our experience in the renewable energy sector. We support energy infrastructure with sustainable, innovative and efficient solutions through our EPC (Engineering, Procurement and Construction), maintenance and operation services.

International Investments
Pakistan: As part of our renewable energy investments in Pakistan, we contribute to clean energy production with our Jhimpir Wind Power Plant with a capacity of 56.4 MW. To increase the continuity in energy production, we have taken action for a hybrid renewable energy project that will support the existing capacity of this power plant with solar energy. When the project is completed, our installed capacity will reach 300 MW.

In addition, we continue to work on new solar power projects in Punjab Province. These projects are supported by long-term generation licenses issued by the Pakistan National Electric Power Regulatory Authority (NEPRA). We also have a 30 MWp solar power plant under development in the Jhimpir region.

In the Bahawalpur region, the construction of our power plant with a capacity of 100 MWp within the scope of Phase I of the Solar Power Plant Project continues. We are planning Phase II and Phase III of this project, each with a capacity of 100 MWp. With all these projects, we aim to increase our contribution to clean and accessible energy in Pakistan.

Palestine: In line with our strategy to expand and diversify our renewable energy portfolio, we have implemented an innovative solar energy project in the Jericho region of Palestine through ZJ Strong Energy for Renewable Energy Ltd. Co. Dead Sea Solar Power Plant, with an installed capacity of 1,998 MWp, contributes to sustainable energy generation in the region.

In addition, within the scope of our joint venture with JDECO, we are continuing our efforts to commission solar power plants in Palestine, which will reach a total capacity of 100 MW.

Zorlu Repair and Renovation Centre
In cooperation with the German technology company Schaeffler, we established Türkiye's first large-scale **Wind Power Plant Maintenance and Repair Centre** in Denizli. With our center, we received Schaeffler certification, becoming the first company in Türkiye and the third company in the world to achieve this success.



This center has the capacity to perform workshop level maintenance of wind turbine equipment at international standards. With these studies:

- We reduce external dependency and eliminate supply risks.
- We increase efficiency in energy production by reducing operational costs.
- We encourage the use of domestic resources and create employment.

With our Wind Turbine Repair and Maintenance Workshop established in Denizli operating within Zorlu Holding, we provide fast, reliable and high-quality repair and renewal of the main equipment of wind turbines. By achieving our goal of self-sufficiency with domestic resources, we eliminate the supply risks arising from external dependence.

We are proud to be able to repair and maintain the critical equipment of turbines in the fields with entirely domestic resources in the workshop we have established. We aim to increase the use of domestic resources in our sector and create employment.

Today, there are around 4,000 wind turbines in Türkiye and this number continues to grow. Our workshop offers accessible and innovative solutions not only for Zorlu Enerji but also for other investors. Our goal is to transform this facility into a global service center.

Ali KINDAP – Zorlu Enerji General Manager Responsible for Investments, Operations and Maintenance

Circular Economy and Wind Turbine Recycling
With the JIDEP and ELOIAN Projects for the recycling of wind turbines, we received grant support under the European Union's Horizon Europe programme. With these projects:

- Thanks to the recycling of composite materials, we provide raw materials that can be reused in sectors such as automotive, maritime and IT.
- We contribute to the circular economy by supporting the recycling of wind turbine blades.

Detailed information can be found in the Natural Resource Management section.

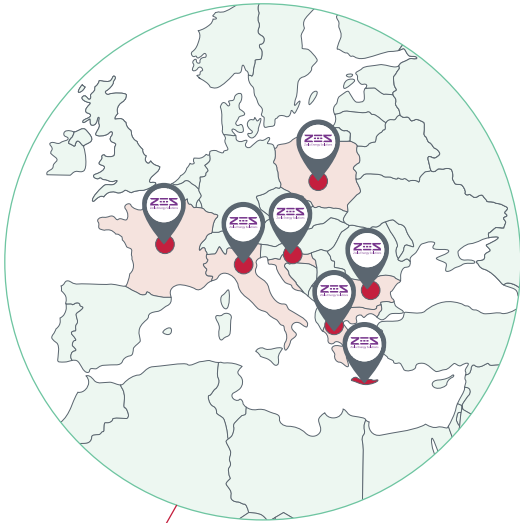
Eskişehir Electrical Panel Factory
Inaugurated in 2023, **Eskişehir Electrical Panel Factory** manufactures panels designed to meet the special requirements of electric vehicle charging stations. With this investment, we contribute to the electric vehicle ecosystem to improve operational processes.



ABOUT ZORLU ENERJİ

ZORLU ENERJİ ACTIVITY MAP

As Zorlu Enerji, we operate in all stages of the value chain such as electricity generation, distribution, trade, smart energy systems and electric vehicle charging infrastructure.



608.47 MW

Total Installed Capacity in Türkiye

6,984,058 MWh

Commercial Electricity Sales

7,242,972 MWh

Net Distributed Electricity

Installed Capacity Abroad



215 MW*

Total Installed Capacity in Israel



1.5 MW*

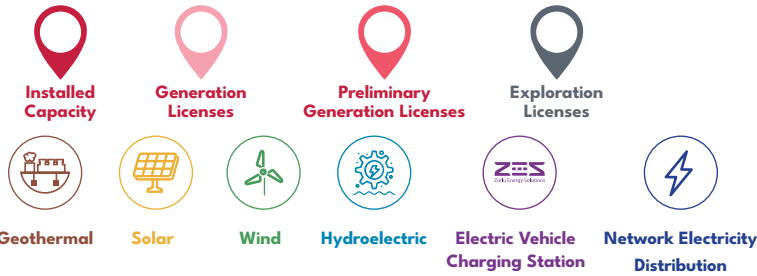
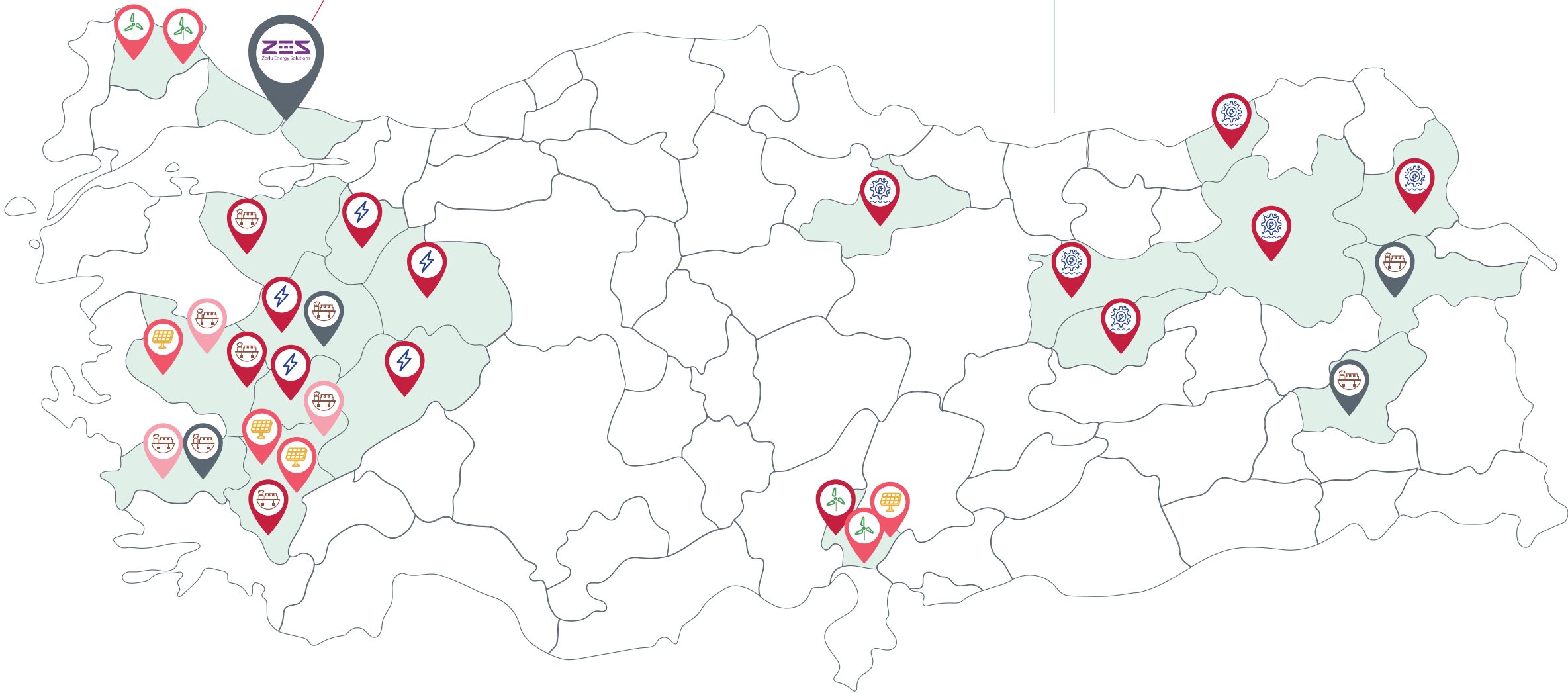
Total Installed Capacity in Palestine



56.4 MW

Total Installed Capacity in Pakistan

Power Plant	Location	Electricity Generation Capacity (MW)
Natural Gas	Israel	215
Wind	Pakistan	56.4
Solar	Palestine	1.5



Installed Capacity in Türkiye

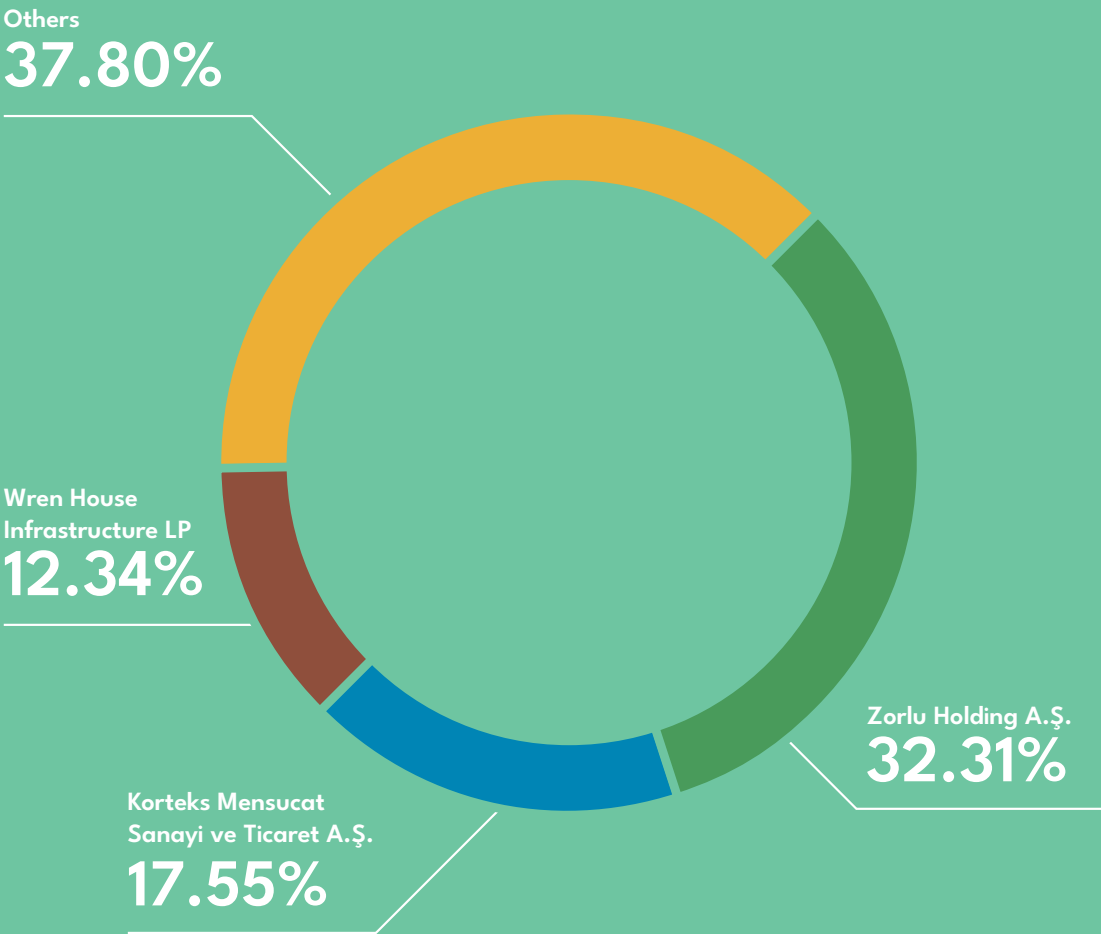
Power Plant	Electricity Generation Capacity (MW)	Steam Generation Capacity (Tons/Hour)
Natural Gas	49.53	98.00
Wind	135.00	-
Hydroelectric	118.94	-
Geothermal	305.00	-
TOTAL	608.47	98.00

ABOUT ZORLU ENERJİ

HIGHLIGHTS IN 2024

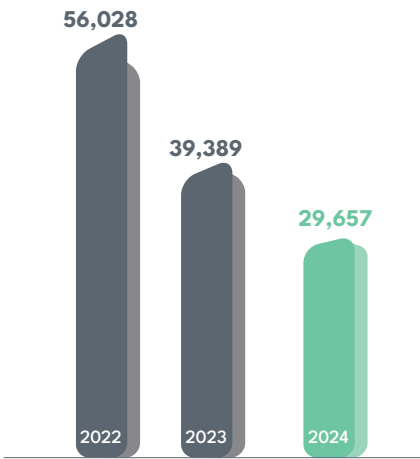
Shareholders - Share in Capital (%)
As of 31 December 2024, Zorlu Enerji's paid-in capital is TRY 5,000,000,000 and the shareholding structure and capital distribution of the Company are as follows.

ZORLU ENERJİ SHAREHOLDING STRUCTURE

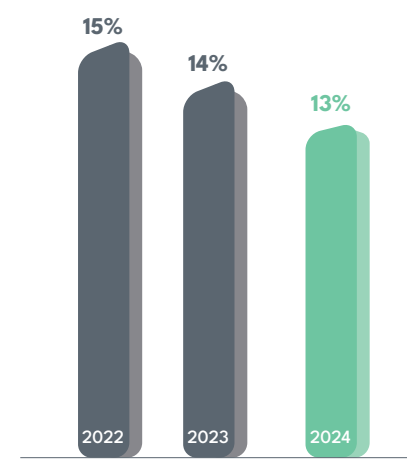


Economic Indicators

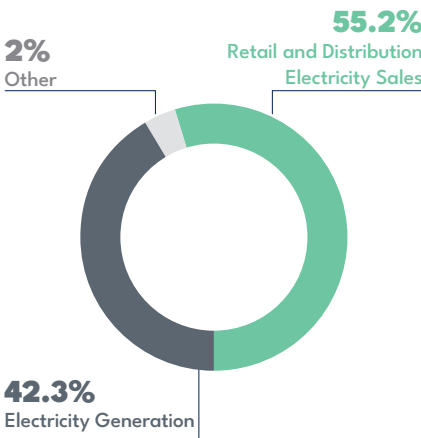
Net Sales (TRY mn)



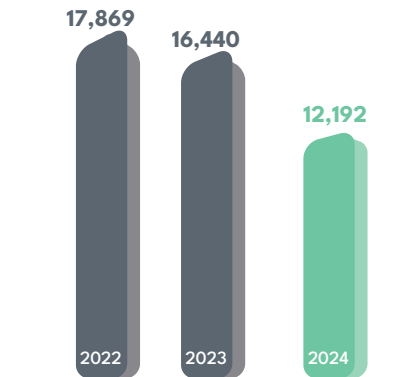
Gross Profit Margin (%)



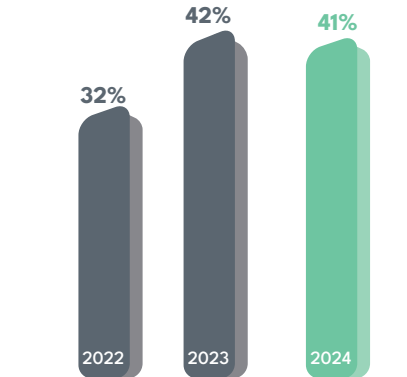
Breakdown of EBITDA by Business Segment



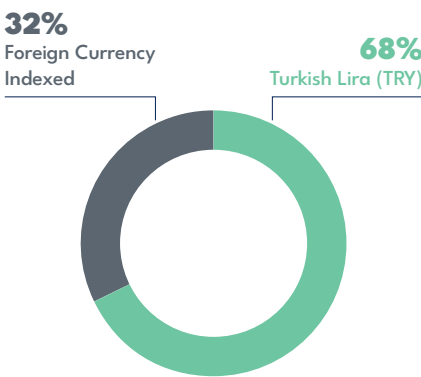
EBITDA (TRY mn)



EBITDA Margin (%)



Breakdown of EBITDA by Currency



Breakdown of Net Sales by Operation

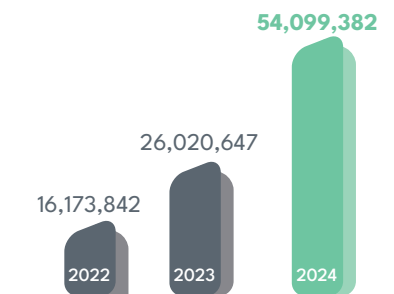
Breakdown of Net Sales by Operation (TRY mn)	2022	2023	2024
Electricity Generation / Geothermal	5,481,007	6,697,268	5,598,911
Electricity Generation / Hydroelectric	870,960	1,061,363	835,956
Electricity Generation / Wind	2,063,415	1,430,083	1,395,847
Electricity Distribution	9,251,270	12,240,132	9,670,039
Retail and Wholesale Electricity Sales	19,342,325	17,870,869	11,901,843
Other	19,018,882	89,596	255,000
Total	56,027,859	39,389,311	29,657,596
Net Sales from Sustainable Business	24,227,640	25,840,098	19,759,965
Share of Sustainable Business in Total Net Sales	43%	66%	67%

ABOUT ZORLU ENERJİ

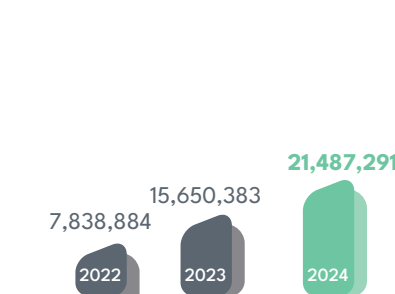
HIGHLIGHTS IN 2024

Investment Budget

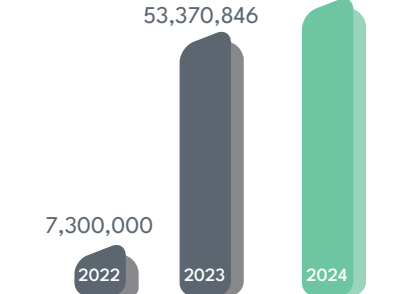
R&D Investments (TRY)



Environmental Investments (TRY)



Social Investments (TRY)



Shareholder Information

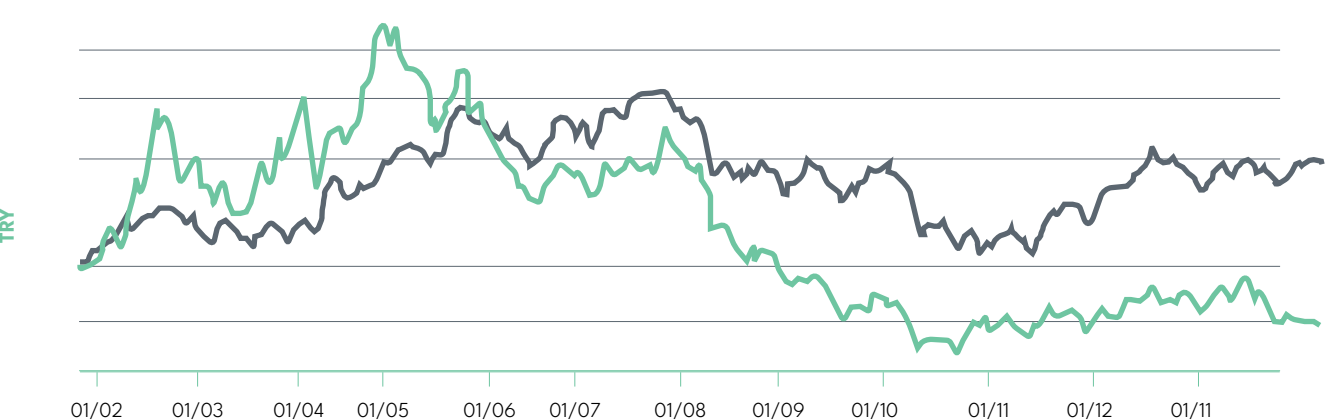
Share Performance and Market Capitalization

Zorlu Enerji shares closed 2024 at TRY 4.36, reaching a market capitalization of TRY 21.8 billion at the end of the year.

Share Price Performance:



Relative Performance:



Zorlu Enerji Share Price Development (2024)

In 2024, Zorlu Enerji shares gained 3.07%, while the BIST XELKT index increased by 13.26%. The highest traded share price during the year was TRY 6.75 on 29.04.2024, while the lowest traded price was TRY 3.89 on 14.10.2024. Zorlu Enerji shares closed the year at TRY 4.36 and its market capitalization was recorded as TRY 21.8 billion.

Zorlu Enerji is not traded in foreign markets except BIST.

Capital Structure

Zorlu Enerji's share capital consists of a total of 5 billion shares with equal voting and dividend rights. In 2024, there was no change in the company's capital. Please refer to the investor relations section of the website regarding the capital structure and the disclosures required by the legislation.

Investor Relations

We endeavor to maintain a high level of transparency and consistency in our financial communications to ensure that our shares and corporate bonds are fairly priced. To this end, our management team and Investor Relations department hold regular meetings with investors and analysts.

These meetings take the form of conference calls where quarterly financial results are announced, roadshows, conferences, capital markets days and individual or group investor meetings. Certain restrictions are imposed prior to the publication of our financial reports.

Zorlu Enerji is followed by equity analysts and bond analysts. Analysts' recommendations and market expectations for Zorlu Enerji's future financial performance are available on the website. The website also includes our annual and interim reports, remuneration report, investor presentations and a wide range of data.

In 2024, Zorlu Enerji shares gained 3.07%.

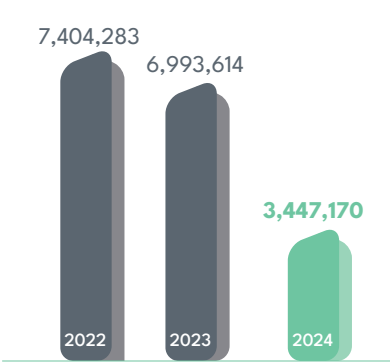
ABOUT ZORLU ENERJİ

HIGHLIGHTS IN 2024

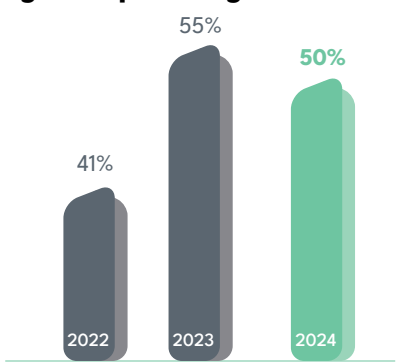
In 2024, we reduced our Scope 3 emissions by 59% and our total carbon emissions by 51%.

Environmental Indicators

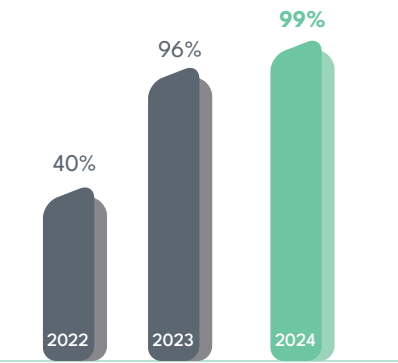
Greenhouse Gas Emissions (tCO₂e)



Rate of Water Consumption in Regions Experiencing Water Stress*



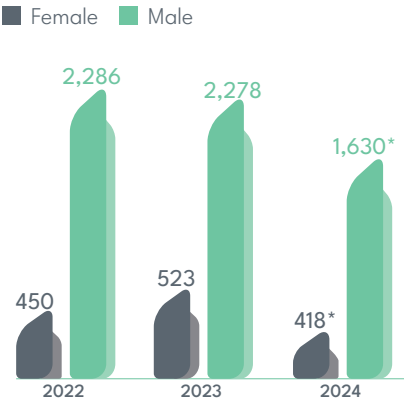
Ratio of Recycled Waste



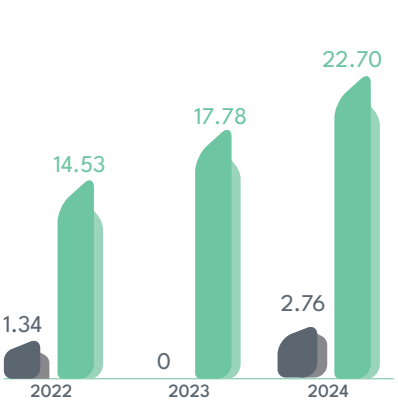
* Calculated based on water consumption in regions with high and very high-water stress.

Social Indicators

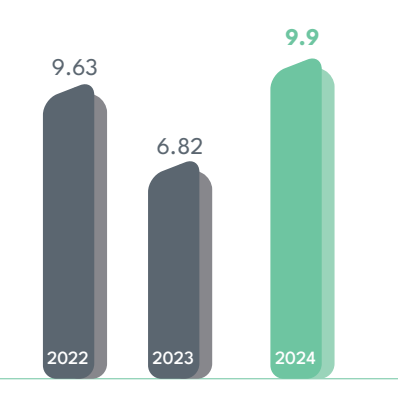
Number of Employees



Accident Frequency Rate** (%)



Training Hours per Employee



*Represents the number of employees as of 31.12.2024.

** Data are consolidated as Zorlu Enerji, OEDAŞ and OEPSAŞ.

2024 MANAGEMENT'S ASSESSMENT FOR THE YEAR 2024

Moving Towards Our Updated Goals...

At Zorlu Enerji, while evaluating our financial performance, we consider Environmental, Social and Governance (ESG) elements in an integrated manner with our Business Strategy. In 2024, we realized a 31% reduction in our total liabilities, not only because of our financial investments, but also because of the value provided by our ESG performance. In our sustainability-linked bond (SLB) issuance process, our Eurobond process was successfully completed in line with our SBTi targets and performance improvement criteria in ESG indices. Our financial strategies and sustainability-oriented approach contributed to the reduction of our liabilities.

In this period, we achieved energy efficiency and cost optimization in our operational processes by reducing our carbon emissions by 51%.

Our social contributions supported sustainable growth through the employment we provided for the local economy and our innovative social projects. For example, while employment was provided in the regions where our renewable energy projects were carried out, projects for social infrastructure contributed to regional development.

Integration of ESG Performance into Business Strategy

Our ESG performance is shaped as an integral part of our Business Strategy. Our investments in sustainability projects in our corporate strategy have resulted in improvements in our ESG scores. In 2024, we reinforced our leadership in sustainability by increasing our S&P Global ESG score by 25 points and our ESG score in LSEG by 14 points. In CDP Reporting, we took our place among the 'management' level companies with a score of B. In addition, in 2024, we set our 2030 and 2040 net zero carbon targets aligned with SBTi targets.

Our investments in renewable energy projects not only improved environmental sustainability, but also increased our energy generation capacity, which had a positive impact on our financial results.

Carbon Emissions

In 2024, we reduced our Scope 3 emissions by 59% and our total carbon emissions by 51%. This reduction was driven by our exit from gas distribution operations and thermal power plants in Israel. We anticipate that our emissions will further decrease in 2025 thanks to our efforts within the scope of our decarbonization strategy.

Management Systems and H&S Performance

The percentage of business facility coverage certified within the scope of Zorlu Enerji integrated management system increased by 56% in 2024 with the inclusion of Zes company in the scope. Within the scope of SA 8000 Social Responsibility Management System, the current number of 11 certifications was maintained in the



transition from 2023 to 2024, and efforts were initiated to increase the percentage of operating facility coverage in 2024. Within the scope of H&S performance, while the number of lost time accidents in all our operations was 31 in 2023, this number decreased to 28 in 2024. While the total number of accidents in subcontractors was 71 in 2023, 84 accidents occurred in 2024.

Digitalization and Artificial Intelligence

Zorlu Enerji continues to strengthen its operational processes with innovative technologies by taking strong steps in digital transformation, artificial intelligence and cyber security. While increasing our business efficiency with our artificial intelligence-supported projects, data analytics solutions and digitalization initiatives such as S/4 HANA SHINE, we implemented DLP (Data Leakage Prevention) for information security. We completed our cyber competence studies in industrial control systems and created a secure and sustainable infrastructure in power plants. We are also strengthening our information security management system by expanding our ISO 27001 certification in our facilities. By investing in the future with the vision of digitalization, we continue to be a pioneer in our sector with innovation-oriented solutions.

Prospects and Strategies

At Zorlu Enerji, we continue to address our ESG targets in an integrated manner with our financial and operational plans in our future strategies. In line with our goal of becoming carbon neutral by 2040, we plan to shift our energy generation portfolio to 100% renewable energy sources, develop our electric vehicle charging stations in the European market and improve our service quality in the Turkish market.

In addition, we aim to allocate 1% of EBITDA in line with the **Zorlu Holding Strategy** to social projects we carry out to increase our social contributions and to contribute to social welfare through innovative programmes to support sustainable development.

In this context, we will continue to develop innovative projects in both financial and non-financial areas to further improve our ESG performance and ensure sustainable growth.

We have left behind a year filled with awards and achievements. At Zorlu Enerji, the awards we received in 2024 have taken our success story one step further.

OUR AWARDS



We are among the Most Reputable Companies in the Energy Generation Sector!
Zorlu Enerji was selected as one of the ten most reputable brands in the energy sector in the 13th Türkiye Reputation Index Survey conducted by the Turkish Reputation Academy this year.



'Diamond' Award in Customer Experience for the Sixth Time
Within the scope of the 8th A.C.E (Achievement in Customer Excellence) Awards organized by Şikayetvar, we were selected first in the energy retail category and received the Diamond Award for the sixth time as the brand that best manages customer experience.



We Received Two Different Awards for Our Women Friendly Projects
We won awards in two categories at the Women-Friendly Brands 2024 Awareness Awards organized by the Women-Friendly Brands Platform:

- Our **"Eşit Bi'Hayat Sözlüğü"** project in the Gender Equality Awareness category
- Our **"Power of Women, Power of the Future"** project won an award in the category of Women's Employment and Equal Opportunities at Work.



Sinan Ak Named Among Sustainability Leaders
In Fast Company's 'Sustainability Leaders 50' survey, Sinan Ak, who has been serving as Zorlu Enerji Sector President since 2016 and handed over to Elif Yener at the end of 2024, ranked 31st with his successful sustainability leadership efforts to date.



We received an award from Green World Awards with our GECO Project
The Green World Awards, organized by The Green Organization, recognizes the efforts of Business, Industry, Governments, Ministries, Departments, Agencies, Authorities and Individuals who have a positive impact on the environment. At the Green World Awards 2024, we won the award in the (FUEL, POWER & ENERGY/CARBON REDUCTION) category with our GECO project.



We Won Bronze Award at Stevie Awards
We were awarded the Bronze prize in the 'Customer Service Department of the Year' category with our Zes brand at the Stevie Awards organized by The 21st Annual International Business Awards®.



We won 3 different awards at the Communitas Awards, where the most socially sensitive social responsibility projects are recognized

- "Course Support Project" in the Company Community Service / Philanthropy category,
- "ZExperience" in the Organization Community Service category,
- "Net Zero Yol Haritası" in the Ethical and Environmental Responsibility / Sustainability category.



2023 We received an international award for our Integrated Annual Report
Our 2023 Integrated Annual Report, which we prepared with Artificial Intelligence technology and concept, was awarded in the 'Platinum' category of the MarCom Awards, one of the world's most prestigious awards in marketing communications.



We Proved Our Contribution to Sustainability with the Low Carbon Hero Award
'Green Step, Clean Future: JIDEP' project won the "Low Carbon Hero" award at the 9th Istanbul Carbon Summit hosted by Istanbul Technical University.



We Became One of the Most Innovative Companies with Our GECO Project
We ranked 22nd with the 'GECO' project in Fast Company's '50 Most Innovative Companies' survey.



We Won Two Awards at Best Business Awards
At the Best Business Awards, one of the most prestigious awards in the UK, the 'Our Energy is Equal' project implemented by OEDAŞ was awarded the 'Equality, Diversity and Inclusion Programme' and the 'Partial Discharge Detection with Radio Frequency Emissions' project was awarded the 'Climate Action Award'.

ABOUT ZORLU ENERJİ

HIGHLIGHTS IN 2024

At Zorlu Enerji, we see the questions and methodology of the indices as guides that will carry our performance forward, and we formulate our action plans by considering our shortcomings on these platforms.

OUR PERFORMANCE IN INDEXES

At Zorlu Enerji, we communicate our environmental, social and governance (ESG) performance to our stakeholders and investors through the indices of international rating agencies. We see the questions and methodology of the indices as guides that will carry our performance forward, and we formulate our action plans by considering our shortcomings on these platforms.

In 2024, we managed to improve our performance in the indices to which we responded.

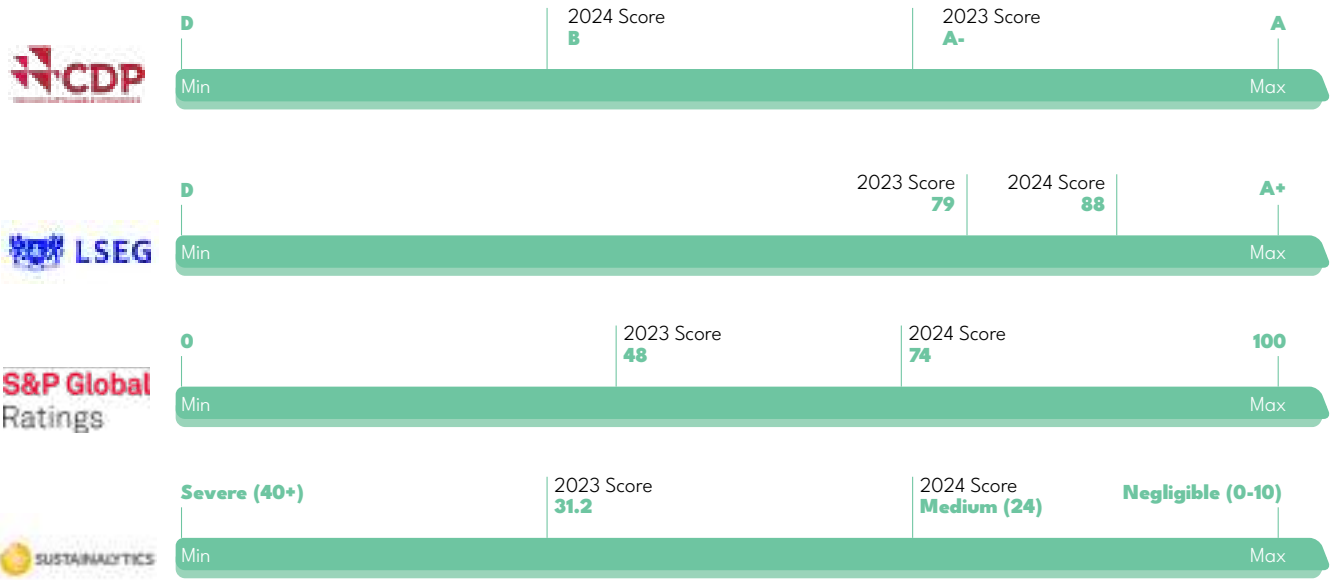
Carbon Disclosure Project - CDP:
Since 2010, we have been participating in CDP and transparently reporting our fight against climate change to our stakeholders. As the first energy company from Türkiye to participate in this project, we took our place among the management level companies by receiving a B score in CDP Reporting in 2024.

S&P Global Corporate Sustainability Assessment (CSA):
In 2024, we resolutely continued the necessary steps to be included in the S&P Global Dow Jones Sustainability Index (DJSI) and made significant progress by increasing our S&P Global ESG Score from 49 points in 2023 to 74 points. On this platform, where our ESG performance is evaluated, we further strengthened our leadership position by outperforming industry averages in all ESG areas.

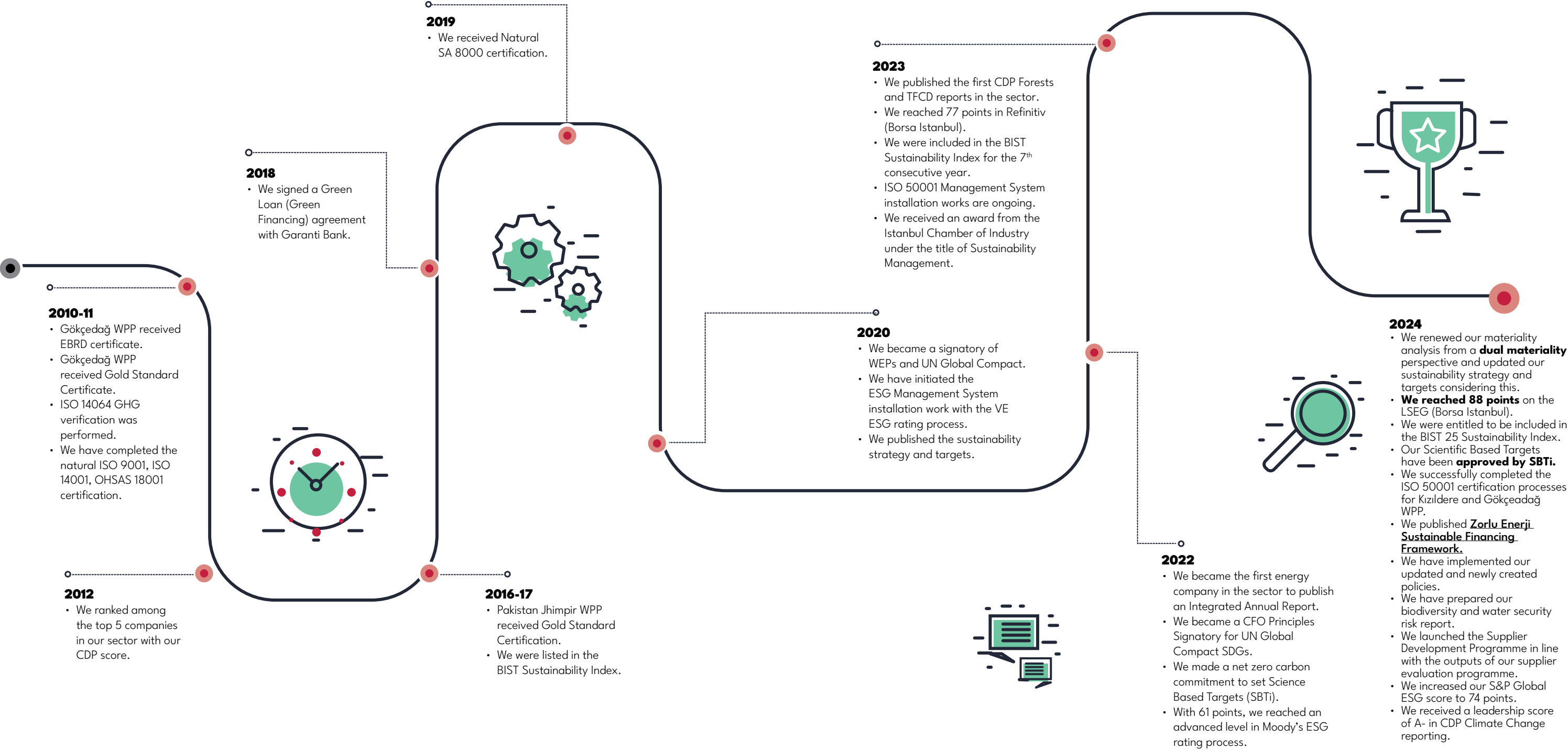
London Stock Exchange Group (LSEG) ESG Assessment and Borsa Istanbul Sustainability Index:
As Zorlu Enerji, we achieved a significant success in the LSEG (Refinitiv) assessment by maintaining our ESG performance at international standards. Our ESG performance improved compared to the previous year and rose to level A and 88 points. While consolidating our leading position in the sector in the Borsa Istanbul Sustainability Index, we maintain our leadership in sustainability by being included in the BIST Sustainability Index for many years.

Sustainalytics ESG Assessment:
In 2024, we were also ranked in the Medium Risk category with a score of 24.0 in the Sustainalytics ESG Risk Assessment, one of the world's leading sustainability rating organizations.

This strong performance in the indices is an indicator of our commitment to our sustainability goals and our leadership in the sector. For 2025, we aim to carry our performance even further by closely following the methodology and assessment changes.



SUSTAINABILITY MILESTONES



WE ANALYZE THE GLOBAL AND SECTORAL TRENDS

We assess the relationship between financial and non-financial trends and Zorlu Enerji and analyze their impact on our value creation potential and long-term strategic goals.

We conduct our operations in line with the expectations of the changing world.

While designing the strategic steps we will take during the year, we carefully analyze the global and sectoral trends affecting Zorlu Enerji's operating environment. We are aware that in today's world, in addition to financial trends, environmental, social and governance (ESG) focused non-financial trends have an increasing impact on the business world. Accordingly, we assess the relationship between financial and non-financial trends and Zorlu Enerji and analyze their impact on our value creation potential and long-term strategic goals.

While analyzing the possible effects of trends on our company's operations, we also make predictions about the future direction and scope of these effects. Thanks to these forecasts, we aim to be more resilient to changing conditions both during the year and in the short and

medium term. By increasing our strategic flexibility and adaptability, we conduct our operations in line with the expectations of the changing world.

In our analysis for 2024, we identified 7 global trends and 3 sectoral trends that have a direct impact on both the energy sector and Zorlu Enerji's operations. We identified the link between these trends and the potential to create value through our capital elements (financial, human, natural, social, production and intellectual capital) and ensured their integration with our strategic focuses.

In line with our predictions about the future trend direction, we priorities our solutions and action plans for these trends.



Global Trends:

Global Trend 1:

Climate Policies and Government Incentives

Trend

The global climate crisis is driving governments to develop regulations in line with carbon reduction and net zero targets. Türkiye's 2053 Net Zero target and strategies based on renewable energy resources create transformation opportunities in the energy sector. Government incentives and international funds support renewable energy projects and sustainable growth.

How Are We Affected?

Climate policies and government incentives are among the main dynamics shaping our fields of activity. Türkiye's renewable energy transition targets and international incentive mechanisms determine the direction of our investments. Incentives such as Renewable Energy Resource Areas (YEKA) and Renewable Energy Resources Support Mechanism (YEKDEM) provide cost advantages in renewable energy projects, while support for charging station infrastructure accelerates electrification processes.

Tax reductions and subsidies make our energy projects more sustainable by reducing investment costs. In addition, we can allocate resources for R&D and innovative projects by utilizing international funds such as Horizon Europe.

Türkiye's targets to increase renewable energy capacity in line with the Climate Change Mitigation and Adaptation Strategy Plans (IDASEP, IDUSEP) enable us to integrate our activities into a stronger sustainability framework. In addition, the European Union's incentives to reduce regional inequalities provide opportunities to develop projects in geographically less developed regions.

DIRECTION OF TREND*:

Increasing ⬆

The tightening of climate policies and the expansion of government incentives continue to move the energy sector towards a long-term transformation process. The development of carbon markets, support for energy efficiency projects and increased investment in renewable energy infrastructure all point to a further strengthening of this trend.

Relevant Material Issues, Impacts, Risks and Opportunities:

* Adaptation to Climate Change, * Energy Management, * Combating Climate Change, * Responsible Sustainable Finance

More information on the impacts, risks and opportunities arising from material issues can be found in the section on Material Impacts, Risks and Opportunities (IROs).

Affected Areas of Activity:

* Renewable Energy Production (Zorlu Enerji), * Solar Panel Distributorship (Zes Solar), * Smart Systems (Zes/Electrip)

Global Trend 2:

Economic Recession and Inflation

Trend:

In 2024, the global economy is shaped by concerns about high inflation and recession. While inflation increases energy costs, economic slowdown leads to fluctuations in energy demand. Difficult access to financing, postponed investments and rising operational costs increase uncertainties in the energy sector and require strategic planning.

How Are We Affected?

High inflation and economic stagnation have a multidimensional impact on our operations. Rising costs and financing difficulties lead our renewable energy projects to more meticulous planning. In our electricity generation and distribution operations, rising costs and pressure on consumer spending affect our profitability. OEDAŞ and OEPSAŞ focus on developing solutions to adapt to demand fluctuations. While increasing costs in our EPC projects necessitate a re-evaluation of price offers, our digitalization and energy efficiency focused projects play an important role in cost control.

DIRECTION OF TREND*:

Stable ➡

Economic uncertainty and high inflation will continue to affect investments and financing processes in the energy sector. However, new opportunities for energy efficiency and renewable energy projects may also emerge.

Relevant Material Issues, Impacts, Risks and Opportunities:

* Resource Management, * Working Conditions, * Responsible Sustainable Finance, * Energy Management

More information on the impacts, risks and opportunities arising from material issues can be found in the section on Material Impacts, Risks and Opportunities (IROs).

Affected Areas of Activity

* Electricity Trading (Zorlu Elektrik), * Electricity Distribution (OEDAŞ), * Electricity Retail Sales (OEPSAŞ), * Renewable Energy Generation (Zorlu Enerji),

SECTOR ANALYSIS AND TRENDS

Global Trends:

Global Trend 3:

Carbon Markets

- Trend:**
Carbon markets are centered around two main mechanisms for reducing greenhouse gas emissions: **voluntary and mandatory carbon markets**.
- **Voluntary Carbon Markets** provide an important platform for companies seeking to offset their emissions by purchasing carbon credits. These markets are a key tool in achieving carbon neutrality targets while supporting sustainability commitments in international trade.
 - **Mandatory Carbon Markets** are regulated by state or regional authorities. Like the success achieved with the European Union Emissions Trading System (EU ETS), Türkiye continues to work on its own national emission trading system (TR ETS) by increasing the carbon costs and encouraging the transition to low-carbon technology.

I-REC and YEK-G, which are renewable energy certification systems, are not part of carbon markets, but are innovative mechanisms that indirectly contribute to carbon reduction by certifying that companies' energy consumption is provided from renewable sources.

Carbon markets and associated mechanisms create a source of motivation to reduce emissions, while at the same time increasing investments in innovation in the energy sector.

- How Are We Affected?**
The different mechanisms of carbon markets directly impact our operations and strategic objectives:
- **Voluntary Carbon Markets:** The carbon neutrality targets of our international customers increase the demand for our renewable energy projects. This contributes to the financing of our projects, while the use of carbon credit strengthens our global collaborations.
 - **Renewable Energy Certification Systems (YEK-G and I-REC):** With I-REC and YEK-G certificates, we support our customers in reducing their carbon footprint. Regulations in Türkiye create a competitive advantage for renewable energy producers and encourage Zorlu Enerji to increase its investments.
 - **Mandatory Carbon Markets (EU ETS and TR ETS):** In sectors exporting to the European Union, carbon regulations at the border with the European Union Emissions Trading System (EU ETS) increase costs and affect the economic sustainability of carbon-intensive operations. Türkiye's transition to a domestic emissions trading system (TR ETS) will accelerate the transformation process in the national energy sector and increase the need for low-carbon technology investments.

DIRECTION OF TREND*:

Increasing 
Both voluntary and mandatory carbon markets will continue to expand. Voluntary markets will support carbon neutrality targets, while mandatory markets will expand their coverage through stricter regulation. Türkiye's transition to the TR ETS will be strategically important for the management of carbon costs and the transition to low-carbon production.

Relevant Material Issues, Impacts, Risks and Opportunities:
* Combating Climate Change, * Adaptation to Climate Change, * Responsible Sustainable Finance

More information on the impacts, risks and opportunities arising from material issues can be found in the section on Material Impacts, Risks and Opportunities (IROs).

Affected Areas of Activity:
* Renewable Energy Generation (Zorlu Enerji), * Solar Panel Distributorship (Zes Solar), * Electricity Trading (Zorlu Elektrik)

Global Trend 4:

Green Finance and Sustainable Financing Models

Trend:
Green financing and sustainable financing models have become critical tools to support the transition to a low-carbon economy. Green bonds and ESG loans aim to reduce the environmental and social impacts of companies by promoting renewable energy and sustainable investments.

How Are We Affected?
Green financing mechanisms provide an important source of funding for our renewable energy and sustainability projects. The projects developed in our fields of activity within Zorlu Enerji and Zes Solar enable the realization of low-cost and sustainable investments. The electric vehicle charging network Zes/Electrip stands out as a part of this transformation. We increase our investments in innovative technologies and R&D activities and expand our sustainable energy solutions with loans that meet ESG criteria. In addition, green bonds increase our financial flexibility and support our long-term growth targets.

DIRECTION OF TREND*:

Increasing 
The demand for green financing is increasing on a global scale. In line with **the EU Green Deal** and global targets such as carbon neutrality - net zero, financial institutions are aligning their credit allocations and investment decisions with ESG criteria, considering environmental impacts. In developing countries such as Türkiye, this trend is accelerating the energy transition by increasing access to financing for renewable energy projects. Considering the **COP29** outcomes, the impact of sustainable financing models is expected to deepen in 2025 and beyond.

Relevant Material Issues, Impacts, Risks and Opportunities:
* Responsible Sustainable Finance, * Combating Climate Change, * Energy Management, * R&D and Innovation

More information on the impacts, risks and opportunities arising from material issues can be found in the section on Material Impacts, Risks and Opportunities (IROs).

Affected Areas of Activity:
* Renewable Energy Generation (Zorlu Enerji), * Zes Solar, * Zes/Electrip

Global Trend 5:

Geopolitical Dynamics and Resource Security

Trend:
Geopolitical tensions are having a major impact on energy security and access to critical raw materials. The Russia-Ukraine war has led to fluctuations in energy prices and vulnerabilities in natural gas supply, prompting countries to focus on energy independence. China's dominance in critical raw materials such as lithium, cobalt and rare earth elements increases the risk of monopolization in supply chains, affecting the costs and timing of renewable energy projects. Moreover, difficulties in the procurement of critical equipment for the energy transition, such as solar panels, inverters and wind turbine components, threaten the sustainability of projects. For Türkiye, investing in domestic and renewable energy sources stands out as a strategic solution to deal with these risks.

- How Are We Affected?**
Geopolitical risks directly affect Zorlu Enerji's operations in three main areas:
- **Supply Chain Risks:** China's dominant role in renewable energy equipment has a direct impact on our projects, leading to price increases and delays in lead times.
 - **Energy Supply Security:** Türkiye's natural gas dependency makes domestic energy investments more important. With our geothermal, wind and solar energy projects, we reduce this risk and contribute to the country's energy independence.
 - **Raw Material Dependency:** Supply risks in raw materials such as lithium and cobalt affect the cost and duration of our energy storage projects.

Against these risks, we reduce external dependency in procurement processes by developing local solutions such as Eskişehir Electrical Panel Factory and Denizli Wind Turbine Equipment Repair and Maintenance Workshop established within Zorlu Holding, together with our renewable energy production facilities and hybrid production models. We strengthen our operational resilience by increasing our domestic production capacity.

DIRECTION OF TREND*:

Increasing 
Geopolitical risks and supply dependency in critical raw materials will continue to be one of the key factors determining the pace of global energy transition. In particular, the goals of ensuring energy supply security and reducing external dependence will be higher on Türkiye's strategic agenda in the coming period.

Relevant Material Issues, Impacts, Risks and Opportunities:
* Resource Management, * Energy Management, * Responsible Sustainable Finance, * Dependence on Ecosystem Services

More information on the impacts, risks and opportunities arising from material issues can be found in the section on Material Impacts, Risks and Opportunities (IROs).

Affected Areas of Activity:
* Renewable Energy Generation (Zorlu Enerji), * Electricity Distribution (OEDAŞ), * Electricity Trading (Zorlu Elektrik), * Solar Panel Distributorship (Zes Solar)

Global Trend 6:

Workforce Transformation

Trend:
Digitalization, growth in the renewable energy sector and changing working models after the pandemic are reshaping the dynamics of the business world. While the increasing importance of digital competencies and the demand for a specialized workforce accelerate workforce transformation, flexible and value-oriented working models determine employee expectations.

- How Are We Affected?**
Digitalization and renewable energy investments require us to continuously improve the competencies of our workforce:
- **Renewable Energy Projects:** Our demand for a workforce with technical expertise and field experience is increasing. We meet this need with our internal training programmes and support the development of the sectoral talent pool.
 - **Digital Skills:** With our employees who have digital competences in areas such as smart systems and data analytics, we strengthen innovation and carry our digital transformation projects forward.
 - **Hybrid Working Models:** While increasing employee satisfaction with hybrid working models, we are developing our remote working infrastructure. This model provides emission and cost savings while supporting work-life balance.
 - **Corporate Culture and Values:** We offer a value-oriented environment for our employees by prioritizing fair working conditions and social inclusion.

DIRECTION OF TREND*:

Increasing 
Digitalization and growth in the renewable energy sector will continue to increase the demand for qualified labor. Flexibility and value-oriented working models will continue to be decisive in the business world.

Relevant Material Issues, Impacts, Risks and Opportunities:
* Working Conditions, * Supplier Rights, * Corporate Rights, * Community Welfare

More information on the impacts, risks and opportunities arising from material issues can be found in the section on Material Impacts, Risks and Opportunities (IROs).

Affected Areas of Activity:
* Renewable Energy Production (Zorlu Enerji), * Smart Systems (Zes/Electrip), * Electricity Distribution (OEDAŞ), * Electricity Retail Sale (OEPSAŞ)

SECTOR ANALYSIS AND TRENDS

Global Trends:

Global Trend 7:

Technological Leaps with Artificial Intelligence

Trend:
Technologies such as Artificial Intelligence (AI), the Internet of Things (IoT) and robotic automation are transforming the energy sector. These technologies offer innovative solutions in a wide range of areas, from energy demand forecasting to grid management, from maintenance and inspection of generation facilities to consumer-oriented energy management. Energy companies are putting digitalization at the heart of their business models to increase operational efficiency, minimize energy losses and achieve sustainability goals.

- How Are We Affected?**
The energy sector faces challenges as well as opportunities offered by technological leaps. The renewable energy, Electricity Distribution and Smart Systems areas in which we operate as Zorlu Enerji are directly affected by these trends:
- **Renewable Energy Production:** AI and data analytics offer opportunities to optimize production from renewable energy sources. However, the rapid advancement of technology increases the need for investment to integrate these systems. We carefully monitor and manage funding needs and resources.
 - **Energy Distribution and Trade:** IoT-based smart energy systems enable energy grids to operate more flexibly and efficiently. However, this transformation requires modernization of the existing infrastructure. This can put companies under pressure in terms of both financial resources and technical competences. We continue our resource development efforts for the effective use of resources and continuously monitor performance.
 - **Human Resource:** Digitalization increases the demand for a qualified workforce and brings the risk of a competency gap. We focus on training and planning processes to develop our workforce in this direction.
 - **Cyber Security Risks:** While strengthening our digital infrastructure, we are increasing our security measures against increasing cyber threats.

DIRECTION OF TREND*:

Increasing 
Artificial Intelligence and digitalization will continue to shape the future of the energy sector. As technological developments accelerate, companies' investments in digital transformation will accelerate in order to increase operational efficiency, achieve sustainability goals and maintain competitive advantage.

Relevant Material Issues, Impacts, Risks and Opportunities:
* R&D and Innovation, * Energy Management, * Relations with Suppliers

More information on the impacts, risks and opportunities arising from material issues can be found in the section on Material Impacts, Risks and Opportunities (IROs).

Affected Areas of Activity:
* Smart Systems (Zes/Electrip), * Electricity Trade (Zorlu Elektrik), * Electricity Distribution (OEDAŞ)

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Sectoral Trend 1:

Sectoral Trend 1:

Transformation of Energy Markets: Deregulation, Decentralization and Democratization

Trend:
The energy sector is evolving away from a centralized structure towards a more liberal, competitive and participatory model. While deregulation gives consumers the freedom to choose their suppliers, decentralization encourages local energy production and consumption. On the other hand, the democratization process in data management aims to make energy fairer and more accessible through innovative technologies and peer-to-peer energy trading models.

How Are We Affected?
Liberalization and competition dynamics in energy markets directly affect our Electricity Trade, distribution and retail sales activities:

Market Liberalization and Competition: Deregulation offers consumers the right to choose their electricity suppliers, while making customer-oriented service models mandatory. In our activities in energy generation, distribution and trade, we always continue our efforts to increase customer satisfaction and provide competitive advantages with innovative solutions.

Local and Distributed Energy Systems: Distributed energy systems enable individuals and communities to play a more active role in energy production while promoting local generation from renewable sources. With the help of **microgrids** and smart energy management systems, energy can be produced and consumed locally. This transformation encourages greater consumer participation in the energy production process, highlighting the concept of the **“prosumer”** and increasing the demand for digital technologies and information security. In line with this trend, we are strengthening local collaborations in blockchain-based trading and renewable energy projects, expanding our energy portfolio, and enhancing our customer-focused digital solutions for the installation and operation of energy systems.

Regulation and International Integration: Regulations set by the Energy Market Regulatory Authority (EMRA) play a critical role in maintaining the balance in the sector. However, uncertainties in regulations may pose risks on investment plans and operational processes. The process of compliance with regulations is an issue that needs to be closely monitored for the sustainable growth of our company. However, Türkiye's goal of integration with the European internal energy market requires us to comply with international standards. This process requires both the modernization of operational infrastructure and adaptation to market conditions. At Zorlu Enerji, we follow international developments in energy trade and Smart Systems and shape our activities accordingly.

DIRECTION OF TREND*:

Increasing 
The liberalization of energy markets, the expansion of local energy production and the strengthening of community participation will continue to determine the future of the energy sector. In line with the clarification of regulations and international integration targets, the market is expected to become more transparent and efficient. With the declining costs of renewable energy technologies and the development of digital infrastructures, individual participation in energy trade is expected to increase and access to energy will become more equal.

Relevant Material Issues, Impacts, Risks and Opportunities:
* Combating Climate Change, * Resource Management, * Energy Management, * R&D and Innovation, * Dependence on Ecosystem Services, * Community Welfare, * Relations with Suppliers

More information on the impacts, risks and opportunities arising from material issues can be found in the Material Impacts, Risks and Opportunities (IROs) section.

Affected Areas of Activity:
* Renewable Energy Production (Zorlu Enerji), * Electricity Trade (Zorlu Elektrik), * Electricity Distribution (OEDAŞ), * Electricity Retail Sale (OEPSAŞ), * Smart Systems (Zes/Electrip), * Solar Panel Distributorship (Zes Solar)

Sectoral Trend 2:

Transformation of Energy Systems: Digitalization and Electrification

Trend:
Digitalization and electrification are creating a radical transformation in the energy sector. Digital technologies (AI, IoT, smart grids) are making energy processes more efficient and transparent, while electrification is accelerating the transition from fossil fuels to electricity. The proliferation of electric vehicles, electrification of industrial processes and the development of digital infrastructures offer a critical solution area that strengthens energy supply security and reduces carbon emissions.

- How Are We Affected?**
The digitalization trend is creating a game-changing transformation in the energy sector, and as Zorlu Enerji, we are affected in various ways:
- **Increasing Expectations in Operational Efficiency:** The proliferation of digital technologies in the energy sector raises expectations for higher efficiency, lower costs and faster response processes in our operations. This necessitates faster modernization of our existing infrastructure, shaping our financing sources and investment decisions.
 - **Charging and Digital Infrastructure:** We are expanding our electric vehicle charging stations such as Zes and investing in digital systems that optimize energy flow.
 - **Data Security and Cyber Risks:** The use of digital technologies means that our energy systems are exposed to a wider network of cyber threats. This increases data security and operational sustainability risks. We are strengthening our data security strategies to manage these risks.
 - **Reduction of Carbon Emissions:** Industrial electrification is an important tool for reducing carbon emissions. However, this requires electricity generation to be based on sustainable resources. We aim to contribute to this transformation by increasing our renewable energy investments.

DIRECTION OF TREND*:

Increasing 
In line with energy demand and sustainability goals, digitalization and electrification will continue to be two key drivers shaping the future of the industry. This trend offers new opportunities to develop innovative energy solutions and increase investments in data security and digital infrastructure, while at the same time bringing the need to manage data privacy and cyber security risks.

Relevant Material Issues, Impacts, Risks and Opportunities:
* Energy Management, * R&D and Innovation, * Combating Climate Change, * Resource Management, * Air Pollution, * Dependence on Ecosystem Services

See the Significant Impacts, Risks and Opportunities section for impacts, risks and opportunities arising from material issues.

Affected Areas of Activity:
* Renewable Energy Production (Zorlu Enerji), * Smart Systems (Zes/Electrip), * Electricity Trade (Zorlu Elektrik), * Electricity Distribution (OEDAŞ).

Sectoral Trend 3:

Innovative Energy Resources Approaches

Trend:
Innovative approaches such as green hydrogen, energy storage solutions, carbon capture and sequestration (CCS) technologies and agrivoltaic agriculture offer critical opportunities to reduce carbon emissions, increase energy security and ensure resource security. These technologies increase the efficiency and flexibility of renewable energy sources while supporting sustainability goals. However, scaling, costs and infrastructure needs pose significant challenges.

- How Are We Affected?**
- **Green Hydrogen:** Green hydrogen offers a key solution for the transition to carbon neutral energy systems. However, the high cost of production infrastructure and limited developments in electrolyser technologies require more careful planning of the steps to be taken in this field. While the importance of green hydrogen projects is increasing in line with Türkiye's energy transition targets, there is a need for research and investment to play a pioneering role in this field.
 - **Energy Storage Solutions and Hybrid Systems:** Energy storage mechanisms are vital for renewable energy integration and grid stability, but the high cost of storage and the complexity of recycling processes require us to strategically direct investments in this area.
 - **Carbon Sequestration and Capture Technologies (CCS):** Although CCS technologies are promising for reducing carbon emissions, high infrastructure and operational costs limit their widespread adoption. In line with the emission reduction targets of the industry and energy sector in Türkiye, local adaptation of CCS technologies is gaining importance. With our pilot carbon sequestration project GEÇO, we are part of the technological progress in this field.
 - **Agrioltaic Agriculture:** Combining agriculture and energy production provides food security and energy efficiency but requires careful planning due to integration challenges. Projects that combine Türkiye's agricultural productivity and renewable energy targets could create a significant opportunity in this area.

DIRECTION OF TREND*:

Increasing 
These innovative energy resource trends are becoming increasingly important at the global and national level. Accelerating developments in technologies such as green hydrogen, energy storage and CCS will accelerate the decarbonization targets of the energy sector. As the impact of these trends increases in Türkiye, it becomes a strategic necessity for our Company to develop solutions in line with the needs of the local market and integrate innovative technologies into our operations.

Relevant Material Issues, Impacts, Risks and Opportunities
* Energy Management, * Combating Climate Change, * R&D and Innovation, * Resource Management, * Air Pollution, * Dependence on Ecosystem Services

See the Significant Impacts, Risks and Opportunities section for impacts, risks and opportunities arising from material issues.

Affected Areas of Activity:
* Renewable Energy Production (Zorlu Enerji), * Solar Panel Distributorship (Zes Solar),

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GOVERNANCE
AND VALUE
CREATION

CREATING VALUE
WHILE FOCUSING
ON THE ENERGY
OF THE FUTURE

To support the generation of the future energy, we develop sustainable solutions and create long-term value in the energy sector through an ethical and transparent approach.

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ZORLU ENERJİ BOARD OF DIRECTORS AND SENIOR MANAGEMENT

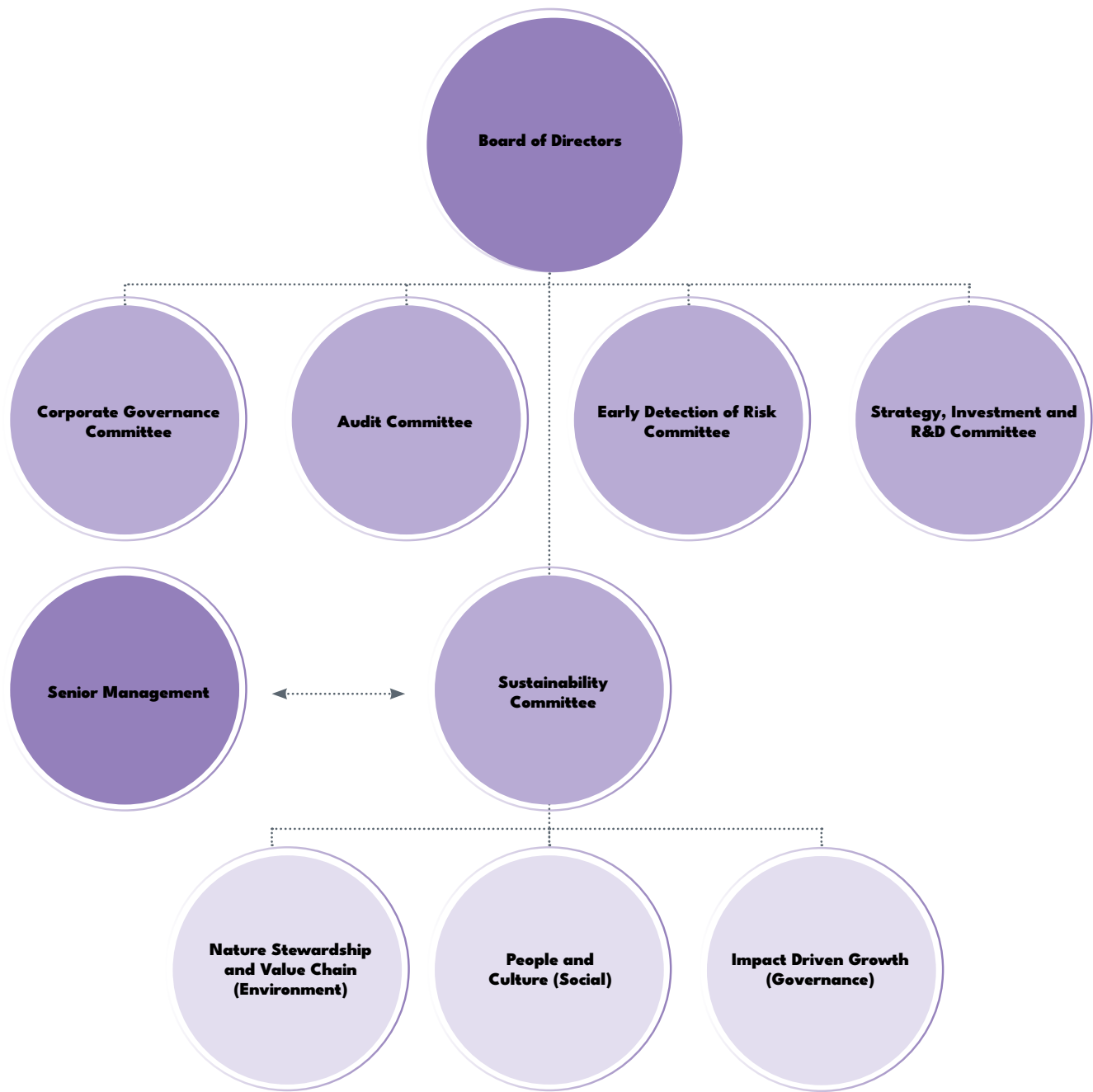
At Zorlu Enerji, we adopt a corporate governance approach based on transparency, accountability and ethical values in line with our wide operational geography and sustainability goals. We build trust-based relationships with our stakeholders based on fairness and transparency in our business processes. Within this framework, we structure our management structure in a strong framework to achieve our strategic goals and secure our long-term success.

Our corporate governance approach is shaped based on **Corporate Governance Principles** established in compliance with international standards and local regulations. In addition to ensuring operational

excellence, our Board of Directors leads our sustainability, innovation and long-term value creation goals. We also adopt a management model based on ESG principles by developing strategies in line with our Smart Life 2030 vision.

Our management structure focuses not only on financial performance but also on a sustainability-based leadership approach. Our senior management and governance structures work to ensure the effective implementation of our sustainability goals for the environment, employees and society. This system enables long-term success by acting in line with strategic priorities and ESG objectives.

Integrated Corporate Governance Structure



Our Board of Directors is at the top of our corporate governance structure, overseeing our long-term success and our responsibilities to all our stakeholders. It works actively to determine our strategic direction, develop comprehensive corporate policies and bring different perspectives to our processes. The Board of Directors convened 9 times in 2024, with a total attendance rate of 91%.

Members/Meeting Attendance	Board of Directors	Corporate Governance Committee	Audit Committee	Early Detection of Risk Committee	Strategy, Investment and R&D Committee	Sustainability Committee
Ahmet Nazif Zorlu	9/9					
Selen Zorlu Melik	9/9					
Mümin Cengiz Ultav	5/5					
Bekir Cem Köksal	9/9				2/2	
Betül Ebru Edin	5/5	2/2		4/4	2/2	1/1
Cem Mengi	9/9	2/2	4/4	2/2		
Yusuf Günay	5/5		3/3	4/4	2/2	
Bekir Ağırđır*	4/4		1/1	2/2		
Ömer Yüngöl*	4/4					
Ayşegöl İldeniz*	3/4					
Sinan Ak**						1/1
Burak Şimşek		2/2				

* Bekir Ağırđır, Ömer Yüngöl and Ayşegöl İldeniz resigned from their positions on the Board of Directors at the Ordinary General Assembly meeting held on 27 May 2024.
** Sinan Ak left the Company as of 01.01.2025 and transferred his duty to Elif Yener.

Five committees working under the Board of Directors support our decision-making processes by informing our Board on critical issues and receiving their feedback. Thanks to these committees, we can fulfil our duties and responsibilities in a healthy manner.

The Audit Committee, supports the reliability and effectiveness of the processes by continuously monitoring our financial and operational activities. The Committee convened 4 times in 2024 and the attendance rate was 100%.

The Early Detection of Risk Committee proactively manages all risks and opportunities that our company faces. Working with a special focus on ESG risks, the committee raises awareness throughout the company to ensure effective management of risks. The Committee convened 6 times in 2024, with a participation rate of 100%.

The Corporate Governance Committee* acts with the mission of guiding our company’s climate strategies and policies. While evaluating the risks related to climate change, the Committee ensures strategic alignment and effectiveness by reviewing the work of the Sustainability Committee. The Committee convened 2 times in 2024, with a participation rate of 100%.

* There is no separate Remuneration Committee in our Company, and the relevant duties are carried out under the Corporate Governance Committee. The ratio of independent members in the Committee is 67% (2/3).

The Strategy and R&D Committee manages our company’s investments and strategic goals with a sustainable approach. The Committee oversees the environmental and social impacts of investment decisions and ensures that R&D projects are in line with new trends and our company’s overall strategy. It guides the Board of Directors by regularly evaluating strategic planning and implementation processes. The Committee convened 2 times in 2024, with a participation rate of 100%.

The Sustainability Committee plays a critical role in achieving our company’s ESG targets. The Committee has 3 sub-groups. We discuss environmental issues in the Nature Stewardship and Value Chain working group, social issues in the People and Culture working group and governance issues in the Impact Driven Growth and Strategic Foundations working group. The committee, which works to ensure that our operations progress in line with sustainability strategies, monitors performance criteria in line with our ‘Smart Life 2030’ vision and makes recommendations to the Board of Directors considering national and international developments.

The Committee met 1 time in 2024 and the participation rate was 100%.

We fulfil **our executive responsibilities** with our senior management team under the leadership of our CEO. Through our senior management, we make strategic decisions in all critical areas and carry out our activities with a holistic approach.

ZORLU ENERJİ BOARD OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

At Zorlu Enerji, we work with a Board of Directors that demonstrates strong leadership in adapting to the changing dynamics of our industry, innovation and sustainability. Our Board of Directors consists of individually selected members with complementary experience and expertise, who can rapidly adapt to developments in the energy sector. This diversity enables our company to effectively manage the opportunities and challenges in the sector and contributes to the achievement of significant successes.

Our Board of Directors shapes its strategic directions by regularly reviewing the current developments in our sector and takes effective decisions in line with the long-term success goals of our company. We adopt a pioneering leadership approach in sustainability, technological innovation and social responsibility, based on transparency, commitment to ethical values and creating value for stakeholders.

We strengthen our communication with our stakeholders at every stage of our activities and aim to ensure full compliance with the laws and ethical values in our company's internal and external processes. We play an active role in all processes from the organization of Senior Management to performance evaluation and

remuneration. At the same time, we regularly review the strategic and financial performance of our company and take steps to support our sustainable growth.

The performance of Zorlu Enerji's Board of Directors is evaluated annually. The evaluation process helps to identify the areas that our Board of Directors should focus on. Within this framework, various activities have been planned to enhance the competencies of the Board of Directors and to make risk management processes more effective. An orientation programme was initiated for newly appointed members of the Board of Directors to familiarize them with the organization. Within the scope of this programme, trainings on the Zorlu Enerji Risk Map are planned by our Integrated Risk Management and Internal Control team.

In 2023, we conducted an in-house evaluation of the performance evaluation process of our Board of Directors with the system previously established by a third-party consultant. The process will be carried out with the evaluation for 2024 and in-house evaluation method for 2025.

At Zorlu Enerji, we aim to strengthen the company's risk management competencies and improve corporate governance processes with these steps to increase the effectiveness of our Board of Directors.



AHMET NAZİF ZORLU

Chairman of the Board of Directors

Experience: 1 2 3 5 7 9 10

Ahmet Zorlu started his business life at an early age in textiles, his father's profession. In the early years of his business life, Zorlu engaged in textile trade with the store he opened in Trabzon. In 1970, he moved the company's headquarters to Istanbul and laid the foundations of Zorlu Holding. In 1976, Ahmet Zorlu founded his first production company, Korteks, and in 1990, he gathered all the companies under the roof of Zorlu Holding. In 1994, Ahmet Zorlu incorporated Vestel into Zorlu Holding, paving the way for new business areas. Zorlu's entrepreneurship, which began in the textile sector, continued with companies operating in many different fields such as white goods, electronics, real estate, energy, metallurgy, defense and e-mobility. In addition to his position as Chairman of the Board of Directors at Zorlu Holding, Ahmet Zorlu serves as the Chairman of the Board of Directors of many Zorlu Group companies in different sectors. Closely involved in non-governmental organizations, Ahmet Zorlu is a member of the Board of Directors of the Foreign Economic Relations Board (DEİK), the Turkish Industry and Business Association (TÜSİAD), the Education and Culture Foundation of the People of Denizli (DENBİR), the Industrialists' and Businessmen's Association of Babadağ (BASİAD) and the Turkish Home Textile Industrialists' and Businessmen's Association (TETSİAD).



SELEN ZORLU MELİK

Board Member

Experience: 1 2 3 5 6 9 10

Selen Zorlu Melik graduated from Uludağ University, Faculty of Economics and Administrative Sciences, Department of Business Administration. She started her professional career at Denizbank in 1998 and joined the Management Trainee (MT) Program in 1999. After holding various positions at Denizbank General Directorate, she attended the Marketing Diploma Program at the University of California, Berkeley in 2001. In 2002, Selen Zorlu Melik started working at Korteks İplik Fabrikası and continues to serve as a Board Member at Zorlu Holding and Zorlu Enerji. Zorlu Melik is a member of the Advisory Board of Yeniden Biz Association.



BEKİR CEM KÖKSAL

Board Member

Experience: 1 2 3 4 5 6 8

Cem Köksal graduated in 1988 from Boğaziçi University, Department of Mechanical Engineering, and received his master's degree from Bilkent University in 1990. Köksal worked in the banking sector between 1990 and 2002. Between 1990 and 1997, Köksal worked in various positions at Interbank, before joining Denizbank in 1997 as Deputy General Manager, and in 2002 he joined Vestel as Chief Financial Officer. In 2012, Köksal assumed the position of Head of Zorlu Holding's Financial Affairs Group. Köksal served as the CEO of Zorlu Holding from June 2024 to March 2025. He currently continues to serve as a Board Member at Zorlu Holding and few Group companies.



MÜMİN CENGİZ ULTAV

Board Member

Experience: 1 3 4 5 6 7 8 10

He was born on 26 February 1950 in Eskişehir. He graduated from Ankara Science High School and METU Electrical Engineering, Computer and Control Option bachelor's and master's degrees (High Honour Student). He also holds a diploma from the Philips International Institute in the Netherlands. After holding technical and managerial positions at Bimsa and Info in Türkiye and Dornier System GmbH abroad, he worked as Deputy General Manager at NCR and General Manager at Sun Mikrosistemler A.Ş. During the same period, he provided consultancy services to Koç, Sabancı and Eczaacıbaşı Groups. He served as the Chairman of the Board of Directors of the Technology Development Foundation of Türkiye from 2012 to 2022, and as an Independent Board Member of Logo Software between 2016 and 2022. Since 1995, he has been a member of the management team of Vestel Elektronik A.Ş. and currently serves as a Board Member of Vestel Ventures. He worked as a consultant for the UNDP in Vietnam. He is a founding member of the Informatics Foundation of Türkiye and the Unix Users Association and a certified consultant for Microsoft on Solution Development Discipline. He is the recipient of the 2005 TÜBİSAD Lifetime Service Award.



YUSUF GÜNAY

Independent Board Member

Experience: 1 2 3 4 5 6 7 8 9 10

He was born in 1965 in Sinop. He graduated from Ankara University, Faculty of Political Sciences. Since 1997, he served as the Prime Ministry General Directorate of Laws and Decisions for 5 years. In 1990-91, he studied Modern Public Administration Techniques and European Community Law at the Royal Institute of Public Administration in England. He became an expert on European Community Law at Ankara University ATAUM. Since 1999, he has served as a member of the General Assembly and Board of Directors and Deputy Chairman of the Press Advertisement Agency as a government representative. He served as the founding President of the Energy Market Regulatory Authority. On April 25, 2002, the Energy Market Regulatory Authority became a full member of ERRRA (the Energy Regulators Regional Association), which has 23 full members from Central and Eastern European countries and Central Asian republics, and 4 observer members. In the General Assembly held in May 2004, Yusuf Günay was elected to the Board of Directors of ERRRA. Yusuf Günay has also been the Vice President of MEDREG, the Mediterranean Region Energy Regulators' Community, since May 2006. At the 6th ERRRA (Energy Regulators Regional Organization) meeting held in Istanbul in May 2007, he was elected as the President of ERRRA for 2 years. His term as the Chairman of the Energy Market Regulatory Authority ended in November 2007. Günay assumed the duty of Board Member at Zorlu Enerji Elektrik Üretim AŞ as of 2024.



EBRU DİLDAR EDİN

Independent Board Member

Experience: 1 2 3 4 5 6 9 10

Ebru Dildar Edin holds a degree in Civil Engineering from Boğaziçi University. In 1993, she started her professional career, joined Garanti Bank in 1997 and became Deputy General Manager in 2009. She held leadership roles in Corporate and Investment Banking as well as in Sustainability until 2022. She became an Independent Board Member at Fibabanka in 2023, Mavi Jeans, MLP Care, Rönesans Gayrimenkul, Zorlu Enerji and Zorlu Renewable in 2024. He is also active in non-governmental organizations as the Chairman of the High Advisory Board of BCSD Türkiye and Board Member of the 30 Percent Club. Having completed her MBA in 2023, Edin continues her career with more than 30 years of experience.

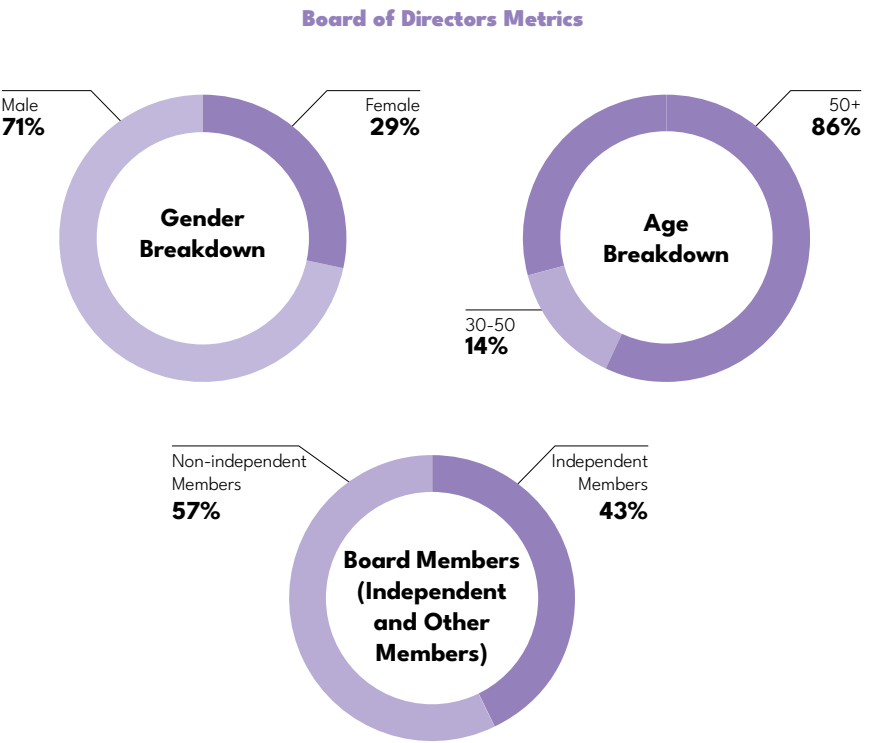


CEM MENGİ

Independent Board Member

Experience: 1 2 3 4 5 6 7 8 9 10

In 1984, he completed his 'A Level' in Mathematics and Physics in England, and in 1988, he completed his education on Information Management Systems at the Faculty of Business and Management of International University. In the same year, he started his banking career at Finansbank and worked as Deputy General Manager and Chief Deputy General Manager in various fields at Interbank, Körfezbank, Rabobank International NV and ING Bank respectively. Most recently, he served as the Chairman of the Credit Committee and Executive Member of the Board of Directors Responsible for Loans and Placement at Akbank TAŞ. Mengi has served as a Committee Member in organizations such as TÜSİAD, DEİK, YASED and GYİAD. He is the Founding Chairman of CM Capital Management Company.



(*) The Board of Directors competency matrix has been prepared based on the Global Industry Classification Standard (GICS) 5510 Electric Utilities.
(**) Even if the Board member had experience in different board memberships during the same years before serving on the relevant company's Board, their experience has been counted on a yearly basis as unique per year.

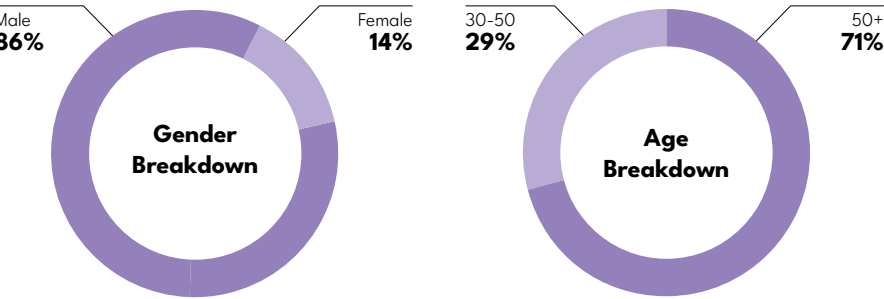
- 1 Strategy and Organizational Management 2 Financial Management Experience 3 Industry/Sector Experience ^(*) 4 International Experience 5 Risk Management Experience 6 Sustainability/ESG Experience 7 R&D and Innovation Experience 8 Digital Transformation Experience 9 Senior Management Experience 10 Board Membership Experience ^(**)
- 10 years+ 1-9 years

ZORLU ENERJİ BOARD OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Zorlu Enerji's Senior Management consists of a strong leadership team that combines their expertise and experience to adapt to the rapidly changing conditions in the energy sector and to achieve our company's strategic goals. Each of our executives contributes to operational excellence by supporting the Company's integrated operations with their know-how in their respective fields. To ensure the continuity of our operations, we have a holistic, transparent and participatory management model in all main task areas from investments to operations and manpower, from supply chain to information technologies.

Senior Management Metrics



ELİF YENER

Sector President

Elif Yener graduated from Boğaziçi University's Industrial Engineering Department in 2004. Between 2004 and 2010, she worked in project finance at DenizBank. She received her MBA Degree from Columbia University in 2011. Same year, she joined Zorlu Holding and was appointed as the Strategy and Business Development Manager in 2012. In 2014, she was transferred to Zorlu Enerji Group, where she worked as Group Manager of Financial Affairs and Director of Financial Affairs since July 1, 2019; when she was appointed as the General Manager of Financial Affairs. As of January 1, 2025, Yener has been appointed as the CEO and Sector President of Zorlu Enerji Group. She is a member of the Integrated Reporting Network Turkey (ERTA), Sabancı University Istanbul International Center for Energy and Climate (IIEEC), and the Business Council for Sustainable Development Turkey (SKD Türkiye). Yener is also the signatory of the CFO Principles for Integrated SDG Investments and Finance, published by the CFO Coalition under the UN Global Compact.



ALİ KINDAP

General Manager Responsible for Investments, Operation and Maintenance

Ali Kindap graduated from Middle East Technical University, Department of Mechanical Engineering in 1990. He started his professional career at Gama Endüstri and later worked at Gürış Mühendislik ve İnşaat AŞ in energy and infrastructure projects. In 2008, he joined Zorlu Enerji Group as Deputy General Manager. As of 1 January 2017, he was appointed General Manager of Zorlu Enerji Group. Ali Kindap became the Chairman of the Board of Directors of the Geothermal Energy Association in July 2020 and is also a Board Member of the Turkish Cogeneration Association and a Board Member of the Clean Energy Technologies Association. He is also a member of Turkish Wind Energy Association (TÜREB), Hydrogen Technologies Association, Energy Industrialists and Businesspeople Association (ENSIA).



AYDIN AKAT

General Manager Responsible for Industrial Projects and Applications

Aydın Akat completed the associate degree in Civil Engineering at Middle East Technical University in 1990 and graduated from the Department of Civil Engineering at Istanbul University in 1996. Akat started his professional career at Cevahirler Construction in 1990 and worked on projects within Tekfen Construction between 1996 and 2005. In 2005, Akat joined Zorlu Enerji Group and worked as Project Manager at Zorlu Endüstriyel ve Enerji Tesisleri İnşaat Ticaret A.Ş. Between 2008 and 2011, Akat served as Engineering Manager at Zorlu Endüstriyel ve Enerji Tesisleri İnşaat Ticaret AŞ, and since October 2011, he has been Deputy General Manager in charge of Projects at Zorlu Enerji Elektrik Üretim AŞ. Aydın Akat has been serving as General Manager in charge of Industrial Projects and Applications since 1 January 2017.



FUAT CELEPCİ

General Manager Responsible for Electricity Distribution Operations

Fuat Celepci graduated from Middle East Technical University, Department of Civil Engineering in 1982 and completed his master's degree at Bilkent University, Faculty of Law in 2011. He started his professional career as a Civil Engineer at the Turkish Electricity Authority in 1982. Celepci joined BOTAŞ in 1984, where he served as Deputy General Manager and Board Member between 1999 and 2005. Celepci retired from his position as Advisor to BOTAŞ General Manager in 2012 and joined Zorlu Enerji Group in the same year. Celepci served as General Manager of Gazdaş Gaziantep Doğal Gaz Dağıtım AŞ and Trakya Bölgesi Doğal Gaz Dağıtım AŞ. He was also a member of the Board of Directors of the Association of Natural Gas Distributors of Türkiye (GAZBİR) until the sale of both companies. He is currently working as General Manager responsible for Electricity Distribution Operations at Zorlu Enerji Group.



MURAT ŞİMŞEK

General Manager of Financial Affairs

Murat Şimşek graduated from Istanbul University Econometrics Department in 2006. Şimşek also received his master's degree in Business Administration (English) at Istanbul University in 2008. Şimşek began his professional career at Garanti Bank in 2006, where he held various Corporate and Commercial Banking positions at the Headquarters until 2017. He started working at Turcas Petrol in 2017 and has served as Corporate Financing Manager and Finance Manager, respectively. Şimşek joined Zorlu Holding in 2020 and held the roles of Finance Manager, Finance Director, and General Manager of Financial Affairs. As of January 1, 2025, he has assumed the position of General Manager of Financial Affairs at Zorlu Enerji.



NIHAT TÜRKSEVER

Business Development Deputy General Manager

Nihat Türksever started his professional career after graduating from Uludağ University, Department of Industrial Engineering. During his 28-year career, he has gained extensive management experience in international projects. In the first part of his career, he managed large-scale energy and industrial facility projects in the Netherlands, USA, Russia and Türkiye at Enka İnşaat, specializing in project management, cost analysis and control, contract and subcontractor management. Subsequently, he held senior management positions at Zorlu Enerji Group, providing strategic leadership in business development, procurement and contract management. In addition to his responsibilities at the head office, he has been successfully serving as the General Manager of Rosmiks LLC, Zorlu Group's subsidiary in Russia, for 10 years.



ERSEN ÖZYILMAZ

Director of Purchasing and Logistics

Ersen Özyılmaz graduated from Zonguldak Karaelmas University, Faculty of Engineering, Department of Electronic Control Systems in 1997. He started his career as a Purchasing Officer at Gönpa A.Ş. and joined Zorlu Enerji Group in 2000. He served as Purchasing Specialist, Executive and Manager at Zorlu Enerji Group and led the development of innovative and sustainable purchasing strategies. As of 1 September 2020, Özyılmaz was appointed as Purchasing and Logistics Director and plays an active role in the implementation of strategic purchasing and logistics plans in line with environmental, social and corporate goals. Özyılmaz focuses on supply chain solutions that reduce carbon emissions and the development of circular economy-oriented business models.



FULYA BIÇAK MUŞTU

Director of Information Technologies and Digital Business Development

Fulya Bıçak Muştı graduated from Middle East Technical University, Department of Industrial Engineering and completed MBA and MIT AI Strategy and Leadership programs at Yeditepe University. Muştı started her professional career at Aselsan. She then worked as a senior executive responsible for Information Technologies at Bimsa, Danones, British American Tobacco, Çelebi Holding, Evyap Holding, Balpamak and HD Holding. Having 24 years of management experience, Muştı has served as a senior manager responsible for IT in the companies she has worked for the last 20 years and as a member of the Executive Board in different companies. In addition to IT Management, she also took part in the structuring of different functions of the management discipline such as Strategy Management, Corporate Process Management, PMO Management in different companies. Muştı, who has been working as Information Technologies and Digital Business Development Director at Zorlu Enerji Group since 2020, is a professional manager as well as a mentee of the 6th Term of the Association of Women on the Board of Directors. She is involved in various volunteering activities such as Kalder EFQM Award Evaluator, ITSMF Türkiye Board Member and IDC Advisory Board Member.



RAMAZAN HARBİLİ

Director of Human Resources

Ramazan Harbili graduated from Celal Bayar University, Department of Business Administration in 2004. Following his undergraduate studies, he successfully completed his master's degree in Management and Organization at Celal Bayar University in 2006. In 2005, Harbili joined Zorlu Group and started his career at Vestel Human Resources Department. Between 2010 and 2016, Harbili served as Human Resources Executive at Zorlu Holding Human Resources Group, where he took part in strategic projects in the fields of organizational development, talent management and leadership development. Joining Zorlu Gayrimenkul in 2016, Harbili held the positions of Human Resources Manager and Human Resources Group Manager, respectively, and led the innovative project processes to restructure human resources processes. In 2021, Harbili was appointed as Zorlu Gayrimenkul Human Resources Director and implemented efforts to improve the employee experience and strengthen the organizational culture. As of 1 July 2024, Harbili continues to serve as the Human Resources Director at Zorlu Enerji and continues to contribute to the people-oriented transformation strategies of the energy sector by shaping his experience in the energy sector in line with the principles of sustainability, diversity and equal opportunity.

ZORLU ENERJİ BOARD OF DIRECTORS AND SENIOR MANAGEMENT



TAMER AKASLAN

Director of Osmangazi Elektrik Perakende Satış A.Ş.

Tamer Akaslan graduated from Istanbul Technical University, Department of Surveying Engineering in 1993. He started his professional career as a Survey Engineer at Sae International in 1991 and continued as a Project Coordinator at Sae International between 1995 and 1998. Between 1998 and 2007, he worked at İzgaz in various positions such as Chief Survey Engineer, Survey and Design Manager, Survey Project Manager, Aksa Natural Gas Black Sea Regional Manager in 2007 and Deputy General Manager at Uzfederal Gas in 2008. Joining Zorlu Enerji in 2008, Akaslan worked as GAZDAŞ Thrace Regional Manager and then as ‘Thrace Region Natural Gas Distribution Director’. As of 1 August 2024, he has been working as ‘Osmangazi Elektrik Perakende Satış A.Ş. Director’ within Zorlu Enerji.



TAMER SOYLU

Sustainability, Quality and OHS-E Group Manager

In 1998, he graduated from Istanbul University, Faculty of Forestry as a Forest Engineer. He has spent most of his professional life as an expert and executive in civil society, working on social forestry, sustainable natural resource management, sustainable forestry, ecotourism and sustainable rural development. He has contributed to internal and external project studies on nature conservation in different regions of Türkiye, prepared integrated projects addressing the social, economic and cultural dimensions of nature conservation, and implemented projects by providing funding from internal and external sources. After his civil society experience, he transitioned to the private sector and worked as the Environment and Corporate Responsibility Executive in the Corporate Communications Department of Zorlu Enerji Group between 2014-2020. Between 2020 and 2022, he transferred to the OHS, Environment and Quality Department, where he completed the establishment of the Sustainability Directorate. Since 2022, he has served as the Sustainability Manager, and as of 2023, he has been working as the Group Manager for Sustainability, Environment, Quality, and OHS. Tamer Soylu is a member of TEMA Foundation and Turkish Foresters Association. He is also a member of TÜSİAD Environment and Climate Change Working Group and continues to work as the corporate representative of TKYD, BCSD Türkiye and Integrated Reporting Association, of which Zorlu Enerji is a member.

Sustainable Growth Criteria in the Goals of our Senior Management

Ownership of Our Targets by the Management: Our main goal is to regularly monitor our performance indicators and integrate them into the individual evaluation processes of our managers. By aligning our remuneration system with these evaluations, we encourage our leaders’ active contribution to company goals. Zorlu Enerji sets performance targets for its senior executives and affiliated units and monitors these targets through SMART targets and KPIs.

- In addition to a fixed salary, senior management participate in a variable short-term incentive plan that includes 90% of financial and ESG KPIs aligned to our strategic objectives. In this context, the main targets set are as follows:
- 1. Financial targets: EBITDA and debt ratios, interest expenses, investment ratios (10%),
 - 2. ESG targets: %90
 - Strategic objectives: ESG index scores (20%)
 - Functional targets: Scope 1, 2 and 3 carbon emissions (50%)
 - Organizational goals: Retention of high-performance employees and overall employee engagement (20%)

Long-term Incentives

A long-term share-based incentive plan of 100% based on the total shareholder return (TSR) performance of senior management is under study.

Performance cards determined by the Board of Directors are used in the annual performance evaluation of our CEO and senior management.

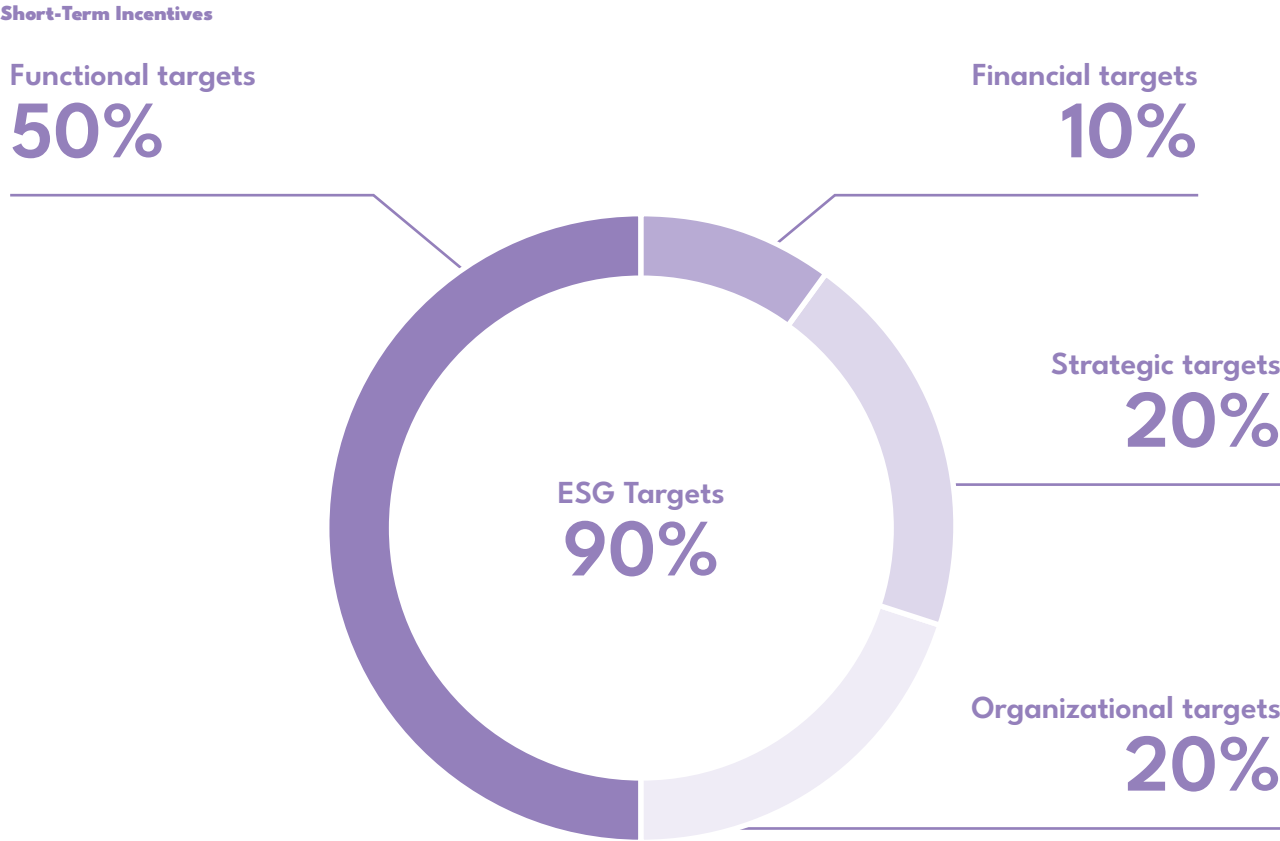
Accordingly, one of the financial indicators that plays an important role in the measurement of senior management performance is the evaluation of predefined financial returns. Metrics such as EBITDA margin, return on equity and return on invested capital are taken as basis to support the financial performance of our company and progress towards strategic targets. These metrics support our company’s sustainable growth strategies and increase transparency in performance-based evaluation processes. The strategic achievements of senior management are evaluated in terms of their contribution to our company’s sustainability goals and are considered as the improvement of ESG performance in the indices we respond to in the most comprehensive manner. The achievement of Net Zero targets is measured by the performance of our managers in making operational activities more efficient and environmentally friendly. In addition, retaining competent employees and

increasing employee loyalty is a fundamental goal that supports the long-term success of our company. In human resources management, talent development, employee loyalty and the creation of high-performance teams constitute the main focus of organizational goals.

At Zorlu Enerji, the performance of our CEO and senior management is supported by incentive systems designed in line with our company’s long-term sustainability goals. The incentive package provided to the CEO and senior management includes performance-based bonuses in addition to his salary, and these bonuses cover both a certain percentage of salary and a fixed amount.

Incentive systems are in place for relevant positions, particularly for the Sector Head, relevant managers and relevant departments. The incentive system is based on the critical performance indicators described above: These incentives are integrated into our Short-Term and Long-Term Incentive Plans. In case of successful achievement of the set targets, wage incentives are provided to all employees who contribute to the process.

For remuneration in 2024, please refer to the section titled “Financial Benefits Provided to the Members of the Governing Body and Senior Executives.”



SUSTAINABILITY GOVERNANCE STRUCTURE

At Zorlu Enerji, we recognize sustainability as the cornerstone of our Business Strategy and aim to create long-term value for our stakeholders at every step. We are pioneering the transformation of the energy sector by developing innovative solutions to the climate crisis and leading the transition to a low-carbon economy.

Our Board of Directors serves as the highest decision-making body in the management of sustainability strategies. Our Chairman of the Board of Directors sets the strategic vision for combating climate change and renewable energy, while providing leadership in managing high risks. In addition, the Chairman of our Sustainability Committee is responsible for assessing the adaptation of our business strategies to climate change, providing guidance in achieving sustainability goals and directing transformation processes.

Sustainability Committee and Working Groups:
At Zorlu Enerji, we manage our sustainability strategy through the **Sustainability Committee**. This committee, chaired by an independent member of the Board of Directors, systematically evaluates climate and other ESG risks and opportunities and guides our company's long-term goals. The Committee, which meets regularly on a periodic basis, works to develop our ESG strategies, analyze our performance and raise sustainability awareness throughout the organization.

In line with our **Smart Life 2030 vision**, various working groups established within the Sustainability Committee carry out comprehensive studies in line with ESG expectations and on identified material issues. These groups are:

- **Environment:** Leads on Climate Change, Biodiversity and Ecosystems, Pollution and Circular Economy.
- **Social:** Leads on the priority issues of Workforce, Workers in the Supply Chain and Affected Communities.
- **Governance:** Leads the Way of Doing Business, Sustainable Growth and Innovation and Technology priorities.

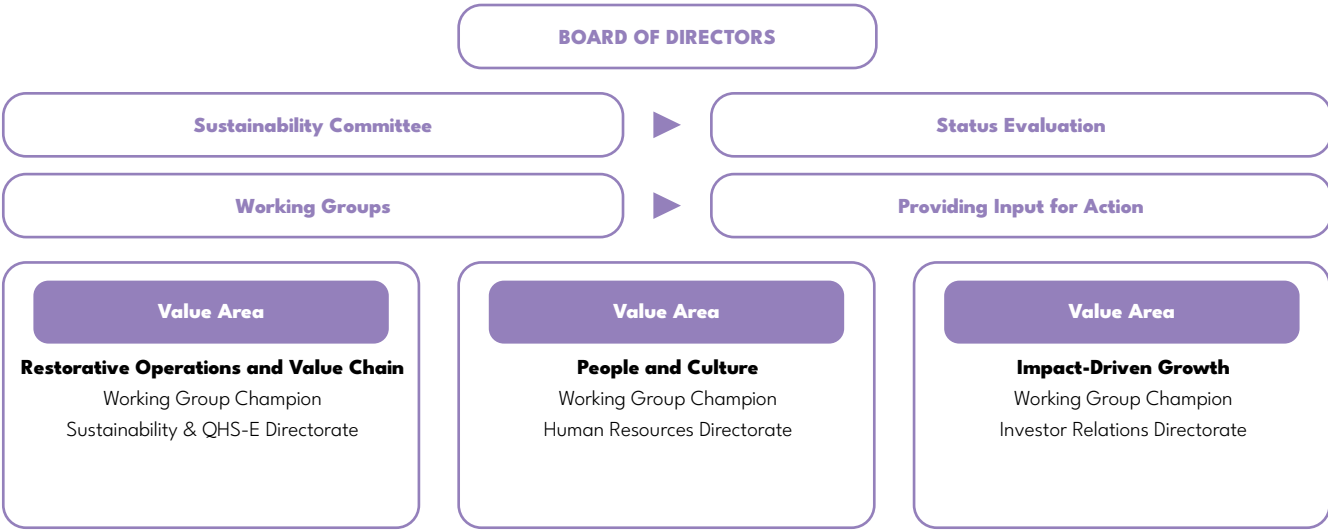
Our working groups evaluate critical issues such as climate change based on scenario analyses and report the identified risks to the Sustainability Committee at the Board level. This process ensures that both physical and transition risks are addressed systematically, and an effective management framework is established.

This management structure guides us to realize our short, medium and long-term goals in line with **our Net Zero Emission targets** and sustainability commitments. As part of our Smart Life 2030 strategy, Zorlu Enerji continues to lead a sustainability-oriented transformation.

Key Outputs of the Working Groups and Sustainability Committee in 2024:

- The Strategy and Investments Committee was renamed the **Strategy Investment and R&D Committee**, and the new working principles of the committee were approved.
- **The working principles of the Sustainability Committee** were renewed and put into practice in line with current climate and sustainability dynamics.
- **A double materiality analysis** was completed to shape our company's strategies and targets. With this analysis, the internal and external impacts of the Company's activities were evaluated in detail.
- Strategic goals were reviewed based on current trends, risks, opportunities and impacts related to climate and sustainability. In this process, a broad perspective was obtained, and strategic insights were strengthened by working with consultants specialized in different fields.
- Development areas in ESG performance indices were identified, action plans were created for these areas and prioritized short-term actions were implemented. Strategic actions were designed in line with international ESG reporting standards and index expectations.

At the 2024 Sustainability Committee meetings, many issues such as general sustainability efforts, carbon emission reduction strategies, plans to increase women's employment, and digitalization processes for sustainability strategies were on the agenda.



OUR POLICIES AND COMMITMENTS

At Zorlu Enerji, we operate with a strong commitment to our ethical values and sustainable governance principles. In this context, we prioritize transparency, accountability and interaction with stakeholders through the policies and commitments we adopt.

Transparency and Accountability:

- Business processes and financial information are clearly shared with stakeholders.
- Company performance is disclosed in regularly updated reports.

Stakeholder Engagement:

- A policy of continuous dialog and interaction with employees, investors, customers and other stakeholders is followed.
- Stakeholders' expectations and feedback are evaluated and integrated into company policies.

Commitment to Ethics:

- Zorlu Enerji is firmly committed to the principles of business ethics and integrity.
- A continuous audit process is in place to monitor and strengthen compliance with ethical standards.

Environmental and Social Responsibility:

- The Company proactively participates in environmental sustainability and social responsibility projects.
- Efficient use of natural resources and continuous efforts are made to minimize environmental impacts.

With these governance policies and commitments, Zorlu Enerji aims to maximize not only our own performance but also our environmental and social impacts.

For detailed information about our Policies and Commitments:

- Sustainability Policy
- R&D and Innovation Commitment
- Biodiversity Protection Commitment
- Environmental and Social Governance Principles Commitment
- Energy Access Commitment
- Nuclear Standoff Commitment
- Sustainable Supply Chain Policy
- Renewable Energy Commitment
- Corporate Restructuring & Human Rights Commitment
- Commitment to Responsible Lobbying
- Information Security Management System Policy
- Quality Policy
- Environmental Policy
- Occupational Health and Safety Policy
- SA8000 Policy
- Human Resources Policy
- Zorlu Holding Human Rights Policy
- Zorlu Holding Supply Chain Principles
- Zorlu Holding Ethical Principles
- Deforestation Combat Policy
- Board Diversity Policy

INTEGRATED MANAGEMENT SYSTEMS

As the first domestic energy company in Türkiye to receive ISO 9001 Quality Management System certification, we have an Integrated Management System that complies with international standards such as ISO 9001 Quality Management System, ISO 45001 Occupational Health and Safety Management System, ISO 14001 Environmental Management System, ISO 27001 Information Security Management System and SA 8000 Social Responsibility Management System.

The implementation and performance evaluations of this system are regularly reported to Senior Management by the QHS-E and Sustainability Directorate. To ensure the effective operation of the Integrated Management System, we conduct regular internal and external audits and provide training to our employees on the requirements of the system. The results of internal audits are reported to the relevant unit managers and executives, necessary actions are taken in line with these reports and follow-up is carried out through the internal portal.

Senior Management actively participates in the monitoring of processes through Management Review meetings and makes evaluations. Quality Management Systems certifications are available on our website.

A total of three facilities belonging to Zorlu Geothermal Energy, Rotor Electricity Generation and Zorlu Enerji Electricity Generation are planned to be included in the scope of SA 8000 Social Compliance Management System.

Certificates:

Certification	Operation Facility Coverage Percentage*
ISO 27001 Information Security Management System	22%
ISO 9001 Quality Management System	83%
ISO 14001 Environmental Management System	83%
ISO 45001 Occupational Health and Safety Management System	83%
SA 8000 Social Responsibility Management System	44%
ISO 50001 Energy Management System	11%
ISO 14046 Water Footprint Management	17%
ISO 14064 Corporate Carbon Footprint Management	22%
ISO 10002 Customer Satisfaction Management System	100%
ISO 18295-1 Customer Contact Centers	100%
ISO 18295-2 Customer Contact Centers	100%

*Customer Satisfaction Management Systems cover all Zorlu Enerji customers.

CORPORATE RISKS AND RISK MANAGEMENT APPROACH

We aim to mitigate and reduce our risks in strategic, financial, operational and compliance categories to an acceptable level by managing them effectively.

At Zorlu Enerji, we adopt an integrated and centralized enterprise risk management system to identify potential threats and ensure effective risk management. In this way, we identify, assess and manage risks in a more comprehensive, effective and cost-efficient manner. We have structured our risk management approach in line with COSO's Internal Control Integrated Framework and ISO 31000 Risk Management Standards. Accordingly, we continuously review risks and opportunities in our operational processes by implementing ISO 9001 and ISO 14001 Management Systems procedures based on ISO 31000.

Risks are an inherent and integral part of our business activities, and our risk profile is constantly changing. We aim to mitigate and reduce our risks in strategic, financial, operational and compliance categories to an acceptable level by managing them effectively.

Developments in Priority Risks in 2024
2024 was recorded in world history as the "year of elections," with national elections taking place in more than 70 countries, where more than half of the world lives. The most notable of these were undoubtedly the elections in Russia and the United States. In this period, when new governments begin to implement the reforms and regulations they have promised, the geopolitical risks that will be felt all over the world gain importance.

Major political and policy changes in the world affect Zorlu Enerji, just as they affect all sectors and companies. Therefore, among the most important risks we have identified for 2024, "Geopolitical Risks in the World" ranked high. Both the Middle East and the hot war and political developments between Russia and Ukraine are geographically close to our country and are influential countries in energy supply.

Potential changes in renewable energy policies following the US elections put potential renewable energy investments in the US and Germany at risk. These developments, together with fluctuations in energy markets and supply security pressures, make strategic planning more complex in line with external demand and market dynamics. These political and economic fluctuations on a global scale pose significant risk factors for energy investments and trade policies and have a direct impact on international trade and energy markets. Moreover, the Russia-Ukraine crisis has deepened energy supply security problems in Europe, particularly in Germany, creating uncertainty in the European market, one of Türkiye's largest energy customers.



"Supply Chain and Cost Inflation" is considered as our other most critical risk. From 2024 onwards, we face the risk of bottlenecks in various areas of the supply chain due to cost inflation, prolonged procurement processes and increased costs due to rapidly developing inflation. This risk is expected to lead to the development of mechanisms such as SDCC, additional costs and legal obligations for suppliers.

In 2024, **"the development of Artificial Intelligence and missed opportunities for Artificial Intelligence"** has entered our agenda as an emerging risk. In the energy sector, AI offers critical opportunities to increase operational efficiency, optimize Energy Management and accelerate the integration of renewable resources. However, delayed adaptation in the face of the rapid development of AI poses risks such as loss of competitive advantage and reduced system efficiency, which may also deepen cyber security vulnerabilities. The increasing interconnectedness of smart energy infrastructures expands the target area for malicious attacks, making the security and resilience of AI-based systems a priority issue.

In 2024, another emerging risk is **"Battery Energy Storage Systems"**. Energy storage technologies play a critical role for the integration of renewable energy; however, high costs, environmental impacts and security risks make it difficult for these technologies to become widespread. In addition, security issues such as battery fires and failures also pose a significant threat. Ensuring security of supply in Türkiye's energy sector requires successfully managing the energy trilemma - the balance between price, environmental sustainability and security. Energy storage maintains this balance by ensuring the

continuity of renewable energy. However, existing legislation may be insufficient, especially in areas such as energy storage and battery recycling. Therefore, strengthening legislation, improving technological constraints and effective use of energy storage technologies are important for ensuring security of supply.

"Loan Rates and Foreign Currency Borrowing Costs" maintained its risk position in 2024. The high course of loan rates and the increase in FX borrowing costs due to tightening monetary policies in Türkiye increase financing difficulties for capital-intensive and risky sectors such as the energy sector. High interest rates challenge the financial sustainability of new investments, while the expectation of exchange rate volatility deepens the external debt burden and cost pressure. This situation brings the risk of postponing or reassessing planned investments, especially in renewable energy projects.

In 2024, **"Uncertainties in the Turkish Energy Market"** came to the agenda as a strategic risk. In addition, fluctuations in energy prices, uncertainties in the allocation processes of generation licenses, the suspension of pre-license applications within the scope of electricity generation facilities with storage, and regulatory uncertainties on this issue pose significant risks to the sector. The high costs of tenders and difficulties in accessing financing could limit investments in additional capacity and jeopardize Türkiye's 2035 renewable energy growth targets. Moreover, inefficient utilization of existing installed capacity or postponement of new investments may have negative impacts on security of supply and market stability. This puts both investor confidence and long-term energy transition plans at risk.

1. Geopolitical Risks Around the World

Category: Strategic Risks
Direction of Risk: External Risk
Position of Risk: Rising Risk
Maturity of Risk: Medium Term (1-5 Years)

Definition: Regional and international political developments and changes may affect the dynamics and operations of energy markets. Conflicts in regions with high political tensions, changes in diplomatic relations, sanctions or regulatory changes may pose risks that may affect operational continuity and investment decisions.

Potential Impact: Political uncertainties between countries could jeopardize the security of our energy investments and cause interruptions in our field operations. Increased geopolitical tensions could create unforeseen costs in our operational processes due to supply chain disruptions and changes in local regulations. At the same time, currency fluctuations and uncertainty in the investment environment could put pressure on our financial planning. While regulatory changes and international sanctions may complicate our operational compliance processes, the impact of developments in the region on public perception may also pose a significant risk to our company's reputation management.

Mitigating Actions: To manage these risks, we are in the process of exiting our operations in the relevant region in support of our decarbonization strategy. During this process, we have established early warning mechanisms by closely monitoring developments in the region through continuous geopolitical analysis. We aim to strengthen our cooperation with the relevant authorities to ensure compliance with local and international regulations, while maintaining our brand credibility through a transparent and proactive communication strategy with our stakeholders. In this context, a flexible, adaptive and multifaceted risk management approach is adopted to minimize the effects of changing geopolitical dynamics.

2. Supply Chain & Cost Inflation

Category: Strategic Risks
Direction of Risk: External Risk
Position of Risk: Emerging Risk
Maturity of Risk: Medium Term (1-5 Years)

Definition: As a global renewable energy developer, we are exposed to risks related to cost inflation, supply chain bottlenecks, the performance of our suppliers and the financial condition of our suppliers. In addition, we may face highly volatile prices, influenced by high demand globally and widespread application in various sectors. As the industry continuously grows with new technological developments and enters new markets, we risk facing potential bottlenecks in some parts of the supply chain, where there is no regional supply chain or only a limited number of suppliers that can meet future demands. In addition, if one of our suppliers' faults or fails to provide the promised product/service, higher costs may be incurred to obtain the supply. In addition, we may also face risks such as import bans and price increases due to trade restrictions.

Potential Impact: Failure of our suppliers to deliver in accordance with the specified timelines, decreases in production capacity or transportation capacities, sudden inflation increases in critical and strategic procurement processes may cause delays in the work program and budget overruns.

Mitigating Actions: To reduce uncertainty around risks, we are entering into volume deals and implementing programs to strengthen our critical, strategic suppliers. Leveraging the experience gained in our investment projects, we are increasing our focus on suppliers and adding more flexibility and alternatives to our project plans and work schedules. To mitigate the risks of cost inflation, we plan to implement a hedging program for steel and other commodities and aim to integrate this program as insurance in all our physical asset projects. Our vetting process for new suppliers is extensive and we have strict credit risk policies in place to manage credit and counterparty risks. We also manage our procurement policies with different organizations for our Solar and E-mobility businesses, which are more vulnerable than our renewable energy generation and distribution businesses, and we make our procurement processes more flexible with our global solution partners on the distribution side of our solar business.

3. The Development of Artificial Intelligence and Missed Opportunities for Artificial Intelligence

Category: Strategic Risks
Direction of Risk: External Risk
Position of Risk: Incorporated in 2024
Maturity of Risk: Long Maturity (+5 years)

Definition: In the energy sector, artificial intelligence (AI) offers critical opportunities to increase operational efficiency, optimize Energy Management and accelerate the integration of renewable resources. However, delayed adaptation in the face of the rapid development of AI poses risks such as loss of competitive advantage and reduced system efficiency, which can deepen cyber security vulnerabilities. The increasing interconnectedness of smart energy infrastructures expands the target area for malicious attacks, making the security and resilience of AI-based systems a priority issue.

Potential Impact: AI technologies can reduce costs and increase revenues through better forecasting, optimization and decision-making processes, and companies that do not use this technology can fall behind the competition. To provide more personalized and efficient services to energy consumers, it is important to advance AI in areas such as smart meters, demand forecasting and energy optimization. Companies that do not invest in these technologies risk losing customer satisfaction and loyalty.

The energy sector relies on large amounts of data. AI enables strategic decisions to be made by making sense of this data. Companies that fail to develop this capability may miss trends and opportunities in the market.

In addition, AI technologies bring different risks and opportunities in the field of cyber security. While the integration of AI technologies serves to capture opportunities, failure to take the necessary cyber security precautions can have extremely

serious consequences. Large-scale cyber incidents can affect all or part of our assets, disrupt energy production and distribution processes, reduce operational efficiency and have a negative impact on our financial position. The use of AI technologies in cybersecurity precautions can bring different opportunities. For example, ransomware attacks can be prevented by early adoption of AI.

Mitigating Actions: Zorlu Enerji takes precautions for information security, especially cyber security issues, tests relevant security protocols and implements management systems. The Company prioritizes Artificial Intelligence in its R&D projects, especially operational efficiency studies on Artificial Intelligence, and aims to expand the use of Artificial Intelligence in efficiency, including cyber security, while pursuing opportunities for new business models by developing in-house and sectoral projects.

4. Battery Energy Storage Systems

Category: Strategic Risks
Direction of Risk: External Risk
Position of Risk: Incorporated in 2024
Maturity of Risk: Medium Maturity (1-5 years)

Definition: Battery energy storage systems play a critical role in the integration of renewable energy sources. However, the high costs, environmental impacts, security risks and long-term efficiency of these technologies create uncertainties for players in the sector. In addition, lifecycle management, recycling processes and environmental impacts of battery technologies are also among the major challenges.

Potential Impact: The costs of investments in battery energy storage systems can have a negative impact on the efficiency and long-term sustainability of the systems and on investment return rates. In addition, the safety risks of batteries, possible fires or malfunctions can lead to operational interruptions and threaten business continuity. It is aimed at preventing technology-related constraints and costs through collaborations to be created through potential international partnerships.

Mitigating Actions: We aim to reduce costs by increasing energy storage R&D investments and increase grid flexibility with large-scale storage systems. We are working on new technologies for the recycling of end-of-life batteries and improving waste management processes. We aim to increase site security with battery safety systems and fire prevention mechanisms; we also comply with international safety standards and follow certification processes. We continue our efforts to reduce carbon emissions with new generation low-carbon batteries. With projects such as FLEXIGRID and SEHRENE, steps are being taken to optimize the integration of energy storage systems with renewable energy. Efforts are also being made to increase the bidirectional use of batteries with V2G technologies. In addition, work is underway to create monitoring platforms for the effective management of energy storage systems. Potential investments in countries with advanced energy storage technology, such as China, can contribute to the development of more efficient solutions by strengthening integration with the global market. Battery storage technology is included in Zes Solar's business plans, and the company closely follows the legislation.

CORPORATE RISKS AND RISK MANAGEMENT APPROACH

5. Loan Rates and Borrowing Costs in Dollars

Category: Financial Risks
Direction of Risk: External Risk
Position of Risk: Stable Risk
Maturity of Risk: Short-Term (0-1 year)

Definition: In Türkiye, high lending rates and rising FX borrowing costs due to tightening monetary policies increase financing difficulties for capital-intensive and risky sectors such as the energy sector. High interest rates challenge the financial sustainability of new investments, while the expectation of exchange rate volatility deepens the external debt burden and cost pressure. This situation brings the risk of postponing or reassessing planned investments, especially in renewable energy projects.

Potential Impact: Upward fluctuations in loan interest rates, inflation and foreign exchange rates may adversely affect our income and the value of our assets.

Mitigating Actions: To mitigate cost inflation, we actively encourage investing in assets with inflation-indexed income streams and entering such contracts. We match our liabilities to the currency and payment structures (modified maturity) of our assets. To eliminate the distortive effects of high and persistent inflation on financial statements and to reflect the financial position of companies in a fair manner, inflation accounting has been adopted in Türkiye and

Zorlu Enerji prepares its financial statements accordingly. For investment decisions in new markets, we monitor interest rate swaps in order to stabilize interest rates before obtaining financing and evaluate them in case of low-cost conditions. We consider hedging our FX risk through our Eurobond processes, considering hedging costs over a five-year horizon.

6. Uncertainties in the Energy Market

Category: Strategic Risks
Direction of Risk: External Risk
Position of Risk: Increasing Risk
Maturity of Risk: Long-Term (+5 years)

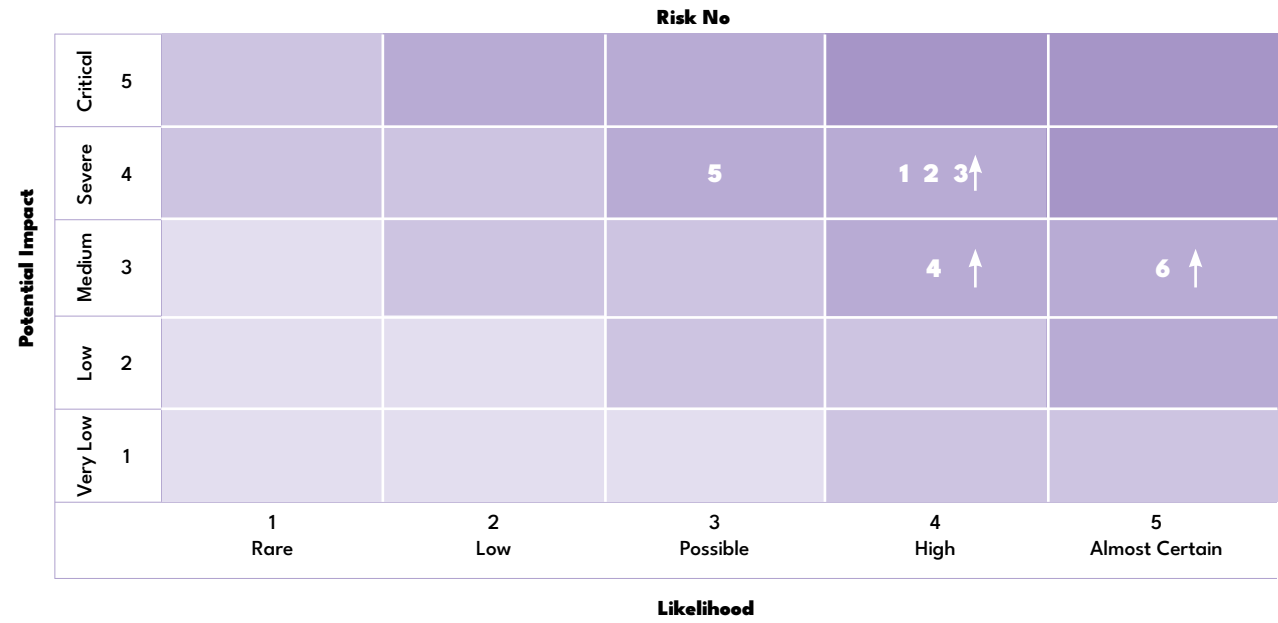
Definition: Uncertainties in the Turkish energy market, fluctuations in energy prices, difficulties in permitting processes, uncertainties in the allocation of generation licenses, the suspension of pre-license applications for electricity generation facilities with storage, and regulatory uncertainties pose significant risks to the sector. The high costs of tenders and difficulties in accessing financing could limit investments in additional capacity and jeopardize Türkiye's 2035 renewable energy growth targets. Moreover, inefficient utilization of existing installed capacity or postponement of new investments may have negative impacts on security of supply and market stability. This puts both investor confidence and long-term energy transition plans at risk.

Potential Impact: Postponement of new investments or inefficient use of existing installed capacity may lead to power outages and instability in energy supply, especially during periods of high demand. Uncertainties in the sector, regulatory uncertainties and high costs due to prolonged and stalled pre-license periods may undermine investor confidence and slow down potential investments. These risks to the Turkish energy market may increase the attractiveness of alternative markets in the long-term.

Mitigating Actions: We establish partnerships with investors and sectoral players in international markets and diversify our collaborations. We conduct R&D and innovation studies in areas such as electricity generation, Electricity Distribution, solar energy and e-mobility to increase the diversity of revenue-generating businesses within innovative business models. We are diversifying our portfolio of physical assets and licenses/pre-licenses. We are conducting feasibility studies on Zes Solar for energy storage and flexibility capacities, and we closely follow regulatory developments. We closely monitor financial incentives and evaluate possible opportunities that may arise. We undertake the role of sectoral facilitator for decision-makers on the legislative side by conducting lobbying activities.

Our top 6 corporate business risks

The impact of our risks on our business value and the change in the risk matrix position compared to 2023 are shown below.



How We Manage Risks?	In order to ensure adequate oversight of corporate risk management processes, meetings of the Early Detection of Risk Committee (EDRC), which consists of independent members of the Board of Directors, are held regularly within the planned framework, where the main risks, emerging risks, issues related to risk appetite and risk culture, risk assessment results, determined risk mitigation actions and the status of these studies are discussed within the framework of the organization's risk management. The decisions taken because of the Committee's examinations, risk-related issues and reports are presented to the Board of Directors. In the corporate risk management systematic, all employees within Zorlu Enerji Group have the main responsibility for identifying, measuring and effectively managing the risks related to the activities and processes they own. It is aimed that process owners observe the risk appetite and tolerances of the organization in managing their processes and at every decision point.
Financial Risks and Actions Taken in Recent Years	In recent years, financial risks and risks associated with the development and construction of assets have had a significant negative impact on our business. This has led us to embark on a new borrowing process to manage our financial risks more effectively. In 2024, we issued a Sustainability Linked Bond (SLB), improving our financial risks and the debt ratios on our balance sheet.
Focus Areas	-Effective monitoring and improvement of project execution processes, -Early Detection of Risk Committee (EDRC) meetings consisting of independent members of the Board of Directors, where main risks, emerging risks, issues related to risk appetite and risk culture, risk assessment results, determined risk mitigation actions and the status of these studies are discussed within the framework of risk management, are held regularly and the decisions taken as a result of the Committee's examinations, issues and reports related to risks are presented to the Board of Directors, -Structured external reviews for specific projects, -Alternative supplier planning in supply chain processes (including more proactive contracting for spare supply chain capacity), -Regular monitoring of suppliers (including site visits to monitor production processes).
Future Risk Management Objectives	-Detailed assessment of financial commitments prior to investments -Flexibility in project schedules and phased implementation of capital expenditures -Align business processes with best practices for emission reduction and ESG leadership -Continue to effectively manage business risks, including financial risks, as well as legal compliance and sustainability risks at both strategic and operational levels -Increasing the effectiveness of corporate risk management by further improving key risk indicators

For detailed information on Risk Management at the corporate level, please refer to the Disclosures Required by the Legislation section.

Our Sustainability and Climate-Related Risks

Climate and sustainability-related risks pose financial risks to the global economy and threaten our planet as we know it. At Zorlu Enerji, climate and sustainability-related risks and opportunities are directly linked to our net zero strategy, and we address these issues as an integral part of our daily business activities.

For some time, we have been reporting on climate-related risks and opportunities in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This year, the climate change section in our new sustainability disclosures and the strategy and governance sections in the governance review cover all relevant elements of the TCFD disclosures. For a full overview of our TCFD disclosures, please see [our TCFD Report 2023](#).

Our sustainability disclosures also include a Double Materiality Assessment (DMA). We have declared the mitigation actions we have implemented for impacts assessed as significant or critical. Detailed information can be found in the Double Materiality Analysis section. Sustainability and ESG risks are addressed within the scope of the Double Materiality study and evaluated by taking TSRS 1-2 standards as a guide.

You can find detailed information on sustainability and ESG risks in the Sustainability and Climate Risks and Opportunities section.

INTEGRATED THINKING AND VALUE CREATION MODEL

At Zorlu Enerji, we aim to create long-term value for all our stakeholders by adopting an integrated thinking approach. This approach guides our goal of building a sustainable future by integrating our business strategies with environmental, social and economic factors.

At Zorlu Enerji, we aim to create long-term value for all our stakeholders by adopting an integrated thinking approach. This approach guides our goal of building a sustainable future by integrating our business strategies with environmental, social and economic factors. Integrated thinking not only increases the efficiency of our business processes, but also forms the basis of our value creation model with innovative business models and strategic decisions.

Our value creation model centers on the principles of sustainability and digital transformation in line with our mission to provide clean energy. By leveraging advanced technologies and innovative business models, we aim to address global challenges, minimizing environmental impact while building a more sustainable future for all.

Our commitment to sustainability is embodied in our renewable energy projects, electric vehicle charging infrastructure and investments in smart grid technologies. We prioritize increasing energy efficiency and reducing our carbon footprint. We are moving forward with the vision of becoming a sustainable energy company by leveraging the transformative power of technology and innovation.

To adapt to the rapidly changing dynamics of the global business world, we put the expectations and needs of all our stakeholders at the center. We closely monitor macroeconomic developments, determine our priorities and shape our strategic goals accordingly. Under the guidance of local and international regulators, we formulate a strategy based on long-term value creation. This approach guides us both in business and social benefit.

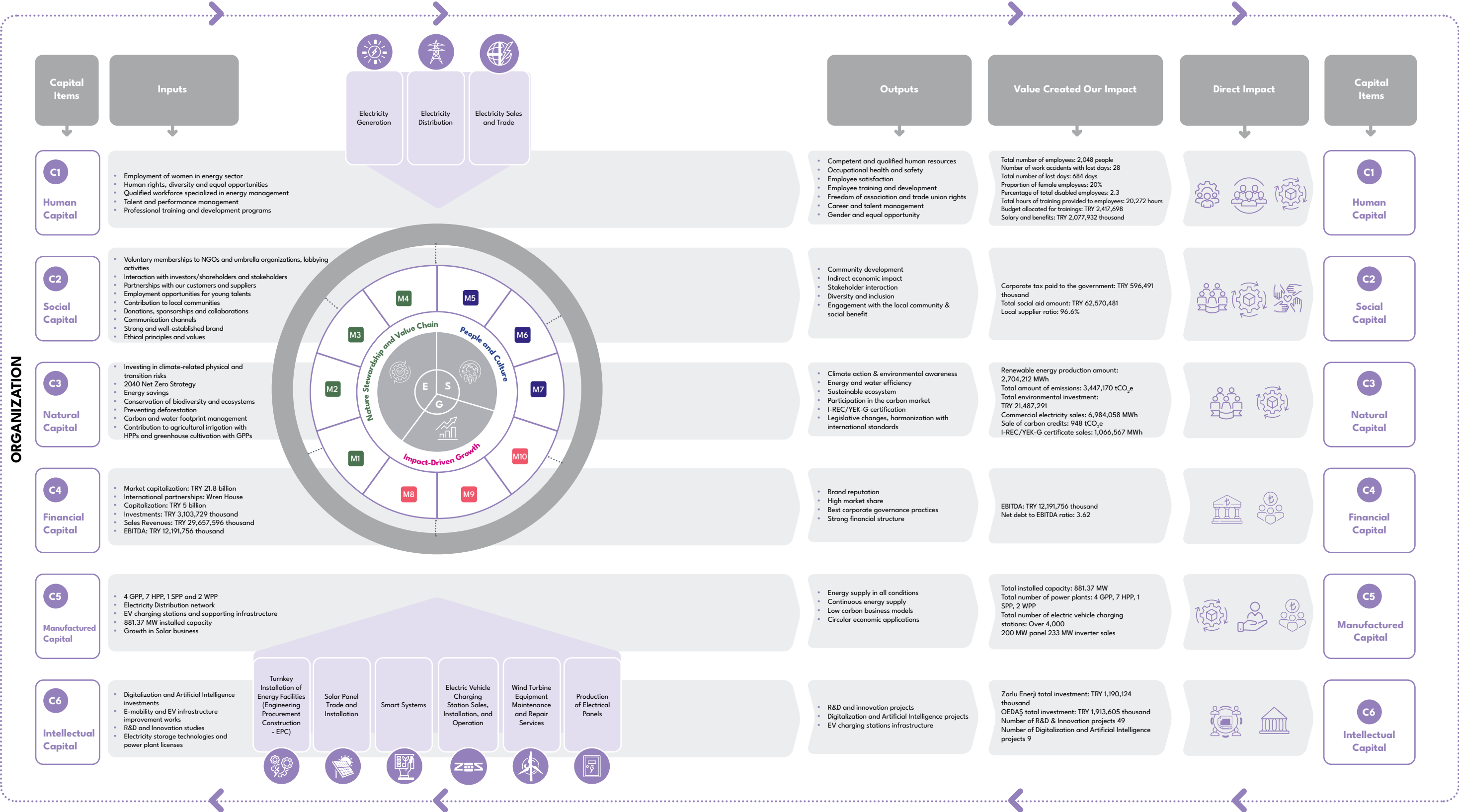
Our value creation model includes renewable energy solutions and innovation-driven projects strengthened by strategic partnerships. Our goal is to provide sustainable solutions in the energy sector that will meet not only today's needs but also those of the future, and to create a positive impact not only in the business world but also in society at large. In line with this vision, we resolutely continue our path with environmentally sensitive, technology-oriented projects that benefit society.



INTEGRATED THINKING AND VALUE CREATION MODEL

VALUE CREATION MODEL

OUR BUSINESS MODEL & SUSTAINABILITY STRATEGY



Since our establishment, we have been working to realize this mission by focusing on renewable energy resources, energy efficiency and sustainable practices.

We shape all our operations in line with our vision of “becoming the clean energy company of the future.”

SUSTAINABILITY STRATEGY

At Zorlu Enerji, we continue to work towards our goal of becoming a completely carbon-free energy company by 2040. Since our establishment, we have been working to realize this mission by focusing on renewable energy resources, energy efficiency and sustainable practices. By prioritizing sustainability and environmental responsibility, we shape all our operations in line with our vision of “becoming the clean energy company of the future.” In this way, we aim to create value and promote sustainable development in the communities where we operate, while protecting both our stakeholders and the environment. The material issues we have identified have been assessed with a holistic approach for the areas we will focus on in our long-term value creation journey. In this context, three core value areas emerged as a result of our assessment in 2022 and these were identified as the value areas we will focus on in our long-term value creation journey. Each value area was positioned as a working group and working titles were created for the working groups. These groups carry out their activities within the framework of our strategic focus areas that support sustainable growth.

Nature Stewardship and Value Chain

Our priority is to contribute to the renewal and restoration of the biosphere. With our investments in renewable energy, we provide clean energy by reducing greenhouse gas emissions. We decouple our power generation from fossil resources and aim to make our value chain carbon neutral by 2040. We also develop projects and invest in regions to protect biodiversity.

People and Culture

We aim to contribute to the restoration of the ecosystem by engaging with all our stakeholders, from our employees to local communities. We prioritize employee welfare by supporting diversity and inclusion, and we are committed to increasing our female executive ratio to 40%. We also contribute to socio-economic development in our operational regions and support the Sustainable Development Goals through social investments.



Impact Driven Growth

We develop new business models and innovative solutions and design profitable business models while creating environmental and social benefits in the areas we invest in. Our investments in digitalization and e-mobility are growing rapidly, and we aim to increase the contribution of our impact-driven businesses to 20% of our turnover by 2030. We support our innovative business models by increasing access to sustainable financing instruments. By 2030, we aim to meet the need for new project financing in Türkiye through sustainable instruments, and we prove the validity of our business models by expanding the use of these resources.

In 2024, to strengthen our sustainability strategy, we adopted a double materiality approach and conducted an assessment process that considered our internal financial impacts and external environmental and social impacts. The material issues identified in this context were integrated into three core value areas that form the cornerstones of our sustainability strategy.

People and Culture		Impact Driven Growth		Nature Stewardship and Value Chain	
M5	ESRS S1: Workforce	M8	ESRS G1: Business Conduct	M1	ESRS E1: Climate Change
M6	ESRS S2: Workers in the Supply Chain	M9	Innovation and Technology	M2	ESRS E2: Pollution
M7	ESRS S3: Affected Communities	M10	Sustainable Growth	M3	ESRS E4: Biodiversity and Ecosystems
				M4	ESRS E5: Circular Economy

Evolution of Material Issues

There is a strong alignment between the value areas identified in 2022 and the priorities that emerged from the double materiality analysis conducted in 2024. Issues such as climate change, biodiversity, energy efficiency and corporate governance are at the center of both studies and are directly linked to our company’s long-term value creation goals. The matching of the material issues identified in 2022 with the analysis we conducted in 2024 is as follows.

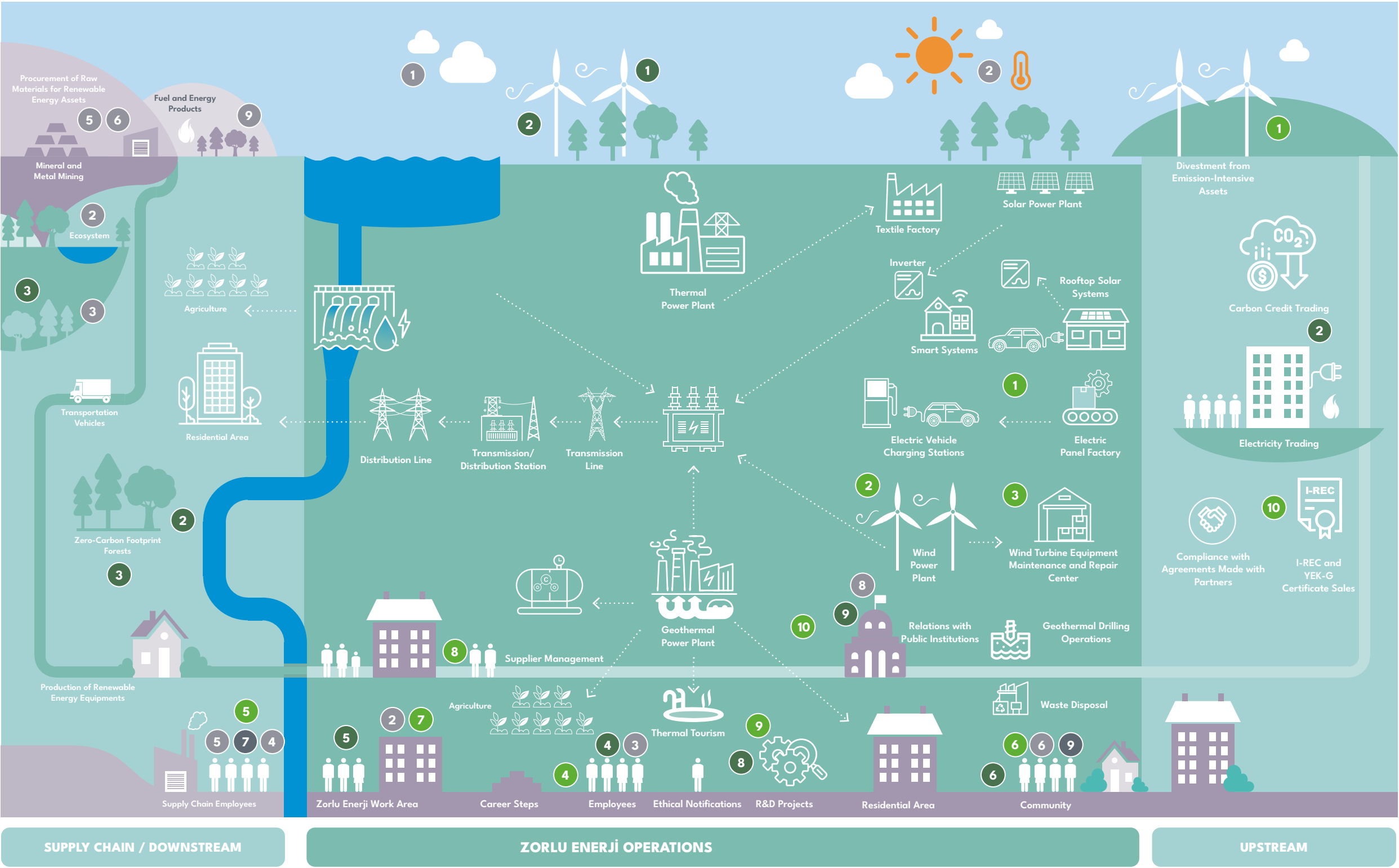
Topics for 2024	Topics for 2022
ESRS E1: Climate Change	Combating Climate Change
ESRS E2: Pollution	
ESRS E3: Biodiversity and Ecosystems	Biodiversity Loss and Deforestation
ESRS E5: Circular Economy	
ESRS S1: Workforce	Health and Safety & Process Safety/Human Rights Employee Rights and Happiness/Inclusion, Equality, Diversity
ESS S2: Workers in the Supply Chain	
ESRS S3: Affected Communities	
ESRS G1: Business Conduct	Corporate Governance and Behavior
Zorlu Enerji Specific: Innovation and Technology	Digitalization and Technology
Zorlu Enerji Specific: Sustainable Growth	Responsible and Sustainable Finance

The results of the new analysis have enabled us to assess our environmental and social impacts in more depth, understand our stakeholders’ expectations and identify real and potential risks to our business activities. Accordingly, it has become clear that our company needs to pay more attention to digitalization and technology integration. In addition, our strategic focus on circular economy and sourcing contributes to strengthening our sustainable business models by increasing the potential to both reduce environmental impacts and generate economic benefits.

At Zorlu Enerji, our sustainability strategy is based on a long-term vision and an innovative approach. Our strategic approach is not only limited to seizing opportunities but also includes managing critical risks such as changing climate conditions, fluctuations in the energy market and developments in regulatory frameworks. In this context, we adopt proactive risk management approaches to enhance our operational resilience and ensure our long-term business continuity.

The 2024 double materiality analysis results have once again confirmed our determination to create both environmental and social value by further advancing our sustainability strategy. As a Company, we will continue to take firm steps towards our goal of becoming the clean energy company of the future and to offer long-term value to our stakeholders by managing sustainability-related risks and opportunities in a balanced manner.

VALUE CHAIN



Positive Impacts

1. Use and promotion of renewable energy (E1)
2. Contributing to the decarbonization journey (E1)
3. Contribution to Ecosystem and Biodiversity (E4)
4. Working Conditions (S1)
5. Equality Diversity and Inclusion (Q1)
6. Community Welfare (S3)
7. Ethical Practices (G1)
8. R&D Innovation
9. Responsible Sustainable Finance

Negative Impacts

1. Air Pollution (E2)
2. Biodiversity Loss (E4)
3. Status of Species (E4)
4. Dependence on Ecosystem Services (E4)
5. Raw Material Utilization (E5)
6. Natural Resource Use & Land Change (E5)
7. Working Conditions of Suppliers (S2)
8. Community Welfare (S3)
9. Energy Management (E1)

Opportunities for Sustainability

1. Adaptation to Climate Change (E1)
2. Combating Climate Change (E1)
3. Resource Management (E5)
4. Working Conditions (S1)
5. Working Conditions of Suppliers (S2)
6. Community Welfare (S3)
7. Corporate Rights (G1)
8. Relations with Suppliers (G1)
9. R&D Innovation
10. Responsible Sustainable Finance

Risks Related to Sustainability

1. Resource Management (E5)
2. Working Conditions (S1)
3. Employee Rights (Q1)
4. Working Conditions of Suppliers (S2)
5. Supplier Rights (S2)
6. Community Welfare (S3)
7. Chronic and acute physical risks (E1)
8. Climate-related transition risks due to regulatory delays (E1)

DOUBLE MATERIALITY ANALYSIS

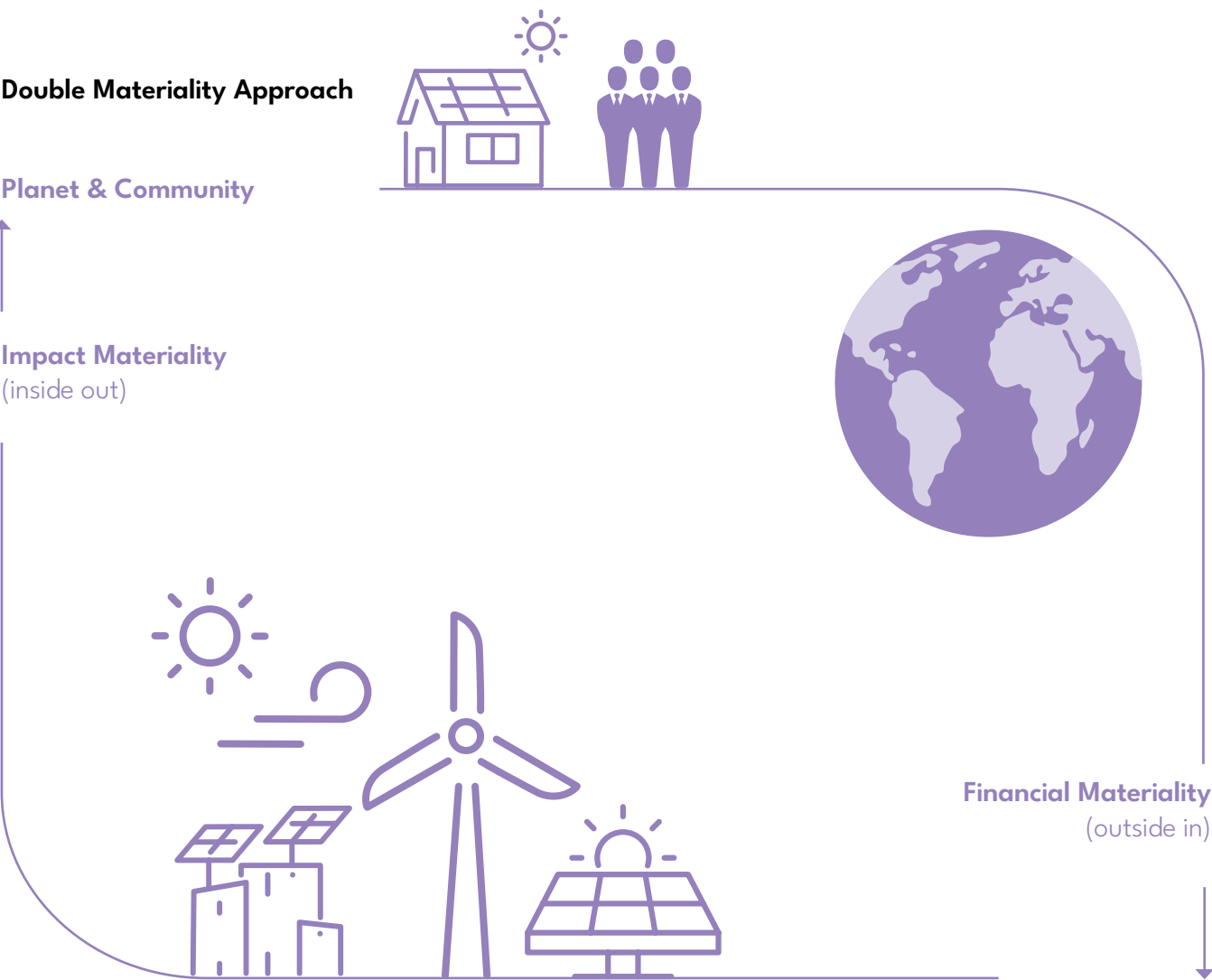
As of 2024, Zorlu Enerji conducted our Double Materiality assessment for the first time in line with the European Sustainability Reporting Standards (ESRS).

This assessment ensures that our business strategies are shaped with a more effective and holistic perspective by addressing our sustainability approach in terms of both external (environment and society) and internal (financial performance) impacts.

With this approach, we clarify our sustainability goals and align our strategic decisions with our environmental and social responsibilities by evaluating our material sustainability issues within the framework of our impact on the environment and society as well as risks and opportunities.

While conducting our assessment process, we ensured that our analysis processes are in line with global standards by utilizing internationally recognized methodologies and guidelines such as ESRS and EFRAG Double Materiality Implementation Guidance.

References:
EFRAG Double Materiality Implementation Guidance
European Sustainability Reporting Standards (ESRS)



Situation Analysis

Our first step in formulating our sustainability strategies was sectoral analysis and value chain review. We addressed macroeconomic and sectoral ESG (Environmental, Social and Governance) issues and analyzed in detail the impact of these issues on our stakeholders and our company. This analysis formed an important basis for identifying the risks and opportunities we face.

Data and resources from the previous period played a critical role in shaping our Double Materiality analysis in more depth. In this context:

- Historical EFRs (Financial and Environmental Reports),
 - Results of past stakeholder consultations,
 - Results of prior period prioritization analysis,
 - Zorlu Enerji's relevant policies and activities,
- It formed the basis for our analysis processes.

Value Chain Approach

Our value chain covers a wide ecosystem ranging from sustainable energy generation to energy distribution and trade. From the production of renewable energy equipment to hydroelectric and wind power plants, from energy storage solutions to carbon credits and green certificates, we prioritize environmental benefits. At every stage, we develop solutions focused on efficiency, environmental sensitivity and economic benefits.

During the Situation Analysis process, we mapped each stage in our value chain in detail. In this process, we evaluated our environmental, social and financial impacts at each stage in detail. You can access our significant Positive and Negative impacts on our Value Chain map.

Subject Universe Identification

To form the basis of our sustainability strategies, we have created an ESG (Environmental, Social and Governance) focused topic universe. We followed the following steps in determining our topic universe:

- Review of International Standards and Guidelines

We analyzed in detail the reports published by leading global organizations such as European Sustainability Reporting Standards (ESRS), EFRAG guidelines, World Economic Forum, GRI (Global Reporting Initiative), SASB and MSCI.

- Analyzing National and International Competitors



We analyzed the reports of national and international companies in the energy sector. As a result of these examinations, we identified the ESG topics that stand out in the energy sector. On top of the ESRS topics, we evaluated 2 topics specifically identified for our Company.

To form the basis of our sustainability strategies, we have created an ESG (Environmental, Social and Governance) focused topic universe.

Topic Universe:

- ESRS E1: Climate Change
- ESRS E2: Pollution
- ESRS E3: Water and Marine Resources
- ESRS E4: Biodiversity and Ecosystems
- ESRS E5: Circular Economy
- ESRS S1: Own Workforce
- ESRS S2: Workers in the Value Chain
- ESRS S3: Affected Communities
- ESRS S4: Consumers and End Users
- ESRS G1: Business Conducts
- Zorlu Enerji-Specific: Innovation and Technology
- Zorlu Enerji-Specific: Sustainable Growth

We have meticulously evaluated each topic to address the impact on our business processes and stakeholders in a holistic manner.

DOUBLE MATERIALITY ANALYSIS

In line with the feedback from our stakeholders, we shaped our double materiality analysis.

Identifying Impacts, Risks and Opportunities

In the process of identifying our impacts, risks and opportunities, we have considered the environmental, social and financial dimensions of our operations in the energy sector and utilized international standards and guidelines.

- World Economic Forum (WEF): Annual risk reports and macroeconomic analyses have been a key source for identifying environmental and social risks to the energy sector.
- TCFD (Task Force on Climate-related Financial Disclosures): Provided a comprehensive framework for analyzing climate-related financial risks and opportunities. It is integrated into our process of assessing the Potential Impacts of climate change on our business model.
- UN PRI (United Nations Principles for Responsible Investment): Provided guidance on integrating ESG factors into investment decisions and enhanced our capacity to assess opportunities in the energy sector.
- MSCI ESG Research: Detailed reports on sectoral analysis of ESG risks and opportunities contributed to shaping our strategies more clearly.
- SASB (Sustainability Accounting Standards Board): Approaches that link ESG issues to financial materiality have helped us identify sector-specific sustainability priorities.
- CDSB (Climate Disclosure Standards Board): Guided the understanding of climate risks and opportunities in the energy sector, with a focus on reporting climate-related financial information in a standardized framework.

In addition, feedback from our internal and external stakeholders such as our employees, suppliers, customers and the community played an important role in identifying impacts, risks and opportunities.

Internal Impacts (Inside-Out): The impacts of Zorlu Enerji’s operations on the environment, society and stakeholders have been mapped in detail. Impacts on carbon emissions, water consumption, labor rights and biodiversity were analyzed in this context.

External Impacts (Outside-In): The risks and opportunities of factors such as global trends in the energy sector, regulatory changes and investor expectations on our business model were evaluated.

Environmental and social impacts such as carbon emissions, water consumption and labor rights, as well as financial risks and opportunities in all our operational processes were comprehensively analyzed, and the impact on the value chain and the area where it affects the value chain were identified.

Determination of Thresholds

In the development of our sustainability strategies, a critical step was to identify thresholds to more clearly assess the environmental, social and governance impacts of our operations. In this process, the thresholds we determined by considering sectoral and internal dynamics have both guided our strategic planning and provided a basic structure for measuring our performance.

To understand and assess the environmental, social and financial impacts of our operations, we scored the thresholds we identified using a scale of 1 to 5. In the assessment process, we created a scoring system to identify and manage risks, considering the criteria of likelihood of occurrence, scale, scope, irreversibility and financial materiality.

The likelihood of occurrence criterion assessed the frequency of occurrence, while scale defined the magnitude of impacts on the environment and society. Scope determined the spread of impacts at the local, regional or global level, while irreversibility addressed the recoverability of the impacts of the event and the magnitude of the effort required to do so. Financial materiality was calculated based on the percentage impact of the risk on EBITDA.

Stakeholder Interaction

Following our initial analysis process, we systematically identified the stakeholders that impact and are impacted by our activities. To better analyze ESG impacts, risks, and opportunities, we have categorized our stakeholders to represent each stage of our value chain.

We conducted surveys and interviews to understand the needs and expectations of our stakeholders. With the data we obtained from this process, we identified issues such as reducing our carbon footprint, developing sustainable energy solutions, increasing resource efficiency, strengthening employee engagement and investing in innovation as our strategic priorities. In line with the feedback from our stakeholders, we shaped our double materiality analysis.

Calculation

In line with the data obtained from our stakeholders, a consolidation process was carried out in which environmental, social and financial impacts were evaluated together. In this process, analyses and calculations were made in two main dimensions within the scope of Double Materiality:

Impact Materiality Assessment:

The impact of our company’s operations on the environment and society has been analyzed. This has enabled us to understand the long-term impacts of our business on social and environmental sustainability. The dimensions required for the assessment of impact materiality in the EFRAG Implementation Guide have been included in the process. Stakeholder assessments and expectations were also considered in this section.

Financial Materiality Assessment:

- We assessed the impact of external risks and opportunities on financial performance. We analyzed how climate change, regulations and other external factors shape our financial strategies.
- Environmental Risk and Opportunities: Climate risk assessments (TCFD) were assessed with support from ENCORE (specifically E2-E5) and then other internal guidance/information from the project team.
 - Social and Governance Risks and Opportunities: Referenced from standards such as SASB or market information and assessed within other internal guidance/information from the project team.

Calibration of Analysis Results

The outputs of the Double Materiality study were calibrated with Zorlu Holding Corporate Risk Management Assistant General Manager and Zorlu Enerji Sustainability Directorate. The compliance of the results with the relevant legislation, the best international practices and Zorlu Holding risk management procedures was checked and integrated into the process.

Evaluation of Analysis Results

While our 2022 materiality study addressed our sustainability priorities in a broader perspective, the double materiality analysis put these priorities into a concrete structure within the framework of ESRS standards and provided a clearer roadmap at the strategic and operational level.

Climate change, biodiversity loss, employee rights, corporate governance and transition to low-carbon technologies were prioritized in both analyses. This demonstrates that our strategic approach is consistent and coherent.

In addition, the double materiality analysis we conducted in line with the ESRS framework focused on more specific topics such as pollution, circular economy, employees in the supply chain and affected communities. In addition, the topics of innovation and technology and sustainable growth, which are defined specifically by Zorlu Enerji, emphasize our company’s competitive and innovative stance in the sector.

Final Review and Approval

In the final stage of the process, the results obtained were reviewed and approved by the relevant managers. Any corrections deemed necessary were integrated into the process before final approval. Upon completion of the approval process, the Double Materiality Process and its results were approved by **the Board of Directors**.

Double Materiality Analysis Results

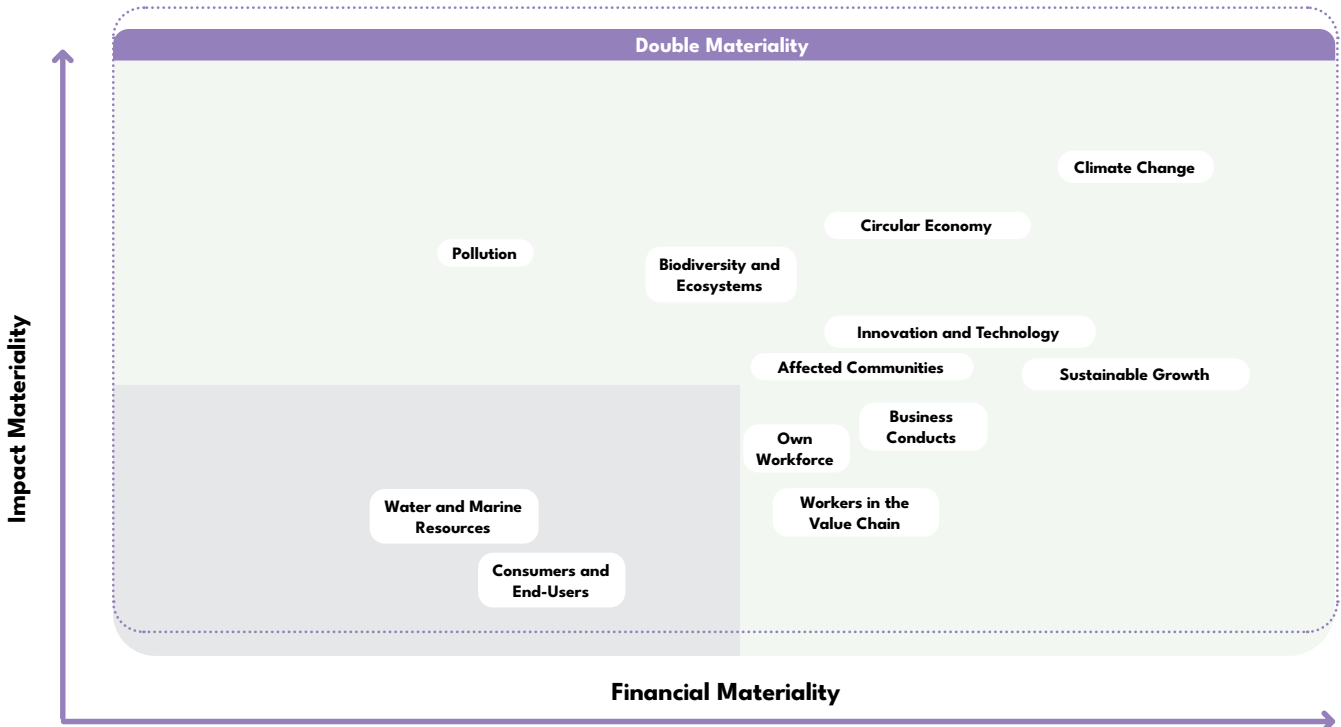
With double materiality analysis, we have comprehensively assessed our environmental and social impacts, together with their financial dimensions. With the findings we have obtained, we have created a strong foundation that shapes our sustainability strategies. Thanks to this analysis, we aim to fulfill our environmental responsibilities while

at the same time progressing towards our financial success targets.

Working with our stakeholders, we have set strategic goals in priority areas such as climate change, circular economy, biodiversity, innovation and technology. With this analysis, we have clearly demonstrated our strategic priorities and impacts in both environmental and financial dimensions.

Our double materiality analysis, in line with ESRS standards, supports Zorlu Enerji’s readiness for the obligations under the **EU Green Deal**.

Below you can find our material issues and the impact risks and opportunities we have identified because of the Double Materiality Analysis.



	Material Topics	Stakeholders
M1	ESRS E1: Climate Change	All of them
M2	ESRS E2: Pollution	All of them
M3	ESRS E4: Biodiversity and Ecosystems	All of them
M4	ESRS E5: Circular Economy	All of them
M5	ESRS S1: Own Workforce	Employees
M6	ESRS S2: Workers in the Value Chain	Suppliers
M7	ESRS S3: Affected Communities	Local Community
M8	ESRS G1: Business Conducts	Public, Employees
M9	Innovation and Technology	Employees, Customers, Suppliers, Academics
M10	Sustainable Growth	Government, Financial Institutions, Customers, Shareholders



DOUBLE MATERIALITY ANALYSIS

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROs)

Overview of Key IROs

The tables below contain the list of Impacts, Risks and Opportunities (IROs) that have been identified and assessed as material under our Double Materiality (DM) process. These IROs have been categorized as having a “critical” or “material” level of materiality based on the assessment.

Under each European Sustainability Reporting Standard (ESRS) heading, it is indicated to which sub-headings the relevant IROs relate. For example, ESRS E1 - Climate Change includes

subtopics such as “climate change mitigation,” “climate change adaptation” and “energy.”

The tables include brief descriptions of each significant IRO, indicating whether the IRO is within the company’s own operations (OO), upstream (US) (supply processes) or downstream (DS) (distribution & customer use). In terms of impacts, the table also shows whether the impact is positive (+) or negative (-), existing (E - existing) or potential (P - potential).

Detailed information on the management of each IRO is presented in the relevant sections under the headings of Nature Stewardship and Value Chain, People and Culture and Impact Driven Growth.

Our DM process is structured around the inherent risks and impacts to which our company is exposed, but also considers the actions integrated into our governance and day-to-day operations to reduce or mitigate these risks and impacts.

ESRS E1: Climate Change

Our Material Subtopics	IRO	+/-	E/P	DS/OO/US	Materiality Level
Adaptation to Climate Change					Material
- Impact of Renewable Energy Activities on Decarbonization and Climate Change	I	+	P	OO	
- Regulation and Risks of Transition to a Low Carbon Economy	R			OO	
- Physical Risks of Climate Change and Extreme Weather on Energy Infrastructure	R			OO	
- Physical Risks of Climate Change on Renewable Energy Resources	R			OO	
- Climate Change Adaptation and Resilient Energy Infrastructure Opportunity	O			OO	
Combating Climate Change					Critical
Impact of Emissions from Operations on Climate Change	I	-	E	OO	
- The Impact of Buried Emissions on Climate Change	I	-	E	US	
- The Impact of Energy Technology Adoption on Sustainability and Transformation	I	+	P	OO	
- The Impact of Electric Vehicle Charging Infrastructure Deployment on Decarbonization and Energy Transition	I	+	P	DS	
- Impact of Storage and Hybrid Energy Solutions on Sustainable Energy Transition	I	+	P	OO	
- Uncertainties and Viability Risks in Energy Conversion Technologies	R			OO	
- Risks of Electric Vehicle Charging Infrastructure on the Energy Grid	R			DS	
- Risks on Emissions and Financial Sustainability of Geothermal Energy Investments	R			OO	
- Opportunity for Low Carbon Technologies and Renewable Energy Investments	O			OO	
- Decarbonization and Sustainable Growth Opportunity by Accelerating Coal Exit	O			OO	
Energy Management					Critical
- Emissions and Environmental Impact of Fossil-Based Energy Consumption	I	-	E	OO	
- Environmental Impact of Point Emissions	I	-	E	OO	
- Impact of Distributed and Smart Energy Systems on Security of Supply and Carbon Reduction	I	+	P	DS	
- Risks of Global Geopolitical and Socioeconomic Developments on Energy Supply Security	R			OO	
-Energy Storage Technologies and Battery Supply Risks	R			OO	
- Resilience to Energy Market Volatility and Opportunities for Green Growth	O			OO	

ESRS E2: Pollution

Our Material Subtopics	IRO	+/-	E/P	DS/OO/US	Materiality Level
Air Pollution					Material
- Environmental Impact of Pollutant Emissions from Thermal Power Plants and Power Transmission Lines	I	-	E	OO	
- Impact of Renewable Energy and Zero Emission Technologies on Air Quality and Environmental Sustainability	I	+	P	DS	

ESRS E4: Biodiversity and Ecosystems

Our Material Subtopics	IRO	+/-	E/P	DS/OO/US	Materiality Level
Biodiversity Loss					Material
- Impact of Energy Projects on Land Use	I	-	E	OO	
- Environmental Impact Assessment in Energy Projects and the Impact of Biodiversity Management on Ecosystem Conservation	I	+	E	OO	
Status of Species					Material
Impact of Biodiversity Management Activities on Critical Species Conservation and Habitat Restoration	I	+	E	OO	

ESRS E5: Circular Economy

Our Material Subtopics	IRO	+/-	E/P	DS/OO/US	Materiality Level
Resource Management					Critical
- Impact of Raw Material Utilization on Natural Resource Depletion and Environmental Degradation	I	-	E	US	
- Raw Material and Supply Chain Risks in Renewable Technologies	R			US	
- Opportunities from Resource Efficiency, Circular Economy and Recycling	O			OO	
Waste Management					Material
- Management Risks of End-of-Life Energy Equipment	R			OO	

ESRS S1: Own Workforce

Our Material Subtopics	IRO	+/-	E/P	DS/OO/US	Materiality Level
Working Conditions					Material
- The Impact of Occupational Health and Safety Precautions on Employee Safety	I	+	E	OO	
- Risks Arising from Non-Compliance with Occupational Health and Safety Standards	R			OO	
- Opportunity to Strengthen Employee Engagement and Workforce Continuity	O			OO	
Equality, Diversity and Inclusion					Material
- The Impact of Diversity, Inclusion and Equality Practices on Employee Satisfaction and Fair Work Environment	I	+	E	OO	
Employee Rights					Material
- Risk of Human Rights Violations in the Workplace	R			OO	

ESRS S2: Workers in the Value Chain

Our Material Subtopics	IRO	+/-	E/P	DS/OO/US	Materiality Level
Working Conditions of Suppliers					Material
- The Impact of Occupational Health and Safety Nonconformities on Employees in Supply Chain	I	-	P	US	
- Working Conditions and Risk of Non-Compliance in Supply Chain	R			US	
- Opportunity for Resilience and Operational Continuity by Improving Working Conditions in the Supply Chain	O			US	
- Opportunity for Efficiency and Productivity with Improved Working Conditions in the Supply Chain	O			US	

DOUBLE MATERIALITY ANALYSIS

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROs)

ESRS S3: Communities Affected

Our Material Subtopics	IRO	+/-	E/P	DS/OO/US	Materiality Level
Community Welfare					Critical
- Impact of Environmental Pollution from Operations on the Health of Local Communities	I	-	P	DS	
- The Impact of New Business Lines and Business Transformation on Economic Growth and Employment	I	+	P	DS	
- Risk of Delay and Cancellation due to Environmental and Social Acceptance in Energy Projects	R			OO	
- Opportunity for Innovative Business Models with the Expansion of Electrification and Charging Infrastructure	O			DS	
- Economic Cooperation and Development Opportunity with Local Communities	O			DS	

ESRS G1: Business Conducts

Our Material Subtopics	IRO	+/-	E/P	DS/OO/US	Materiality Level
Corporate Rights					Material
- The Impact of Ethical Values, Transparency and Accountability on Corporate Rights and Business Success	I	+	E	OO	
- Ethical Culture, Employee Engagement and Competitive Advantage Opportunity with Corporate Governance	O			OO	
Ethical Practices					Material
- The Impact of Ethical Compliance and Protection Policies on Corporate Rights	I	+	E	OO	
Relations with Suppliers					Material
- Environmental and Social Responsibility Opportunity through Sustainable Supply Chain Collaborations	O			US	

Innovation and Technology

Our Material Subtopics	IRO	+/-	E/P	DS/OO/US	Materiality Level
R&D and Innovation					Critical
- Impact of R&D and Innovation on Carbon Reduction and Ecosystems	I	+	E	OO	
- Competitiveness and Market Growth Opportunity with R&D and Low Carbon Technologies	O			OO	
Digital Transformation					Critical
- Efficiency and Security Opportunity in Business Processes with Information Security Applications	O			OO	
- Opportunity for Inclusion and Digital Transformation by Increasing Access to Digital Services	O			DS	

Sustainable Growth

Our Material Subtopics	IRO	+/-	E/P	DS/OO/US	Materiality Level
Responsible Sustainable Finance					Material
- The Impact of Carbon Credit Sales on the Environment	I	+	E	OO	
- Opportunity for Financial and Environmental Sustainability through Carbon Trading Mechanisms	O			OO	
- Opportunity for Growth and Market Share Increase with Sustainable Financing	O			OO	

SUSTAINABILITY AND CLIMATE RISKS AND OPPORTUNITIES

We identify our sustainability and climate-related risks and opportunities based on the results of our double Materiality analysis. By following global, regional and sectoral trends, climate scenarios and stakeholder feedback, we comprehensively address the physical and transition risks posed by climate change.

We identify our sustainability and climate-related risks and opportunities based on the results of our double Materiality analysis. By following global, regional and sectoral trends, climate scenarios and stakeholder feedback, we comprehensively address the physical and transition risks posed by climate change. Accordingly, we assess our Material sustainability risks and opportunities in line with the Turkish Sustainability Reporting Standards (TSRS) framework, which is based on IFRS S1 and S2 standards published by the International Sustainability Standards Board (ISSB).

The physical impacts of climate change are manifested in increased frequency and severity of extreme weather events, heat waves and extreme precipitation. We closely monitor these changes in the regions where we operate and assess the risks that may arise in terms of business continuity, infrastructure management and operational efficiency. We analyze different climate scenarios and forecast models and take actions to manage potential impacts in advance.

As we assess our risks and opportunities, we recognize that climate change primarily affects our own operations, but also leads to Material changes in other stages of our value chain such as supply chain, distribution processes and customer use. In this context, we address sustainability risks not only in our operational processes, but also in our investment planning and across our entire value chain.

While aiming to increase our long-term value creation capacity, we integrate these risks and opportunities into our Enterprise Risk Management system and execute our action plans in line with our sustainability strategy. While increasing our resilience against the risks associated with climate change, we also accelerate the transition to a low-carbon economy by seizing the opportunities it presents. Investing in low-carbon energy solutions, adopting innovative technologies and expanding circular economic practices are among the key elements of our strategy to adapt to climate change and support sustainable growth.

We manage the risks and opportunities we identify based on the results of our Double Materialization analysis in line with our short, medium and long-term planning processes and shape our business model with the goal of adapting to climate change and building long-term resilience.

You can find detailed information in the Double Materiality Analysis section.

Probability of Risk:

Score	Level	Definition
5	Almost certain	A situation that is almost certain to occur. It has a long history of occurrences. Expected to occur within a few months.
4	Probable	Highly expected to occur. Many actual events are remembered. More than one event may occur in the same year.
3	Possible	Situation likely to occur. Few events that have occurred in the organization are remembered.
2	Low probability	Low probability of occurrence. One or a few rare events that have occurred in the organization are remembered.
1	Very unlikely	A situation that is expected to occur with a very low probability, but not impossible. Exceptional cases can be remembered from similar organizations.

SUSTAINABILITY AND CLIMATE RISKS AND OPPORTUNITIES

RISKS

Subject of Risk	Title of Risk	Definition of Risk	Linking Risk to Climate ⁺	Maturity of Risk ^{*,***}		Probability of Risk	Impact of Risk on the Value Chain ^{****}	Risk Management Actions	Term of Actions	Material Risk Related Matters	Relevant Section of the Risk Report
Adaptation to Climate Change	Regulation and Risks of Transition to a Low Carbon Economy	Rapidly changing regulations and policies in the energy sector can affect the viability and costs of projects. Failure to comply with new regulations may result in legal sanctions and cost increases. Lack of market conditions and financial instruments for low-carbon technologies may hinder their adoption and contribution to sustainable development. Failure to reduce Scope 1, 2 and 3 emissions increase the risk of regulatory non-compliance and penalties, while lack of government support for renewable energy investments and an inadequate regulatory framework can create transitional climate risks.	Transition Risk	Short		Likely	Own Operation	• Investments are made in low-carbon energy technologies and innovative solutions. • Investments that increase energy efficiency in operational processes and renewable energy projects are prioritized. • Legal monitoring and compliance processes are strengthened to ensure rapid adaptation to changing regulations. • Regulatory changes in the energy sector are regularly analyzed to identify risks in advance. • With the GECO Project, carbon capture technologies are planned to be implemented in geothermal power plants. • The transition to low-carbon transportation is accelerated by increasing investments in electric vehicle conversion and Zes charging stations. • Innovative storage and grid management solutions are being developed under the FLEXIGRID and SEHRENE projects. • ISO 50001 Energy Management System is being implemented. • Sustainable supplier policies are implemented to reduce scope 3 emissions and working with suppliers that do not comply with environmental criteria is limited. • Carbon emissions are minimized in logistics processes through supply chain optimization. • Government support and incentive mechanisms are closely monitored and funding and investment opportunities for renewable energy projects are evaluated. • Financial sustainability for renewable energy projects is ensured by increasing integration with green financing and carbon markets. • Renewable energy use in operations is documented with YEK-G and I-REC certificates. • Zes Solar investments are increased to reduce the carbon intensity of the electricity offered to consumers. • Domestic consumption is met from renewable energy sources through rooftop SPP (Solar Power Plant) installations.	Medium	Climate Change	Climate Change Adaptation and Response
Adaptation to Climate Change	Physical Risks of Climate Change and Extreme Weather on Energy Infrastructure	Extreme weather conditions brought about by climate change pose Material risks to existing energy infrastructure. Floods, storms and extreme temperatures can increase maintenance costs and lead to service interruptions. Power transmission lines and infrastructure can be damaged, especially during extreme weather events, leading to power outages and breakdowns. Lightning strikes can damage power transmission lines, causing prolonged service interruptions and posing a fire risk. In addition, heavy rains and temperature fluctuations can cause structural damage to administrative buildings, damaging equipment and negatively impacting business continuity.	Physical Risk	Medium		Likely	Own Operation	• Investing in wind, solar and hybrid energy sources to mitigate the effects of extreme weather events. • Accelerating the transition to a distributed generation model in energy production, reducing dependence on centralized generation facilities. • Battery systems and other energy storage solutions are being developed to ensure the sustainability of energy supply during interruptions due to extreme weather conditions. • With the Investigation of Chemical Energy Storage Technologies and Pilot Project Studies in Distribution Networks (KEDEP) Project, the efficiency of energy systems is increased and failures in power lines are reduced. • Investments are made in smart grid technologies within the scope of digitalization and modernization of networks. • SLF: With the Spatial Load Forecasting Tool Project, infrastructure optimization is ensured by increasing the long-term utilization rates of grid facilities. • With the Next Generation Grid Development Project, grid planning is carried out in accordance with new energy technologies. • Developing Solutions to Prevent Long-Term Interruptions Due to Ice Load in Electricity Distribution Networks Project aims to minimize long-term interruptions caused by ice load. Within the scope of the Project for Investigation of the Turkish Electricity Distribution Network against Earthquakes and Natural Disasters and Development of Emergency Action Plans, local software that offers automatic planning to users during and after disasters is developed and emergency action plans are prepared for high-risk distribution centers. • The Energy Storage Systems Project aims to effectively manage implementation processes, monitor storage systems across the country from the centers and create a platform for sharing information about storage systems. -Infrastructure Development and Pilot Implementation for Independent Installation Electricity Distribution Service Project aims to develop the infrastructure of the distribution company to expand mobile payment systems in public areas with high energy demand such as electric vehicle charging stations, to create a common electricity and technology infrastructure for different service providers, and to make Electricity Distribution processes more efficient and accessible. • In Electricity Distribution infrastructure applications, investments are made in the following areas to address climate risks: transmission lines are strengthened, wooden poles are renewed, electrical equipment such as substations are upgraded, distribution lines are undergrounded, and backup generators are commissioned.	Medium	Climate Change	Climate Change Adaptation and Response

SUSTAINABILITY AND CLIMATE RISKS AND OPPORTUNITIES

RISKS

Subject of Risk	Title of Risk	Definition of Risk	Linking Risk to Climate ⁺	Maturity of Risk ^{*,***}		Probability of Risk	Impact of Risk on the Value Chain ^{****}	Risk Management Actions	Term of Actions	Material Risk Related Matters	Relevant Section of the Risk Report
Adaptation to Climate Change	Physical Risks of Climate Change on Renewable Energy Resources	Climate change has a Material impact on the efficiency of renewable energy sources. Geothermal power plants may experience loss of efficiency in extreme temperatures. Wind turbines can experience mechanical failures in extreme wind conditions, lightning strikes can negatively affect performance, and changes in wind speed can reduce energy production potential. Extreme winds can also damage the surfaces and mounting structure of solar panels, interrupting energy production. High winds and heavy rainfall can cause interruptions in electricity transmission lines.	Physical Risk	Long		Possible	Own Operation	• The impacts of extreme weather events are mitigated by investing in distributed generation technologies such as wind, solar and hybrid energy sources instead of centralized energy generation. Energy storage systems (e.g. battery systems) are being developed and integrated to sustain energy supply during extreme weather-related interruptions. • New generation cooling systems are being implemented in geothermal power plants against extreme temperatures. • Optimized maintenance programs are implemented to reduce the risk of mechanical failure in wind turbines. • Lightning protection systems in turbines are strengthened to take precautions against lightning strikes. Highly durable mounting structures and wind-resistant systems are applied in solar panels. • With the Investigation of Chemical Energy Storage Technologies and Pilot Project Studies in Distribution Networks (KEDEP) Project, the efficiency of energy systems is increased, and energy storage solutions are developed. • Line interruptions are minimized through Reinforcement Works against Ice Load and Extreme Winds in Electricity Distribution Networks. • SCADA systems enable instant monitoring of energy infrastructure and rapid response to interruptions. • With the Next Generation Grid Development Project, the grid infrastructure is strengthened against future climate risks. • SLF: With the Spatial Load Forecasting Tool Project, investment planning is carried out by increasing the long-term utilization of grid facilities.	Medium	Climate Change	Climate Change Adaptation and Response
Combating Climate Change	Uncertainties and Viability Risks in Energy Conversion Technologies	Failure of carbon capture technologies to achieve competitiveness and technological and economic uncertainties in the transition to energy transition technologies (green hydrogen, energy storage, hybrid power plants) may negatively affect the viability and long-term sustainability of energy projects.	Transition Risk	Medium		Likely	Own Operation	• Hybrid power plants that combine wind, solar and storage systems increase energy supply security and minimize generation fluctuations. • By integrating energy storage systems in renewable energy power plants, the performance of storage technologies is measured, and their economic viability is evaluated. • With the GECCO Project, carbon capture and storage technologies are applied in geothermal energy production to reduce CO₂ emissions. • Carbon markets and financial support mechanisms are monitored to provide incentives for carbon capture projects. • Feasibility studies are conducted for green hydrogen production and appropriate infrastructure investments are evaluated. • With the Chemical Energy Storage Technologies Investigation and Pilot Project Studies in Distribution Networks (KEDEP) Project, the efficiency of energy systems is increased, and energy storage solutions are developed. • The -SEHRENE Project enables the research and implementation of new technologies to increase energy efficiency. • The FLEXIGRID Project aims to develop smart grid systems and strengthen renewable energy integration. • The financial sustainability of low-carbon energy projects is enhanced by monitoring government support and European Union funds. • The economic viability of low-carbon energy technologies is supported by using carbon credits and green financing models.	Medium	Climate Change	Climate Change Adaptation and Response
Combating Climate Change	Risks of Electric Vehicle Charging Infrastructure on the Energy Grid	The establishment of a large-scale charging infrastructure could lead to increased energy demand and new loads on the electricity grid, increasing the need for grid modernization.	Transition Risk	Medium		Likely	Downstream	• Investments are being made in energy storage technologies to stabilize fluctuations in the electricity grid. These systems help meet energy demand during peak charging station hours and support the integration of renewable energy sources. • Renewable energy generation capacity is being increased to meet growing energy demand and minimize carbon footprint. • V2G (Vehicle to Grid) technologies are being explored that utilize the batteries of electric vehicles as energy storage units. • With the FLEXIGRID Project, smart grid solutions are being developed to optimize the impact of electric vehicle charging stations on the grid. • SCADA and Automatic Meter Reading Systems (AMRS) provide flexibility by instantly monitoring grid loads. • Zes and Electrip collaborate to ensure efficient positioning of electric vehicle charging stations and minimize the risk of overloading with smart load balancing systems. • Within the scope of the Infrastructure Development and Pilot Application Project for Independent Installation Electricity Distribution Service, it is planned to optimize the load distribution on the grid by developing Ortak electricity infrastructure for different service providers. • By supporting charging stations with renewable energy sources, the direct load on the grid is reduced. • Long term grid expansion plans and modernization projects are developed to plan for the increasing number of charging stations. • SLF: With the Spatial Load Forecasting Tool Project, long term utilization rates of grid facilities are calculated, and infrastructure investments are optimized.	Medium	Climate Change	Climate Change Adaptation and Response

SUSTAINABILITY AND CLIMATE RISKS AND OPPORTUNITIES

RISKS

Subject of Risk	Title of Risk	Definition of Risk	Linking Risk to Climate ⁺	Maturity of Risk ^{*,**} ,***		Probability of Risk	Impact of Risk on the Value Chain ^{****}	Risk Management Actions	Term of Actions	Material Risk Related Matters	Relevant Section of the Risk Report
Combating Climate Change	Risks on Emissions and Financial Sustainability of Geothermal Energy Investments	Investment decisions for the GPP portfolio may reverse the declining GHG trends on an annual basis. This may lead to an increase in borrowing costs in the Eurobond life cycle, which may negatively affect the financial sustainability of the firm. Although the majority of energy generation is from renewable sources, the high emission rates of geothermal power plants can pose a challenge for sustainability goals and low-carbon transition strategies. These emissions can affect financing decisions, access to sustainable projects and the company's environmental performance.	Transition Risk	Long		Likely	Own Operation	- Investments in carbon capture and storage technologies are planned to reduce carbon dioxide and other greenhouse gas emissions from geothermal power plants. - With the GECCO Project, carbon capture and storage solutions are being developed in geothermal power plants, thus reducing GPP emissions. - Technological solutions for process optimization and increasing energy efficiency of geothermal power plants are being researched.	Medium	Climate Change	Climate Change Adaptation and Response
Energy Management	Risks of Global Geopolitical and Socioeconomic Developments on Energy Supply Security	The creation of supply constraints by global organizations that control energy supply (OPEC, Russia, etc.) according to political developments, population changes, sociological and political developments such as wars and pandemics that create demand imbalances may threaten energy production capacity and security of supply. Changes in energy demand, grid capacity constraints, extreme weather conditions or delays in permitting processes for the construction of new grids may put energy generation capacity and security of supply at risk.	Transition Risk	Short		Possible	Own Operation	- Diversifies its energy generation portfolio by investing in renewable energy sources (solar, wind, hydroelectric, geothermal), thereby reducing supply security risks. - Hybrid energy technologies integrated into renewable energy power plants provide flexibility in energy generation and prevent supply interruptions. - The Company plans to invest in energy storage systems (ESS) to stabilize fluctuations in energy supply. - The Company plans to invest in smart grid infrastructures to manage energy supply demand imbalances more effectively. - Investments to modernize the existing grid infrastructure and increase its capacity in order to adapt to increasing energy demand. - Optimizes energy flow and minimizes downtime through SCADA and Automatic Meter Reading Systems (AMRS). - Increases resilience against political and economic fluctuations by establishing a multi-source supplier network. - Creates an energy infrastructure resistant to extreme weather conditions within the scope of the Disaster Preparedness and Response Project. - Provides resilience against extreme weather conditions with flexible energy systems and backup solutions. - Improves supply security by accelerating investment plans for low-carbon energy projects.	Medium	Climate Change	Energy Management
Energy Management	Energy Storage Technologies and Battery Supply Risks	Energy storage technologies (e.g. batteries) are Critical for the integration of renewable energy. However, the costs, environmental impacts and safety risks of these technologies are the main areas that require attention.		Medium		Likely	Own Operation	- Energy storage R&D investments are increased to reduce costs in the long term. - Battery utilization efficiency is improved by increasing grid flexibility with large scale storage systems and hybrid energy solutions. - Recycling technologies are being developed for the recovery of end-of-life batteries and waste management processes are being improved. - Within the scope of the JIDEP Project, the advanced transformation of batteries and energy storage materials is supported. - Battery security systems and fire prevention mechanisms are being developed to increase site security. - Security risks are minimized by implementing certified storage solutions and regular testing processes. - Compliance with international safety standards for storage technologies is monitored. - With the FLEXIGRID and SEHRENE projects, energy storage systems are integrated into grid management and smart solutions are developed to optimize the use of renewable energy. - Renewable energy integration is supported by increasing the bi-directional use of batteries with V2G (Vehicle to Grid) technologies. - The Energy Storage Systems Project aims to effectively manage implementation processes, monitor storage systems across the country from centers, and create a platform for sharing information on storage systems.	Medium	Climate Change	Energy Management
Resource Management	Raw Material and Supply Chain Risks in Renewable Technologies	Possible risks include violations in the procurement of resources needed for renewable technologies such as precious metals, ores, mining products, environmental and social impacts, the risk of financial volatility due to the limited availability of minerals, the fact that the processing of minerals is a high-carbon sector and a carbon tax on these sectors may increase the cost of the product. Difficulties in sourcing rare metals and minerals used in energy storage technologies may create sustainability risks in the supply chain.		Medium		Possible	Upstream	- Investing in R&D studies and collaborations for recycling technologies to increase the recovery of Critical materials such as lithium, cobalt and nickel. - Priority is given to the metals and minerals supplied having responsible mining certificates. - Supplier evaluation processes are being tightened in line with the OECD Responsible Supply Chain Principles. - With the JIDEP Project, wind turbine blades and other composite materials are recycled. - Within the scope of the EOLIAN Project, wind turbine blades are produced from unlimited recyclable materials. - The use of carbon intensive raw materials is reduced by using vitrimer composites and new generation polymers. - Local and low carbon raw material sources are being researched, and procurement processes are being optimized. - Cooperation with low carbon mining projects ensures the supply of raw materials with a low carbon footprint.	Medium	Circular Economy	Resource Management

Subject of Risk	Title of Risk	Definition of Risk	Linking Risk to Climate [*]	Maturity of Risk ^{*,***}		Probability of Risk	Impact of Risk on the Value Chain ^{****}	Risk Management Actions	Term of Actions	Material Risk Related Matters	Relevant Section of the Risk Report
Waste Management	Management Risks of End-of-Life Energy Equipment	Inadequate management of the process after Zorlu Enerji's solar panels, wind turbine blades or other equipment reach the end of their life may cause environmental risks. In addition, while investments in battery recycling technologies offer great opportunities in the transition to a low-carbon economy, they can also create risks such as high initial costs, technical challenges and infrastructure requirements.		Short		Likely	Own Operation	• The EOLIAN Project is investigating sustainable solutions for the recycling of wind turbine blades. • Within the scope of the JIDEP Project, upcycling processes of composite materials are being investigated. • Recycling processes and technologies are being researched to minimize the environmental impact of end-of-life solar panels. • Sectoral collaborations and technological investments are being increased to create a battery recycling infrastructure. • Electrical panel repair workshop and wind turbine maintenance workshop projects are being carried out in cooperation with Zorlu Holding.	Medium	Circular Economy	Resource Management
Working Conditions	Risks Arising from Non-Compliance with Occupational Health and Safety Standards	Non-compliance with occupational health and safety standards can not only lead to serious occupational accidents but can also result in Material legal sanctions. In addition to jeopardizing the safety of employees, such violations also pose serious risks to the reputation and sustainability of companies.		Short		Almost certain	Own Operation	• Full compliance with ISO 45001 Occupational Health and Safety Management System standards. • 8 lifesaving OHS rules are implemented in all operations. • Employees are guaranteed the right to refuse risky jobs. • With the Video Verification System (VTS), high voltage work is not started without the approval of the control center. • Proactive measures are taken before occupational accidents with the QDMS Near Miss Notification System. • Compulsory OHS trainings are provided to all employees and contractors. • Internal audits and audits by independent certification bodies are conducted at least once a year. • In order to prevent the recurrence of possible accidents, root cause analyses are performed by applying the Accident Incident Investigation Procedure. • Arc Flash Safe Operation System minimizes arc flash risks in Electricity Distribution. • Within the scope of the Disaster Preparedness and Response Project, a search and rescue team was formed in cooperation with AFAD and the ratio of first aid certified employees was increased.	Short	Workforce	Working Conditions
Employee Rights	Risk of Human Rights Violations in the Workplace	Violations of human rights in the workplace can lead to loss of workforce and legal problems.		Short		Likely	Own Operation	• Regular audits and reporting are carried out to ensure human rights in the working environment. • To comply with international standards, the Universal Declaration of Human Rights, ILO conventions and relevant national legislation are followed. • Fair remuneration and benefits are offered to all employees. • The right to organize and unionize is supported and collective bargaining agreements are implemented within the legal framework. • Trainings on human rights, business ethics and anti-discrimination policies are organized for all employees. • Information activities are carried out to raise employee awareness on their rights. • Psychological support, healthy living and personal development services are provided to employees through the "Together We Are Well" platform and the "Wellbees" application. • Maternity leave, flexible working models and parental support programs are provided for employees. • Complaint and solution mechanisms are established where employees can report violations of their rights or problems they experience at work. • Regular feedback processes are carried out to improve Working Conditions.	Short	Workforce	Equality, Diversity and Inclusion Employee Rights
Working Conditions of Suppliers	Working Conditions and Risk of Non-Compliance in Supply Chain	Deficiencies in auditing suppliers' Working Conditions and suppliers' violations of contractual clauses on human rights commitments may create risks for Zorlu Enerji.		Medium		Possible	Upstream	• Regularly audits suppliers' compliance with human rights and occupational health and safety standards. • Inserting more stringent commitments on human rights and working conditions into supplier contracts. • Organizes training programs for suppliers on human rights, occupational health and safety. • Raises awareness of stakeholders in the supply chain through sustainability-oriented collaborations. • Prepares human rights due diligence reports with up-to-date data and shares them publicly. • Revises action plans for risky suppliers by analyzing audit results. • Works with independent third-party auditors to increase the effectiveness of supplier audits. • Conducts Ortak projects with industry stakeholders to ensure compliance with international standards.	Short	Employees in the Supply Chain	Working Conditions of Suppliers
Community Welfare	Risk of Delay and Cancellation due to Environmental and Social Acceptance in Energy Projects	Environmental risks and lack of societal acceptance can lead to energy projects being delayed or canceled, posing risks to companies' reputation and financial position.		Short		Possible	Own Operation	• Information meetings are organized to address the concerns of local communities about the project. • Active participation of communities in EIA processes is encouraged. • A feedback and grievance management system is in place to regularly evaluate public requests and suggestions. • Innovative technologies that reduce environmental impacts are implemented in projects. • Impacts on agriculture and water resources are assessed with scientific data and improvement works are carried out. • Social impact assessment processes are strengthened to increase social acceptance of projects. • Procedures are in place to protect historical, cultural and natural heritage.	Short	Impacted Communities	Community Welfare

^{*}Climate Related Risks are analyzed in 2 categories as physical and transition.
^{**}Risks are defined as "Short-term" period 0-1 year, "Medium-term" period 1-5 years and "Long-term" period 5 years and above.
^{***} Definitions for the "Short-term," "Medium-term" and "Long-term" periods are created by taking into account the risks specific to the energy sector.
The definitions of these periods are directly linked to strategic planning, investment decisions and financial risk management processes.
^{****}Risks are assessed in 3 categories as "own operations" (OO), "upstream" (US) and "downstream" (DS).

SUSTAINABILITY AND CLIMATE RISKS AND OPPORTUNITIES

OPPORTUNITIES

Subject of the Opportunity	Title of Opportunity	Definition of Opportunity	Term of Opportunity*,**	Likelihood of Opportunity		Impact of the Opportunity in the Value Chain ***	Actions to Manage the Opportunity	Material Issues Relevant to the Opportunity	Relevant Section of the Opportunity in the Report
Adaptation to Climate Change	Adaptation to Climate Change and Resilient Energy Infrastructure Opportunity	Developing Adaptation to Climate Change strategies can increase a company's operational resilience and ensure long-term business continuity. Strengthening energy infrastructure against Climate Change risks can increase service continuity and reduce maintenance costs.	Medium	Almost certain		Own Operation	• Risk assessments are made at the power plants and preventive measures against Climate Change are implemented. • Energy efficiency projects are carried out at the plants to optimize maintenance processes. • The transition to climate-friendly energy sources is accelerated through SPP, WPP and HEPP projects. • SCADA and OSOS systems ensure rapid response to power outages and emission gains. • Energy supply security is increased with geothermal water management and energy storage systems.	Climate Change	Climate Change Adaptation and Response
Combating Climate Change	Opportunity for Low Carbon Technologies and Renewable Energy Investments	By increasing investments in low-carbon technologies, Zorlu Enerji can improve its environmental performance and gain competitive advantage by reducing carbon emissions and complying with regulations, while taking advantage of incentives for renewable energy investments can increase its long-term sustainability and create new revenue streams.	Medium	Likely		Own Operation	• With the GECCO Project, carbon capture technology is being evaluated in geothermal power plants. • Clean energy generation is being expanded through investments in GES, WPP and HEPP. • Energy consumption is optimized with modernization projects and ESP pumps in power plants. • Low carbon energy use is documented with YEK-G and I-REC certificates. • Financial sustainability is ensured through carbon credits and long-term green energy sales agreements (PPAs).	Climate Change	Climate Change Adaptation and Response
Combating Climate Change	Decarbonization and Sustainable Growth Opportunity by Accelerating Coal Exit	Accelerating the coal phase-out process can reduce the firm's carbon footprint and reinforce its environmental responsibility.	Medium	Almost certain		Own Operation	• Low carbon suppliers are prioritized to reduce the use of coal. • Emissions are reduced through SPP investments and energy efficiency projects. • Electric fleet transformation and rail transportation are increased to reduce fossil fuel use. - Low • emission energy is provided in Electricity Trade in cooperation with Zes Solar.	Climate Change	Climate Change Adaptation and Response
Energy Management	Resilience to Energy Market Volatility and Opportunities for Green Growth	Developing flexible strategies against fluctuations in energy commodity prices, reducing fossil fuel use, increasing grid capacity, implementing effective financial strategies, capitalizing on increasing energy demand through digital transformation and electrification, investing in hydrogen energy and developing electric vehicle charging infrastructure reinforce a company's sustainability leadership. This provides a competitive advantage for green energy suppliers by offering material growth opportunities.	Long	Likely		Own Operation	• ISO 50001 Energy Management System is in place. • The share of renewable energy is being increased through investments in geothermal, hydroelectric and wind energy. • Energy saving projects are implemented at Kızıldere and Gökçedağ plants. • Energy Management supported by big data and artificial intelligence with FlexiGrid, BD4OPEM and BD4NRG projects. • Energy storage and efficiency are increased with the - nGEL and SEHRENE projects. • Zes and Electrip projects expand the fast-charging station network in Türkiye and Europe. • YEK-G and I-REC certificates provide additional income in carbon markets.	Climate Change	Energy Management
Resource Management	Opportunities from Resource Efficiency, Circular Economy and Recycling	While reusing resources and enabling recycling processes reduce raw material costs and lower operational costs, taking advantage of the incentives provided under the Circular Economy framework and investing in battery recycling technologies can help companies gain a competitive advantage and increase their financial sustainability.	Medium	Likely		Own Operation	• The target of reducing the total amount of waste, hazardous waste and ash waste by 10% annually has been set. • Kars Çıldır HEPP and OEDAŞ operations were awarded the Zero Waste Certificate. • Ash waste from thermal power plants is directed to the cement industry as raw material, while metal and electronic waste is recycled and brought into the economy. • Electrical panel and wind turbine maintenance workshops extend the life of energy infrastructures. • EOLIAN Project: Wind turbine blades are recycled and reused. • JIDEP Project: Circular Economy practices that reduce the need for raw materials by recycling composite materials are being developed. • Investments in waste management and battery recycling in charging infrastructure are being increased.	Circular Economy	Resource Management
Working Conditions	Opportunity to Strengthen Employee Engagement and Workforce Continuity	Continuous improvement of Working Conditions can increase employee engagement and reduce the firm's Workforce turnover rate.	Medium	Likely		Own Operation	• The principle of "equal pay for equal work" is applied and performance-based wage increases and incentives are provided. • Health insurance, maternity and paternity leave, nursery support, food and cash benefits, fitness facilities and educational scholarships are offered. • Work-life balance of employees is supported by implementing a hybrid working model. • Family-friendly practices such as Parenting School, maternity leave, financial support for newly married employees and breastfeeding rooms are implemented. • Psychological counseling, healthy living and personal development support is provided through the "We Are Well Together" platform and Wellbees application. • Employees' opinions are gathered through biannual surveys, social performance teams and employee representatives, and improvement plans are developed.	Workforce	Working Conditions
Working Conditions of Suppliers	Opportunity for Resilience and Operational Continuity by Improving Working Conditions in the Supply Chain	Improving Working Conditions in the supply chain increases a company's supply chain resilience and reduces operational disruptions.	Medium	Likely		Upstream	• Compliance with occupational health and safety (OHS) standards is applied as a priority criterion in supplier selection and performance evaluations. • Guidance and audit processes are applied to suppliers for compliance with human rights and ethical standards. • Trainings are organized for suppliers on OHS, sustainability and ethical business practices. • Improvement plans are created for suppliers with identified deficiencies and their development processes are supported.	Employees in the Supply Chain	Working Conditions of Suppliers
Working Conditions of Suppliers	Opportunity for Efficiency and Productivity with Improved Working Conditions in the Supply Chain	Improved Working Conditions lead to increased efficiency and higher productivity in the supply chain.	Long	Likely		Upstream	• Working Conditions of suppliers are regularly audited in line with human rights commitments. • OHS criteria are considered as a priority criterion in supplier evaluation processes, and improvement plans are created for deficiencies. • Training programs on occupational health and safety, ethical rules and sustainability are organized to increase the capacity of suppliers. • Suppliers who take concrete steps to improve their Working Conditions are encouraged and their development is supported.	Employees in the Supply Chain	Working Conditions of Suppliers
Community Welfare	Opportunity for Innovative Business Models with the Expansion of Electrification and Charging Infrastructure	The proliferation of electric vehicle charging stations can pave the way for innovative solutions in the energy sector by creating new business models and revenue sources.	Medium	Likely		Downstream	• Zes charging stations are being expanded across Türkiye, and city and highway charging points are being increased. • Access to charging points is facilitated through mobile applications and digital platforms, and user experience is improved. • Projects are being developed to increase the use of clean energy through SPP and WPP supported charging infrastructure. • Electric vehicle rental solutions are being expanded to support electric mobility.	Impacted Communities	Community Welfare

SUSTAINABILITY AND CLIMATE RISKS AND OPPORTUNITIES

OPPORTUNITIES

Subject of the Opportunity	Title of Opportunity	Definition of Opportunity	Term of Opportunity*,**	Likelihood of Opportunity		Impact of the Opportunity in the Value Chain ***	Actions to Manage the Opportunity	Material Issues Relevant to the Opportunity	Relevant Section of the Opportunity in the Report
Community Welfare	Economic Cooperation and Development Opportunity with Local Communities	Respecting the economic rights of local communities in the company's projects promotes local job creation and economic development. This strengthens the firm's contribution to the local economy.	Medium	Likely		Downstream	- Local Workforce is prioritized in recruitment processes and employees are included in technical training programs. - Collaboration with local suppliers to support local economies.	Impacted Communities	Community Welfare
Corporate Rights	Ethical Culture, Employee Engagement and Competitive Advantage Opportunity with Corporate Governance	Well-designed corporate governance efforts can increase employee engagement by creating a Corporate Rights that encourages ethical behavior and emphasize Medium values. This strengthens innovation capacity and competitive advantage.	Medium	Likely		Own Operation	- A confidential and independent whistleblowing system has been established for employees and external stakeholders to report ethical violations. - Policies in compliance with the United Nations Convention against Corruption are implemented and continuously updated. - Global initiatives are supported to increase the representation of women on the Board of Directors, and especially the 30% Club is participated in. - Regular trainings are provided for employees, and business ethics and anti-corruption culture is strengthened. - Business processes are carried out with a reliable and sustainable management approach based on ethical principles.	Business Conduct	Corporate Rights
Relations with Suppliers	Environmental and Social Responsibility Opportunity through Sustainable Supply Chain Collaborations	Collaborating with sustainability-compliant suppliers improves the company's sustainability performance in the supply chain and strengthens the company's image of environmental and social responsibility.	Medium	Likely		Upstream	- The sustainability performance of suppliers is regularly analyzed and monitored through the ESG Assessment System. - Suppliers that fully comply with ethical principles, human rights and anti-bribery policies are prioritized. - Suppliers' compliance with sustainability criteria is increased by offering guidance and training programs for identified deficiencies. - ESG criteria are integrated into procurement processes, and performance monitoring and improvement activities are carried out.	Business Conduct	Relations with Suppliers
R&D and Innovation	Competitiveness and Market Growth Opportunity with R&D and Low Carbon Technologies	By pioneering R&D projects, Zorlu Enerji can develop decarbonization technologies and thus increase its competitiveness. Innovative work on low-carbon solutions will strengthen the company's role in the fight against Climate Change, while also allowing it to generate additional revenue through environmentally friendly practices such as the Green Tariff. Meeting the demands of increasingly environmentally conscious consumers will be a Material strategy that will enable Zorlu Enerji to increase its market share.	Medium	Likely		Own Operation	- Investments are being made in expanding solar, wind and geothermal energy capacity and in future energy carriers such as green hydrogen. - Solutions such as energy efficiency, carbon capture and storage (CCUS) and energy storage technologies are being developed. - Sustainable energy use in cities is promoted through Zes charging stations and green infrastructure projects. - Efficient use of resources is supported through reuse and recycling of equipment at power plants. 6 R&D projects approved by the Energy Market Regulatory Authority (EMRA) were realized, and a 100% domestic Geographical Information System (Şimşek Project) was developed, contributing to the domestic software ecosystem.	Innovation and Technology	R&D and Innovation
Digital Transformation	Efficiency and Security Opportunity in Business Processes with Information Security Applications	Information security practices help make business processes more efficient and secure.	Short	Likely		Own Operation	- ISO 27001 Information Security Policy is in place. - Regular information security and cyber security trainings are provided to employees and awareness is raised. - Security infrastructure is continuously improved by investing in new technologies.	Innovation and Technology	Digital Transformation
Digital Transformation	Opportunity for Inclusion and Digital Transformation by Increasing Access to Digital Services	Developing specific programs to increase access to digital services increases the firm's success in digital transformation and its inclusiveness among consumers.	Short	Likely		Downstream	- Customer and supplier transactions are transferred to digital platforms through the Smart Systems Department. - Transition to SAP S/4 HANA infrastructure was completed to make corporate processes more efficient. - Sustainability Carbon Emission and Water Footprint Calculation Platform was developed using Productive Artificial Intelligence.	Innovation and Technology	Digital Transformation
Responsible Sustainable Finance	Opportunity for Financial and Environmental Sustainability through Carbon Trading Mechanisms	Carbon trading and carbon credit mechanisms can increase company revenues. While emission reduction commitments can be strengthened through participation in mandatory carbon markets, financial performance can be improved through the sale of I-REC and YEK-G certificates. These steps both support environmental sustainability and contribute to the company's strategy.	Medium	Likely		Own Operation	- There is a Sustainable Financing Strategy. - Carbon credits are generated through renewable energy projects and investments. - There is a Carbon Finance Roadmap. - Provides additional sources of income by certifying its Renewable Energy Production with International Renewable Energy Certificates (I- REC) and Renewable Energy Resource Guarantee System (YEK-G).	Sustainable Growth	Responsible Sustainable Finance
Responsible Sustainable Finance	Opportunity for Growth and Market Share Increase with Sustainable Financing	Practices of providing sustainability-related financing (sustainability linked bonds, green financing, loans, etc.) may provide an opportunity for Zorlu Enerji to increase its market share.	Short	Almost certain		Own Operation	Sustainable financing instruments are used for decarbonization targets.	Sustainable Growth	Responsible Sustainable Finance

*Opportunities are defined as “Short-term” period 0-1 year, “Medium-term” period 1-5 years and “Long-term” period 5 years and above.
**The definitions for the “Short-term,” “Medium-term” and “Long-term” periods are based on the opportunities specific to the energy sector.
Definitions of these periods are directly linked to strategic planning, investment decisions and financial risk management processes.
***Opportunities are evaluated in 3 categories as “own operations” (OO), “Upstream” (US) and “Downstream” (DS).

SUSTAINABILITY GOALS

TARGET-DRIVEN SUSTAINABILITY

Value Areas	Material Topics	Goals	Base Year	Progress			2024 Assessment
					2023	2024	
Nature Stewardship and Value Chain	Climate Change	Reduce Scope 1 GHG emission intensity by 73.71% per MWh by 2030 and 97.7% per MWh by 2040	2021	0.385	0.277	0.264	⬆️
		Reduce Scope 2 absolute GHG emissions by 42% per MWh by 2030 and 90% per MWh by 2040, based on 2021	2021	231,565	233,941	252,576	⬇️
		Reduce Scope 1 and 3 GHG emission intensity from fuel and energy-related activities by 73.71% per MWh by 2030 and 97.8% per MWh by 2040	2021	0.40	0.40	0.45	⬇️
		Reduce all other scope 3 GHG emissions by 25% by 2030 and 90% by 2040, with a 2021 baseline	2021	782,414	576,312	56,205	⬆️
		Increase the share of renewable energy in total generation to 100% by 2030*	2020	99.9%	99.9%	100%	⬆️
	Biodiversity and Ecosystems	Investing TRY 10 million for the protection and improvement of biodiversity until 2030	2020	TRY 1.4 million	TRY 3.2 million	TRY 4.6 million	⬆️
People and Culture	Workforce	To be one of the top three most desired energy companies in our country and in our region	2020	N/A	N/A	N/A	➡️
		Increase the proportion of women in management to 40% by 2030	2020	22%	25%**	14%	⬇️
		Achieve a zero Workforce casualty accident rate by 2030***	2020	5.44	2.74	4.14	⬇️
	Impacted Communities	Continuously increase the local socioeconomic benefit we create through our business model & social investments	2020	TRY 7.3 million	TRY 53 million	TRY 62.5 million	⬆️
Impact Driven Growth	Innovation and Technology	Ensuring that 20% of turnover comes from innovative business models****	2020	TRY 3.8 billion	TRY 3.71 billion	-	⬇️
	Sustainable Growth	By 2030, all new project financing used in Türkiye will come from sustainable instruments	2020	TRY 1.5 billion	N/A	USD 1 billion	⬆️

*Production in Türkiye has been taken into consideration.
**Revised.
***Revised by consolidating Zorlu Enerji, OEPSAŞ and OEDAŞ data.
**** Sales realized through Zorlu Solar, Zes and Electrip are taken into consideration.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

At Zorlu Enerji, we link our business model and projects with the United Nations Sustainable Development Goals (SDGs).

At Zorlu Enerji, while developing innovative solutions for sustainable energy, we take care to conduct our operations in line with global sustainability goals. Accordingly, we manage our environmental, social and economic impacts with a holistic approach by linking our business model and projects with the United Nations Sustainable Development Goals (SDGs).

Contributed SDGs	Zorlu Enerji Approach	Contributed Sub-Goal	Priority Issue
	Increasing local employment, projects contributing to economic development, improving access to energy	1.4 Ensure access to basic services 1.5 Building resilience to climate-related disasters	Impacted Communities
	Energy projects that improve air quality, occupational health and safety policies, practices that enhance employee welfare	3.9 Reducing health problems caused by Chemical and Air Pollution	Pollution Workforce
	Training programs, awareness raising activities on sustainability	4.4 Developing the skills needed for a sustainable economy	Workforce
	Increasing women's employment, equal pay policies	5.5 Ensure full and effective participation and equal opportunities for leadership at all levels of decision-making	Workforce
	Efficient use of water resources, reducing water consumption in energy production, wastewater management	6.3 Water quality improvement and wastewater treatment 6.4 Increasing water use efficiency	Circular Economy
	Renewable energy investments (solar, wind, geothermal), energy efficiency projects, renewable energy certificates	7.1 Increase access to affordable, reliable and modern energy 7.2 Increase the global share of renewable energy 7.3 Reduce global energy intensity by increasing energy efficiency	Climate Change
	Green job creation, fair labor policies, occupational health and safety practices	8.5 Ensure full and productive employment and decent work for all women and men 8.8 Protect employee rights and promote safe working environments	Workforce
	R&D investments, energy storage solutions, smart energy technologies	9.4 Improvement of all industrial branches and infrastructures for sustainability	Innovation and Technology
	Inclusive business models, social responsibility projects	10.2 Increase social, economic and political participation of all individuals	Impacted Communities
	Electric vehicle charging infrastructure	9.4 Sustainable industrial systems and clean energy use	Innovation and Technology
	Circular Economy practices, waste management, sustainable supply chain management	9.5 Support green technology and innovation	Circular Economy
	Carbon management and mitigation projects, Adaptation to Climate Change strategies, SBTi targets	12.2 Efficient use of natural resources	Climate Change
	Biodiversity conservation projects, afforestation and ecosystem restoration works	12.5 Reducing waste generation	Biodiversity and Ecosystems
	Principles of ethical business conduct, transparent management, anti-corruption policies	13.1 Develop strategies that mitigate climate-related risks	Workforce Employees in the Supply Chain
	National and international collaborations, taking an active role in multi-stakeholder platforms	17.16 Promoting global cooperation for sustainable development	Business Conduct

WE VALUE THE OPINIONS OF OUR STAKEHOLDERS

The Stakeholder Engagement Procedure aims to understand the needs and expectations of our company’s stakeholders, manage the possible impacts of our activities and create a transparent communication network.

We consider establishing transparent and effective communication with all our stakeholders based on mutual benefit among our main priorities.



We consider all individuals and organizations that are affected by our business processes and have a material role in the success of the company as our stakeholders, and we shape our strategic decisions by focusing on their contributions. We consider establishing transparent and effective communication with all our stakeholders based on mutual benefit among our main priorities. The Stakeholder Engagement Procedure; which we have developed to establish a strong structure in our communication with our stakeholders, aims to understand the needs and expectations of our company’s stakeholders, manage the possible impacts of our activities and create a transparent communication network. The main purpose of the procedure is to support sustainable growth and create shared value by integrating the contributions of our stakeholders into our strategic decision-making processes.

We continuously collect the opinions and suggestions of our stakeholders through tools such as employee satisfaction surveys, sustainability and customer satisfaction surveys, reputation surveys and stakeholder engagement meetings. We effectively use the feedback received to improve our business processes and evaluate suggestions, integrate this data into our decision-making processes and use it to align our company goals with stakeholder expectations.

We categorize our stakeholders under three main categories:

- Direct Influencers: Employees, customers, business partners, suppliers, shareholders, investors and analysts.
- Indirect Influencers: Financial institutions, public institutions, local governments, trade unions, media and non-governmental organizations.
- Those Offering New Opportunities: Universities and research institutions.

As the number of stakeholders can be large enough to make comprehensive engagement difficult, prioritization is a Material step to ensure efficiency in the process of gathering and integrating their views into our plans.

The process of prioritizing stakeholders considers their impact on the company and their degree of interest. While impact refers to the impact of company activities on stakeholders, interest defines the value of stakeholders’ expectations and demands for the company. The prioritized stakeholders are analyzed in detail in this process.

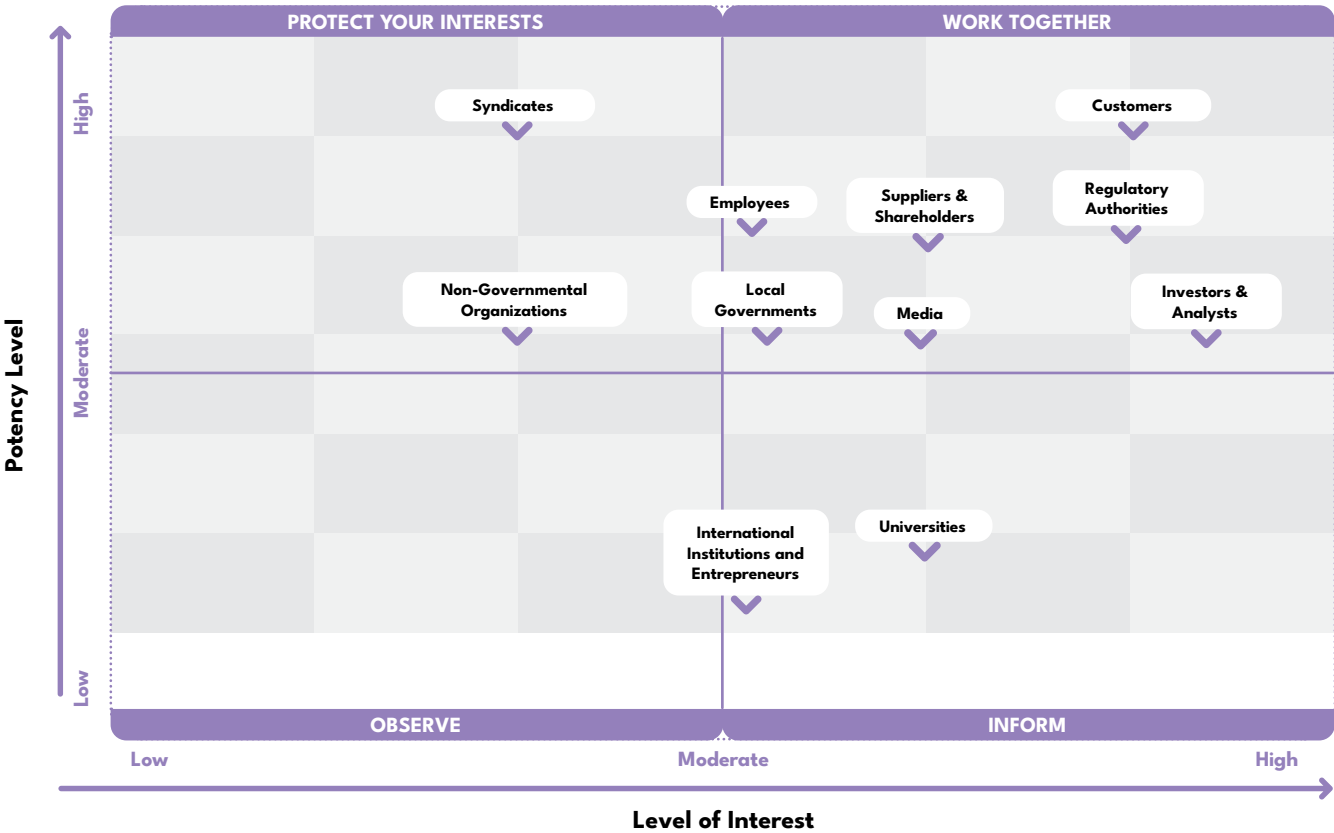
During this analysis, answers are sought to the following questions:

- Which product or service of the company is the stakeholder interested in?
- What are the stakeholders’ main expectations and demands from the company?
- How does the stakeholder affect the company’s products and services?
- How is the stakeholder affected by the company’s products and services?

The most recent Zorlu Enerji stakeholder map, prepared in accordance with the **Stakeholder Engagement Procedure**, is based on these analyses and comprehensively presents the interactions and priority levels of each stakeholder group with the company.

Stakeholder Governance Map:
At Zorlu Enerji, we aim to make inclusive and effective decisions by integrating the views of our stakeholders into our strategic plans. Stakeholder analysis helps us map relationships and strengthen our strategies by assessing their perspectives on our business or investments.

This process, which covers all parties that directly or indirectly interact with our products and services, enables us to understand our stakeholders’ expectations and ensure the adoption of our strategic plans. Thus, we create long-term value by supporting our sustainable business models.



As Zorlu Enerji, we carry out all our activities with an approach that listens to the voices of our stakeholders with our pioneering approach in the sector in sustainability and stakeholder management. **The Stakeholder Governance Procedure**, which we have developed to address any complaints, requests and suggestions that may arise from our operations, enables us to establish a dialog with the local community and other stakeholders based on mutual trust and transparency. This procedure is shared with our plant officials and effectively implemented throughout our communication processes.

Responsibilities and Distribution of Duties in the Stakeholder Governance Procedure
Corporate Communications Department:

- Implementation and operation of the stakeholder governance procedure,
- Communication of the procedure to relevant investments and enterprises,
- Reporting of 6-monthly complaints to the company management,
- Providing support to relevant enterprises in preparing a Stakeholder Engagement Plan,
- Providing capacity building and procedural trainings to enterprise managements.

Sustainability Department:

- Establishment of a stakeholder governance procedure structure,
- Identification of environmental and social risks,
- Transfer of regulatory requirements,
- Establishment of grievance mechanisms.

Electricity Generation Plants and Electricity Distribution Operations:

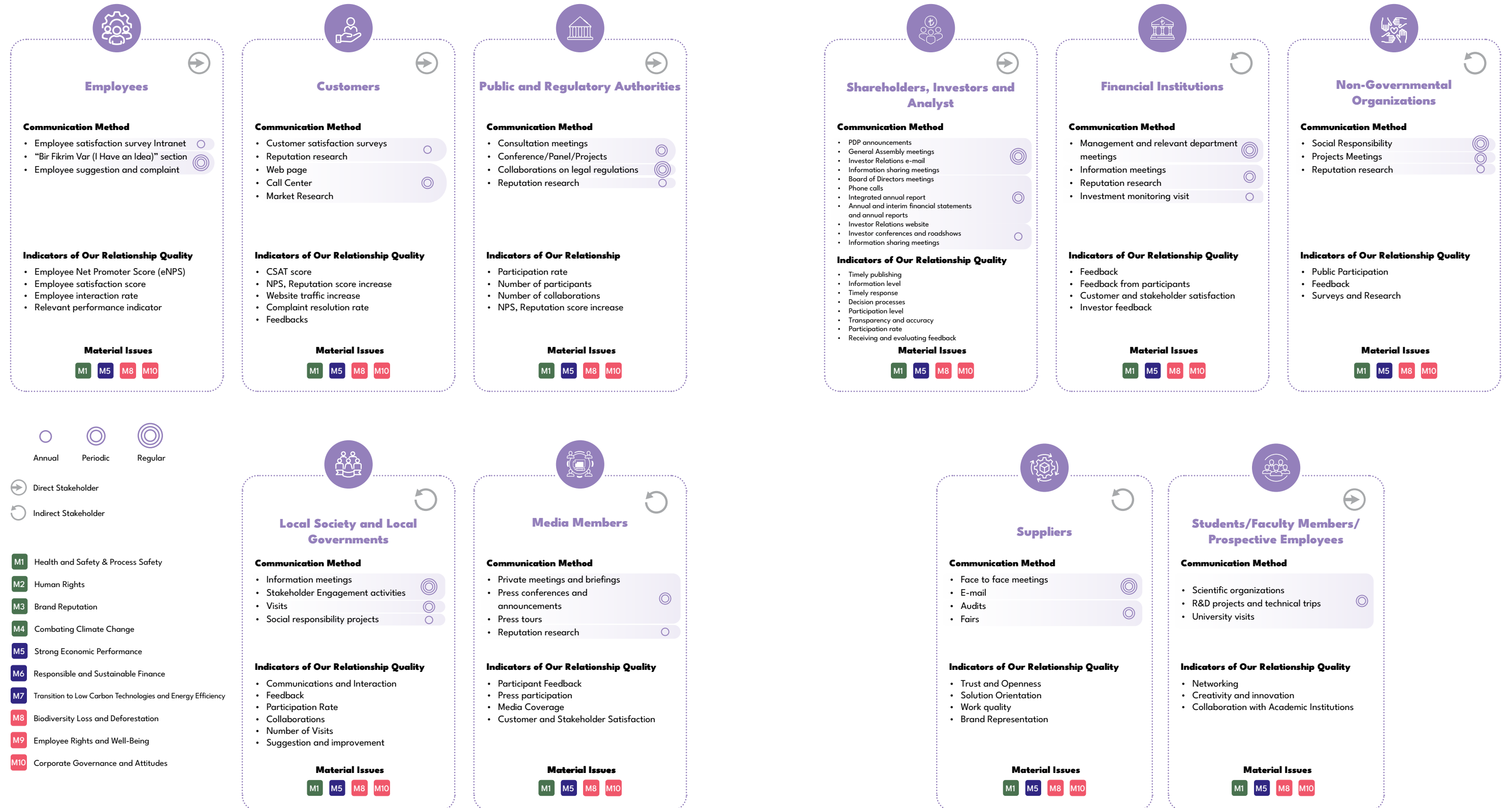
- Incorporating feedback from relevant locations into operational and investment plans,
- Ensuring effective implementation of stakeholder engagement plans.

STAKEHOLDER PRIORITIZATION

Our Approach to Communication with Our Key Stakeholders

At Zorlu Enerji, we attach importance to establishing a continuous and open dialog with our stakeholders. By establishing regular consultation mechanisms, we integrate expectations and feedback into our strategies and develop sustainable solutions in cooperation.

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MEMBERSHIPS, COLLABORATIONS AND INITIATIVES

At Zorlu Enerji, we act with the vision of maintaining our leadership in the energy sector and pioneering sustainable energy solutions. To this end, we focus on strategic memberships, collaborations and initiatives to develop innovative solutions and add value to the sector by creating a strong network. Our memberships with non-governmental organizations enable us to closely follow developments in the sector and transform this know-how into sustainable innovations. Our Collaborations and Partnerships bring together the strengths of our stakeholders, enabling us to tackle energy sector challenges together.

Cooperation for Climate Goals

At Zorlu Enerji, we take an active role in the fight against Climate Change and work to support sustainable development. To this end, we realize our climate goals with a collective approach through strategic collaborations with industry leaders, non-governmental organizations and various platforms.

United Nations Global Compact (UNGC) 	At Zorlu Enerji, we integrate the UNGC's Ten Principles into our business processes and shape our sustainability approach according to these principles. We publicize our progress in the implementation of these Principles through the Communication on Progress Report (CoP) we publish every year. You can visit the Global Compact website for more information about the Communication on Progress Report (CoP) and various activities we have included in our profile.
UN Global Compact FO Force 	Proud of being a member to the UN Global Compact CFO Task Force, we exchange ideas and develop new concepts and frameworks with a multi-industry group that brings together corporate finance leaders, investors, financial institutions and the United Nations. For detailed information about the CFO Task Force, please refer to the CFO Task Force website.
Science Based Targets Initiative 	As Zorlu Enerji, we became the first energy company to sign the international "Science Based Targets Initiative" which aims to eliminate the negative effects of the climate crisis in the industry. Phasing out the electricity generation from fossil resources, we provide clean and reliable energy supply and support the regenerative transformation of our existing business line. We are committed to providing all power generation from renewable sources and reducing emissions from our operations to net zero by 2040. We further work towards facilitating not only our own operations but also our customers' carbon-neutral growth. Committed to becoming a Net-Zero company by 2040, we are carrying out the validation process as of the reporting date to ensure that our target is approved by SBTi. Follow our progress towards our goals, please refer to the official website of the Science Based Targets Initiative.
United Nations Women's Empowerment Principles (WEPs) 	Since 2020, with our commitment to WEPs, we have adopted increasing the role of women in the business world and promoting gender equality as one of our priority goals. We share our steps in women's employment and development in our progress reports. Our progress statement regarding Women's Empowerment Principles (WEPs) is available in the appendix of the report.
Integrated Reporting Türkiye Network (ERTA) 	Membership of Zorlu Enerji to the Integrated Reporting Türkiye Network (ERTA) is an indicator of our commitment to put the principles of transparency, accountability and sustainability at the heart of our business model. Our CFO represents our company at ERTA, meeting with industry leaders to share the best practices in financial and sustainability reporting and explore innovative approaches in these areas. Membership to ERTA ensures us to comprehensively report our sustainability performance, strengthens our communication with our stakeholders and improves the confidence of our investors.
SKD Türkiye 	As Zorlu Enerji, we play an active role in achieving sustainable development goals with our membership in the Business Council for Sustainable Development Türkiye (SDG Türkiye). Our Marketing and Corporate Communications Director represents our Company in SDG Türkiye and exchanges in-depth information on sustainable business models, environmental protection and social responsibility. As a member of SDG Türkiye, we aim to raise sustainability standards in the industry and create a positive change in the business world.
Turkish Corporate Responsibility Association (TKSD) 	Our membership in TKSD supports our commitment to social contribution and corporate social responsibility. In this context, our company develops innovative projects with industry leaders and reinforces our responsibility to society.

You can access the details of all other collaborations we have established for climate goals from the list of Local and International Organizations / Corporate Memberships.



NATURE STEWARDSHIP AND THE VALUE CHAIN

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FOCUSING ON THE ENERGY OF THE FUTURE WITH ECO-FRIENDLY SOLUTIONS

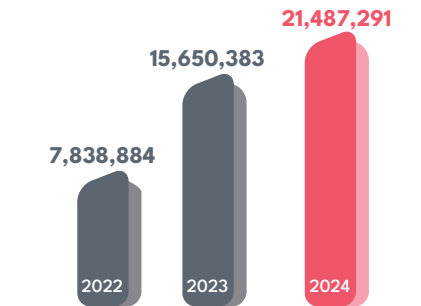
With deep respect for the natural cycle and all living beings, we transform the energy we generate into environmental and social value.

OUR ACTIONS ARE GUIDED BY TOMORROW

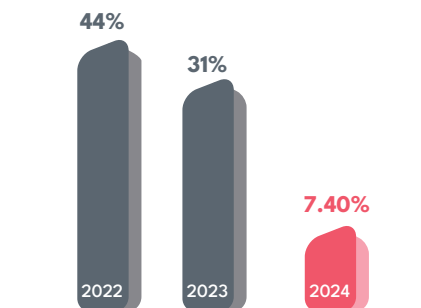
We became the first energy company in Türkiye to commit to the globally implemented Science Based Targets initiative (SBTi), led by the UN Global Compact.

With the strength we derive from nature, we minimize our environmental impact and develop projects to restore and improve ecosystems.

Environmental Expenditures (TRY)



R&D Budget Allocated to Low Carbon Technologies (%)



At Zorlu Enerji, we act not only for today but also for tomorrow. With the strength we derive from nature, we minimize our environmental impact and develop projects to restore and improve ecosystems. We take environmentally compatible and responsible steps at every stage of our operations.

We place global issues such as **the climate crisis, depletion of natural resources and the decline in biodiversity** at the center of our Business Strategy; we combat these problems with innovative solutions, Adaptation to Climate Change strategies and sustainable investments. We consider environmental, social and economic impacts in all our processes, from our renewable energy investments to our energy efficiency projects, to our **efforts to mitigate and adapt to the effects of Climate Change**; we realize a transformation that puts nature and people at the center.

In line with this vision, we conduct our environmental management system in accordance with **ISO 14001** standards and set concrete targets to continuously improve our environmental performance. We carry out **biodiversity conservation efforts** at our power plants and **monitor and improve local ecosystems**. We reduce our environmental impact by increasing our renewable energy investments and support sustainability through our **Circular Economy projects**.

We are leading the low-carbon transformation of the energy sector. In 2024, we increased our environmental investments to over **TRY 21.5 million** and implemented pioneering projects in areas such as **renewable energy production, energy efficiency, waste management and circular economy**. By allocating **7.4% of our R&D budget** to low-carbon technologies in 2024, we are leading the transformation of the sector with energy storage systems, smart grid technologies and environmentally friendly production processes.

In line with our environmental policy, we carry out our activities with an environmental management system based on the development of environmental awareness and the protection of natural resources to create a more livable world as a requirement of our social responsibility. The highest responsibility for the ownership and implementation of our environmental policy lies with the Board of Directors, roles and responsibilities are defined in all our environmental management processes and our relevant units act accordingly. We also regularly inform our internal and external stakeholders about our environmental policy and organize comprehensive trainings to increase the environmental awareness of our employees. Thanks to our commitment to minimize our environmental impacts, no environmental penalty* was paid in 2024. In this process, we maintain our transparency, openly share our performance with our stakeholders, and continue to continuously learn and transform to develop and strengthen our environmentally compatible way of doing business.

* No Critical environmental or ecological penalties over USD 10,000 have been paid in the last four fiscal years.



TRANSFORMATION FROM RISK TO OPPORTUNITY

While our impact reaches the Medium through our operations and business relationships with our suppliers, the resilience of our business is shaped by renewable energy policies and collaboration across the value chain.

Material Impacts, Risks and Opportunities

Our Material impacts, risks and opportunities related to Climate Change are directly linked to our strategy to transform our business model from fossil fuels to renewable energy and expand our portfolio with wind, solar and energy storage solutions.

While the renewable energy transition is Critical, we also consider greenhouse gas emissions from manufacturing and supply chain processes and focus on decarbonizing our supply chain to reduce these impacts.

While our impact reaches the Medium through our operations and business relationships with our suppliers, the resilience of our business is shaped by renewable energy policies and collaboration across the value chain. Our strategy is designed to meet these challenges and seize climate-related opportunities.

Positive Impacts	Negative Impacts	Risks	Opportunities
ESRS E1: Climate Change			
Adaptation to Climate Change			
- Impact of Renewable Energy Activities on Decarbonization and Climate Change		- Regulation and Risks of Transition to a Low Carbon Economy - Physical Risks of Climate Change and Extreme Weather on Energy Infrastructure - Physical Risks of Climate Change on Renewable Energy Resources	- Adaptation to Climate Change and Resilient Energy Infrastructure Opportunity
Adaptation to Climate Change			
- The Impact of Energy Technology Adoption on Sustainability and Transformation - The Impact of Electric Vehicle Charging Infrastructure Deployment on Decarbonization and Energy Transition - Impact of Storage and Hybrid Energy Solutions on Sustainable Energy Transition	- Impact of Emissions from Operations on Climate Change - Impact of Buried Emissions on Climate Change	- Uncertainties and Viability Risks in Energy Conversion Technologies - Risks of Electric Vehicle Charging Infrastructure on the Energy Grid - Risks on Emissions and Financial Sustainability of Geothermal Energy Investments	- Opportunity for Low Carbon Technologies and Renewable Energy Investments - Decarbonization and Sustainable Growth Opportunity by Accelerating Coal Exit
Energy Management			
- Impact of Distributed and Smart Energy Systems on Security of Supply and Carbon Reduction	- Emissions and Environmental Impact of Fossil-Based Energy Consumption - Environmental Impact of Point Emissions	- Risks of Global Geopolitical and Socioeconomic Developments on Energy Supply Security - Energy Storage Technologies and Battery Supply Risks	- Resilience to Energy Market Volatility and Opportunities for Green Growth

WITH THE 2040 NET ZERO VISION

We act with our responsibility to shape the future and take steps that shape the transformation of energy.

At Zorlu Enerji, we see the climate crisis, one of the biggest threats facing our world, not only as a risk but also as a powerful opportunity for transformation. We act with our responsibility to shape the future and take steps that shape the transformation of energy.

Our fight against Climate Change is taking concrete and bold steps in line with **our Science Based Targets (SBTi)**. We transparently measure, verify and reduce our Scope 1, 2 and 3 emissions. From energy generation to distribution, from our products and services to our investment decisions, we put climate-friendly practices at the center. With **our renewable energy investments, electric vehicle charging infrastructures and strong investments in low-carbon technologies**, we are transforming not only our operations but also our entire value chain.

Decarbonization along our Value Chain

In line with our **approved Science Based Targets (SBTi)**, we are committed to achieving our **2040 Net Zero** vision.



Our 2040 Net Zero Vision Targets

2030 Targets*:

- **Target 1:** Reduce emissions from electricity and heat generation by 73.71% per MWh.
- **Target 2:** Reduce emissions from indirect energy consumption by 42%.
- **Target 3:** Reduce emissions from fuel and energy-related activities by 73.71% per MWh.
- **Target 4:** Reduce all other emissions by 25%.

2040 Targets*:

- **Target 1:** Reduce emissions from electricity and heat generation by 97.7% per MWh.
- **Target 2:** Reduce emissions from indirect energy consumption by 90%.
- **Target 3:** Reduce emissions from fuel and energy-related activities by 97.8% per MWh.
- **Target 4:** Reduce all other emissions by 90%.

* Compared to 2021 base year



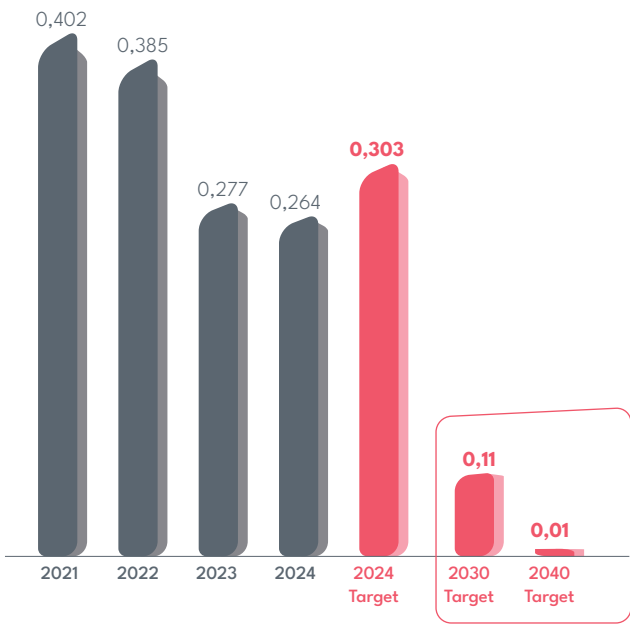
ESRS E1: CLIMATE CHANGE

CLIMATE CHANGE ADAPTATION AND RESPONSE

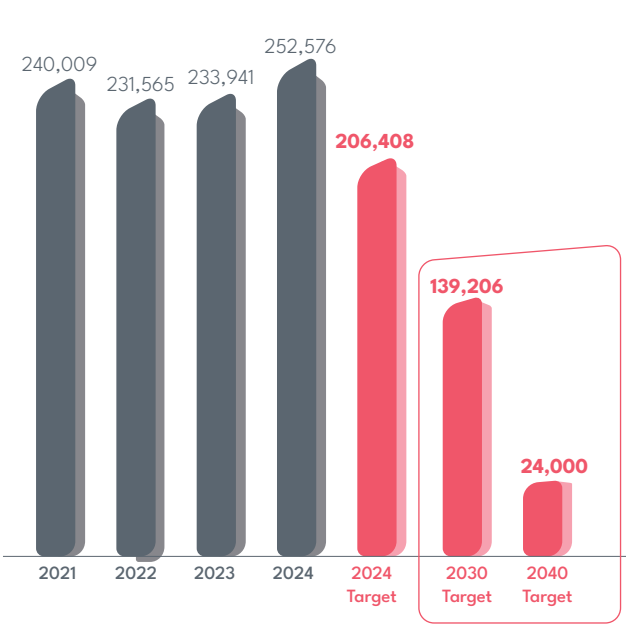
Our Carbon Footprint from Past to Tomorrow
At Zorlu Enerji, we calculate and report our greenhouse gas emissions at Zorlu Doğal (Kızıldere), Zorlu Enerji Elektrik Üretim A.Ş. (Lüleburgaz) and Zorlu Jeotermal (Alaşehir) plants according to ISO 14064 standard.

EMISSION INTENSITY

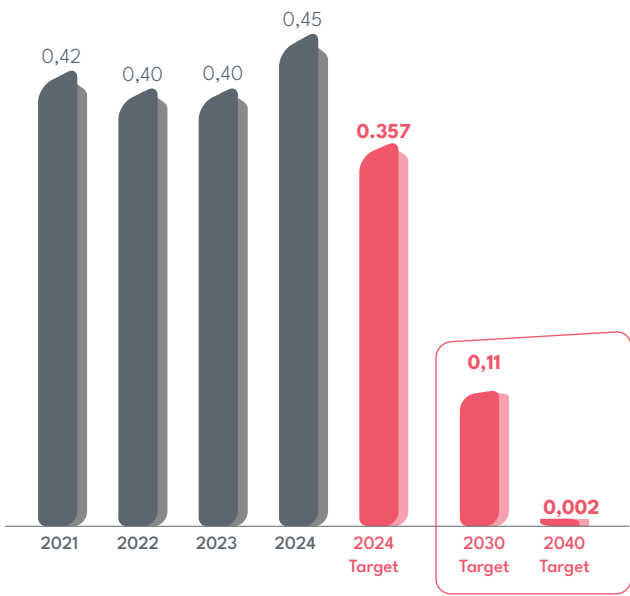
per MWh produced (tCO₂e)



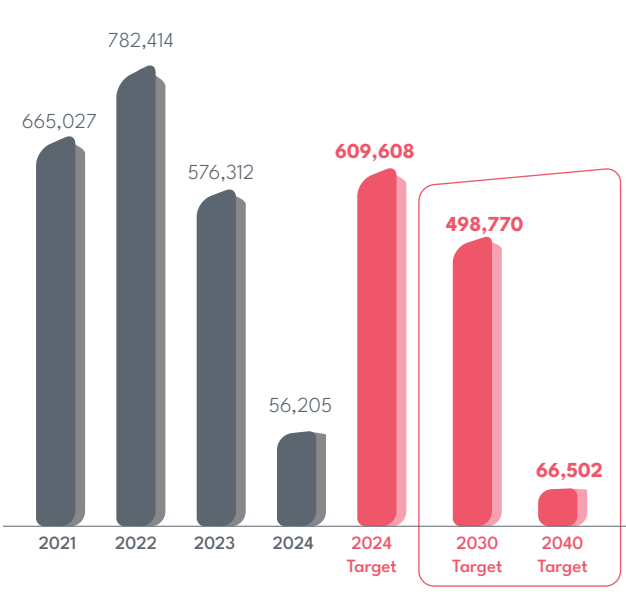
Scope 2 (tCO₂e)



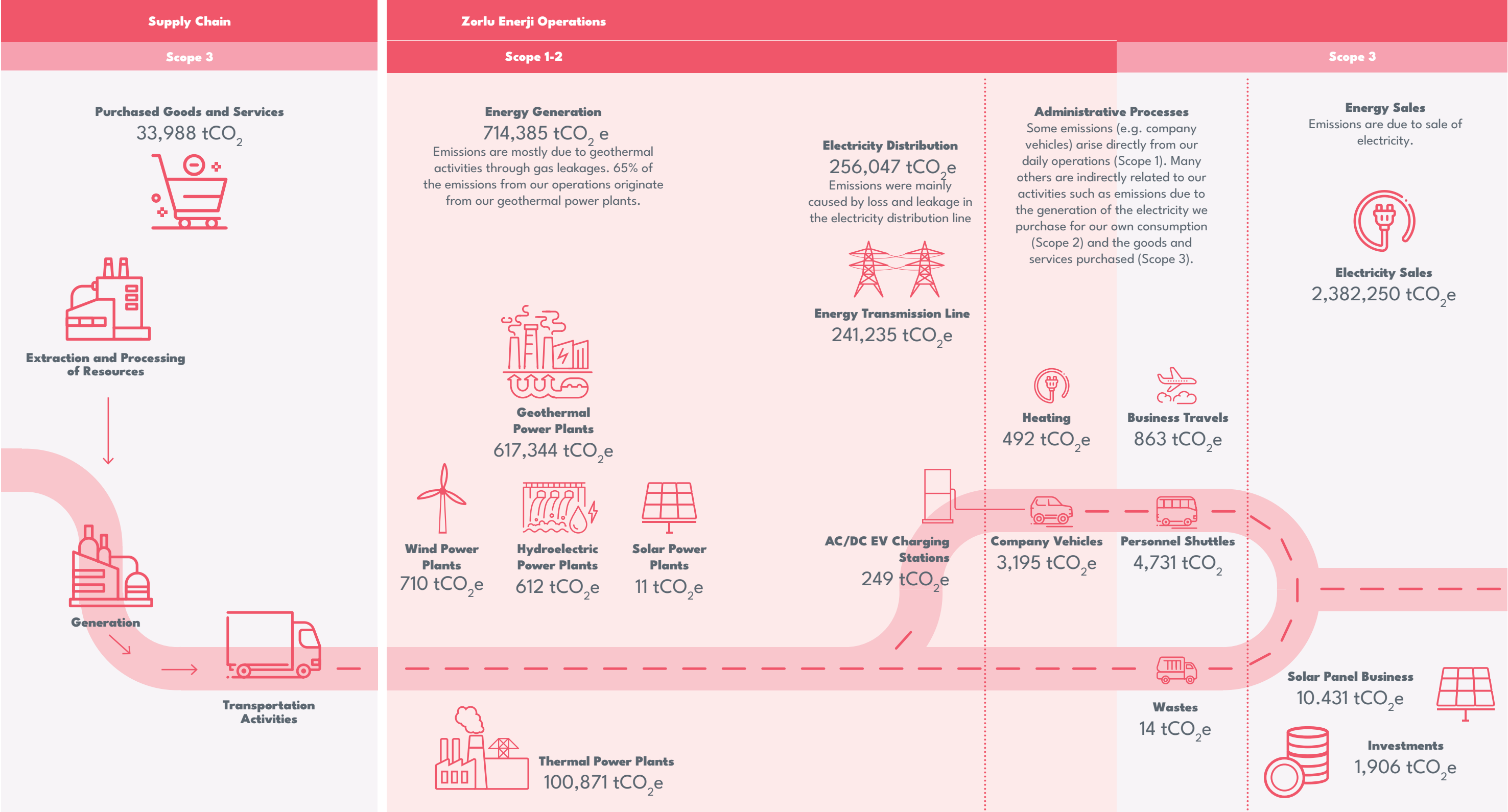
per MWh sold (tCO₂e)



Scope 3 (except 3.3) (tCO₂e)



2024 CARBON FOOTPRINT ACROSS OUR VALUE CHAIN



ESRS E1: CLIMATE CHANGE

CLIMATE CHANGE ADAPTATION AND RESPONSE

We are accelerating our decarbonization journey by increasing low-carbon energy production and continuously improving energy efficiency.

Plans for Transition to a Low Carbon Economy

Phase One: Carbon Reduction in Our Operations

We are taking concrete steps to reduce our carbon footprint in our energy production and operational processes. We achieved a material reduction in our emissions between 2021 and 2024. In line with our 2030 and 2040 targets, we accelerated the exit process from our carbon-intensive businesses, exited the gas distribution business, and are terminating our thermal generation-based collaborations. We are accelerating our decarbonization journey by increasing low-carbon energy production and continuously improving energy efficiency.

HOW DO WE REDUCE?

• Energy Efficiency Projects:

Our goals: Each year we aim to reduce our energy consumption **by 10%** compared to the previous year.

You can review our Energy Management and efficiency strategies in our Energy Management and Efficiency Approach section.

Our actions: We carry out comprehensive modernization and optimization projects in our facilities to minimize energy consumption. Within the scope of **ISO 50001 Energy Management System**, we restructure our processes with a focus on energy efficiency, reducing losses and ensuring high efficiency in production processes.

• Emission Reduction with Carbon Capture Technology in Geothermal Power Plants - GECO Project:

Our goals: We aim to significantly reduce **Scope 1** emissions from geothermal power generation, while at the same time increasing production efficiency by maintaining reservoir pressure. The GECO Project will be a Material part of our vision to make geothermal energy a greener energy source.

Our actions: We implemented the **GECO (Geothermal Emission Control)** Project in order to reduce CO₂ emissions from geothermal energy production. Thanks to the system implemented at **Kızıldere Geothermal Power Plant**, the

only site in Türkiye included in the project, approximately **1,000 tons** of non-condensable gas was injected back into the source without being released into the atmosphere. We continue our feasibility studies for the full-scale implementation of this pilot project.

• **Our GECO Project is a pioneering carbon capture and storage initiative that is revolutionizing geothermal energy production and shaping the future of the sector. You can find more comprehensive information about this innovative project and its environmental benefits in our R&D Projects section.**

• Electric Vehicle Transformation:

Our goals: We plan to gradually convert our entire fleet to electric vehicles and reach **our goal of 100% electric vehicle utilization**.

Our actions: In 2024, we started the transformation of our vehicle fleet with electric vehicles. With this change, we reduce our **Scope 1** emissions by reducing fossil fuel use.

• OEDAŞ Emission Reduction Strategies:

Our goals: We continue to work to minimize loss and leakage rates, further reduce the use of SF₆ gas and its impact reflected in our calculations and further reduce the carbon intensity of the electricity grid through regional infrastructure investments.

Our actions:

- It is planned to install rooftop SPP (Solar Energy System) to meet the electricity demand in new building investments.
- Solutions on SF₆ Gas: We are working on alternative solutions to reduce the environmental impact of SF₆ gas used in transformers reflected in our calculations.
- Decarbonization of the Regional Grid: With the increase in solar investments in the region and the regional grid improvements we are making, we anticipate that the emission factor of the electricity we transport will decrease. In this way, we transport energy with a lower emission factor compared to the Turkish National Interconnected Grid.

• Increasing the Use of Renewable Energy:

Our goals: While we carry out efficiency projects to reduce the energy need in our own operations, we are also working to obtain the energy we need from renewable and clean energy sources. We aim to certify that we obtain the energy we need in our operations from renewable sources with YEK-G and I-REC certifications.

Our actions: As of November 2024, a 48.6 kW land-type renewable energy based SPP was installed in the KD20A/B re-injection well of Kızıldere-3 GPP with an installed capacity of 48.6 kW, which contributed materially to reducing our domestic consumption and increasing the use of renewable energy.



Asset Integrity Management

We apply the highest standards of Asset Integrity Management to ensure our employee safety, operational reliability and the sustainability of our geothermal energy solutions. We operate a management system in line with industry's best practices to operate our geothermal power plant assets safely, efficiently and sustainably. We raise awareness by providing regular H&S training for our employees and contractors and ensure operational safety through periodic inspections of our equipment. We manage risks with both proactive and reactive approaches and continuously monitor our asset performance through KPIs. We identify risks and take necessary precautions through internal and external audits in accordance with SEVESO and ISO 9001 standards and support our operational improvements through data analysis. Thus, we maintain efficiency and risk management with a strategic approach by maximizing operational reliability, sustainability and occupational health and safety.

Phase Two: Emission Reduction in the Value Chain

Apart from our own operations, we take strategic steps to reduce emissions at every stage of our value chain. We aim to create a sustainable energy ecosystem by minimizing emissions in the supply chain, logistics and customer use phase.

HOW DO WE REDUCE?

• Environmental Criteria in Supplier Selection:

We determine the environmental and social performance of our suppliers as the basic criteria of our collaborations. In our procurement processes, we prioritize suppliers with low-carbon production, high energy efficiency and sustainable practices. In addition, we work to improve the quality of the coal supplied and increase efficiency in energy generation processes. With this approach, we reduce carbon intensity in the supply chain, which accounts for a material portion of our Scope 3 emissions. In this way, we also achieve Material improvements in the management of emissions and waste in our operations in Lüleburgaz and minimize environmental impacts.

For detailed information see: Sustainable Supply Chain Management

• **Optimization in Logistics Processes:** We optimize routes and transport modes to reduce carbon emissions in our logistics operations. We prefer low-carbon transportation methods such as Ro-Ro and railway instead of road transportation and minimize fuel consumption through process improvements. In this way, we both increase operational efficiency and reduce our Scope 3 emissions.

• **Circular Waste Management:** With our Circular Economy practices focused on reducing, recovering and reusing waste at source, we reduce the consumption of natural resources and lower emissions in our supply chain.

For detailed information see: Circular Economy.

• **A Cleaner Grid with Zes Solar:** We conduct our electricity sales operations under Electricity Trade through grids powered by cleaner energy sources. In cooperation with Zes Solar, we reduce the grid emission factor (EF) by providing solar panel installations in the regions where we sell electricity. Thus, we offer consumers lower-carbon electricity and reduce Scope 3 emissions to a material extent.

• **Transportation Optimization:** We support shuttle transportation to work and optimize our shuttle routes to reduce the emissions caused by our employees' work-related transportation. We also reduce our carbon footprint by using the hybrid working model.

• **Exit in Thermal Operations:** With the termination of Israeli investments, carbon emissions from Scope 3.15 Investments Category will be reduced.

• **Green Cement Supply:** We continue our efforts to supply green cement with low emissions in our investments.

Governance and Oversight of the Transition Plan

Issues related to the transition plan are addressed within the scope of our sustainability governance framework. All elements of our transition plan are transparently disclosed in our annual report, which is presented to shareholders for approval at the annual general meeting (AGM). This process provides shareholders with the opportunity to provide feedback.

TRANSITION PLAN HIGHLIGHTS

Governance

- Board-level oversight of the transition.
- Incentive mechanisms for senior executives linked to climate performance indicators.

Financial Planning

- Capital allocation aligned with climate targets and 1.5°C scenario - Determination of CAPEX and OPEX allocated in 2025 will be based on a green taxonomy.

Strategy

- Renewable energy investments are made in line with global, regional and national carbon reduction targets and the 1.5°C roadmap.

Goals

- Comprehensive SBTi-approved Short and Long-term climate targets with intensity-based and absolute value are supported by Zorlu Enerji's climate commitments.

Scenario Analysis

- Assessment of climate-related physical and transition risks, such as extreme weather events, climate variability, regulatory and policy changes.

Greenhouse Gas Emissions (Scope 1, 2 and 3) and Independent Assurance

- Detailed GHG emissions reporting subject to an independent assurance process.

Risks and Opportunities

- Continuous monitoring of climate-related risks, such as regulatory and policy changes, and assessing their impact on the business model.
- Positioning renewable energy investments as a core business model in the fight against Climate Change.

Policy Dialogue

- Active collaboration with policy makers, industry stakeholders and local communities to support the renewable energy transition.
- Advocacy activities in line with Paris Agreement targets.

Value Chain Engagement

- Climate-focused collaboration with critical and strategic suppliers.

Vision

- To create a world powered entirely by green energy.

CLIMATE RESILIENCE

As a national renewable energy leader, we comprehensively assess and manage climate-related transition and physical risks. This approach aims not only to adapt to changing regulatory requirements, but also to maintain the resilience of our business model and strategy.



Scope of Resilience Analysis

As a national renewable energy leader, we comprehensively assess and manage climate-related transition and physical risks. This approach aims not only to adapt to changing regulatory requirements, but also to maintain the resilience of our business model and strategy. Accordingly, identifying and addressing climate-related impacts, risks and opportunities is central to our vision of powering the world entirely with green energy.

Our approach to resilience analysis has two main components:

1. Assess and manage transition risks and opportunities, including macroeconomic, political, technological and market developments associated with the global transition to a low carbon economy.
2. Conduct physical climate risk assessments to analyze the Potential Impacts of chronic and acute climatic hazards such as extreme weather events and Long-term climate changes on our operations.

Transition Risks and Opportunities

Transition risks arise from new regulations, technological innovations, market dynamics and changes in consumer preferences in the process of adapting to a low carbon economy. At Zorlu Enerji, we effectively manage these risks by transforming our business model from fossil fuels to renewable energy and align our operations with the 1.5°C climate target. We consider Climate Change risks and opportunities as an integral part of our strategic decision-making processes and structure our operations to adapt to a low-carbon future. Accordingly, we strengthen our business model by improving our understanding of climate resilience in line with the Science Based Targets Initiative's (SBTi) 1.5°C sector-specific roadmap and international reporting standards.

Insufficient political or regulatory support for renewable energy projects is also addressed in the financial dimension of our double materiality assessment. Transition risks are of particular importance for our operations in Türkiye. Changes in investment conditions,

reduced incentives or shifts in policy priorities can increase uncertainty for future projects. Therefore, closely monitoring changes in political and regulatory stability is Critical to our Long-term planning and investment strategies.

Our approach to risk management ensures that global trends such as inflation, interest rate fluctuations, supply chain disruptions and geopolitical uncertainties are monitored and integrated into our strategic planning and daily operations. For more information on how the most Material enterprise risks for 2024 are impacted by global trends, please refer to the "Enterprise Risk Management" section of this report.

Physical Climate Risks

These risks arising from the physical impacts of Climate Change include acute events such as hailstorms, storms, floods, extreme heat and cold waves, and chronic impacts such as temperature changes and changes in wind patterns.

At Zorlu Enerji, we consider chronic risks such as the dependence of Renewable Energy Production on natural resources, especially wind patterns, as well as acute risks such as an increase in the frequency and severity of extreme weather events. Chronic risks can increase uncertainties in production forecasts over time, while acute risks can result in temporary operational downtime and increased maintenance and repair needs. Therefore, we regularly assess the resilience of our assets to climate-related hazards.

Methodology

Within the scope of our TCFD Report, we reviewed our comprehensive analysis conducted in 2023 in 2024. In this process, climate projections for our existing assets were compared with 2023 data to identify Material trend differences. However, since the CMIP data used in the International Panel on Climate Change (IPCC) reports are updated every few years, a full portfolio-wide reassessment was not required. Our current analysis is based on the latest CMIP6 projections, and we will continue to use this data until CMIP7 is published.

- We assess climate risks from two main perspectives:
1. **Design Safety Precautions:** We conduct analyses based on regional data to ensure the structural integrity and resilience of our assets against climate-related risks. This assessment is based on profit load analysis for investments within the scope of OEDAŞ.
 2. **Business Model Impact Analysis:** We use one of the most adverse climate scenarios, SSP5-8.5, to understand the impacts on our business model. This cautious approach helps to ensure resilience to severe climate risks and maintain long-term operational and financial stability.

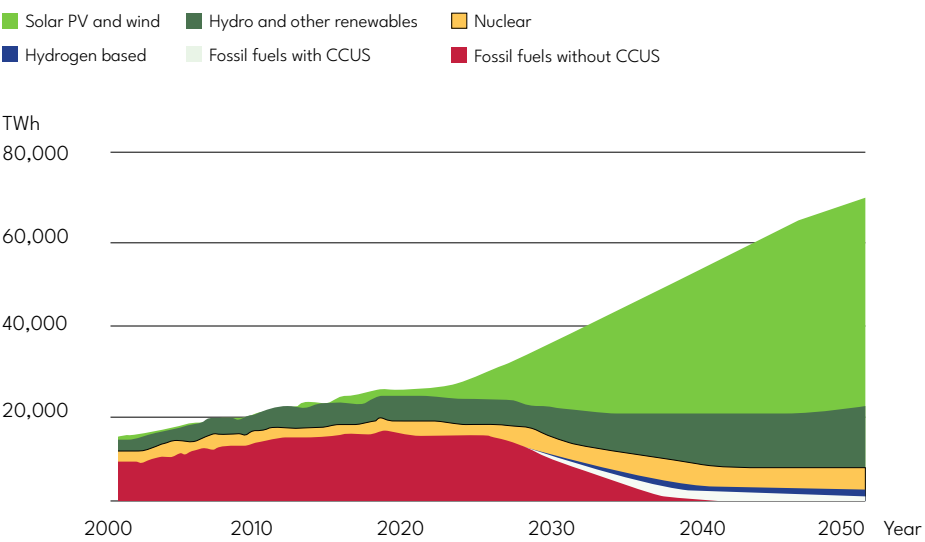
Our physical climate risk assessment analyzes data based on the remaining operational lifetimes of our assets, which can be up to 35 years. This period is considered Medium-term in climate projections, as Material climate changes are generally not observed in the Short-term. The Long-term perspective is defined as post 2060, which is not applicable in our current methodology because all existing assets will be decommissioned before this date.

To meet the financial material impact assessment requirements, we have also considered the following timeframes: Short-term (current reporting year and the following year), Medium-term (five years from the end of the Short-term period) and Long-term (more than five years). The application of these timeframes has not led to any changes in the assessment results. It is important to note that in the context of Climate Change, these timeframes are relatively Short-term and may not fully reflect the scale of risks evolving in Long-term processes.

In 2024, in parallel with our SBTi process, we used internationally recognized tools and methodologies such as IEA Net Zero Emissions (NZE) 2050, IPCC SSP1-1.9 and WWF Water Risk Filter, which are scenarios to reach net zero in 2050.

The IEA NZE 2050 scenario is designed to align the global energy sector with the Paris Agreement's 1.5°C target and is at the center of our company's Long-term strategies. We chose the IEA NZE 2050 scenario because it provides a science-based framework for the fundamental transformations required by the energy sector to achieve net zero targets. This scenario identifies the strategic steps required for the energy transition, allowing us to align our carbon reduction and renewable energy transition processes with international best practices. It also helps us to base our business strategies on a scientific basis by addressing short-, medium- and long-term risks and opportunities.

Global Electricity Supply, Net Zero Emission Scenario



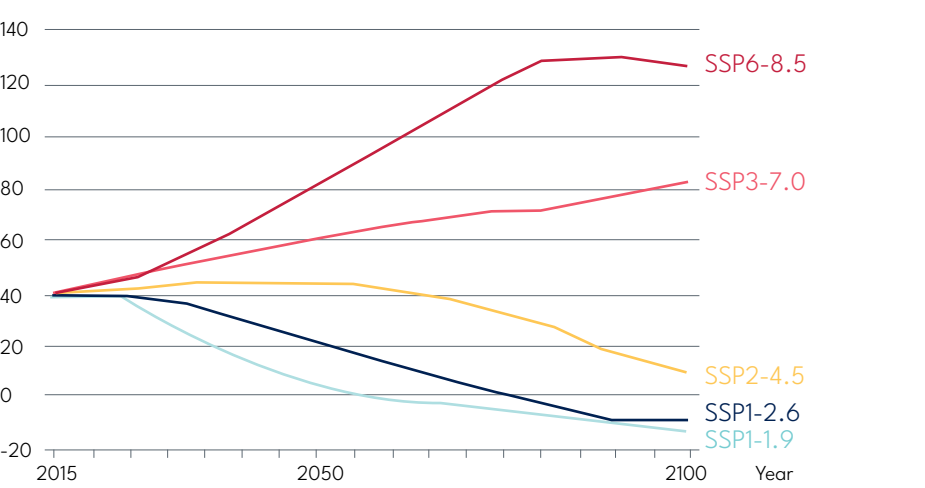
The IEA NZE 2050 scenario includes certain assumptions about energy transition and technological development. These assumptions include:

- **Energy Transition:** Large investments in renewable energy, electrification and carbon capture technologies,
- **Technological Development:** Rapid proliferation of clean energy sources such as wind, solar and hydrogen,
- **Policy and Regulations:** Adopt carbon taxes and regulations that incentivize emission reductions,
- **Global Cooperation:** There is coordination between countries and companies in the implementation of emission reduction strategies.

The scenario points to uncertainties such as the scaling of low-carbon technologies, financing challenges and differences in policy implementation. We also assessed constraints such as the cost of fossil fuel infrastructure transformation, societal acceptance challenges, and the limited availability of raw materials for renewable energy projects.

Using 2021 as a baseline, the scenario is applied over a time horizon extending to 2025, 2030, 2040 and 2050. Our analysis covers all our operations and comprehensively assesses transition risks (carbon pricing, regulatory changes, market dynamics) and physical risks (extreme weather events, water scarcity). IPCC scenarios are another Material tool used to assess our long-term climate risks. These scenarios support our Company's investment decisions and operational processes while analyzing the physical and socio-economic impacts of global Climate Change in depth. Assessments based on IPCC's SSP1-1.9 (1.5°C scenario), SSP2-4.5 and SSP5-8.5 (worst case scenario) projections provide guidance in many areas from sustainable management of water resources to our energy generation processes. These scenarios provide critical information for local-scale strategic planning and risk management by addressing the regional impacts of changing climate conditions in detail.

Carbon dioxide (GtCO₂/year)



IPCC scenarios are modeled under specific assumptions to develop effective strategies against Climate Change

The **SSP1-1.9 scenario** is directly aligned with our strategies as the most optimistic and aggressive model for a low carbon transition. It offers a transformation framework that prioritizes social well-being while targeting zero global CO₂ emissions by 2050. This model, which includes social improvements such as increasing investments in education and health, reducing inequalities and transition to sustainable practices, is in line with our company's renewable energy investments and carbon reduction targets.

IPCC scenarios are modeled under specific assumptions to develop effective strategies against Climate Change:

- **Low Carbon Transition:** Accelerating renewable energy investments, increasing energy efficiency and developing carbon capture technologies.
- **Social Transformation:** Transition to sustainable practices that prioritize social welfare over economic growth.

- **Global Cooperation:** Global implementation of emission reduction targets and increased international cooperation.

Critical uncertainties in the IPCC scenarios include the scalability of technological developments, differences in policy implementation and regional challenges such as water management. In addition, there are limitations such as data gaps in the detailed modeling of the regional impacts of extreme weather events.

Using 2021 as a reference year, the scenario provides projections up to 2030, 2050 and 2100. Our Company uses these scenarios to assess the physical risks that may be encountered especially in hydroelectric and geothermal energy operations. Risks such as hydrological droughts, extreme weather events and temperature increases were analyzed in line with these projections.

The **WWF Water Risk Filter scenarios** are one of our company's main guidelines for managing water resources. The water dependency of geothermal and hydroelectric power generation processes increases the strategic importance of these scenarios. WWF scenarios contribute to shaping our company's water management strategies by assessing issues such as water scarcity, water quality and regulatory risks, providing a risk assessment not only for our direct operations, but also for all stages of our supply chain and production processes. In addition, the WWF Water Risk Filter supports our strategic decisions such as the location selection of our renewable energy projects by identifying water risks early.



Results of the resilience analysis

TRANSITION RISKS AND OPPORTUNITIES

Transition risks and opportunities are an integral part of the business cases for our investments in new assets, technologies and activities. We actively monitor market developments and regularly update our business cases so that risk mitigation actions are aligned with evolving conditions and focused on creating value for our investors. We recognize the potential for political changes in which we operate to affect the prioritization of renewable energy policies. To address this risk, we continuously monitor political developments and regulatory frameworks and adapt our strategies to adapt to changing circumstances. By engaging closely with stakeholders and leveraging our diversified portfolio and global operations, we aim to ensure resilience and flexibility against such transitions. This proactive approach ensures that we remain well positioned when faced with evolving political environments.

Internal Carbon Pricing

At Zorlu Enerji, we have integrated the internal carbon pricing mechanism into our business processes to accelerate our transition to a low-carbon economy and increase our financial resilience. This mechanism allows us to assess the carbon costs of our investments in a more realistic way and helps us anticipate the financial impacts of regulatory risks and market changes.

While determining our internal carbon price, we used four different carbon price scenarios: Bloomberg NEF SBTi Scenario, Bloomberg NEF Hybrid Market Scenario, Bloomberg NEF Voluntary Carbon Market Scenario and Renewable Energy Focused Market Representation Scenario. As a result of the evaluation of all these scenarios, our Company decided to initially use an internal carbon price in the range of USD 70-110/tons. This pricing is based on European Emissions Trading System (ETS) prices and aims to align with potential ETS implementations in Türkiye.

The determined internal carbon price is **integrated into all our operational, financial and strategic decision-making processes.** Application areas can be summarized as follows:

Capital Investments and Cost Analysis:

The carbon costs of our investment projects are analyzed with this price and low-carbon alternatives are encouraged.

The impacts of the mechanism are regularly analyzed by our Investments, Senior Management and Sustainability units and presented to the Sustainability Committee. The effectiveness of the mechanism is regularly monitored by the Sustainability Committee, thereby optimizing the impact of carbon costs on our business processes.



PHYSICAL CLIMATE RISKS

The results of the physical climate risk assessment show that all our assets are structurally protected against physical risks from Climate Change. This protection is achieved through a combination of design safety Precautions and risk mitigation measures. These Precautions include adapting designs to local conditions through active collaboration with wind turbine manufacturers and stress testing for extreme scenarios during the design process. These measures are particularly effective in addressing acute physical risks such as heat waves, cold waves, frost, high winds and snowfall.

From a business case perspective, the most material climate risks for our portfolio are changes in wind patterns and, to a lesser extent, air temperature, as these factors directly affect energy production. While our analysis shows only small deviations in asset values compared to projections based on historical climate data, we recognize the material impact of Climate Change risks due to their idiosyncratic nature.

These risks evolve gradually over time and their impacts are likely to accumulate and are characterized by a long-tailed distribution - meaning that extreme events are unlikely to occur but can have potentially serious consequences. This highlights the importance of continuous improvement of assessment methodologies to better capture these dynamics and their potential consequences. Therefore, in our effort to reduce the uncertainties associated with our assessments, we recognize the need for further research in the future.

Furthermore, in addition to mitigating risks through design safety precautions and business case assessments, our risk management strategy includes maximum expected loss assessments by quantifying potential financial exposures and taking the necessary precautions to ensure adequate insurance protection and financial resilience against unexpected extreme events.

CLIMATE RESILIENCE

At Zorlu Enerji, we see increasing energy efficiency and minimizing environmental impact as a cornerstone of our Business Strategy.

Material physical risks considered in the analysis are given below.

Related Risk Parameter	Related Business	Chronic	Acute
Temperature	Geothermal power plants Hydroelectric power plants Solar business Electricity distribution Wind farms	Temperature change Temperature stress	Heat Wave Cold Air Wave/Icing Fire
Water	Hydroelectric power plants Electricity distribution Hydro power plants Solar business	Change in precipitation pattern Precipitation or hydrological variability	Drought Heavy rainfall Flood, flood
Wind	Wind farms Electricity distribution	Change of wind pattern	Strong winds and storms
Land Movements	Hydroelectric power plants	Erosion Siltation	Landslide

For detailed explanations on our climate-related physical risks and the related context of our business, you can find detailed information in **ICED** report.

OUR ACTIONS TOWARDS CLIMATE CHANGE

You can find detailed information on Our actions for our Climate Risks and Opportunities in the Sustainability and Climate Risks and Opportunities section.

Energy Management

At Zorlu Enerji, we see increasing energy efficiency and minimizing environmental impact as a cornerstone of our Business Strategy. Within the scope of ISO 50001 Energy Management System, we continuously improve our energy performance using highly efficient equipment, adoption of energy-saving technologies and continuous monitoring methods.

We develop sustainable energy projects and conduct regular performance monitoring studies to reduce our energy consumption and make our processes more efficient.

At Zorlu Enerji, we publicly disclose our Energy Management policies on our company website:

[Zorlu Natural Energy Policy](#)



In 2024, 30 employees working in the field received Energy Management System internal audit training, supporting the continuous improvement of energy efficiency processes through internal audits.

ISO 50001 Energy Management System provides a structured framework for managing and improving our energy performance at our Kizildere and Gökçedağ power plants. The standard enables organizations to set policies for more efficient energy use, set targets and take the necessary actions to achieve these targets. This system to increase energy efficiency has been implemented at Kizildere and Gökçedağ plants.

In 2024, **30 employees** working in the field received Energy Management System internal audit training, supporting the continuous improvement of energy efficiency processes through internal audits. All of our field employees completed comprehensive awareness training through **Zorlu Academy**, our company's digital training platform, to raise awareness on Energy Management and efficiency.

Energy Managers assigned to each of our energy teams play a key role in ensuring the effectiveness of processes and reinforcing the culture of continuous improvement. Our energy teams meet at least once a year to conduct **risk and opportunity** analyses within the scope of the energy management system. **Action plans** are prepared for the targets determined in line with these analyses and a responsible person is assigned for each target. Target evaluation periods are defined in the target action plan.

Our Main Goal: Further Every Year

With the goal of **reducing our direct energy consumption by 10%** each year compared to the previous year, we increase energy efficiency in our operations and reduce our carbon footprint.

Our Strategic Goals that Strengthen Transformation
Kizildere Geothermal Power Plant

- **Our goals:**
- **New Generation Fan Blade System:** Saving 95,040 kWh of electricity annually by the end of 2025
 - **Impact:** This innovative design of our cooling towers reduces our carbon footprint and maximizes our energy efficiency.
- **Automatic Inhibitor Filling System:** By 2026, reduce energy costs and carbon emissions compared to 2021
- **Energy Efficiency Trainings:** Energy awareness and efficiency training for at least 10 employees every year.
 - **Impact:** We contribute to environmental sustainability by minimizing losses in processes.
- **Energy Efficiency Trainings:** Energy awareness and efficiency training for at least 10 employees every year.
 - **Impact:** Our teams, empowered by knowledge, are pioneers of transformation.



Online Flow Measurement

In geothermal fields, the measurement of the two-phase fluid coming from our production wells is carried out with the traditional sluice method. However, this method causes fluid separation from the system and energy loss. With the new method we have developed by utilizing the literature and field data, we aim to measure the flow rate without separating the fluid from the system using geochemical techniques. After the calibration and testing processes, we aim to prevent an average of 5 MWh of energy loss per well per year by proving the applicability of this method.

Gökçedağ Wind Power Plant

- **Our goals:**
- **Optimum Maintenance Processes:** Ensuring maximum efficiency in turbines with an average maintenance time of **100-120 man-hours**
- **Energy Efficiency Trainings:** Providing Competency and Awareness training on Energy Efficiency every year
- **Measurement and Calibration Plan:** Preparation of a "Measurement Plan" for calibration and verification of measuring instruments

Amount of Energy Consumed	Unit	2022	2023	2024	2024 Target
Renewable	MWh	396,590	359,501	402,881	-
Non-Renewable	MWh	434,820	657,594	623,565	591,834

*Energy consumption includes electricity, natural gas, diesel, gasoline and LPG consumption.

At Zorlu Enerji, we attach great importance to innovative R&D projects focused on sustainability and energy efficiency. We aim to reduce our environmental impact and optimize energy costs through the improvement of our existing energy systems and the integration of new technologies.

In 2024, we launched the SEHRENE Project, which aims to increase energy efficiency and support a climate-neutral future in Europe.

Energy Efficiency Focused Targets



Duyarlı Ol (do!) Project
"Be Responsible Project" is an environmental management project that aims to save resources and raise awareness by focusing on topics such as sustainable purchasing, energy, water and waste management. Implemented by Zorlu Enerji Osmangazi Elektrik Perakende (OEPSAŞ) in cooperation with BCSD Türkiye in offices in Afyonkarahisar, Bilecik, Eskişehir, Kütahya and Uşak provinces, the project earned a gold certificate with its "Smart Life 2030" vision. OEPSAŞ promotes the use of renewable energy, saves paper, water and fuel through digital services, and aims to expand the use of renewable energy in electricity consumption.

ESP (Electric Submersible Pumps) Project
One of the projects we have developed by prioritizing energy efficiency in our operations is the ESP (Electric Submersible Pumps) project. As water is drawn from wells in geothermal power plants, it may be necessary to increase the power of the pumps due to the decrease in water pressure over the years. In this case, revising the pumps with more powerful models is a material step to increase energy efficiency. The hot well ESP application, which we first initiated in our Kızıldere geothermal field, continued in 2023 with the transition to production with ESP in the identified hot wells. We realized ESP investments in 12 wells in our Kızıldere geothermal field and 5 wells in our Alaşehir geothermal field, we provided;

- Contribution of **2.06 MWe** net electricity generation from **16 wells** at Kızıldere II Power Plant with an average **additional flow rate of 155 tons/h**,
- Contribution of **2.4 MWe** net electricity generation from **11 wells** at Kızıldere III Power Plant with an average **additional flow rate of 165 tons/h**,
- In Alaşehir Power Plant, **1 MWe** net electricity generation contribution from **6 well sat an average additional flow rate of 105 tons/h**.

With our goal of integrating ESP pumps into all our geothermal wells, we aim to maximize our geothermal energy production efficiency.

Global Success: In the KD-62A well, the submersible pump operating at a depth of 1,700 meters and a temperature of 235°C set a world record.

R&D Investments for Energy Efficiency
At Zorlu Enerji, we attach great importance to innovative R&D projects focused on sustainability and energy efficiency. We aim to reduce our environmental impact and optimize energy costs through the improvement of our existing energy systems and the integration of new technologies.

1* nGEL Project (Flexible Tri-Generation Geothermal Power Plants)
The nGEL Project, which aims to increase energy efficiency, aims to develop flexible triple-generation geothermal power plants by integrating heating, cooling and additional electricity generation systems. This innovative system is designed to work effectively in the backup energy market by providing a solution to the fluctuations created by renewable energy systems in the grid. This maximizes energy production efficiency and strengthens energy supply security.

You can find the details of the project in the R&D and Innovation section.

2* SEHRENE Project (Energy Efficiency and Climate Neutral Future)
In 2024, we launched the **SEHRENE Project**, which aims to increase energy efficiency and support a climate-neutral future in Europe. Aiming to develop renewable energy and thermal storage solutions, this project will optimize Energy Management and storage using innovative electrothermal energy storage systems and digital twin technologies.

You can find the details of the project in the R&D and Innovation section.

3* FLEXIGRID Project (Smart Grid and Energy Flexibility)
The FLEXIGRID Project, which aims to increase the efficiency and flexibility of electricity grids in Europe, was developed to strengthen the integration of renewable energy sources.

Launched in 2019 with EU funding, the project supported the transformation of energy systems with digital technologies, smart grid solutions, IoT and blockchain-based systems. Within the scope of the project, for the first time in Türkiye, V2G-compatible vehicles and charging stations were tested at OEDAŞ Tepebaşı Life Village and a 336 kWh battery storage system was commissioned. In addition, Zes Rooftop SPP and EV Integrated Energy Management System were also tested in cooperation with Inovat.

You can find the details of the project in the R&D and Innovation section.

Levent 199 Headquarters Building: A Sustainable Living Space

Zorlu Enerji's headquarters building in Istanbul, Levent 199, was designed in accordance with environmental sustainability principles and was awarded **LEED Gold Certification**. The building design and operation meet energy efficiency and environmental management criteria at the highest level.

Major Sustainable Features:

- Rainwater Harvesting: Reclaiming rainwater to save water.
- Contactless Faucets: Hygienic and efficient water use systems to prevent water waste.
- Use of Natural Daylight: Energy savings by reducing the need for lighting.
- Low Emission Materials: Healthy and environmentally friendly building content.
- High Performance Glass Facades and Sun Shading: Thermal insulation and energy savings.
- Efficient HVAC Systems: High energy efficiency in heating, cooling and ventilation.
- 100% Renewable Energy Utilization: Meeting all building energy needs from renewable sources.
- LED Lighting and Automation Systems: Energy savings and increased efficiency.

Thanks to these sustainable building practices, significant savings have been achieved in both energy and water consumption, minimizing environmental impacts.



Renewable Energy Certificates
At Zorlu Enerji, we offer renewable energy certificates to support our stakeholders in reducing their carbon footprint and encourage sustainable business models. We certify clean energy consumption with **YEK-G (Renewable Energy Resource Guarantee System)** in Türkiye and **I-REC (International Renewable Energy Certificate)** certificates internationally, enabling our stakeholders to achieve their carbon emission reduction targets. In 2024, we sold 960,639 Mwh of I-REC certificates and 105,928 Mwh of YEK-G.

We also offer long-term and sustainable energy supply solutions under **Power Purchase Agreements (PPAs)** with our customers. These agreements make our customers' energy costs predictable, while making it easier for them to achieve their carbon emission reduction targets.

In addition, we are working to generate carbon credits from our renewable energy production facilities. With the aim of offering these carbon credits in both voluntary and mandatory carbon markets, we support environmental and economic sustainability. From Gökçedağ WPP:

- 60 tCO₂e to Electrip Global BV,
- 680 tCO₂e to İş Leasing,
- 208 tCO₂e to Dalyan Restaurant

carbon credits were sold. In total, 948 tCO₂e carbon credits were sold.

Smart Energy Management Services

Electric Vehicle Charging Infrastructures and Sharing Platforms
Zes offers a wide and accessible charging infrastructure to electric vehicle owners with more than 4,000 charging points in more than 1,700 locations in Türkiye. In cooperation with Hubject, we provide an uninterrupted charging experience by integrating into global charging networks.

Electrip supports sustainable transportation with a rapidly growing network of charging stations across Europe. With the number of stations approaching 1,000 in 2024, Bulgaria, Greece, Croatia, Italy, France, Montenegro and Poland have also expanded their DC fast charging network.

Our Electrical Panel Factory, which we established in Eskişehir, supports our infrastructure with domestic production power by producing special electrical panels for charging stations.

Zes certifies that the electricity sold in its operations in Türkiye is sourced from renewable sources with YEK-G certificates. In addition, with the Green Tariff Certificate issued by EPIAŞ, we guarantee the use of clean energy at our charging stations.

Smart Grid Systems
We make a strong contribution to Türkiye's and the world's decarbonization targets by optimizing Energy Management with smart grid systems. With our digitalization-focused solutions, we increase energy efficiency, minimize losses and strengthen sustainable energy infrastructure.

- With the smart meters we installed as part of the National Smart Meter Project (MASS), we have reached 65% utilization rate, ensuring transparency and efficiency in energy use.
- OEDAŞ's Automatic Meter Reading System (AMRS) monitors consumption data instantly and accelerates billing processes.
- Our SCADA system rapidly detects power outages and increases operational efficiency through remote intervention.

At Osmangazi EDAŞ, we are making the energy infrastructure more efficient and sustainable with our projects successfully completed in 2024. Thanks to the Partial Discharge Detection with Radio Frequency Emissions Project, our maintenance and fault detection vehicles can perform uninterrupted fault detection by moving at constant speed.

Innovative R&D Projects

- **FlexiGrid** – We develop smart grid solutions that strengthen renewable energy integration.
- **BD4OPEM & BD4NRG** – We ensure optimization of energy systems with Energy Management supported by big data and artificial intelligence.
- **E-Storage** – With energy storage solutions, we increase grid flexibility and make the supply-demand balance more efficient.
- **Geographic Demand Forecasting** – We manage resources in the most efficient way by forecasting regional energy demand.
- **E-Mobility Breakthrough** – We prepare the electricity infrastructure suitable for Türkiye's e-mobility transformation.
- **IEC 61850 Applications** – We develop in-station high-speed protection systems with smart electronic devices.
- **Digital Twins and Living Laboratories** – We create the smart city infrastructure of the future by producing digital solutions that increase energy flexibility on a city scale.

You can find the details of the project in the R&D and Innovation section.

ESRS E2: POLLUTION

We perform instantaneous measurements with the Continuous Emission Monitoring System (CEMS) at our geothermal and thermal power plants and regularly report the emission data we obtain to the Provincial Directorates of Environment.

Material Impacts, Risks and Opportunities

Renewable energy improves air quality by reducing fossil fuel use and supports environmental sustainability by reducing carbon emissions. In addition to limiting greenhouse gas emissions, the transition to clean energy also reduces the emission of particulate matter and other harmful gases that cause air pollution. Therefore, it is Critical to increase investments in renewable energy and transform existing energy infrastructure with greener technologies.

Positive Impacts	Negative Impacts	Risks	Opportunities
ESRS E2: Pollution			
Air Pollution			
Impact of Renewable Energy and Zero Emission Technologies on Air Quality and Environmental Sustainability	Environmental Impact of Pollutant Emissions from Thermal Power Plants and Power Transmission Lines	-	-

AIR POLLUTION

Effective Management of Pollutant Emissions

We perform instantaneous measurements with the Continuous Emission Monitoring System (CEMS) at our geothermal and thermal power plants and regularly report the emission data we obtain to the Provincial Directorates of Environment. As part of our proactive approach to emission control, we apply responsible and environmentally friendly technologies such as the use of lime to reduce sulfur dioxide (SO₂) emissions at our thermal power plants.

We aim to reduce our NO_x, SO₂, Mercury and Dust emissions by 10% each year compared to the previous year.

Air Emissions	Unit	2022	2023	2024	2024 Goal
NO _x	tons/year	367.76	186.00	228.00	167.40
SO _x	tons/year	1,335.42	729.00	617.00	656.10
Dust	tons/year	9.89	8.30	4.62	7.47
Mercury**	mg/kg	Not measured.	Not measured.	0.33	0.1125
CO	tons/year	54.06	48.00	53.00	43.2
PM10	mg/nm ³	0	0	0	0
H ₂ S	kg/hr	41*	0	0	0
SF ₆	tons/year	0	0	0.00065	0

* Sum of annual average values determined by CEMS for geothermal power plants.
** Although there is mercury emission at Lüleburgaz Power Plant, there is no reporting and measurement obligation due to its low thermal power. Therefore, no measurements were made in 2022 and 2023, and our 10% reduction target was determined based on 2021 data.

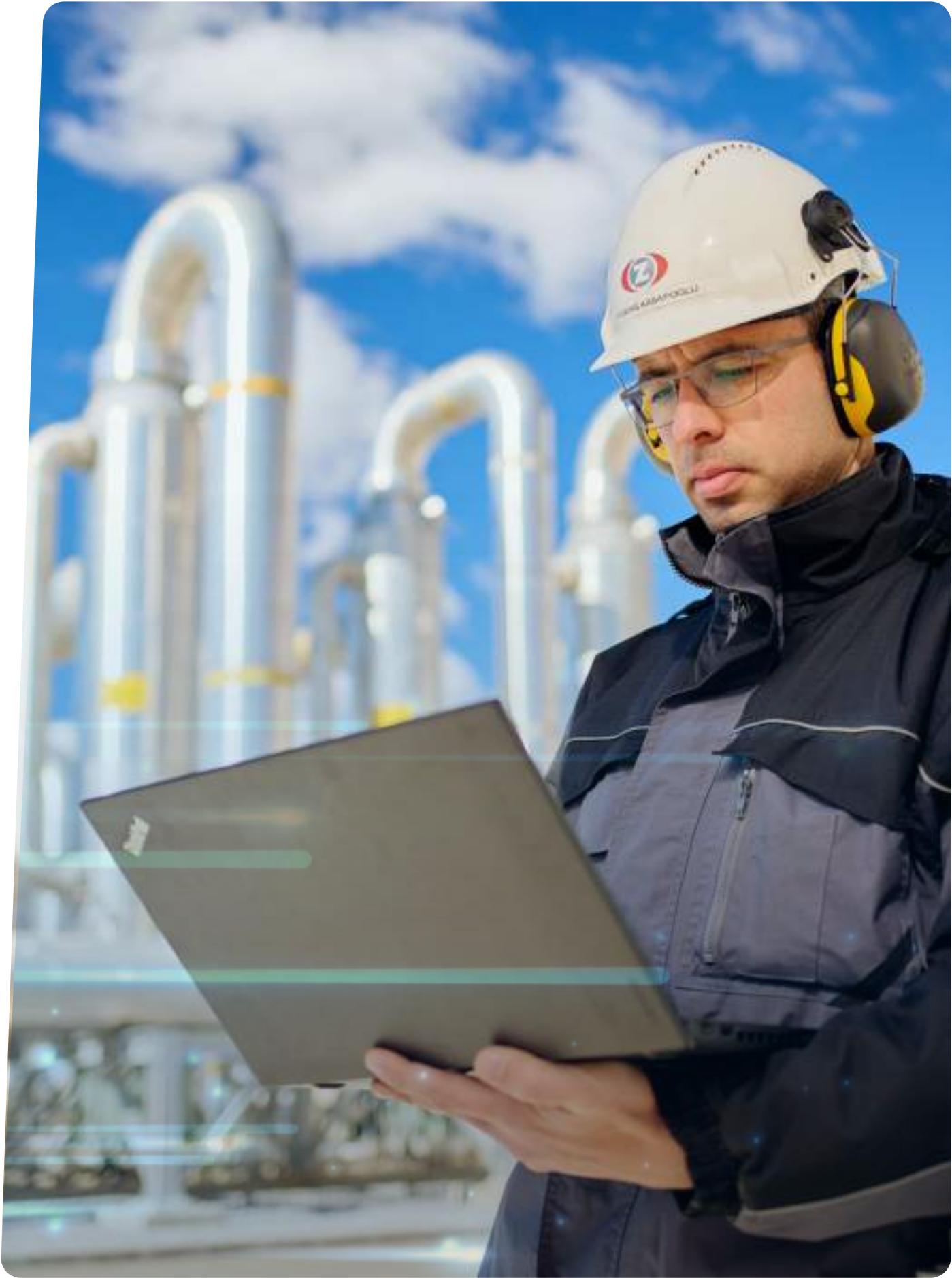
Electric Vehicle Infrastructure for Quiet and Clean Transportation

At Zorlu Enerji, we continue to offer sustainable solutions in noise management to improve the quality of urban life and reduce environmental impact. Our electric vehicle charging stations operating under the Zes and Electrip brands contribute to reducing noise pollution caused by fossil fuel vehicles. The quiet operation of electric vehicles helps reduce noise levels in heavy traffic areas and on intercity roads. We continue to work for a quieter and cleaner future with our sustainable transportation infrastructure investments.

Efforts to reduce the use of fossil fuel vehicles also play a material role in improving air quality. The widespread use of electric vehicles reduces emissions of nitrogen oxides (NO_x), sulfur dioxide (SO₂) and particulate matter (PM) emissions to a material extent and prevents their release into the atmosphere.

H₂S Treatment

We tested biological (bacteria) and chemical (washing with solution) methods to prevent the release of hydrogen sulfide (H₂S) in our geothermal power plants. We increased our visibility in the scientific field by publishing some of the studies we carried out with different chemical solutions and two types of bacterial cultures in the journal Geothermics. We successfully operated our pilot plant, which regeneratively treats H₂S in the gas at a flow rate of 1000 m³/h in our Kizildere Geothermal field for three months using industrial and mining wastes.



ESRS E4: BIODIVERSITY AND ECOSYSTEMS

We implement environmental impact assessment and biodiversity management practices to minimize the impact of energy projects on ecosystems. We aim to ensure the sustainability of natural habitats by prioritizing the protection of ecosystems in our investments.

Material Impacts, Risks and Opportunities

We implement environmental impact assessment and biodiversity management practices to minimize the impact of energy projects on ecosystems. We aim to ensure the sustainability of natural habitats by prioritizing the protection of ecosystems in our investments. In addition, within the scope of biodiversity management activities, we develop projects for the protection of Critical species and habitat restoration and promote practices that support the health of ecosystems.

Positive Impacts	Negative Impacts	Risks	Opportunities
ESRS E4: Biodiversity and Ecosystems			
Biodiversity Loss			
- Environmental Impact Assessment in Energy Projects and the Impact of Biodiversity Management on Ecosystem Conservation	Impact of Energy Projects on Land Use	-	-
Species Status			
- Impact of Biodiversity Management Activities on Critical Species Conservation and Habitat Restoration	-		-

At Zorlu Enerji, we recognize that healthy ecosystems are the foundation of a sustainable future. Biodiversity loss and deforestation is not only an environmental problem, but also a global crisis with economic and social risks. With this awareness, we integrate our presence in the energy sector with environmental responsibility and consider the protection of nature as our strategic priority at every stage of our operations.

In line with our Biodiversity Protection Policy and Deforestation Combat Policy, we take concrete steps for the protection, improvement and sustainable management of ecosystems and restructure our business model to minimize environmental impacts. We are committed to using the natural resources belonging to nature and society in a responsible manner and implementing protection, repair and restoration processes in line with sustainable management principles, and we develop and implement projects for the protection and improvement of natural life in the regions where we operate.

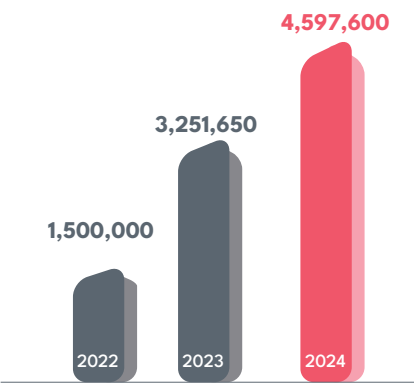
In our energy generation processes, we manage the resources we obtain from nature with a responsible approach and adopt the principles of ecosystem restoration before, during and after operation. We conduct comprehensive studies evaluating the environmental and social impacts of our investments and act in line with the principles of sustainable use.



BIODIVERSITY LOSS

We act in the light of scientific data to protect natural ecosystems and shape our projects in line with nature-friendly approaches. By the end of 2024, we realized our target of investing TRY 10 million in the protection and improvement of biodiversity by 2030. In 2025, we will carry this target even further with the update of our strategy. With our Zero Carbon Footprint Forests Project, which is managed within the framework of the Commemorative Forests regulation of the General Directorate of Forestry under the Ministry of Agriculture and Forestry, we aim to plant 90,000 saplings every year until 2030, reaching a total of 1.2 million saplings.

Biodiversity Expenditures (TRY)



Biodiversity Risk Assessment and Management

A broad summary of biodiversity risk management and Our actions related to our operations is provided below, and you can review our Biodiversity Risk Report for more comprehensive information.

Detailed information can be found in our Biodiversity Risk Report.

At Zorlu Enerji, we implement a comprehensive Biodiversity Risk Assessment and Management strategy guided by the Task Force on Nature-Based Financial Disclosures (TNFD) standards to minimize the Potential Impacts of our operations on the natural environment.

In order to identify the ecological sensitivities of our areas of operation and effectively manage biodiversity risks, we integrate advanced technology tools and methodologies that are data-driven and scientifically based, in line with international standards. While managing biodiversity risks, we conduct detailed analyses at macro and micro levels. We integrate different levels of data analysis and risk assessment tools to understand the environmental impacts of our operations.

In our risk management process, we consider the direct and indirect impacts of our operations from a holistic perspective. In this process, we systematically analyze dependency-based and impact-based risks:

- Dependency Based Risks:** We analyze the direct dependence of our operations on ecosystem services. We prioritize the sustainability of vital ecosystem services such as water resources, soil fertility and climate-regulating natural processes.

- Impact-Based Risks:** We assess the Potential Impacts of our operations on ecosystems, species and natural habitats. Through this assessment process, we identify potential harm to biodiversity in advance and develop preventive and remedial Precautions.

International Standards and Tools We Use



WWF Biodiversity Risk Filter (BRF): WWF’s Biodiversity Risk Filter enables us to analyze nature-based risks in regions. With 33 biodiversity risk indicators, we contribute to developing proactive risk management strategies by assessing our ecosystem dependencies and impacts.



Integrated Biodiversity Assessment Tool (IBAT): IBAT enables us to identify sensitive ecosystems and protected areas around our facilities, with data from global organizations such as IUCN and UNEP. This tool allows us to make strategic decisions to minimize environmental impacts in biodiversity Critical areas.



European Nature Information System (EUNIS): With the EUNIS methodology, we classify ecosystems, considering the physical characteristics of habitats and species diversity, and identify potential impacts in advance in the areas where our facilities are located.



WRI Aqueduct Risk Atlas: Using the World Resources Institute (WRI) Aqueduct Risk Atlas, we assess and proactively manage risks to our water resources through factors such as water stress, flood risk and water quality. These analyses play a material role in protecting water-dependent ecosystems and strengthening our water management strategies.



Biodiversity and Ecosystem Management System (BEMS): At Zorlu Enerji, we launched the Biodiversity and Ecosystem Management System (BEMS) project in 2022 in collaboration with EkoGen in order to effectively manage the impacts of our operations on biodiversity and ecosystems. This system, which we run on the QDMS platform, has been developed in full compliance with national legislation and international environmental standards, especially the International Finance Corporation (IFC) Performance Standard 6 (PS-6).

The main objective of BEYS is to comprehensively assess and manage the impacts of Zorlu Enerji’s power generation facilities and business areas on natural habitats, flora and fauna. To this end, the system aims to create a comprehensive biodiversity and ecosystem management plan, put in place monitoring, auditing and reporting tools, and establish a strong recording system to effectively manage all these processes.

- Within the scope of BEMS:
- Flora and fauna identification, habitat mapping and sample collection were carried out.
 - Detailed analyses were carried out especially on endangered and endemic species.
 - Restoration and improvement projects specific to the region were identified.
 - Species monitoring studies and habitat action management plans were prepared.

You can find detailed information in our action plans that we have created specific to our sites.

ESRS E4: BIODIVERSITY AND ECOSYSTEMS

Our biodiversity risk assessment is based on an integrated approach that covers all Zorlu Enerji’s business processes and their impacts on the ecosystem.

SPECIES STATUS

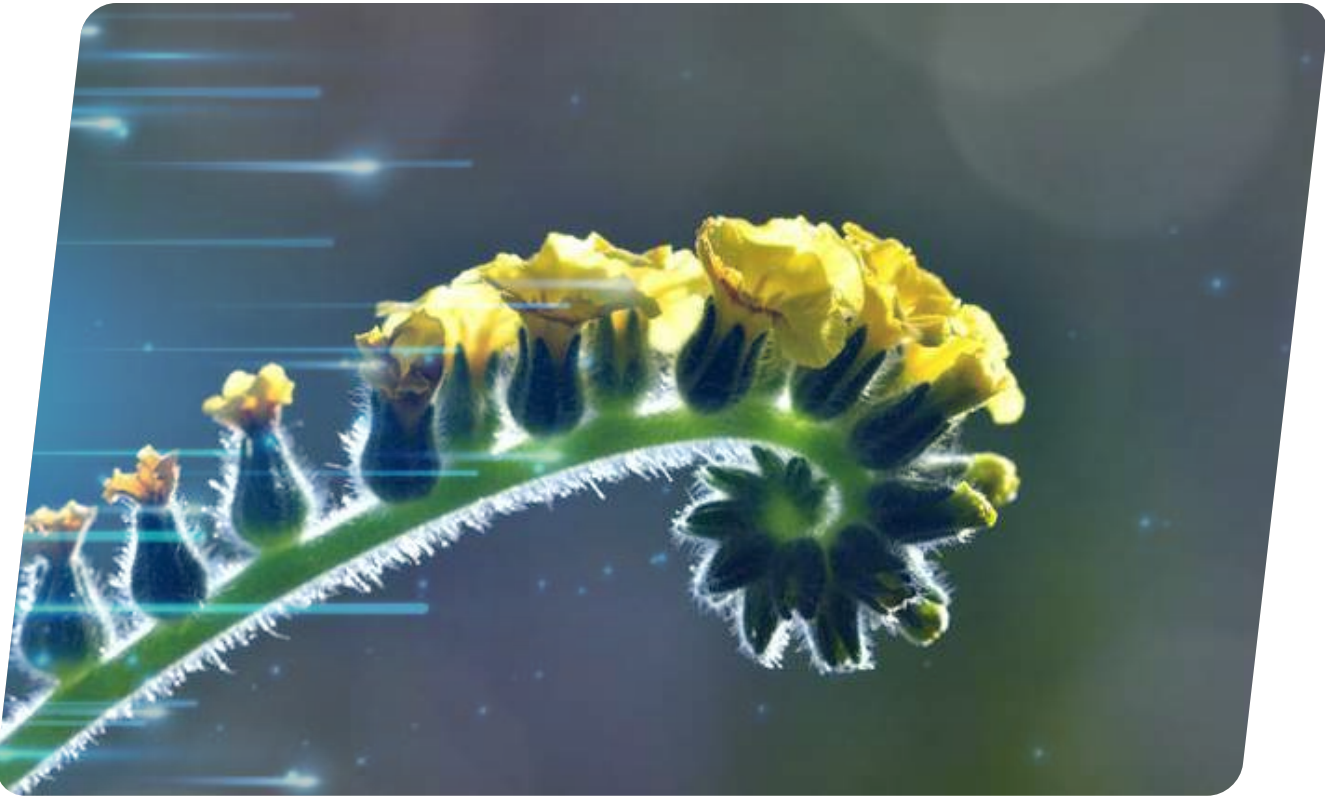
At Zorlu Enerji, we attach utmost importance to our responsibility for the protection of endangered species and sustainable management of ecosystems in the areas where we operate. In this context, we have created and are implementing Biodiversity Action Plans at our power generation facilities.

At Zorlu Enerji, we attach utmost importance to our responsibility for the protection of endangered species and sustainable management of ecosystems in the areas where we operate. In this context, we have created and are implementing Biodiversity Action Plans at our power generation facilities. In line with these plans, we carry out regular observation and monitoring activities for species at risk.

In particular, the regulation of water flow at our Hydroelectric Power Plants (HPPs) is vital for the survival of aquatic species in the environment, while electricity transmission lines at our Wind Power Plants (WPPs) pose potential risks to bird species. To mitigate these impacts, we identify and monitor species that may be affected by our operations and take actions to protect them.

We collaborate with academic institutions and non-governmental organizations to base our field research on scientific grounds. Thanks to these collaborations, we increase the accuracy of our risk analysis results and guide our strategic planning. To support this preventive approach, we apply our environmental and social impact assessments and impact assessment plans to our projects, especially in sensitive ecosystems and protected areas.

In identifying threatened species, we consider the **International Union for Conservation of Nature (IUCN) Red List of Threatened Species**, which is considered a reference for the protection of biological diversity worldwide. This list provides critical information on the population trends, habitats and threats to which species are exposed.



We have conducted detailed analyses to minimize the impacts of our operations on natural areas and protected areas, especially those of global importance.

We consider the International Union for Conservation of Nature (IUCN) Red List of Threatened Species.

Scope of Risk Assessment and Application Areas

Our biodiversity risk assessment is based on an integrated approach that covers all Zorlu Enerji’s business processes and their impacts on the ecosystem. This approach is addressed under four main headings:

1. Direct Operational Impacts (Own Operations): Our energy generation facilities, grid infrastructures and operational activities are areas with direct environmental impacts. The environmental impacts of our geothermal, wind, hydroelectric and solar power plants are evaluated in detail through location-based analysis.

2. Business Partnerships and Joint Ventures: Our business partnerships and joint investments are evaluated in line with our sustainability policies. In our joint projects, integrated risk management strategies are implemented to reduce environmental risks and protect biodiversity sensitivities.

3. Ecosystems Adjacent to Operation Areas (Adjacent Areas): Natural habitats within 0-50 km of our facilities are analyzed to assess the impacts of our operations on ecosystems from a broader perspective.

4. Supply Chain and Critical Suppliers (Critical Supplier Impact)
In addition to direct impacts from our energy production processes, indirect impacts from the supply chain are also comprehensively assessed. Critical suppliers in the supply chain are included in our analysis.

- Upstream: Raw material procurement, equipment manufacturing and processing processes are analyzed for environmental risks.
- Downstream: Indirect impacts that may arise in energy distribution and consumption processes are monitored and managed.

Biodiversity Assessment of Operational Areas
We have conducted detailed analyses to minimize the impacts of our operations on natural areas and protected areas, especially those of global importance. Accordingly, a comprehensive biodiversity exposure analysis was conducted based on the following criteria:

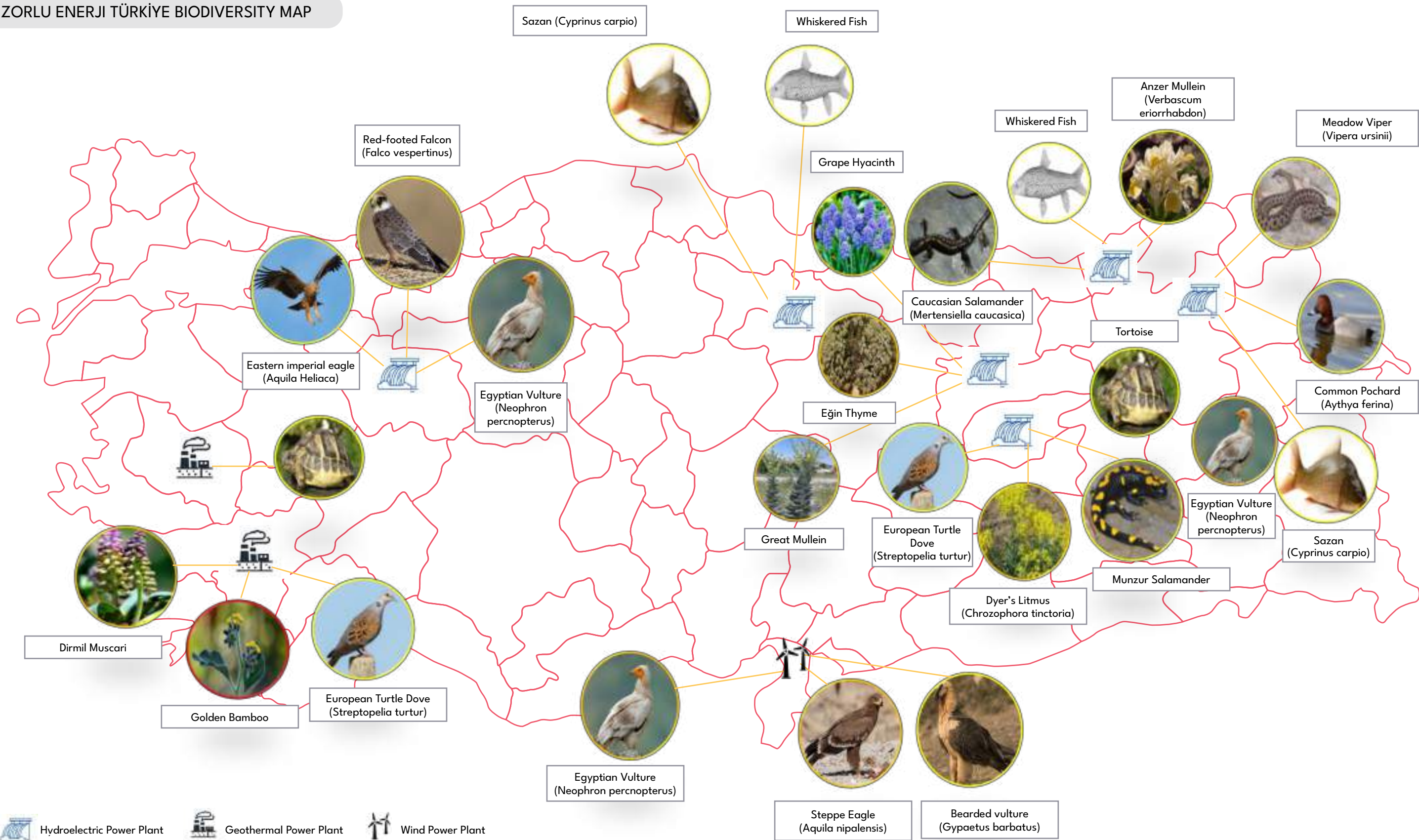
- **Total operational area:** 3,411,364.07 hectares
- **Total assessed area:** 3,411,364.07 hectares
- **Total exposed area:** 6,439.46 hectares
- The number of power plants included in the assessment is 14 in total, including geothermal, hydroelectric, wind and solar power plants.

Critical Biodiversity Areas (KBA): 93% of our operational sites are not located within internationally significant World Heritage Sites and IUCN Category I-IV Protected Areas. However, our **Mercan Hydroelectric Power Plant (HEPP)** (56.46 hectares) is located in a Critical biodiversity area and a comprehensive **Biodiversity Conservation and Action Plan** is in place to protect this sensitive ecosystem.

National Reserved Forests: 93% of our power generation facilities are not located in nationally protected forest areas in Türkiye. However, our **Kızıldere 1-2-3 Geothermal Power Plants (GPPs)** (6,383 hectares) are located in Critical biodiversity areas and **Biodiversity Conservation and Action Plans** specially prepared for the protection of ecosystems and sustainable management of biodiversity in these regions have been put into effect.

Critical Supplier Upstream & Downstream Activities: None of our Critical suppliers operating upstream (first stages of the procurement process) and downstream (distribution and consumption processes) in our supply chain are located in World Heritage Sites, IUCN Category I-IV protected areas or national protected forests. Therefore, our total biodiversity risk exposure from the supply chain is zero.

There are no protected or restored habitats. However, the pad areas used for the WPP relocation project at the Rotor site have been rehabilitated.



○ Critically Endangered (CR) ○ Endangered (EN) ○ Vulnerable (VU)

ESRS E4: BIODIVERSITY AND ECOSYSTEMS

SPECIES STATUS

Established in 2022, we continue our efforts by successfully integrating our Biodiversity and Ecosystem Management System into our business processes.

Protected Species and Implemented Action Plans

Established in 2022, we continue our efforts by successfully integrating our Biodiversity and Ecosystem Management System into our business processes. In each of our facilities, we have identified species at risk, created strategic action plans for the protection of these species and transferred them to the relevant units. As part of our efforts, we identified Critical species and created the "Critical Species Booklet." The species in the booklet were evaluated within the framework of the Bern Convention, an agreement for the protection of wildlife and natural habitats in Europe, and the CITES Convention, which regulates the trade of internationally traded wild animal and plant species to ensure their protection.

We distributed this booklet to power plants in 2024 and organized trainings for our personnel. We report the progress of our actions annually to senior management and the Sustainability Board. With this approach, we continue to effectively fulfill our biodiversity and ecosystem management commitments.

At Zorlu Enerji, we develop comprehensive action plans for the protection of Critical, sensitive and threatened species in the regions where our facilities are located.



Conservation of the Critically Endangered (CR) species

Near Kızıldere III Geothermal Power Plant, we have initiated a special conservation program for the endemic plant species, the golden bamboo (heliotropium thermophilum), whose natural habitat is extremely limited and only grows in Sarayköy district of Denizli.

It is a Critically Endangered (CR) species and is at risk of extinction. The species' limited habitat and fragile ecosystem make it extremely vulnerable to environmental threats such as Climate Change and human activities. However, it is not yet on the IUCN Red List. This shows that more scientific studies and urgent actions are needed to protect the species.

Accordingly, a comprehensive Biodiversity Action Plan for the conservation of Golden Bamboo was implemented in cooperation with Pamukkale University. Within the framework of this plan:

- Area Protection Works: The natural habitat of Golden Bamboo was identified, isolated and taken under protection to prevent damage.
- Habitat Restoration: Ecological improvement works were carried out in the species' habitat. Soil quality and sustainability of water resources were ensured.
- Population Monitoring and Genetic Diversity Studies: Regular field observations and genetic analyses were initiated to understand the species' population dynamics and protect its genetic diversity.
- IUCN Red List Process: Scientific reporting and application processes were initiated for the inclusion of Golden Bamboo in the IUCN Red List.

These efforts aim to ensure the sustainable persistence of the golden bamboo in its natural habitat and are a material step towards the conservation of the species on a global scale.

For Endangered - EN and Vulnerable - VU species, we are implementing special action plans, habitat restoration, regular population monitoring and awareness raising activities. We aim to minimize the impacts on the ecosystem by developing sustainable habitat management plans for these species.

We develop comprehensive strategies in line with international best practices to reduce the impacts of our operations on nature and protect biodiversity. In this context, we implement effective and holistic conservation practices in line with the principles of Avoid, Reduce, Regenerate, Restore, Rehabilitate and Transform.



DEPENDENCE ON ECOSYSTEM SERVICES

At Zorlu Enerji, we take various Precautions to minimize environmental impacts on the lands we own, lease or use for our production and extraction activities.



Our Ecosystem Protection and Mitigation Strategy

At Zorlu Enerji, we take various Precautions to minimize environmental impacts on the lands we own, lease or use for our production and extraction activities. We meticulously plan our land use to minimize negative impacts on the ecosystem and develop projects to protect biodiversity and support natural life. You can find detailed information on ecosystem protection and environmental impact minimization on this link.

Avoid Actions:

At Zorlu Enerji, our priority in minimizing the impacts of our operations on nature is to eliminate environmental risks from the environment before they arise. In this context, avoidance forms the basis of our strategic and systematic approach to prevent potential negative impacts on biodiversity from the very beginning.



Avoiding High Biodiversity Areas

- To prevent our operations from harming ecosystems, we avoid operating in areas with high biodiversity value such as UNESCO World Heritage Sites, Ramsar Wetlands, UNESCO Man and Biosphere Reserves, Critical Biodiversity Areas (KBA) and IUCN Category I-IV Protected Areas. We complete Environmental Impact Assessment (EIA) processes in all our projects, identify potential environmental risks in advance and take necessary precautions.

Prioritizing Renewable Energy

- In line with our Net Zero Vision, we prioritize renewable energy sources by eliminating fossil fuels in energy generation. By increasing our investments in wind, solar and geothermal energy, we reduce our carbon footprint and take an active role in the fight against Climate Change. In 2024, we minimized fossil fuel-related risks by starting our exit process from our Israeli operations.

Conservation of Critical Habitats

- To reduce the environmental impact of our operations, we avoid direct interventions in Critical habitats and take Precautions to protect ecosystems in these areas. Especially in power plants such as Mercan HEPP, Tercan HEPP, Kızıldere I-II-III GPP:
 - We are preventing tree felling,
 - We prevent waste disposal,
 - We prohibit the lighting of fires and
 - Reducing dust emissions from vehicle movements.

Reduce Actions:

Environmental Pollution Reduction and Management

- We take comprehensive Precautions from waste management to emission control to reduce environmental pollution in our operations. We manage hazardous and non-hazardous waste in accordance with the legislation and ensure that waste is recycled and disposed of by licensed companies. We keep our emissions under control by monitoring air quality through Continuous Emission Measurement Systems (CEMS).

DEPENDENCE ON ECOSYSTEM SERVICES

At Zorlu Enerji, we take strategic steps focused on Regeneration to support nature’s capacity to renew itself and to improve degraded ecosystems.

A total of 450 saplings were planted in Eskişehir Organized Industrial Zone

Conservation of Native Species and Critical Habitats

- We develop special Species Protection and Action Plans to protect local and endangered species in the areas where we operate. We conduct scientific studies in cooperation with Pamukkale University to protect Critical species such as Golden Bamboo, which grows only in Sarayköy district of Denizli. We also carry out habitat protection Precautions and regular population monitoring activities for other endangered species.

Infrastructure and Operational Improvements

- We make infrastructural improvements to protect wildlife and natural habitats in the areas where our facilities are located. We build ecological bridges and animal crossings to facilitate wildlife crossings and replace harmful fences with wildlife-friendly alternatives. With the **OEDAŞ Migratory Bird Protection Project**, we reduced bird deaths due to electrocution by 95% by covering electricity transmission lines with transparent and flexible materials. You can find detailed information about our project scope and Our action to protect our dear friends below.

An Innovative Step in Migratory Bird Conservation

The **Flexiglass Project** implemented by our Electricity Distribution company **Osmangazi Elektrik Dağıtım A.Ş. (OEDAŞ)** is a concrete and innovative reflection of this approach. Within the scope of the project, we aim to protect both natural life and energy supply security by reducing the risk of migratory birds being struck on our power transmission lines.

In order to reduce the risk of migratory birds being struck by power lines, apparatus made of recycled materials have been installed on our power transmission lines.

- **Detailed ecological and ornithological surveys** were carried out in **4,592 hectares of protected area** and surrounding wetlands.
- Protection of birds was ensured through **insulators and flexiglass coating** applications on power lines on migration routes.
- Insulation works have been completed on **20 kilometers of power lines** so far.
- With this practice, **bird deaths due to collisions have been reduced by 95%**.
- The project, which was initiated as a pilot in Afyonkarahisar, has been expanded to 5 provinces served by OEDAŞ.
- **By producing bird nests from scrap materials**, natural life was supported, and Circular Economy understanding was strengthened at the same time.
- The scope of the project was expanded, and more than 3,000 sterilization operations and more than 5,000 surgeries and treatments have been performed so far in the treatment rooms opened in the relevant municipalities in cooperation with HAYTAP and local governments.

The Flexiglass Project is integrated with the **“Can Dostlar”** project that we have realized in line with our social responsibility vision. Thus, we act with an inclusive approach that includes the protection of not only stray animals but also **migratory birds**.

Regenerate Actions:

At Zorlu Enerji, we take strategic steps focused on **Regeneration** to support nature’s capacity to renew itself and to improve degraded ecosystems. In this context, we develop holistic projects that aim to restore natural habitats to their former health and increase species diversity.

Conservation and Monitoring of Sensitive Species

- **Endangered Species:** By regularly monitoring the populations of vulnerable species such as Testudo graeca (Spurred Tortoise) and Lutra lutra (Otter) and protecting their habitats, the species are supported to maintain their role in the ecosystem.
- **Conservation of Genetic Diversity:** Field studies, seed collection and adaptation studies in botanical gardens are carried out to conserve the genetic diversity of the Golden Bamboo (Heliotropium thermophilum) species.
- **Habitat Mapping:** We aim to conserve and improve habitats by mapping the habitats of critical species in detail and determining their ecological needs. In this process, it is aimed to restore degraded ecosystems to their natural state and to ensure the sustainable survival of species.

Afforestation and Reforestation Works Within the scope of the Zero Carbon Footprint Project

- **690,000 Saplings Planted:** Realized by the end of 2023.
- **1,200,000 Saplings Target:** By planting 90,000 new saplings every year, we aim to plant 1.2 million saplings in 2030, reduce carbon emissions and create new living spaces.

Within the scope of ‘Geleceğe Nefes’

Afforestation Project

- A total of **450 saplings** were planted in Eskişehir Organized Industrial Zone in the **“Breath for the Future”** event organized on **11 November, National Afforestation Day**.

Within the scope of our Net Zero Vision, we contribute to the transition of our stakeholders in our value chain to a carbon-free economy together with us.

Restoration (Restore) Actions:

Regeneration of Natural Areas:

- During the construction of Kızıldere 3 Geothermal Power Plant, we took material steps to minimize the impact on the ecosystem in the region. In this context, 1,600 fig and olive trees in the project area were relocated to suitable areas 15 km away in cooperation with the local government to ensure the continuity of the ecosystem. The regular maintenance and adaptation process of these trees is meticulously carried out by us.

Transform Actions:

Renewable Energy Based Production and Transition to Low Carbon Economy

- We are pioneering Türkiye’s energy transformation by increasing our investments in wind, solar and geothermal energy.
- We minimize our carbon footprint in energy generation by terminating our fossil fuel investments.
- We integrate into international carbon markets and support transparent energy production with renewable energy certificates (YEK-G, I-REC).
- This strategy transforms the overall structure of the energy sector by enabling the transition to a sustainable and low-carbon production model independent of fossil fuels.

Transformation in Transportation: Zes & Elctrip Electric Vehicle Charging Network

- Our widespread charging network investments in Türkiye and Europe reduce carbon emissions caused by fossil fuel vehicles.
- By developing integrated solutions between electric vehicles and renewable energy investments, we are transforming the energy and transportation sectors together.

Leadership and Advocacy in Energy and Environmental Policy

- Through sectoral collaborations and policy advocacy, we pioneer the spread of nature and climate-friendly practices and the establishment of sustainable energy policies.
- Within the scope of our **Net Zero Vision**, we contribute to the transition of our stakeholders in our value chain to a carbon-free economy together with us.



Investigating the Agricultural Impacts of Geothermal Operations

At Zorlu Enerji, we meticulously evaluate the environmental and social impacts of our operations and take into account the concerns of society with our transparent and science-based approaches. In this context, we conducted an exemplary study in cooperation with Ege University to understand the concerns of local communities regarding the productivity of agricultural lands around our geothermal power plants (GPPs) and to find solutions.

We Answered Local People’s Concerns with Science

During the Environmental Impact Assessment (EIA) process of our geothermal energy projects, farmers and producers living in the region expressed Material concern at the meetings we organized with the participation of local people:

“Do geothermal power plants reduce the productivity of surrounding agricultural land? Do they emit toxic substances into the soil?”

To answer these questions with scientific methods, we initiated a comprehensive Agricultural Impact Assessment Project in collaboration with expert academics from Ege University. Within the scope of the research, samples were collected from agricultural lands and soils in the region before and after the geothermal facilities were established. The data obtained were compared with reference samples taken from control areas.

Detailed analyses were conducted to understand traces of heavy metals and changes in soil quality. The entire process was completed independently and reliably, with academic transparency, under the supervision of third-party experts.

Conclusion: Reliable Production in Geothermal Energy

The results of the research clearly demonstrate that geothermal power plants do not have any negative impact on the surrounding agricultural lands, as long as proper operational and environmental management practices are maintained:

- The levels of heavy metals measured in soil and water samples showed no material difference in the vicinity of the geothermal sites and in the reference sites.
- It was confirmed that the current geothermal activities do not harm agricultural production processes and no deterioration in soil quality was detected.
- The limited traces of heavy metals detected were not attributable to geothermal activities.
- This study has once again demonstrated that geothermal power generation can minimize environmental risks if proper operation and effective environmental management practices are maintained. Through transparent communication with the local community, we directly shared the results of the study and addressed public concerns with scientific facts.
- This project, which strengthens our commitment to sustainable energy production, is planned to be repeated in the future and more comprehensive environmental monitoring studies are planned.

Microseismic Studies

Within the scope of our joint studies with TÜBİTAK Institute of Earth and Marine Sciences, we are investigating the interaction between our production and injection wells by examining the microseismic reflections created by the geothermal fluid sent from our injection wells to the reservoir. We evaluate the environmental impacts and sustainability of our geothermal field by monitoring micro- and macro-scale earthquakes with the measurement stations we have installed in the field.

WATER FOOTPRINT MANAGEMENT

At Zorlu Enerji, we invest not only in technology but also in the awareness of our employees to achieve successful results in water management.

We report our water used and impact data through CDP.

Water Footprint Management

At Zorlu Enerji, we consider the sustainable management of water resources as a strategic priority and develop integrated solutions for the protection and efficient use of water in line with global risks such as Climate Change and water stress.

We attach importance to sharing the outputs we obtain because of our efforts with our stakeholders by acting with the principle of transparency. We report our water used and impact data through CDP.

In our power plants with high water use, we complete ISO 14046 Water Footprint verification processes and share the data with the public. Three of our plants, Kızıldere, Lüleburgaz and Alaşehir, have completed and reported ISO 14046 Water Footprint calculations and have verification certificates.

With the RO system used in our Kızıldere 3 GPP plant, we minimize the use of water for domestic purposes, and we supply the steam/ fluid generated by our geothermal operations to greenhouses and for regional heating.

We regularly assess and integrate water-related risks and opportunities into our business plans, considering water stress factors in the regions where we operate. Using global databases such as the World Water Resources Institute's (WRI) Water Risk Atlas and WWF Water Risk Filter, we monitor water stress levels in the geographies where our power plants are located and proactively manage the Potential Impacts of our operations on water resources.

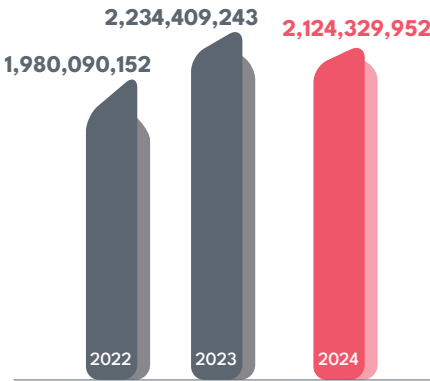
We regularly monitor water quality parameters such as BOD, COD, TSS and pH and have them analyzed by third-party independent laboratories in accordance with the Turkish Water Pollution Control Regulation on water withdrawal, discharge and consumption.

At Zorlu Enerji, we invest not only in technology but also in the awareness of our employees to achieve successful results in water management. In this context, we provide our employees with awareness training on water efficiency, wastewater management and recycling practices.

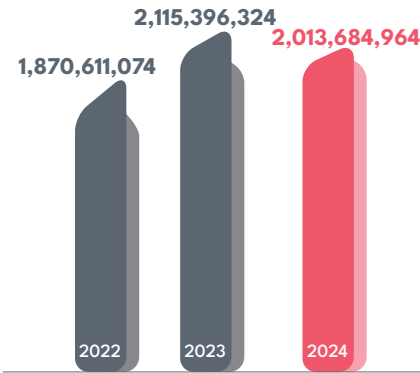


WATER FOOTPRINT (TONS)

Water Withdrawal



Water Discharge



- At our Alaşehir Geothermal Power Plant, we use **closed circuit water systems** to minimize water losses in production processes and eliminate potential damage to the environment. These systems both save water and support the efficient use of water in our processes.

Cold Injection Application

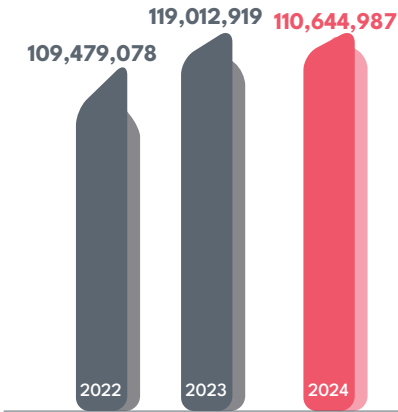
We are applying cold water injection in our injection wells in Kızıldere Geothermal field to increase the injectivity that decreases over time. Preliminary findings of our ongoing studies show that we have achieved a 16% increase in injection flow rate.

Hydroelectric Power Plants:

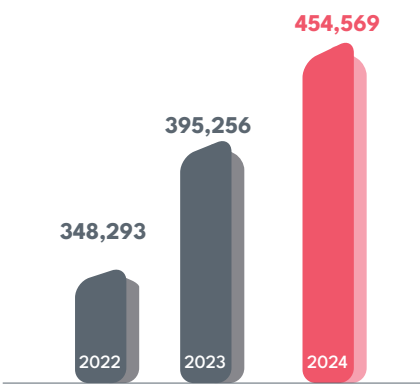
In our hydroelectric power plants, we generate energy without disturbing the natural flow of water. **After energy production, the water is released back into nature without harming the ecosystem.**

- We increase the efficiency of converting water into energy through turbine and generator renovations at our power plants. In addition, thanks to rehabilitation works such as the expansion of transmission tunnels, we generate more energy from the same water source while reducing water consumption per unit of energy.

Water Consumption



GROUNDWATER WITHDRAWN (NON-RENEWABLE) (TONS)



Operational Buildings:

- We contribute to sustainability with practices that encourage the efficient use of water in our offices. Thanks to its **LEED Gold Certificate**, Levent 199 Building minimizes water consumption with low-flow water fixtures, rainwater collection systems and water-efficient landscaping practices.
- In new buildings constructed by OEDAŞ, water is reused **through rainwater collection and harvesting systems**. These systems contribute to the conservation of natural resources and reduce the burden on infrastructure.
- The "Duyarlı Ol Project" carried out by OEPSAŞ is a comprehensive environmental management initiative that aims to save resources and raise environmental awareness. Within the scope of the project;
 - Water consumption is measured monthly and average annual consumption per person is monitored. Water leaks are regularly detected and taken under control. Reusable cups are encouraged instead of disposable cups. Water saving devices (aerators) are used in faucets.
 - In this context, OEPSAŞ has achieved a material success by receiving a **gold certificate** for its work carried out in line with the Smart Life 2030 vision.

We aim to reduce water consumption by 10% compared to the previous year. To achieve this goal, we develop projects to increase water efficiency in our operations and improve existing systems.

Water Recovery Practices

In Zorlu Enerji's **geothermal and hydroelectric power plants**, water has a priority place both as a key input of energy production and as a critical element of environmental sustainability. In geothermal power generation, water is directly integrated into our processes using geothermal fluid extracted from the ground in electricity generation, while in our hydroelectric power plants, it is the direct source of energy generation. Therefore, efficient and sustainable use of water is indispensable to maintain our energy production capacity and minimize our environmental impact.

At the same time, the efficient use of water **in our office premises** is important both for the protection of natural resources and as part of our operational sustainability.

The water saving projects and green building certificates we implement in offices where our employees are concentrated contribute to minimizing our environmental impact by raising awareness while reducing water consumption.

Geothermal Power Plants:

In geothermal energy production, we act with the responsibility of returning every resource we take from nature back to nature. The geothermal fluid used in our geothermal power plants is re-injected underground after electricity generation through special treatment processes without harming the environment. This practice ensures the sustainability of geothermal resources and prevents the depletion of underground water resources. In our power plants, we use water treatment technologies such as reverse osmosis to prevent the evaporation of high-temperature fluid from deep wells.

- Kızıldere 1-2-3 Geothermal Power Plants utilize a reverse osmosis system. With this method, we support sustainable water management by reducing dependence on municipal water for domestic use.

Quality Improvement Activities in Wastewater Management

- Biological Package Treatment Systems: Domestic wastewater generated at Kızıldere 3 Geothermal and İkizdere Hydroelectric Power Plants is treated in biological package treatment systems. At our other plants, wastewater is discharged to sewage systems or managed through temporary storage.

WATER FOOTPRINT MANAGEMENT

In order to determine the Potential Impacts of our operational processes on local ecosystems and communities, we utilize our analysis in the Biodiversity and Water Risk Report, which we prepared in academic and professional collaboration.

In areas of high and very high-water stress, we are committed to reducing our water consumption by 10% annually compared to the previous year.

Our Approach to Water Risks
Türkiye is one of the countries under water stress due to its geographical structure and Climate Change. Most of the regions where Zorlu Enerji operates are classified under high water risk by organizations such as WRI and WWF. Geothermal and hydroelectric power plants in the Aegean, Southeastern Anatolia and Central Anatolia regions have the potential to create Material impacts on water resources. Geothermal energy production can disrupt the regional water balance by over-exploiting groundwater resources, while hydroelectric power plants can threaten aquatic ecosystems. Therefore, it is crucial to analyze water risks correctly and develop sustainable strategies.

We conduct comprehensive water risk analyses to mitigate the environmental impacts of our operations in regions sensitive to water stress. Utilizing internationally recognized data sources such as WWF Water Risk Analysis and WRI Water Risk Atlas, we periodically assess the risks to our water resources and develop preventive and remedial strategies accordingly.

In order to determine the Potential Impacts of our operational processes on local ecosystems and communities, we utilize our analysis in the Biodiversity and Water Risk Report, which we prepared in academic and professional collaboration. According to the analysis results from our Biodiversity Risk Report, water stress levels have the potential to put pressure on local ecosystems and communities in the regions where our operations are located. Accordingly, we define risk zones and customize our water management plans according to regional needs. We implement the following Precautions in regions with high water stress:

- Advanced technology investments that optimize water use,
- Increasing water recovery rates,
- Community partnerships and projects to protect local water resources.

In areas of high and very high-water stress, we are committed to reducing our water consumption by 10% annually compared to the previous year.

Water consumption in areas of high and very high-water stress (tons)	2022	2023	2024	2024 Target
	45,009,503	65,113,967	54,850,288	58,602,570



ESRS E5: CIRCULAR ECONOMY

We work on sustainable Resource Management and the use of alternative materials to minimize the risks encountered in raw materials used in renewable energy technologies and supply chain processes.

Material Impacts, Risks and Opportunities

We adopt a resource-efficient approach to minimize the impact of raw material use on natural resource depletion and environmental degradation. We work on sustainable Resource Management and the use of alternative materials to minimize the risks encountered in raw materials used in renewable energy technologies and supply chain processes. We also strengthen our waste management processes in line with Circular Economy and recycling principles.

Positive Impacts	Negative Impacts	Risks	Opportunities
ESRS E5: Circular Economy			
Resource Management			
	- Impact of Raw Material Utilization on Natural Resource Depletion and Environmental Degradation	- Raw Material and Supply Chain Risks in Renewable Technologies	- Opportunities from Resource Efficiency, Circular Economy and Recycling
Waste Management			
	-	- Management Risks of End-of-Life Energy Equipment	-



At Zorlu Enerji, we build our business model not only on generating energy, but also on using our resources more efficiently and sustainably.

We carry out our waste management practices within the framework of the Zero Waste approach and ISO 14001 Environmental Management System in accordance with international standards. In addition, within the scope of **our Environmental Policy**, efficient use of resources is ensured, waste is regularly monitored, and targets are set for reduction. Environmental performance is continuously improved through action plans and targets developed for waste reduction at source, increasing recycling rates and effective management of waste. We regularly conduct waste audits to improve waste management processes within the scope of **ISO 14001 Environmental Management System**.



Zero Waste Certificate: We were entitled to receive “Zero Waste Certificate” in Kars Çıldır HEPP and OEDAŞ operations (Afyon, Bilecik, Eskişehir, Kütahya, Uşak and Headquarters) in 2020.

As OEPSAŞ, we are taking material steps to increase resource efficiency and environmental awareness within the scope of the **Duyarlı Ol Project** implemented in cooperation with BCSD Türkiye. The project, implemented in our offices in Afyonkarahisar, Bilecik, Eskişehir, Kütahya and Uşak, contributes to environmental sustainability as part of our **Smart Life 2030** vision. As part of the project, paper, plastic and glass waste was separated and delivered to licensed recycling companies. Paper consumption was reduced by digitalizing processes. The amount of waste generation per person per year was monitored and performance was measured.

NATURAL RESOURCE MANAGEMENT

We apply Circular Economy principles in our operational processes to ensure efficient use of resources and develop sustainable procurement and recovery strategies to reduce the impact of Critical raw materials such as steel used in energy production.

We aim to reduce the total amount of waste disposed of by 10% compared to the previous year.

We apply Circular Economy principles in our operational processes to ensure efficient use of resources and develop sustainable procurement and recovery strategies to reduce the impact of Critical raw materials such as steel used in energy production. Electrical and electronic waste, cable waste, packaging waste and waste contaminated with chemicals resulting from our operations are collected separately and temporarily stored before being disposed of by licensed companies. This ensures that waste is managed in a controlled manner and recycled without harming the environment. Cable and electronic wastes generated during OEDAŞ’s operations and the installation of electric vehicle charging stations are reused with an environmentally friendly approach, while metal wastes are recycled into the economy as scrap. Recyclable materials such as polyethylene pipes and plastic waste are directed to licensed recycling facilities, contributing to the protection of natural resources. Ash waste generated at our thermal power plants is transferred to third-party business partners to be used in different industrial processes. We take Circular Economy principles as a basis in the design of energy generation equipment, and implement renewal,

repair and reuse strategies to extend the life of wind turbines, solar panels and other energy infrastructures. Our electrical panel production facility and wind turbine maintenance workshop projects are among the Material steps to extend the life cycle of equipment. In addition, the Industrial Waste Management Plans we have developed for our power plants ensure that waste is separated at source and managed effectively.

By adopting sustainable material management practices in our operations, we minimize the use of harmful chemicals and turn to environmentally friendly alternatives. To minimize negative impacts on the environment and human health, we work towards the reduction, reuse and phase-out of toxic chemicals.

With our waste management and green procurement processes, we adopt the Circular Economy approach while promoting the reduction of toxic substances. We also regularly inform our employees about chemical safety and harmonize our processes with international environmental standards. In the future, we will continue to develop innovative solutions to minimize our environmental impact.

At Zorlu Enerji, we set concrete and measurable Our goals to reduce waste generation and minimize our environmental impact through continuous improvement practices in our operations.

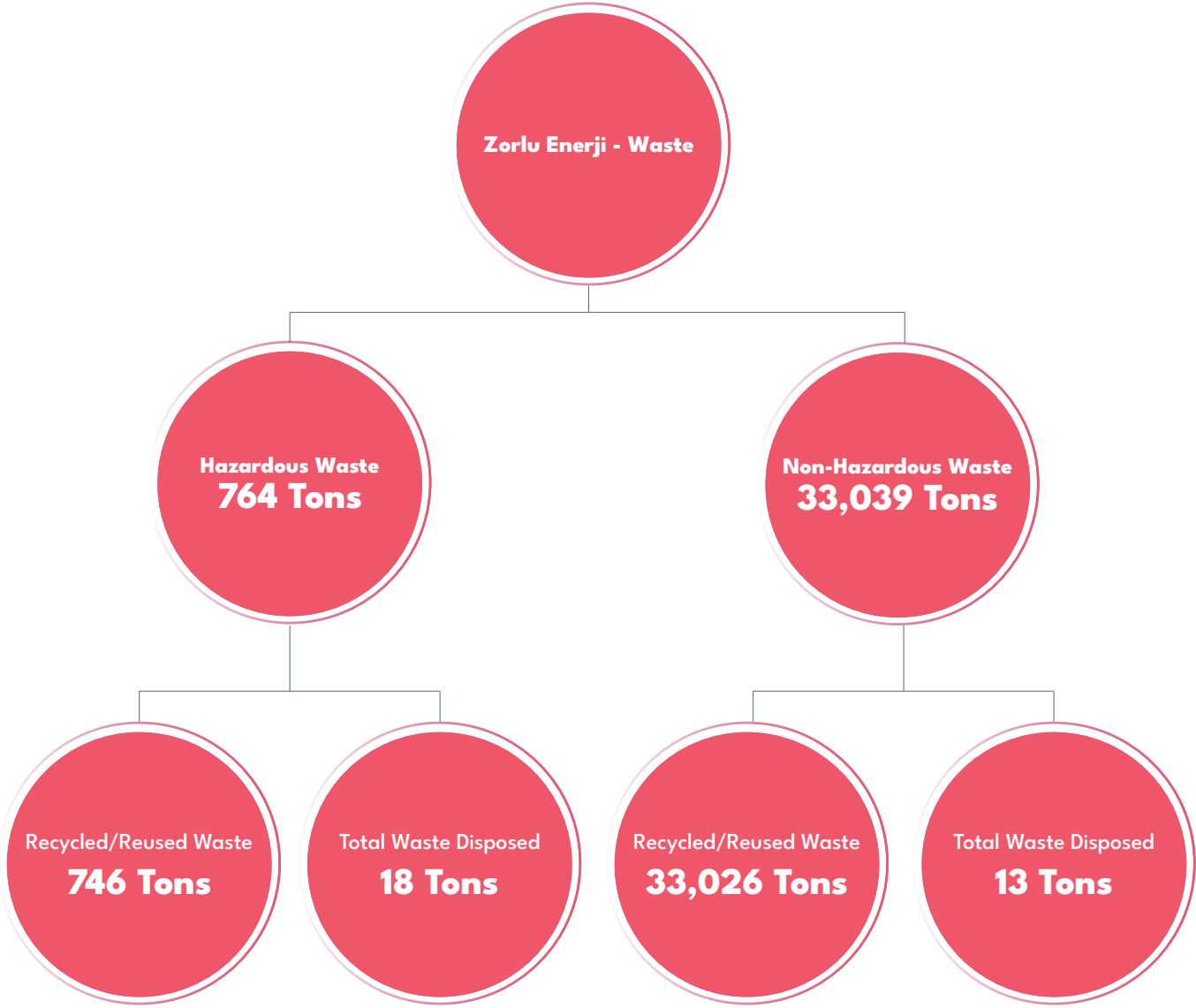
Our Main Goals:

- 10% Waste Reduction:** We aim to reduce the total amount of waste disposed of by 10% compared to the previous year.
- 10% Hazardous Waste Reduction:** We minimize environmental risks by reducing the amount of hazardous waste by 10% annually.
- 10% Ash Waste Reduction:** We increase resource efficiency by reducing ash waste generated at our thermal power plants by 10%.



DEPENDENCE ON ECOSYSTEM SERVICES

At Zorlu Enerji, we attach great importance to our innovation and R&D investments to use our resources in the most efficient way and minimize waste generation. We develop new technologies and solutions that will reduce the amount of waste in our energy generation processes and increase recycling and reuse rates.



We Raise Environmental Awareness with Trainings for Our Waste Reduction Target

At Zorlu Enerji, we provide zero waste trainings to our employees through Zorlu Academy to support environmental sustainability and increase our expertise in waste management. Through these trainings, we equip our employees with the skills to reduce waste, effectively manage recycling processes and use resources efficiently.

Our Featured Projects in Waste Management and Resource Recovery

A material portion of our waste originates from our Electricity Distribution activities and Lüleburgaz Power Plant.

Lüleburgaz Power Plant Ash Waste Recovery

- Approximately 90% of the waste generated at our Lüleburgaz Power Plant consists of ash waste. As of 2023, these ash wastes started to be sent to cement factories as raw material and thus were brought into the economy instead of being disposed of. Thanks to this strategic approach:
- A Material reduction in the amount of waste was achieved,
- Natural resource consumption is minimized,
- It has been Possible to transform waste into economic value by reducing its environmental impact.

OEDAŞ Can Dostlar Project: Living Spaces from Waste

- OEDAŞ Can Dostlar Project has been implemented for the recovery of waste from Electricity Distribution networks. Within the scope of this project:
- Safe living spaces were created for stray animals from scrap materials and waste was reused.
- OEDAŞ expanded the project and produced bird nests for migratory birds from scrap materials and placed them on migration routes.
- In order to prevent birds from being harmed by power lines, technical solutions such as insulators and flexiglass coatings were applied on transmission lines.

This project not only recycles waste but also makes a material contribution to biodiversity conservation.

Innovation and R&D Investments for Waste Reduction

At Zorlu Enerji, we attach great importance to our innovation and R&D investments to use our resources in the most efficient way and minimize waste generation. We develop new technologies and solutions that will reduce the amount of waste in our energy generation processes and increase recycling and reuse rates. We develop innovative solutions and R&D studies to effectively manage and recycle the waste generated in wind and solar energy systems. In this context, while strengthening sustainable production processes with the EOLIAN and JIDEP projects, we are also working on new methods to reduce environmental impacts in solar power plants (SPP).

EOLIAN Project

The EOLIAN Project was developed to extend the lifespan of turbine blades used in wind power plants, to ensure their efficient dismantling and to promote their circular use. Within the scope of the project:

- We develop smart wind turbine blades and produce them from unlimited recyclable platform chemistry.
- With blades produced with vitrimer composites and new generation polymers, we reduce our environmental footprint by offering the processability and logistical advantages of thermoplastics.
- Thanks to integrated in-mold electronic systems, we optimize maintenance processes and prevent waste of resources by detecting damages early.

You can find detailed information about our EOLIAN Project in the R&D and Innovation section.

JIDEP Project

JIDEP Project is a strategic project focusing on the recycling of composite materials and Circular Economy principles, carried out with 100% grant support under the European Union's Horizon Europe program. Within the scope of the project:

- Environmental impacts are minimized by recycling composite materials such as wind turbine blades that have completed their useful life.

- Natural resource consumption is reduced by reusing recycled raw materials in different sectors.
- By meeting the need for raw materials in industry, economic value is created, and sustainable production is encouraged.
- Materials are reprocessed and reused in sectors such as automotive, maritime and energy, setting an example for upcycling practices.

You can find detailed information about our JIDEP Project in the R&D and Innovation section.

Cooling Tower Conditioning with Dilurit BCS System

Instead of some traditional chemicals used in our field, we commissioned the mixture-based Dilurit BCS system with online measurement system. This system developed by Kurita was integrated into our geothermal power plant and field conditions. Thanks to this system, which offers continuous monitoring with remote control and warning mechanisms, we managed to reduce our chemical consumption budget in the cooling tower by 15%.

Modeling of Geothermal Fields

We geochemically monitor our reservoir conditions to ensure the sustainability of our geothermal energy production. We use Leapfrog software to model temperature changes, production-injection interactions, as well as minerals such as crust-forming minerals, lithium and rare earth elements. Thanks to this software, we will be able to visualize future forecasts by putting solid geological models of all our license areas, dynamic geochemical and physical models of the reservoir on Medium.



PEOPLE AND CULTURE

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**WE FOCUS ON THE
ENERGY OF THE
FUTURE WITH OUR
ADAPTABILITY**

We focus on improvement, satisfaction, and the impact we create across all our operational processes. In doing so, we increase brand loyalty and social benefit.

WE ARE EVALUATING WORKFORCE CONTINUITY OPPORTUNITIES

We manage risks arising from non-compliance with occupational health and safety standards, considering the impact of precautions on employee safety.

Material Impacts, Risks and Opportunities
Providing a working Environment where our people can develop, perform and grow requires our interaction with these impacts. We manage risks arising from non-compliance with occupational health and safety standards, considering the impact of precautions on employee safety. We also consider opportunities to strengthen employee engagement and workforce continuity.

Positive Impacts	Negative Impacts	Risks	Opportunities
ESRS S1: Workforce			
Working Conditions			
- The Impact of Occupational Health and Safety Precautions on Employee Safety		- Risks Arising from Non-Compliance with Occupational Health and Safety Standards	- Opportunity to Strengthen Employee Engagement and Workforce Continuity
Equality, Diversity and Inclusion			
- The Impact of Diversity, Inclusion and Equality Practices on Employee Satisfaction and Fair Work Environment			
Employee Rights			
		- Risk of Human Rights Violations in the Workplace	



RESPECT FOR HUMAN RIGHTS IS ONE OF THE FUNDAMENTAL PRINCIPLES OF OUR ACTIVITIES

Ensuring that all our employees have an equal, respectful and safe working environment is one of our main priorities.

At Zorlu Enerji, we consider respect for human rights as one of the fundamental principles of our operations.

We conduct a comprehensive human rights due diligence process and Human Rights Impact Assessments (HRIAs) across our value chain to prevent violations such as forced labor, human trafficking, child labor, freedom of association, collective bargaining rights, equal pay and discrimination.

In line with the global impact of the energy sector, we observe the rights of local communities and vulnerable groups, especially in our projects in developing regions. This approach is shaped by our commitments to the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights (UNGPs), the OECD Guiding Principles and the United Nations Global Compact. You can find more information about our approach and detailed work on human rights through our [Human Rights Due Diligence Report for 2023*](#), our [Human Rights Policy](#), our [Human Resources Policy](#) and our [Corporate Restructuring & Human Rights Commitment](#).

* As of the publication date of this report, we are working on the updated human rights situation assessment report for 2024. Our updated and valid report for 2024 will be published on our website in the third quarter of 2025. In the meantime, you may refer to our 2023 Human Rights Due Diligence Report for reference.

Combating Bullying, Harassment and Discrimination
Ensuring that all our employees have an equal, respectful and safe working environment is one of our main priorities. In line with our Human Rights Policy, we adopt a zero-tolerance approach to



bullying, harassment and discrimination. We stand against all forms of discrimination and take precautions to prevent our employees from being disadvantaged due to gender, race, nationality, ethnicity, religion, age, disability, sexual orientation, gender identity or any other personal characteristics in order to maintain an inclusive and fair environment where everyone's rights are respected.

In this context, mandatory trainings, awareness raising activities and practices that strengthen our ethical principles are implemented for our employees. In addition, transparent and confidential whistleblowing mechanisms have been established where our employees can safely report any negative situations they may be exposed to. A strong protection system is in place to ensure that our employees who voice their complaints do not face any retaliation.

Reporting of Human Rights Violations and Complaints
Violation of the provisions of the Human Rights Policy leads to internal sanctions in addition to the administrative and criminal sanctions stipulated by the relevant legislation. All employees who wish to report/complain or consult in case of any doubt regarding the content of the Human Rights Policy and/or in case of witnessing a behavior or practice contrary to the rules, can reach us;

- By e-mail to the Ethical Principles Hotline (etik@zorlu.com)
- By the Ethical Principles Hotline that can be reached at any time of the day by calling (0 212 456 23 23) or (0 850 226 23 23).

WE CONSIDER OUR EMPLOYEES AS PART OF OUR VALUE CHAIN

We see respect for the labor and employment rights of our employees as not only part of protecting human rights, but also as a core element of our people-oriented corporate culture.

We create a strong impact locally and globally by combining our clean energy investments with our qualified workforce.

WORKING CONDITIONS

The ability to adapt to a changing world will always remain a critical factor for sustainable success. Accordingly, at Zorlu Enerji, we see our employees as an indispensable part of our value chain and prioritize their potential. In line with Zorlu Holding's "Smart Life 2030" vision, we place sustainability at the center of our business model and contribute to the positive transformation of both our company and the ecosystem in which we operate.

As we step confidently into the future, we create a strong impact locally and globally by combining our clean energy investments with our qualified workforce. We encourage the creativity of our employees to realize their dreams and provide a work environment that nurtures their entrepreneurial spirit and supports them to take initiative. Our work culture, which supports continuous development, aims not only for the personal development of our employees, but also for them to become individuals who create value in society.

Working Hours

We see respect for the labor and employment rights of our employees as not only part of protecting human rights, but also as a core element of our people-oriented corporate culture. We actively work to create a sustainable, responsible and inclusive work environment by ensuring fair labor and employment standards in all markets where we operate. We attach great importance to compliance with the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and local legislation on issues such as working hours, overtime and overtime remuneration in the regions where we operate.

Health, Safety and Process Safety

Zorlu Enerji Life-Saving Golden Rules

At Zorlu Enerji, in order to ensure the safety of our employees and business partners, we have identified 8 life-saving rules based on industry best practices and British Safety Council guidelines. These rules provide a preventive guide against risks that lead to fatal accidents and are implemented in all our business areas:

-  **1. Work Permit Procedures:** Work permits must be obtained before starting risky works.
-  **2. Energy Isolation:** Work is not started until isolation and discharge requirements are completed.
-  **3. Soil Disturbance Risks:** Special precautions are taken during excavation and trench works.
-  **4. Confined Space Entrances:** Do not work in confined spaces without safety precautions.
-  **5. Working at Height:** No working at height without appropriate equipment and safety precautions.
-  **6. Lifting Operations:** Cranes and lifting equipment are not used without proper conditions.
-  **7. Driving Safety:** Vehicles and construction equipment are not operated without the necessary conditions being met.
-  **8. Change Management:** Work is not started until all changes have been properly evaluated.

The energy sector requires a prioritized approach to health and safety (H&S) due to the complexity of its operations and high-risk profile. At Zorlu Enerji, we are aware of risks such as working at high voltage, toxic gases, electric shock and mechanical hazards in all our processes from geothermal energy production to Electricity Distribution.

These risks increase our priority to protect the physical and psychological health of our employees and are of critical importance for the uninterrupted continuity of our operations. Accordingly, we have structured our H&S management system to cover all our employees, contractors and operations.

We manage all our H&S processes in accordance with **ISO 45001 Occupational Health and Safety Management** System standards, implement the hierarchy of controls stipulated by ISO 45001 to identify hazards and reduce risks, and conduct risk analyses in this context.

Medium Removal: Complete removal of the hazard source from the Medium.

Replacement: Replacing the hazardous situation with a safer alternative.

Engineering Controls: Reducing the risk with Technical Precautions.

Administrative Controls: Managing the risk through procedures, instructions, training and inspections.

Personal Protective Equipment (PPE): The use of individual protective equipment to protect employees when the risk cannot be managed by other methods.

In our Electricity Distribution operations, we require our business Partners to be ISO 45001 certified to ensure safety in high-voltage systems and construction sites.

We clearly specify these requirements in tender specifications and do not establish business partnerships without compliance. Requirements in tender specifications and do not establish business partnerships without compliance. We conduct comprehensive risk analyses to ensure the road and work safety of our mobile teams in charge of the installation of electric vehicle charging stations and meticulously implement traffic and environmental safety precautions before the operation. We also ensure our employees' right to refuse risky jobs and protect their physical and mental health through occupational physicians, nurses and support teams at all our work sites. We consider occupational diseases and risks during the project design phase of new facilities and processes.

At Kızıldere III Geothermal Power Plant, Türkiye's largest geothermal plant, we ensure full compliance with national legislation in line with the **SEVESO - Prevention of Major Accidents Directive** in the processes where chemicals that require special sensitivity in terms of process safety such as **H₂S gas** and **n-butane** are used, and we ensure that our employees are prepared for potential hazards through process safety trainings and emergency drills within the scope of SEVESO.



We carry out our H&S management in a wide range from daily follow-ups to annual performance evaluations. We ensure that challenges, risks and future actions are discussed in monthly H&S reports and meetings held with the participation of senior executives. We also organize monthly **H&S committees** to raise H&S awareness throughout the company and encourage active participation of all employees in relevant processes. These meetings, organized with the participation of our employees and OEDAŞ union representatives, provide a broad perspective on occupational health and safety issues and contribute to the development of company policies. We hold regular meetings with OEDAŞ union representatives to closely monitor the issues raised and respond to requests immediately. In order to encourage the active participation of our employees in H&S processes, we support improvement suggestions by rewarding them. According to the Occupational Health and Safety Law, we respect the right of all our employees to refuse work they deem risky. In addition, by prioritizing the health and safety of our employees, we offer them the opportunity to be examined by a workplace physician and encourage regular health checks.

We subject our operations to both internal audits and audits by independent certification bodies at least once a year within the scope of the H&S Management System, and we adopt achieving

zero occupational accidents in our operations as our main goal. By 2030, we aim to achieve a zero Workforce lost time accident rate.

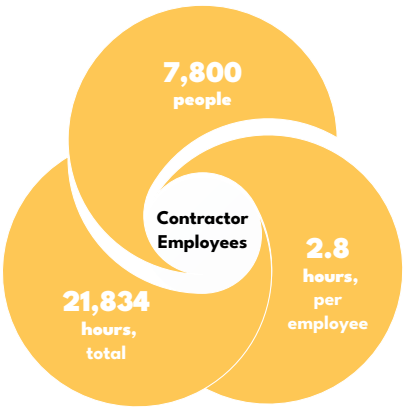
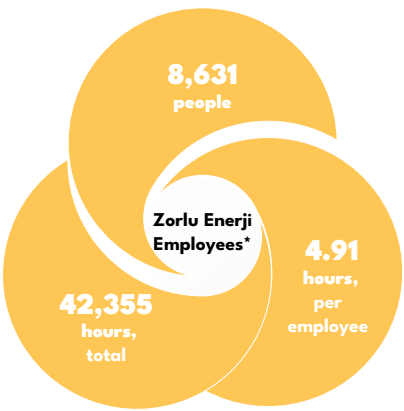
Detailed information can be found in [Zorlu Enerji Health and Safety Policy](#).

At Zorlu Enerji, we proactively manage operational risks **with digital solutions**. While the **Salesforce-based H&S risk management system** identifies risks in charging station installations in advance and ensures that precautions are taken, **the Video Verification System (VVS)** prevents occupational accidents by requiring approval from the control center for high-voltage work. To increase the participation of our employees in H&S processes, near-miss reporting stations were installed in our plants with **the QDMS system**. With this system, employees can report dangerous situations, dangerous movements and near misses they observe in the field. The notifications are verified by GTS and monitored by the QHS-E Directorate and guidance is provided to the relevant teams for the actions to be taken. To prevent the recurrence of possible accidents, the Accident Incident Investigation Procedure is implemented, and corrective Precautions are designed through incident-specific root cause analyses.

You can find the details of H&S Performance Metrics in the Social Performance Indicators section.

WORKING CONDITIONS

In the 2024 reporting period, a total of 42,355 hours of H&S training was provided to our employees and 21,834 hours of training was provided to our contractor employees.

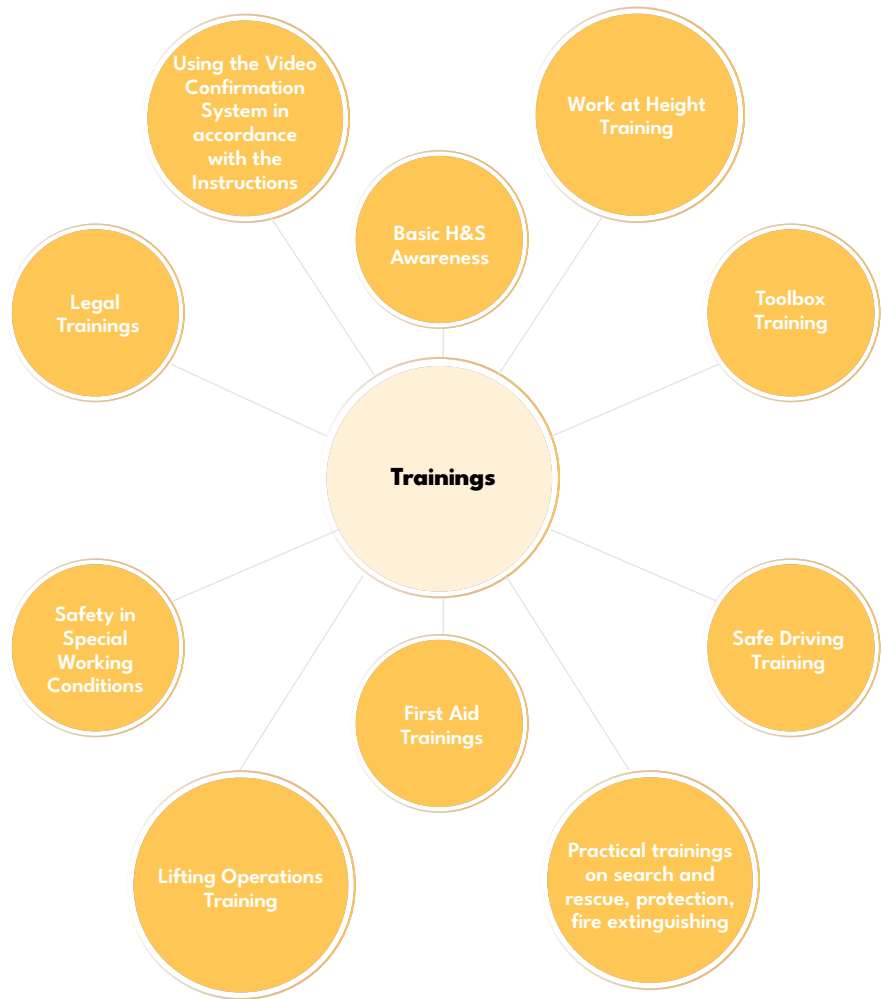


*Including OEDAŞ.

Health & Safety Trainings

To strengthen the Health and Safety (H&S) culture and achieve our goal of zero occupational accidents, we raise awareness of H&S among all employees, contractors, customers and subcontractors of our Company and support them with trainings. We regularly monitor the effectiveness of our trainings and update them with a continuous improvement approach. In line with the relevant regulations, we provide

mandatory H&S trainings to our employees after they start work. In the 2024 reporting period, a total of 42,355 hours of H&S training was provided to our employees and 21,834 hours of training was provided to our contractor employees. During the reporting period, all employees of the contractors we cooperated with received H&S training. A contractor employee who has not received H&S training is not allowed to go to the field. All our training processes are recorded to ensure transparency and traceability, thus preventing potential risks.



Projects Implemented within the Scope of H&S

Arc Flash Secure Operation System
In order to prevent occupational accidents caused by arc flash,* which is a critical risk in the electricity distribution sector, we have commissioned the Arc Flash Safe Operation System within OEDAŞ. With this project, we aim to increase personnel safety by minimizing the risk of arc flash that may occur during maintenance and repair activities in electrical panels, and to contribute to the establishment of sustainable safety standards in the sector by developing domestic and national technical solutions.

* A serious hazard in the Electricity Distribution industry, arc flash is the sudden release of energy caused by the unplanned conduction of electric current through the air. This event can reach temperatures as high as 35,000°F (19,426°C), causing severe burns, explosions and other life-threatening hazards.

The project, which was carried out with grant support from the Energy Market Regulatory Authority (EMRA), was completed in 12 months. Within the scope of the project, Precautions were implemented in our Electricity Distribution operations to reduce the risk of arc explosion.

Operational Security with Video Verification System (VVS)
We launched the Video Communication System to strengthen our H&S processes and minimize risks in our field operations. With this system, which we started to be used by OEDAŞ System Operation and Distribution Services Departments as of June 2019, we enabled our field teams to get work approval by establishing a live connection with the main control center. Since April 2021, we have made our processes even safer with the monitoring and evaluation of incoming records by our H&S experts. We prevented dangerous situations and behaviors by making the Video Communication System mandatory in Critical operations such as working at heights, LV-HV power cutting and supply operations, and working on highways. When we detected inappropriate work, we sent nonconformity reports with action items to the manager of the field personnel or the manager of the main control center personnel who gave approval. We improved our business methods by analyzing data on H&S processes, took preventive measures by examining accidents and near-miss incidents in detail. We raised awareness by using real incident records as H&S training materials. We achieved operational improvements in our network operation processes. In the following periods, we aimed to implement our H&S standards in a wider framework by including contractor companies in the system.



Disaster Preparedness and Response Project:
At Zorlu Enerji, we implement a comprehensive disaster management strategy to ensure employee safety and uninterrupted energy supply in the event of natural disasters. We have provided 70% of our employees with first aid certificates, formed a 27-person search and rescue team in cooperation with AFAD, and increase their level of preparedness through regular trainings.

We have included generators, work towers and fault detection equipment in operational plans to protect our energy infrastructure. We design and test different disaster scenarios and constantly update our improvement processes.

On the 25th anniversary of the 17 August earthquake, we once again emphasized the importance of everyone, from individuals to institutions, taking responsibility in disaster management.

Virtual Environment Training Workshop for OEDAŞ Employees
Electricity Distribution company OEDAŞ established a 'Digital Workshop System' to improve the professional knowledge and skills of approximately 1,300 employees using technologies such as virtual reality, augmented reality and simulation systems.

With the workshop, which offers a learning experience independent of time and space, we aim to increase the culture of occupational safety with the system, which includes scenarios created based on the problems faced by employees in real life, especially in the fields of maintenance, repair and breakdown, and interactions that will enable them to reach solutions to problems.

WE ADOPT A ZERO-TOLERANCE POLICY AGAINST DISCRIMINATION

At Zorlu Enerji, we see inclusion, equality and diversity not only as a set of values, but also as an indispensable foundation for both industrial progress and social transformation.



We realize our approach to gender equality through three main focal points: discourse, business environment and collaborations.

At Zorlu Enerji, we see inclusion, equality and diversity not only as a set of values, but also as an indispensable foundation for both industrial progress and social transformation. In line with our Smart Life 2030 vision, we aim to develop a business culture that supports diversity and inclusion and prioritize these values in our business processes and social impact.

As of 2024, with the appointment of our first female CEO, we once again emphasized that we have adopted diversity and inclusion as a strategic priority. We hope that this leadership change will serve as a source of inspiration both in our industry and in society. We implement policies that prioritize gender and equal opportunity at every stage of our value chain. We aim to create meaningful and sustainable change at both sectoral and societal levels through our projects that strengthen the role of women in business life and combat prejudices. By adopting the principle of **zero tolerance against all forms of discrimination** in our Work Environment, we provide an equal and fair working environment for everyone regardless of gender, age, language, ethnic origin, physical characteristics, nationality, sexual orientation,

political opinion, philosophical belief, religion or sect. We rigorously apply **the principle of equal opportunity in our recruitment processes**. We clearly state this principle in our job postings and application forms and conduct candidate evaluations with an egalitarian perspective. In addition, we also take the principles of equality and diversity as a basis in the structuring of the Board of Directors; in line with our Board of Directors Diversity Policy, we consider diversity factors in addition to competency assessments. We support the 30% Club, which aims to increase the proportion of female employees in the boards of directors and senior management.

The Gender Equality Committee was established under the leadership of Zorlu Holding Board Member Ms. Selen Zorlu Melik.

We realize our approach to gender equality through three main focal points: discourse, business environment and collaborations. We believe that language has a transformative power on consciousness and awareness, and we use egalitarian and non-discriminatory language in both our internal and external discourse.–

Equal Life Dictionary and Discourse Control Mechanism

We believe that creating an inclusive work environment requires that the language used is egalitarian and free of prejudices. With this awareness, in 2020, we launched the Equal Life Dictionary project, which replaces sexist expressions with alternatives that support equality and inclusion.

In 2022, we took the dictionary one step further and turned it into a digital tool that can be used in Microsoft Office applications and automatically detects sexist expressions and makes suggestions. This tool, which we call **the Discourse Control Mechanism**, facilitates the transition to egalitarian language in internal correspondence and presentations, making our communication more inclusive.

You can access our Equal Life Dictionary [here](#).

This is your captain speaking ...

**Are you used to hearing that from men?
It's time to break the stereotype. Let's change the narrative!**

We raise awareness for a More Equal Life not only on March 8, but every day. We made the training we prepared for this purpose accessible to everyone on Zorlu Holding YouTube channel. [Watch it now or a more equal life!](#)



KAGIDER Equal Opportunity Certificate

At Zorlu Enerji, we, as Corporate Rights, attach great importance to inclusion, diversity and equal opportunities in the business world and society. As a result of this independent audit covering areas such as recruitment, training, performance evaluation, promotion, career support, feedback and complaint management, our Human Resources department shared our commitment to equal opportunities with the public. Based on the KAGIDER Equal Opportunity Certificate, we have registered our efforts in this area.

WEPs Signatories with UN Women and UN Global Compact

We set out with the motto "An Equal Life is Possible for Everyone" to make gender equality a part of our corporate culture. We continue to work in cooperation with civil society, academia and the business world to make our workplaces more egalitarian, transform our discourse and develop innovative practices in this direction.

In this context, we are proud to be among the signatories of the **Women's Empowerment Principles (WEPs)**, a joint initiative of **UN Women and UN Global Compact**, which aims to promote gender equality and empower women in business life and society.



EQUALITY, DIVERSITY AND INCLUSION

FutureFEM

We launched the FutureFem project with the aim of empowering women in the energy sector and supporting them in their career journeys. As part of the project, we brought together 18 female students studying in the fields of engineering and social sciences at universities and provided trainings focused on the energy sector and sustainability. During the five-week intensive program, participants received training from experts in areas such as Innovation in Renewable Energy, Supply Chain, R&D and EU Projects, and Sustainability. We contributed to their development with online trainings, personal development programs and interactive workshops designed specifically for them at Zorlu Academy.

Another Material component of the program was the meetings with our senior executives. Participants were inspired by the career journeys of our executives and had the opportunity to learn tips on how to be successful in the energy sector. At the end of the program, three of our participants who stood out with their success took a Material step in their careers by being accepted to Zorlu Enerji's internship program after FutureFem Graduation. We offered mentoring support to all our participants with Zorlu Enerji's executive team of volunteer mentors.

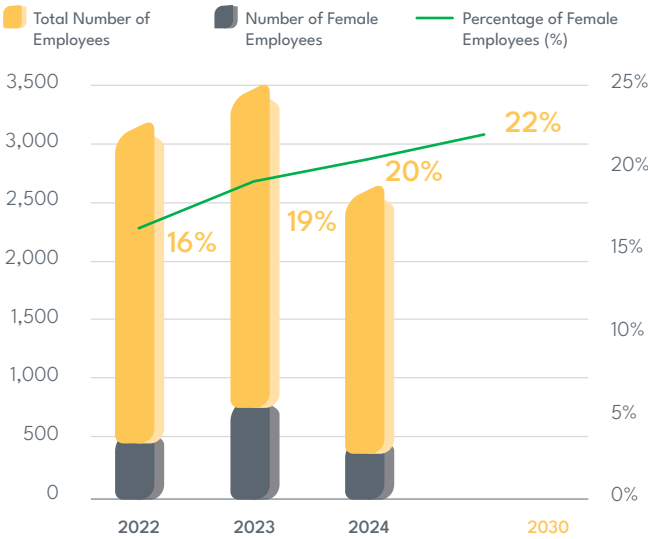


We regularly offer trainings and webinars to our employees to raise awareness on gender equality. With the **"İş'te Rotasyon"** program, which we launched to support the career development of our female employees, we aim to enable them to gain experience in different departments, acquire new competencies and strengthen their leadership skills. In addition, with **our Mentorship Program**, we offer a development environment based on two-way learning and volunteerism as a material part of our gender equality approach. In this way, we continue both the professional and personal development of the participants and help them take stronger steps in their career journeys.

In line with our human resources policies that support diversity and inclusion, we continue our efforts to increase female employment. In 2030, we are committed to our goal of increasing the ratio of female employees to 22%. In addition, we continue our efforts to increase the representation of women in senior management and aim to increase this ratio to 40% by 2030.

Ratio of Female Employees by Title and 2030 Our Goals*

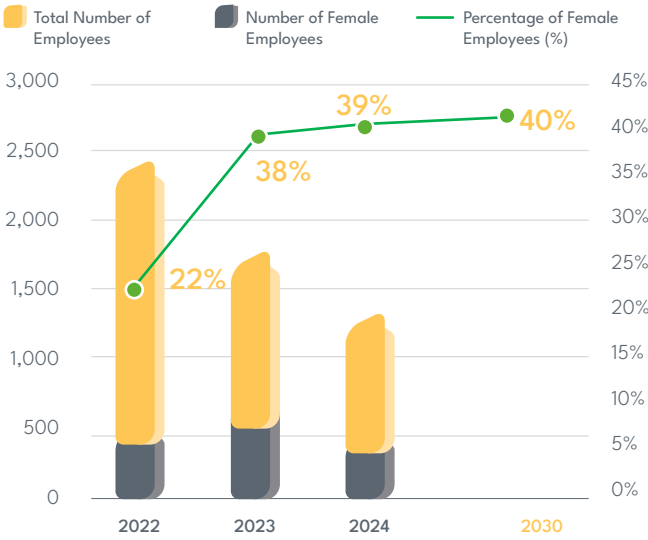
Total Female Employees



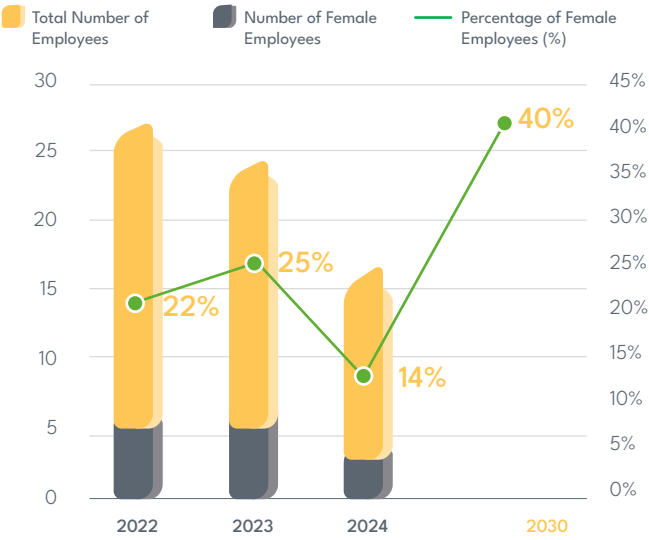
AÇEV Father Support Program

We launched the AÇEV Father Support Program in collaboration with the **Mother Child Education Foundation (AÇEV)** to move one step closer to our goal of gender equality in line with our **Smart Life 2030** and sustainability vision. We started the program as a pilot in Denizli and expanded it to Eskişehir, where a total of 31 fathers graduated. With this program, we aimed to strengthen the balances within the family by raising awareness on parenting roles while encouraging fathers to participate more actively in the development processes of their children. By supporting fathers to contribute more consciously to the education and development of their children, we contributed to the formation of healthy and egalitarian family dynamics. While 11 employees working in Denizli successfully completed the program, a total of 31 fathers graduated with the inclusion of Eskişehir.

White Collar Female Employees



Senior Management Female Employees



*Excluding Electrip TR and Solar data.

You can find the details of inclusion, diversity and equality metrics in the Social Performance Indicators section.

International Women Engineers Day Event

As part of International Women Engineers Day, we organized a meaningful event that emphasized the empowerment of women in the engineering sector and the importance of gender equality. In line with our goal of increasing female employment in energy and engineering fields, we came together with nearly 40 future women engineers studying at engineering faculties of universities. Participants discussed the innovative, creative and courageous perspectives that women can bring to the engineering sector and had the opportunity to listen to inspiring success stories, raise awareness about the sector and discuss solutions with industry professionals and academics. Emphasizing that gender equality is a prerequisite for a sustainable society, this event was a material step towards a stronger presence of women in engineering with Zorlu Enerji's vision centered on equality and inclusion. On this meaningful day, we expressed our gratitude by making a donation to Darüşşafaka on behalf of our participants who inspired the female engineers of the future.



WE SEE OUR EMPLOYEES AS THE CORNERSTONE OF OUR SUCCESS

At Zorlu Enerji, we offer solutions that support both the professional and private lives of our employees.

With the “Birlikte İyiyiz” platform, we aim to proactively solve the problems that our employees may face.

At Zorlu Enerji, we see our employees not only as a Workforce, but also as the cornerstone of our success and the architects of our sustainable future. We believe that creating a culture that respects their rights, prioritizes their happiness and supports their individual potential is indispensable for both our individual and corporate growth.

Improving the welfare of our employees and supporting them with a fair and competitive remuneration system are among our priorities. Our remuneration policies are based on the principle of “**Equal pay for equal work,**” rewarding high performance without discrimination based on gender, age, language or race. Our remuneration strategies are shaped in line with Zorlu Holding practices, industry standards, and national and global economic indicators, with the aim of attracting and retaining employees at all levels, from senior executives to new graduates. The salary increase rates are determined based on the individual performances of our employees through evaluations conducted at the end of each year. Incentives based on individual and corporate performance are provided once a year for managers and above.

At Zorlu Enerji, we offer solutions that support both the professional and private lives of our employees. We provide our employees with various benefits such as private health insurance, paid maternity leave, birthday leave, marriage allowance, hybrid working model, meal and cash benefits, fitness center use, discounts at Zorlu Group brands, and additional salary support after master’s/doctoral studies.

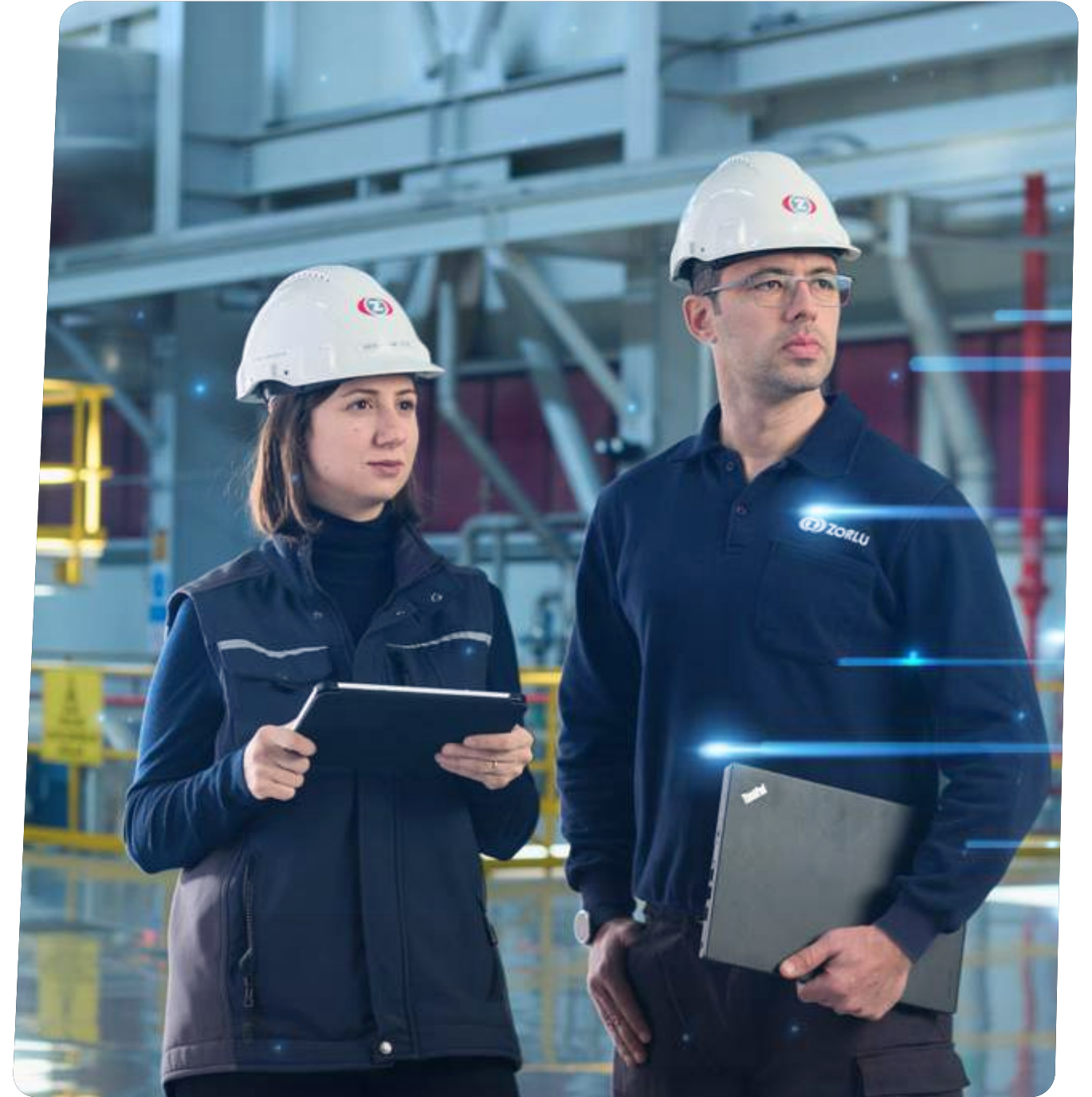
At Zorlu Enerji, we support our employees who become mothers with different programs. We continue to pay our employees’ salaries uninterrupted during their maternity leave. In addition, we support this special process by

providing a birth gift box and cash aid to our employees who give birth or to our employees whose spouses give birth. After the completion of the legal report period, our employees can benefit from part-time work, part-time work or unpaid leave options upon their request. We also increased the duration of paternity leave in 2024.

In order to support the parenting processes of our employees, we provide guidance and support for parents with our “Parent School” application covering pregnancy, birth and postpartum periods. We have a breastfeeding room in our general administration building and we ensure that our female employees in our Lüleburgaz unit benefit from the nursery service offered by Zorlu Tekstil.

With the “**Birlikte İyiyiz**” platform established within Zorlu Enerji, we aim to proactively solve the problems that our employees may face. Through this platform, we provide our employees and their families with psychological counseling, dietitian and expert support on healthy living and nutrition through the “**Wellbees**” application; we offer regular events and sharing platforms on topics such as resilience, anxiety and stress management, healthy living, sports, child psychology, personal development and well-being.

In addition to our Human Resources Policy, we pay attention to fulfill and comply with the requirements of the legislation regulating working life, as well as the **United Nations Universal Declaration of Human Rights and the basic principles of the International Labor Organization**, as well as the international conventions to which our country is a party in this regard with our Corporate Restructuring & Human Rights Commitment.



At Zorlu Enerji, we take care to protect the rights and interests of all our employees and support their right to organize and unionize. At OEDAŞ, 614 unionized blue-collar employees and 30% of our employees are subject to collective bargaining agreements. This contract, which is signed every two years between our Human Resources department, the union and OEDAŞ managers, covers all union members and is prepared in accordance with the legal regulations on Trade Unions and Collective Bargaining Agreements. The notice period, consultation and negotiation provisions are not included in the collective bargaining agreement as the provisions of the legislation apply.

Employee Engagement

At Zorlu Enerji, we consider integrating the opinions and suggestions of our employees into our business processes as one of the cornerstones of our people-oriented management approach. In this context, we conduct an **Employee Engagement Survey** every two years to measure employee engagement and identify areas for improvement. In line with the survey results, we analyze the expectations and needs of our employees and create action plans for development areas.

In order for our employees to make their voices heard more effectively, we enable our employees working in different locations to convey their demands and problems to the management through social performance teams and employee representatives through region-based ambassadors. In addition, we hold regular monthly meetings to strengthen communication between the field and the headquarters, where we evaluate the feedback from our employees in detail and quickly implement the necessary actions to be taken.

WE CONSIDER THE NEEDS AND GOALS OF OUR EMPLOYEES

We assign appropriate training to all our white and blue collar employees and aim to increase participation rates in trainings by regularly sharing the completion rates of trainings with team managers.



One of the cornerstones of our Smart Life 2030 vision is to create a culture that encourages learning and development. Through the training programs we offer to our employees, ranging from leadership to technical expertise, from innovative thinking to personal development, we both support individual success and contribute to the transformation of the industry and society. In this context, we offer access to various trainings through the Neoskala platform.

Considering the individual needs and career goals of our employees, we offer comprehensive and accessible content on face-to-face, online and e-learning platforms with the opportunities offered by digitalization. We assign appropriate training to all our white and blue collar employees and aim to increase participation rates in trainings by regularly sharing the completion rates of trainings with team managers.

The **Art of Project Management Training**, offered as part of Zorlu Enerji Employee Development Program, supports employees to manage project processes effectively and efficiently. With this training, which covers a wide range of content from project management

methods to time and team management, our employees gain a more strategic and result-oriented approach to project management.

In addition, our employees can benefit from training opportunities in different categories:

Vocational and Technical Trainings: It covers topics aimed at increasing the sectoral knowledge and technical skills of our employees.

Management and Personal Development Trainings: Covers topics that support the leadership and personal development of our employees.

Sustainability Trainings: At Zorlu Enerji, we continue to offer our employees comprehensive training opportunities on sustainability issues. Environment, Climate Change, Green Transition and Sustainable Finance and Gender Equality Trainings are assigned to employees in the digital training platform. In 2024, a total of 336 white-collar employees and 168 blue-collar employees received 274 hours of training. In addition, 449 employees received 228 hours of environmental training.

Our Company ensures that all employees benefit from training and development opportunities in an inclusive manner. In this context;



*H&S trainings were provided as an exception.

We update and expand our training programs every year to support the individual development of our employees. The second cycle of the **Leadership Academy Program**, conducted in cooperation with Koç University for employees at the General Manager, Assistant General Manager and Director levels, was completed in 2024. **Performance-Based Management and Coach-like Leadership trainings** will be delivered first to managers and then to all employees. In addition, stress management, mentoring, first level management, talent management, culture transformation and foreign language trainings are among the planned programs.

Talent Management and Career Development

Zorlu Enerji launched the **Talent Management Project** in 2022 to support the talent and career development of our employees. Through this project, the performance and potential of our employees are analyzed in detail and concrete steps are taken for their career development in line with these analyses. In this process, the competencies and performances of employees are evaluated, and contingency and backup plans are created for critical positions. As of 2023, **1,185 of our total employees were subjected to the performance evaluation process** by including our newly joined colleagues in the process. These evaluations are one of the main criteria for annual salary increases, promotion and appointment decisions. In addition, these evaluations aim to identify high-potential employees and design development practices according to their needs. In 2024, senior executives were included in talent management processes. In this context, a Senior Management Leadership Development Center was established to support strategic goals and leadership development. In addition to contributing to training and development processes, this structure aims to support the managers involved in the process to prepare Individual Development Plans for their strengths and development areas. At the same time, the process was designed to develop leadership skills and potential, to create a common leadership development approach and to manage career planning and talent development processes more effectively.

The Scope of our Development Programs:

- For positions of Deputy General Manager and above: Leadership development is ensured by supporting technical and managerial competencies through Development Center programs. Emergency and backup plans are developed.
- For all White Collar Employees: Critical roles are identified through potential and performance assessments, and career paths are supported.
- For employees at all levels: Professional competencies and career developments are supported via trainings.
- For executive level employees: Special training programs and coaching processes are carried out to develop leadership skills.

We evaluate the behaviors and competencies of our employees in the process of achieving business goals with our performance management system. We identify the development areas of our employees and support their personal and professional growth in this process, which is carried out under two main headings, **“Goals”** and **“Competence.”** We launched the **Balanced Performance Scorecard** in 2023 and clearly defined the performance targets of our employees in the manager and above title groups in **Strategic, Functional and Financial** areas in line with ESG criteria.

In accordance with our company strategies, this system has been gradually **integrated into the individual goals of all our employees**, starting with senior management. Hence, we aim both to achieve our organizational goals and to support the career development of our employees in a systematic way.

Competencies Focused on When Assessing Talents:

- Compliance to Change and Innovation
- Collaboration
- Curiosity and Learning Agility
- Resilience
- Managing Performance and Talent
- Coaching and Mentoring
- Strategic Leadership and Leading the Change

A total of **56 employees were promoted** during the reporting period, **28% of whom were women**.

Participation of Employees in Management Processes

Employees are involved in the following management processes:

- Social Performance Team Meetings conducted within the scope of SA 8000
- OHS Board Meetings conducted within the scope of Occupational Health and Safety
- Meetings held within the scope of the sustainability working group



WE ARE IMPROVING WORKING CONDITIONS IN THE SUPPLY CHAIN

We manage the impact of occupational health and safety non-compliances in the supply chain on employees and take measures regarding working conditions and the risk of non-compliance.



Significant Impacts, Risks and Opportunities
We manage the impact of occupational health and safety non-compliances in the supply chain on employees and take measures regarding working conditions and the risk of non-compliance. We assess opportunities for resilience, operational continuity, efficiency and productivity by improving working conditions in the supply chain.

Positive Impacts	Adverse Impacts	Risks	Opportunities
ESRS S2: Employees in the Supply Chain			
Working Conditions of Suppliers			
	- The Impact of Occupational Health and Safety Non-Compliance on Employees in the Supply Chain	- Working Conditions and Risk of Non-Compliance in the Supply Chain	- Opportunity for Resilience and Operational Continuity by Improving Working Conditions in the Supply Chain - Opportunity for Efficiency and Productivity through Improved Working Conditions in the Supply Chain

WE ORGANIZE TRAINING SESSIONS FOR OUR SUPPLIERS

As Zorlu Enerji, we develop proactive approaches to improve working conditions in the supply chain and create a sustainable supply chain.

As Zorlu Enerji, we develop proactive approaches to improve working conditions in the supply chain and create a sustainable supply chain. In this context, we regularly evaluate and audit the working conditions of our suppliers in line with our human rights commitments. In our supplier evaluation processes, compliance

with occupational health and safety standards is considered as a priority criterion and improvement plans are created to eliminate deficiencies.

We also support the creation of safer and healthier working environments in our supply chain by organizing training and awareness

programs to increase the capacity of our suppliers. This approach contributes to preventing operational interruptions, increasing efficiency and contributing to the sustainable growth of both Zorlu Enerji and our business partners in the long run.



TOGETHER WITH OUR SUPPLIERS, WE AIM TO ACHIEVE SUSTAINABILITY TARGETS

We manage our procurement processes through our central and local organizations and evaluate our suppliers from a sustainability perspective in order to manage our supply chain responsibly.

Both globally and in Türkiye, the energy supply chain is rapidly transforming to respond to new challenges and take advantage of opportunities in critical areas such as carbon reduction, digitalization and resilience. As Zorlu Enerji, our goal is to ensure that both our suppliers and Zorlu Enerji achieve their sustainability goals through a responsible supply chain management approach.

We manage our procurement processes through our central and local organizations and evaluate our suppliers from a sustainability perspective in order to manage our supply chain responsibly. We require compliance with **Zorlu Holding Supply Chain Principles**, **Zorlu Enerji Sustainable Supply Chain Policy** and **Ethical Principles**. We regularly inform our suppliers about their compliance with **Zorlu Holding's Supply Principles** and provide trainings when necessary. In line with our environmentally and socially sensitive business philosophy, we expect our business partners to adopt the same sustainability approach.

In our related tender processes, **HSE (Health, Safety and Environment)** Specifications, which are prepared according to the nature of the work, are used as a basic criterion in the technical evaluation process. In that regard, we pay special attention to our suppliers' compliance with **ISO 45001 Occupational Health and Safety Management System** certification and the social criteria of international organizations such as **IFC** and **EBRD**. We continuously review procurement practices for suppliers to ensure compliance with the Supplier Code of Conduct and to avoid potential conflicts with ESG requirements.

Our supply chain sustainability processes are carried out under the oversight of the Board of Directors. The Board of Directors approves the integration of ESG criteria into our procurement and supply processes and regularly monitors the performance of the processes. Our Chief Procurement Officer reports directly to the CEO and is responsible for the effective implementation of supply chain management.

We recognize the critical role our procurement team plays in the success of our supply chain sustainability program. In this regard, the team supports the company's internal stakeholders with trainings on their roles in supplier ESG programs.

Identification of Critical and Strategic Suppliers and Risk Management

As Zorlu Enerji, we work hard to build strong relationships based on trust with all our stakeholders and to create sustainable value. We also consider it among our primary responsibilities to observe and ensure compliance with

environmental, social and ethical standards by our suppliers, who are our important business partners. Accordingly, we define our critical and strategic suppliers as the following:

- **Critical Suppliers:** Suppliers of key equipment and services that are vital to the continuity of our production processes (e.g., gas turbines, solar panels).
- **Strategic Suppliers:** Suppliers with whom we have long-term business partnerships in the maintenance, development and management processes of our operations.

	2022	2023	2024
Number of Critical Suppliers	57	44	12
Number of Local Suppliers	435	687	1,414
Total Number of Suppliers	1,744	1,858	1,464



Interaction with Suppliers

We identify impacts and risks in our supply chain by working in collaboration with our critical suppliers. Feedback from employees in the supply chain plays a critical role in shaping our risk assessments and determining our supplier engagement strategies.

Our work is based on a systematic and risk-based process of due diligence to assess compliance with the Zorlu Holding Procurement Principles, which cover the procurement operations of all Zorlu Group Companies and include the basic rules of conduct expected from suppliers. We believe in working in collaboration with our suppliers and expect them to actively participate in risk assessments, audits, monitoring and reporting processes.

We use various methods, such as risk screenings, code of conduct assessments (desk analyses), to evaluate the performance of our suppliers and identify potential shortcomings or adverse impacts.

This process assesses suppliers' compliance with Zorlu Holding's Ethical Principles and is integrated into our global supply management system, ensuring real progress and continuous improvement in these four key steps:

1. **Commitment:** Suppliers who sign a contract with Zorlu Enerji undertake to comply with our code of conduct.
2. **Risk Screening:** In our supplier screening processes, we take into account the environmental, social, governance and business connectivity criteria of our suppliers, and identify the country-specific, sector-specific and commodity-specific risks of our suppliers. We prioritize environmental criteria in our material procurement processes and adopt sustainable supply chain management. We prefer products with low carbon footprint and recyclable properties of the materials we supply.

3. **Assessment:** Within the scope of the assessment, our suppliers are analyzed in five different categories: sustainability, environmental performance, social responsibility, corporate governance and additional criteria. ESG scorecards and action plans are created in line with the findings. Evaluation criteria are shaped in line with sector-based guidelines and standards of ISO 26000, ISO 9001, ISO 14001, ISO 45001, GRI and UN Global Compact.
4. **Improvement:** As Zorlu Enerji, we provide our suppliers with detailed information and trainings on the ESG program. During the trainings, suppliers are informed about Zorlu Enerji's expectations, goals, the use of the self-assessment platform and the supplier portal. In line with the scores that suppliers receive from the platform, deficiency areas are identified and action plans are created to eliminate these deficiencies. These actions function as a road map in the ESG journey of suppliers. In the future, these action plans will be further supported by supplier audits.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

As Zorlu Enerji, we are aware that sustainability must be ensured throughout the entire value chain. Accordingly, we consider the compliance of our suppliers with the Supplier Code of Conduct and ESG criteria as a priority requirement and monitor them continuously.



Zorlu Enerji Supplier Assessment Process
As Zorlu Enerji, we are aware that sustainability must be ensured throughout the entire value chain. Accordingly, we consider the compliance of our suppliers with the Supplier Code of Conduct and ESG criteria as a priority requirement and monitor them continuously. Zorlu Holding Procurement Principles, which are based on International Labor Organization (ILO) and United Nations (UN) Conventions as well as national laws and regulations, are taken into consideration in our supplier selections.

We evaluate our suppliers through the Synesgy ESG Assessment system developed in cooperation with CRIF. As part of our assessment process, we include our critical suppliers in the system and provide survey guidance. The assessment process is carried out under five main headings such as sustainability, environmental, social, governance and sectoral performance in line with GRI Standards.

In the evaluation process we started in 2023, we completed the evaluation of a total of 20 suppliers. In line with the data obtained, we prepared ESG scorecards for our suppliers, shared the results with the relevant directorates and created action plans for improvement.

In order to achieve our sustainability goals, Basic Sustainability and Supplier Information Training was organized for our suppliers. In these trainings attended by 42% of our critical suppliers, ESG principles, emission management, reporting techniques and improvement mechanisms were discussed, and our suppliers were provided with the necessary information and tools to effectively manage their sustainable business processes.

According to the evaluation results, our suppliers were scored at five levels ranging from A (Excellent) to E (Poor) and these scores formed a basis for the identification of deficiencies. Action plans for improvement were prepared for the deficiencies identified, categorized according to their importance and road maps were created to guide suppliers. These plans are scheduled to be supported by supplier audits in the future.

We exclude our suppliers from contracting if they fail to meet the minimum ESG requirements within the specified timeframe, and prioritize suppliers that meet the minimum requirements of ESG criteria for supplier selection and contract award.

Social Compliance in Supply Chain

We conduct regular audits to ensure social compliance and promote sustainable business practices in the supply chain. These audits aim to assess compliance with fundamental human rights and labor standards, covering critical issues such as freedom of association and the right to collective bargaining, forced labor, child labor, non-discrimination in employment and occupation, safe and healthy working environment, wages and working hours, and acceptable living conditions. Furthermore, we

aim to fulfill and continuously improve social compliance requirements in the supply chain by addressing elements such as human resources practices, relevant certification and regulatory compliance, stakeholder and public relations during the audit process. You can find the details of our supplier screening, evaluation, audit, performance measurement and capacity building programs in the **2023 Supply Chain Management Program** document.

Supplier Trainings

We organized a comprehensive training for our suppliers in order to raise their sustainability awareness and create a common value. The training covered topics such as the basic principles of sustainability, reducing environmental impacts, energy and resource efficiency, waste management and carbon footprint reduction. In addition, Zorlu Enerji's sustainability strategies and goals were shared and our expectations from our business partners were emphasized.

Supplier Trainings	2024
Total Suppliers Trained	5
Trained Supplier Employees	6
Total Training Hours Provided to Supplier Employees	6



WE BUILD STRONG COLLABORATIONS WITH LOCAL COMMUNITIES

By creating strong economic cooperation and development opportunities with local communities, we aim to contribute to sustainable development.

Significant Impacts, Risks and Opportunities

Affected communities are associated with our strategy to increase our renewable energy capacity and expand our operations. These processes interact with both our suppliers and our own operations, creating opportunities and risks that can affect the lives and environmental conditions of local communities. The development of our renewable energy projects offers opportunities for economic growth and job creation through new business lines and business transformation. By creating strong economic cooperation and development opportunities with local communities, we aim to contribute to sustainable development.

Positive Impacts	Negative Impacts	Risks	Opportunities
ESRS S3: Communities Affected			
Public Welfare			
- The Impact of New Business Lines and Business Transformation on Economic Growth and Employment	- Impact of Environmental Pollution from Operations on the Health of Local Communities	- Risk of Delay and Cancellation due to Environmental and Social Acceptance in Energy Projects	- Opportunity for Innovative Business Models with the Expansion of Electrification and Charging Infrastructure - Economic Cooperation and Development Opportunity with Local Communities



WE IMPLEMENT PROJECTS THAT ENHANCE LOCAL PROSPERITY

Our operations do not have serious negative impacts on our local communities, and we conduct our operations taking into account environmental and social sensitivities.

Communication with Local Communities and Socio-Economic Contributions

As Zorlu Enerji, we consider it a strategic priority to support long-term and sustainable socio-economic development by establishing strong partnerships with local communities in the regions where we operate. Taking into account the dynamics of the energy sector and the social needs in our geographies, we implement projects that strengthen economic development and increase local welfare.

Our operations do not have serious negative impacts on our local communities, and we conduct our operations taking into account environmental and social sensitivities. We manage the environmental and social impacts of our operations with transparency, participation and responsibility, and adopt strategic approaches that encourage local employment, increase technical capacity and strengthen the local economy.

We comprehensively analyze the social and economic impacts of the investment projects we plan to realize in line with social impact assessment processes. We create and implement management plans and programs to minimize or positively improve the potential impacts of our projects. In this context, we carry out the following activities:

- Planning stakeholder engagement processes,
- Informing stakeholders and organizing meetings that encourage public participation,
- Establishing effective complaint mechanisms for internal and external stakeholders,
- Implementation of incidental discovery procedures for the protection of historical, cultural and natural heritage,
- Providing material and machinery support to local governments to strengthen local infrastructure,
- Developing and implementing projects in cooperation with local authorities to solve priority problems in investment regions,
- Implementation of activities to increase access to clean water in villages,
- Providing aid to schools to support education in villages.



Strengthening Local Employment

In the regions where we operate, we attach importance to recruiting local labor in our recruitment processes. We emphasize local employment, especially in positions that do not require sectoral and technical expertise, to increase the economic power of communities and enable them to diversify their professional skills by developing them in our organization. We include our local employees, like all Zorlu Enerji employees, in our comprehensive professional and technical development programs. We increase the participation of the local workforce in the energy sector and offer sustainable employment opportunities through technical trainings in areas such as **engineering, energy management and electrical infrastructure**.

Strengthening the Local Supply Chain

We are committed to integrating local suppliers and service providers into our processes at all stages of our operations in order to directly

contribute to local economies, promote regional development, strengthen regional collaborations and at the same time optimize our operational costs.

As part of our responsible supply chain management, we prioritize cooperation with local suppliers that comply **with ESG standards**. In addition, as we do with all our critical suppliers, we encourage local suppliers to participate in **capacity building** programs to raise their sustainability standards and take steps to spread responsible business conduct in our region.

ESG assessments and capacity building programs **for our critical suppliers** can be found in the Responsible Supply Chain Management section of our report.

96.6% of the **1,464 companies we are actively working with in 2024** are local suppliers.

YEAR	Total Number of Suppliers	Number of Local Suppliers	Ratio of Local Suppliers
2022	1,744	435	24.9%
2023	1,858	687	37%
2024	1,464	1,414	96.6%

We take into account the demands of local communities in our projects in different geographies and conduct a transparent and participatory communication process with our stakeholders.

Supporting the Needs of Local Communities

We take into account the demands of local communities in our projects in different geographies and conduct a transparent and participatory communication process with our stakeholders. Local community participation and grid security studies in energy and electricity distribution projects are prominent examples of this approach:

- Local community participation in Geothermal Energy Projects (Türkiye):** We encourage the active participation of local communities in environmental impact assessment (EIA) processes, listen to their concerns, evaluate them through scientific research and shape our projects in line with this feedback.
- In this context, you can find detailed information under the heading Investigation of Agricultural Impacts of Geothermal Operations.
- Electricity and Distribution Grids (Türkiye):** Within the scope of our electricity distribution licenses, we play an active role in coordination groups established with local governments. We regularly collaborate with local stakeholders to ensure grid and user safety and actively participate in risk management processes.
- Jhimpir Wind Power Plant (Pakistan):** We contribute to the socio-economic development of the region through projects aimed at meeting the basic needs of local communities such as access to clean water, education, healthcare and employment.
 - Details of the socio-economic benefits provided under the project can be found in the Jhimpir Wind Farm Social Development Project below.



Jhimpir Wind Power Plant Social Development Project

As Zorlu Enerji, we are committed to the development of the local community around the Jhimpir Wind Power Plant in Pakistan, one of our investment regions, in areas such as access to clean water, education, health and employment.

* Access to Clean Water:

Drinking water from Lake Keenjhar is delivered by mobile water tankers to Ladho Khan Ganjo, Atto, Haji Suleman Brohi and Urs Mohammad Jakhro villages. In 2024, the number of water tankers was increased from 15 to 23, expanding service capacity. Existing water tanks have been renewed and regular testing of water quality has been ensured. Planning is also ongoing to meet the water demands of the local Christian community.

* Educational Support:

The one-room school in Ladho Ganjo village was renovated in 2021 and a solar energy system was installed to serve students in 2024. Bids have been collected for the replacement of the energy system damaged by heavy rains and the evaluation process is ongoing. Construction of additional classrooms and a protective wall around the school is planned to accommodate the increasing number of students.

* Health Care Services:

There is an infirmary service within the Jhimpir Wind Farm, which is available free of charge to the local community. There is also an ambulance on site, which is available for use by the local community.

* Enhancing Local Employment:

In order to contribute to local employment, the operation and maintenance contractor employed a certain number of people from local villages, towns and districts in accordance with their skills. This employment policy has supported economic development in the region and diversified income sources for local people.

* Management of Feedback and Requests:

It has established a Grievance Redress Mechanism (GRM) to consider requests from local communities. In 2024, two requests were evaluated, one for an ambulance, which was successfully met, and one for the renovation of a mosque, which was submitted to the senior management. In addition, requests such as the provision of solar panels and the establishment of a technical training center were received at local meetings and included in the assessment process.

Social Investments

We carry out our sponsorship and support activities by selecting universities that contribute to gender equality, provide educational support and conduct exemplary studies on energy transformation. A significant portion of our sponsorships are university clubs, and we prioritize that the universities we support are located in our company's operating region and/or among the target institutions identified by the HR department.

However, the content of the events we sponsor is also a determining factor. It is important for us that it is linked to departments directly related to engineering or energy, or that it produces content related to the sector. We support events based on the concepts of technology, sustainability and ESG in line with the areas we prioritize as a company, and we attach importance to the messages in their content to reinforce a sustainable understanding.

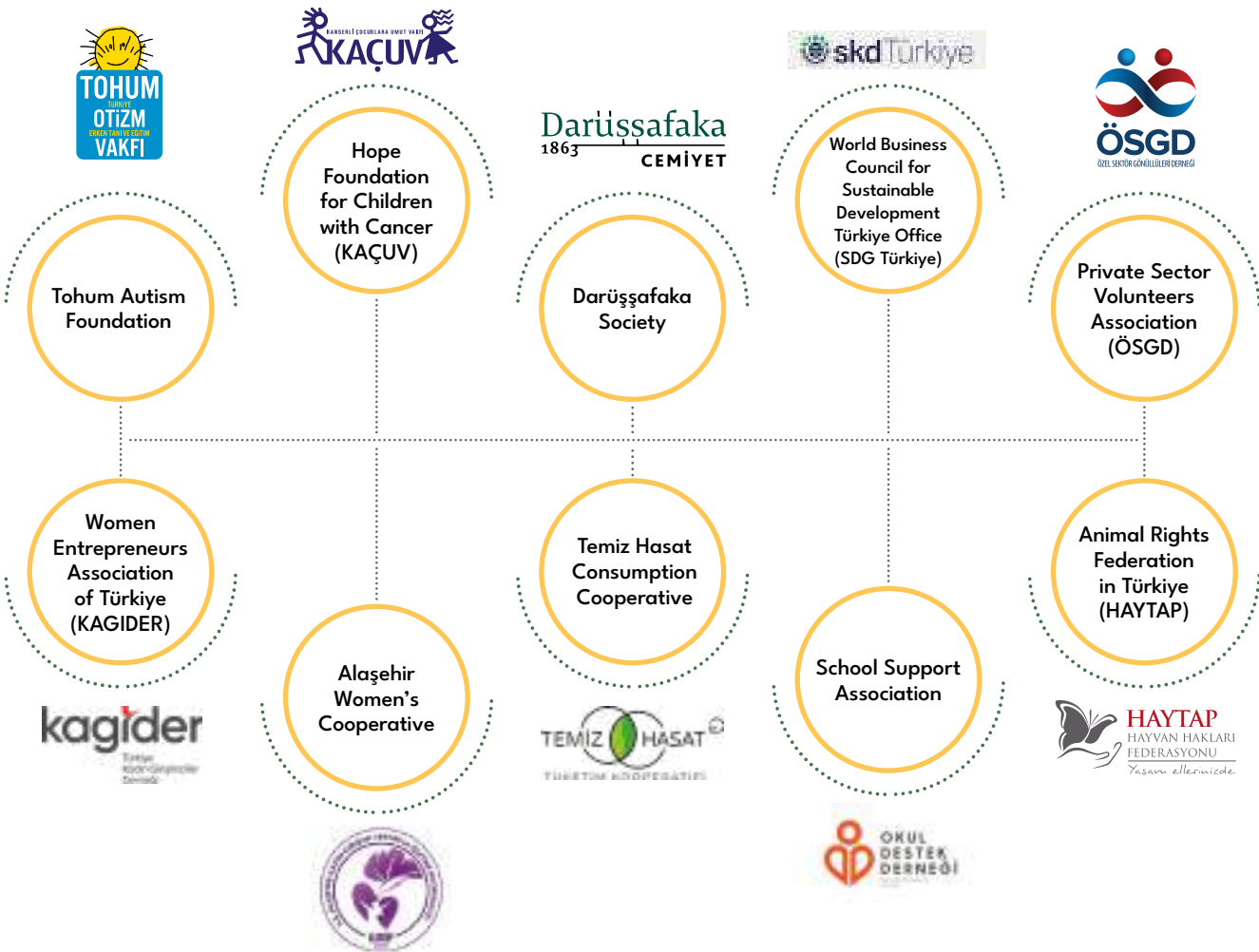
In this context, we stand by teams that act with the vision of combining alternative energy sources and advanced automotive technologies. By sponsoring projects such as ITU Solar Car Team, Eskişehir Osmangazi University MAVERA Team and Eskişehir Technical University Hydrogen Powered Vehicle Project (HİDROANA), we support young people who produce the technology of the future.

We meet the needs of our company on special occasions through the Alaşehir Women's Cooperative and the Temiz Hasat Consumption Cooperative, supporting women's participation in production and their economic development. We realize our donation support in order to facilitate children's access to quality education. Accordingly, we contribute to equal opportunity in education by donating to Darüßsafaka, Educational Volunteers Foundation of Türkiye (TEGV) and Turkish Education Foundation (TEV).

Details on the projects we have implemented, donations we have realized and sponsored activities within the framework of our social development goals are presented below. As of 2024, we realized a total social investment of TRY 62,570,481. We provide scholarship support to underprivileged university students in our investment regions as part of our fight against poverty.

Public Collaborations

We actively cooperate with various non-governmental organizations with the aim of supporting social diversity. These collaborations include activities in line with our company's fields of activity and aid campaigns in which our employees volunteer. Some of the non-governmental organizations we cooperate with are listed below:



PUBLIC WELFARE

Corporate Social Responsibility

As Zorlu Enerji, we fulfill our responsibility to society in line with Zorlu Holding's **"Smart Life 2030"** vision and **Social Investment Principles and Strategy**. In this context, we carry out activities that create social benefit in the focus areas of **diversity and inclusion, quality education and future competencies, social innovation, culture and arts, biodiversity and climate**.

Our Corporate Social Responsibility Principles

• Creating Sustainable Value

We plan our social investments in line with the United Nations Sustainable Development Goals (SDGs) and integrate them into our business processes. In this context, we aim to allocate 1% of our EBITDA to activities that contribute to the United Nations Sustainable Development Goals. We prioritize social benefits in the creation of products and services; we leverage the power of entrepreneurship, innovation, technology and design.

• Reducing Inequalities and Inclusion

We develop projects based on diversity and inclusion and contribute to social justice through practices that strengthen equal opportunities.

• Innovative Collaborations

We establish strategic collaborations with public institutions, private sector, non-governmental organizations and academic institutions to ensure a lasting social impact. We expand our range of impact by developing sustainable solutions through innovative collaborations.

• Corporate Volunteering Culture

We support our employees to transform their knowledge and competencies into social benefits and encourage volunteering projects. In this way, we make our social impact a part of our corporate culture.

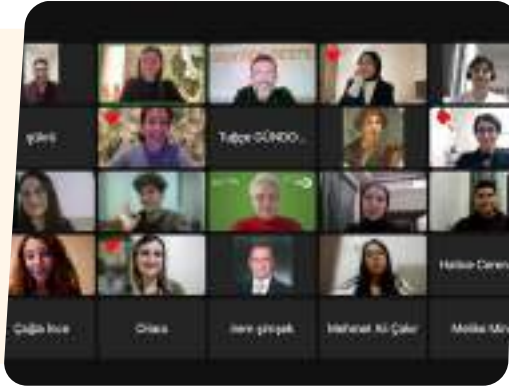
• Transparency and Accountability

We carry out our social investment projects in a transparent, traceable and accountable manner. We always aim to prepare an impact map showing the in-kind and cash inputs, outputs, outcomes and their interrelationships of our projects, and to measure the change created and share the results with our stakeholders through impact analysis.

Corporate Social Responsibility Projects As Zorlu Enerji, we carry out social responsibility activities in line with the goal of a sustainable world, focusing on various projects, especially in the areas of gender equality and youth development.

Zorlu Enerji Experience Program (ZExperience)

As Zorlu Enerji, we have been providing scholarships for many years to successful university students with limited financial means in the regions where we invest in order to support the development of the regions where we operate. Within the scope of the Zorlu Enerji Experience (ZExperience) program, which we have been running in cooperation with imeceLAB since 2023, we provide online personal and professional development trainings to scholarship students, providing comprehensive learning opportunities and integrating them into Zorlu Enerji's network. A total of 105 students have successfully completed the program over two semesters, and we aim to expand its impact by reaching more scholars in the future.



Learning Support Project

Since 2023, we have been providing online course support to 5th, 6th and 7th grade students attending public schools among the children of our employees and children of earthquake victims with distance education tools through the Course Support Project. In the first period of the project, 250 students received Math and Science education, and we aim to provide math and science education to 250 children in the new period.

Enerjimiz Bölgemiz İçin Project

Within the scope of the Enerjimiz Bölgemiz İçin Project, which we have been carrying out since 2015, we aim to carry out socio-cultural, infrastructure and technology activities in line with the needs of the local communities in the investment regions. With the project, Zorlu Enerji aims to be a part of the local community.



FutureFem

In our FutureFem project, which we carried out in 2024, we supported the participants to prepare for the future by providing theoretical information about the sector, company culture and personal development trainings in the fields of theoretical knowledge, company culture and personal development. Within the scope of the project, we aimed to raise awareness on Gender Equality and to enable our participants to gain experiences for their careers. 20 university students participated in the FutureFem program, and after the program participation evaluations and project presentations, the top 3 participants started volunteer internships.

Enerjimiz Eşit

With the Enerjimiz Eşit project, which we have been carrying out since 2019, the rate of 'white-collar' female employees at OEDAŞ has increased from 28 percent to 35 percent as of today. In the same period, the rate of 'blue-collar' female employees increased from 14 percent to 21 percent, and the rate of female engineers from 17 percent to 21 percent. We aim to increase the number of female employees in the energy sector, especially in OEDAŞ.



Zero Carbon Footprint Forests Project

With our Zero Carbon Footprint Forests Project, which we have been carrying out since 2010 to combat the climate crisis and ensure a sustainable future, we aim to raise awareness on climate change and plant 90 thousand saplings every year. We select our afforestation areas from the provinces where Zorlu Enerji operates. Within the scope of the project, we planted 645 thousand saplings and aim to reach the target of 1,150,000 saplings.

Can Dostlar

As OEDAŞ, the Can Dostlar project, which we launched in 2021, was launched to provide food support to stray animals and expanded over time to include shelter, sterilization, care and treatment services. In 2024, we expanded our project to include migratory birds and prevented bird strikes with measures such as insulators and flexiglass coating on power transmission lines on migration routes. We built huts and bird nests for stray animals from scrap materials. In cooperation with HAYTAP and the municipalities of Eskişehir Tepebaşı and Afyonkarahisar, we opened two treatment rooms, where we performed more than three thousand sterilizations and more than five thousand surgeries and treatments. We aim to open more treatment rooms and expand bird nests by increasing our support for animals.



PUBLIC WELFARE



OEDAŞ Traditional Energy Saving and Efficiency Competition

As OEDAŞ, since 2017, we have been organizing a poetry and painting contest every year in a different city we serve with the aim of raising environmental awareness and efficient use of energy resources in primary and secondary school children.

Plastic Covers Turn into Wheelchairs

As OEDAŞ, we started a cover collection campaign in 2021 to support individuals with spinal cord paralysis with the Plastic Covers Turn into Wheelchairs project. Within the scope of the project carried out in cooperation with the Spinal Cord Paralytics Association of Türkiye, we aim to purchase wheelchairs for those in need.



OEDAŞ Enlightens History

In 2021, OEDAŞ launched the OEDAŞ Enlightens History project to protect historical and cultural heritage and support tourism. In this context, we enlightened the ancient city of Aizanoi in Kütahya and provided electricity infrastructure to the touristic regions of the Phrygian Valley. The ancient city of Aizanoi is home to the world's first known stock exchange and the best-preserved Temple of Zeus. In the Phrygian Valley, we worked with the Ministry of Culture and Tourism, the Ministry of Environment, Urbanization and Climate Change, and the Governorship of Afyonkarahisar to provide electricity infrastructure to designated touristic spots.



Scholarship Program

With the Scholarship Program, we have been providing scholarships for many years to successful university students with limited financial means in the regions where we invest in order to support the development of the regions where we operate since 2009. In this way, we aim to reduce the economic barriers that will affect students' educational life. Within the scope of this project, we granted scholarships to 315 students in the 2023-2024 period.



Volunteering Projects of Employees:



School Support Association

In the education project carried out by the school support association, our volunteers supported middle school students in Turkish English Mathematics and science lessons.



46th İstanbul Marathon

At the 46th İstanbul Marathon organized by Türkiye İş Bankası on Sunday, 3rd of November, we contributed to the "Teknolojiye Dokunuyorum Dünyaya Erişiyorum!" project of the Association for Supporting Blind Children with our steps and donation campaigns.



Ceramic Painting Workshop for Children

In the Ceramic Painting Workshop for Children, which we organized to support the creativity of children in the region, to make them feel that we are with them and to share their excitement for the New Year, we made ceramic New Year gifts for students in Kars Arpaçay with 22 colleagues.



International Volunteer Day

On 5th December, International Volunteer Day, we supported non-governmental organizations and had the opportunity to get to know their activities closely with our 28 Sparks at the NGO Market, where the NGOs we cooperate with took part.



Environmental Cleaning

In addition to the environmental cleaning event we organized for a clean and liveable world, we also brought 500 saplings to the soil and provided breath for the future.



"Kıvılcımlar"

We carry out various activities and projects to inspire a sense of responsibility among our employees, which is an important element of our corporate culture. We support our employees' participation in social responsibility projects through "Kıvılcımlar," a **corporate volunteering** movement developed in line with Zorlu Holding's Smart Life 2030 vision and covering all group companies.

Our Fight Against Forest Fires

As a company, we are aware of the importance of prevention from forest fires and promotion of activities in conservation of the environment. To this end, we perform vegetation trimming, cutting of branches of trees and cutting residues removal in the lower sections of power transmission lines in forests.

While our project aims to reduce the risk of forest fires, this year we started our work in Bilecik and Kütahya provinces. Within the framework of environmental sustainability, we aim to contribute to the protection of regional ecosystems by continuing these practices in all provinces we serve.



IMPACT-DRIVEN GROWTH

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181	Corporate Governance
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208	Product and Service Quality and Customer Satisfaction

FOCUSING ON THE ENERGY OF THE FUTURE WITH A RESPONSIBLE GROWTH APPROACH

While investing in the energy of the future, we enhance our impact by taking our ethical values, innovation power, and stakeholder-oriented approach as the foundation of our sustainable growth journey.

WE BUILD TRUST-BASED RELATIONSHIPS WITH OUR STAKEHOLDERS

While the impact of our ethical practices and compliance policies on corporate culture is of great importance, we also increase opportunities for environmental and social responsibility by establishing sustainable collaborations with suppliers.

Transparency, accountability and ethical values form the basis of our way of doing business.

SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES
The expansion of our renewable energy capacity and operations is based on the principles of ethics, transparency and accountability, which directly impact our corporate culture and business success. This impact is reinforced through opportunities to build corporate governance and ethical culture, strengthen employee loyalty and ensure competitive advantage. While the impact of our ethical practices and compliance policies on corporate culture is of great importance, we also increase opportunities for environmental and social responsibility by establishing sustainable collaborations with suppliers.

Positive Impacts	Adverse Impacts	Risks	Opportunities
ESRS G1: Business Conduct			
Corporate Culture			
- The Impact of Ethical Values, Transparency and Accountability on Corporate Culture and Business Success	-	-	- Ethical Culture, Employee Engagement and Competitive Advantage Opportunity with Corporate Governance
Ethical Practices			
- The Impact of Ethical Compliance and Protection Policies on Corporate Culture	-	-	-
Relations with Suppliers			
-	-	-	- Environmental and Social Responsibility Opportunity through Sustainable Supply Chain Collaborations

Business Conduct
Transparency, accountability and ethical values form the basis of our way of doing business. We build our corporate culture on the principles of trust, responsibility and sustainability. We prioritize business ethics in all areas by establishing trust-based relationships with all our stakeholders.

We have zero tolerance for fighting bribery and corruption, and provide our employees regular trainings to improve ethical sensitivity. We provide a strong whistleblowing framework to report ethical malpractice safely and give the highest priority to protecting whistleblowers.

We manage our relations with our suppliers with the same sense of responsibility. In line with our sustainable and ethical business approach, we expect our business partners to adhere to these values. We strengthen trust and cooperation in our supply chain with our fair payment policies and create a responsible and transparent business culture with all our stakeholders.



WE CONTINUOUSLY IMPROVE OUR CORPORATE CULTURE

While our governance bodies play an active role in creating, developing and disseminating our corporate culture, we constantly monitor, evaluate and improve our business ethics and governance standards.

We implement various strategies to create sustainable value in our business processes.

As Zorlu Enerji, we build our business conduct culture on ethical values, transparency and accountability. While our governance bodies play an active role in creating, developing and disseminating our corporate culture, we constantly monitor, evaluate and improve our business ethics and governance standards. We implement various strategies to strengthen our ethical principles, minimize potential risks and create sustainable value in our business processes.

We have under our Business Ethics and Compliance Policies a secure, independent and confidential whistleblowing system where our employees and external stakeholders can report unethical violations and illegal acts. We encourage our employees to speak up against unethical conduct and have robust protection mechanisms against unethical retaliation. We adopt and update regularly our anti-bribery and anti-corruption policies aligned with the United Nations Convention against Corruption.

Our corporate governance approach provides an independent and ethical evaluation mechanism in decision-making processes and ensures that our

business processes are managed transparently. Our Board of Directors, with the support of our independent members, undertakes the task of protecting stakeholder rights by evaluating ethical risks.

In line with our Diversity and Inclusion Strategy, we include individuals with different competencies and experiences in management and see diversity as an asset. We aim to increase the representation of women on the Board of Directors and support global initiatives in this area, especially the 30% Club.

Within the scope of our Business Ethics Trainings and Awareness Programs, we provide regular trainings in business units where ethical risks are high, and strengthen the culture of business ethics and anti-corruption by raising the awareness of our employees.

By continuously improving our corporate culture, we resolutely maintain a reliable and sustainable management approach based on ethical principles in our business processes.

You can find detailed information in the Corporate Governance section.



WE AIM TO INCREASE FEMALE REPRESENTATION

The principle of diversity prioritizes the richness of knowledge and experience without discriminating on criteria such as age, gender and ethnic origin. This understanding contributes to our company's adaptation to global operations and achievement of its strategic goals.



With a strong corporate governance structure, Zorlu Enerji efficiently manages its business processes and fully fulfills its legal obligations. Our high ethical standards and compliance programs enable us to adopt a transparent and accountable management approach that reassures our stakeholders.

Our Board of Directors is structured in accordance with the Capital Markets Board's Corporate Governance Communiqué. Of the 7 members on the Board, 3 are independent, with an independence rate of 43%, which is above the minimum 33% rate specified in the Communiqué. Independent members prevent conflicts of interest by utilizing their professional knowledge and experience and protect the rights of all stakeholders. It is essential that these members prioritize the obligations determined in accordance with the Turkish Commercial Code and Company regulations. Our independent members are expected to have professional training, knowledge and experience, to be able to fulfill their duties effectively and to closely follow the activities of the Company. In addition to this, it is carefully observed that our independent members do not become overburdened by assuming more duties in more companies than specified in the Turkish Commercial Code and our Company regulations and prioritize their responsibilities with our company.

Board of Directors Diversity Policy
Our Board of Directors consists of members with different professional backgrounds, competencies and experiences. The principle of diversity prioritizes the richness of knowledge and experience without discriminating on criteria such as age, gender and ethnic origin. This understanding contributes to our company's adaptation to global operations and achievement of its strategic goals.

The Board of Directors profile, which is reviewed annually, brings together different competencies and offers an innovative perspective that strengthens decision-making processes. Our Board of Directors candidate selection process is carried out with a fair and inclusive approach within the framework of the Turkish Commercial Code and Capital Markets Law.

We aim to increase the representation of women on our Board of Directors. We support the 30% Club, which aims to increase the proportion of female employees on boards and in senior management.

Our Board of Directors is structured in accordance with the Capital Markets Board's Corporate Governance Communiqué.

GOVERNANCE PRINCIPLES AT ZORLU ENERJI

As Zorlu Enerji, we act with the principle of zero tolerance in the fight against bribery and corruption and build our business culture on high ethical standards and transparency.

COMPLIANCE AND TRANSPARENCY

As Zorlu Enerji, we place the principles of honesty, accountability, transparency and impartiality at the core of our business model. These basic ethical principles are defined in line with **Zorlu Holding Ethical Principles** and guide our company's business processes and stakeholder relations. Our Code of Ethics is in effect for all Zorlu Group employees, members of the Board of Directors, suppliers, business partners, intermediaries, contractors, vicarious agents and all other parties the Zorlu Group collaborates with.

Our company sets strict policies on issues such as anti-money laundering, anti-bribery and corruption, and respect for human rights, and offers a way of doing business that reflects these values to all stakeholders. In 2017, Zorlu Doğal Elektrik Üretimi AŞ obtained the SA 8000 (Social Accountability 8000) Certificate, which aims to secure the fundamental rights of employees at its power plants. QDMS incident reporting module is used within the scope of SA 8000 social compliance management system. Those who make social compliance reports via the incident reporting module are informed at every step of the action taken on the report.

Our Company implements policies in accordance with the Turkish Labor Law and International Labor Organization (ILO) standards. Issues such as the prohibition of child labor, prevention of forced labor, protection of the right to organize and collective agreements are among our priority areas.

In addition, the "Employee Representative" program was launched to ensure that the voices of employees at each location are heard. Thanks to this program, employees can contact the Employee Representative assigned to their region for any problem related to their work life or any idea they wish to convey. Through regular meetings held once a month, coordination between the field and the headquarters is kept at the highest level, requests received are evaluated and appropriate actions are planned.

ETHICAL PRACTICES

As Zorlu Enerji, we act with the principle of zero tolerance in the fight against bribery and corruption and build our business culture on high ethical standards and transparency. Our **Ethical Principles** are binding not only for our employees but also for all our stakeholders and form the basis of our business processes. We aim to minimize ethical risks and strengthen a transparent management approach by continuously improving our business ethics policies.

We implement a comprehensive compliance program that covers prevention, detection, investigation and intervention processes in the fight against bribery and corruption. In this context, we aim to detect ethical violations and non-compliance at an early stage through independent audit mechanisms.

We implement regular training programs to raise ethical awareness and increase our effectiveness in anti-bribery. These trainings for our employees include ethical rules as well as practical content on recognizing and preventing potential risks. We also organize information programs for our suppliers and business partners to ensure that our ethical compliance standards are adopted at every stage of the supply chain.

In order to increase transparency in internal processes, we regularly report the actions taken against ethical violations and non-compliance to the Ethics Committee and the Board of Directors. In order to strengthen our ethics, compliance and transparency principles, we continuously review our processes and continue our activities by adhering to the highest standards of business ethics.

Detailed information can be found in the Compliance and Transparency and Anti-Bribery and Anti-Corruption sections.

Business Ethics Trainings

Ethics training programs for our employees aim to strengthen the culture of business ethics and raise awareness about rights.

Ethical Violations

A secure and confidential whistleblowing hotline has been established for reporting ethical violations, and all reports are examined in detail by Zorlu Holding Audit General Directorate. The confidentiality of the reports made to the hotline is protected and the Ethics Committee is authorized to manage and resolve this process,

which is **overseen by the Internal Audit Review Department**. In case of any doubt regarding the content of the Code of Ethics and/ or in case of witnessing a behavior or practice contrary to the rules, all employees who wish to communicate or consult the situation can contact with the following;

- By e-mail to the Code of Ethics (etik@zorlu.com)
- By calling the Code of Ethics Hotline at any time of the day at (0 212 456 23 23) or (0 850 226 23 23).

Complaints, notices and allegations submitted to the Code of Ethics Hotlines are evaluated by Zorlu Holding Audit General Directorate. If a violation of the Code of Ethics is detected or if it is concluded that such a situation does not exist, the results of the investigation are communicated to the **General Manager, CEO, Ethics Committee, members of the Board of Directors** and the **CEO**. All complaints, notices and allegations received by the Ethical Principles Hotlines **are prioritized and listed**. This information is reported to the Ethics Committee **every 3 months**.

In 2024, the number of notifications received on the ethics line was 3 and the process regarding the 3 notifications received is ongoing. No employee has yet been subjected to sanctions related to the notifications.

Number of Notifications to the Ethics Line in 2024

Corruption and bribery	2
Money laundering	0
Mobbing, harassment, discrimination	1
Insider trading	0
Information Confidentiality and Security	0
Conflict of Interest	0
Forced Labor/Child Labor	0
Violation of the Right to Organize	0
Violation of the Rights of Local Community	0
Total Number of Notifications	3
Number of notifications/notices resolved	0
Number of People Sanctioned	0

An independent unit (Audit Group Management Internal Audit and Ethics Directorate) evaluates the allegation in line with a notice received from internal/external sources, a request from senior management and/or an opinion that there is a risk of misconduct in the audit processes regarding a violation of business ethics. The findings and determinations are shared with the Legal Department, Human Resources Department and the senior management of the relevant company together with the supporting evidence. Actions (warning, denunciation, termination of employment, prosecution application.) are taken in line with the opinion of the Legal Department and the final decision of the senior management and the Human Resources Department. After the process is completed, the root causes of the incident are shared with business units and internal control teams to design the necessary control processes and actions are monitored.

ANTI-BRIBERY AND ANTI-CORRUPTION

As Zorlu Enerji, we act with the principle of "zero tolerance" in the fight against bribery and corruption and consider this issue as an integral part of our ethical values. Our Anti-Corruption and Anti-Bribery Policy, which is shaped within the framework of Zorlu Holding Ethical Principles, applies to all employees, suppliers and other stakeholders, and the policies and procedures are shared in an accessible manner through internal portals and our website.

Regular training programs are implemented to raise awareness on anti-bribery and anti-corruption. In 2024, 200 hours of Anti-Corruption and Anti-Bribery training was provided. These trainings offer specialized content for various target groups such as senior management, field employees and new recruits. The trainings focus on topics such as ethical principles, compliance requirements, recognition and management of corruption risks. In addition, awareness is raised by analyzing the risk of corruption within the scope of sustainability assessments for supply chain stakeholders. This issue is prioritized in ESG assessments conducted with our critical suppliers and action plans are created as a result of the assessments.

Our Company's internal control systems are supported by regular internal audits and risk assessment processes. These processes aim to effectively manage bribery and corruption risks and prevent such incidents. The Ethics Committee evaluates incoming reports and conducts detailed investigations when necessary.

RESPONSIBLE LOBBYING

Our Company adopts sustainability and social responsibility as a priority principle in all aspects of its activities. Accordingly, our policies and practices strictly prohibit any form of direct or indirect financial support to a political organization or entity, or making payments for political purposes. This prohibition extends to political donations, contributions and lobbying activities.

As Zorlu Enerji, we adopt the principles of trust, honesty, transparency, responsibility, openness and equal communication as the cornerstones of our corporate culture and place these values at the center of our business processes. We believe that renewable energy investments should be prioritized, recognizing the critical role of the energy sector in a sustainable future. In line with this goal, we carry out science-based advocacy work on public, civil society and private sector platforms and contribute to the transformation of the energy sector by developing collaborations.

As Zorlu Enerji, we structure our lobbying activities with internal regulations and harmonize our practices with international conventions. In all our economic, social and environmental activities, we adhere to the principle of keeping an equal distance from public institutions and organizations, non-governmental organizations and political parties. By adopting an impartial communication approach, we do not have any material or immaterial interest relationship with public officials, political figures and their representatives and we fully comply with all laws and regulations in this field. Within this framework, we have internal and external audit mechanisms to ensure transparency and openness.

Our Company does not provide financial support to any political party or organization. While we emphasize that the decision of our employees and managers to participate in political activities or community events is purely individual, we do not allow any activities aimed at political propaganda or the dissemination of political views in the workplace. We also strictly prohibit the use of company resources (vehicles, computers, e-mail, etc.) for political activities. We carry out activities to increase social development activities for the sector through our memberships in national and international non-governmental organizations. Through the sector associations of which we are a member, we share our opinions and suggestions on issues such as laws, regulations and incentives related to our field of activity with regulatory bodies. In line with the Paris Agreement, we support organizations that carry out advocacy and lobbying activities to combat climate change and closely follow innovations in the sector. We cooperate with associations in the fields of renewable energy and mobility, share our sectoral know-how with other members, and contribute to efforts to raise awareness on the effective and efficient use of energy. We also continue our efforts to emphasize the importance of clean energy on economic growth by coming together with business people in the energy sector.

You can find more detailed information about our responsible lobbying approach [here](#).

INTERNAL AUDIT MECHANISMS

The Internal Audit Group is a department established within Zorlu Holding, not within our Company. The audit teams within the Zorlu Holding Audit Group audit financial and operational processes based on International Internal Audit Standards within the scope of the annual plan approved by the Board of Directors.

Additionally, in the event that any notifications are received alleging violations of business ethics within the framework of stakeholder relations (including lobbying activities), these notifications are examined in detail by the Internal Audit and Ethics Directorate and the results are reported to the Ethics Committee for action. During 2024, there were no reports of business ethics violations in Zorlu Enerji Group Companies' employees' relations with public institutions.

RELATIONS WITH SUPPLIERS

As Zorlu Enerji, we adopt a transparent, fair and sustainable supply chain management approach and build long-term and trust-based relationships with our business partners. We prioritize environmental and social criteria in our supplier selection process and expect our suppliers to fully comply with our ethical principles, human rights and anti-bribery policies.

We regularly analyze our suppliers and monitor their performance through the Synesgy ESG Assessment System to ensure sustainability in our supply chain. We support their development by offering guidance and training programs for identified deficiencies.

We ensure the financial stability of our suppliers by implementing fair and timely payment policies. In order to increase the resilience of our supply chain and strengthen the culture of responsible business conduct, we integrate ESG criteria into our procurement processes and continue performance monitoring and improvement efforts under the supervision of our Board of Directors. Together with all our stakeholders, we are committed to creating a sustainable and ethical supply network.

You can find detailed information in the Responsible Supply Chain Management section.

WE WORK TO SHAPE THE FUTURE OF THE ENERGY WORLD.

Innovation and new business models play a critical role in adapting to the rapidly changing dynamics of the energy sector and supporting sustainable growth. “Impact Driven Growth,” one of the key elements of our sustainability strategy, is at the center of this approach.

Significant Impacts, Risks and Opportunities

R&D and innovation activities create significant opportunities for carbon reduction and positive impacts on ecosystems. These activities increase competitiveness through the development of low-carbon technologies and offer innovative solutions that drive market growth. The digital transformation process also offers opportunities to make business processes efficient and secure, enhanced by information security practices. In addition, an important goal is to increase access to digital services, ensure inclusiveness and offer more opportunities to large segments of society through digital transformation. These impacts and opportunities are key components of our strategies to contribute to a sustainable future.

Positive Impacts	Adverse Impacts	Risks	Opportunities
Innovation and Technology			
R&D and Innovation			
- Impact of R&D and Innovation on Carbon Reduction and Ecosystems	-	-	- Competitiveness and Market Growth Opportunity with R&D and Low Carbon Technologies
Digital Transformation			
-	-	-	- Efficiency and Security Opportunity in Business Processes with Information Security Applications - Opportunity for Inclusion and Digital Transformation by Increasing Access to Digital Services

Innovation and new business models play a critical role in adapting to the rapidly changing dynamics of the energy sector and supporting sustainable growth. “Impact Driven Growth,” one of the key elements of our sustainability strategy, is at the center of this approach. To this end, we set ourselves challenging targets, aiming for 20% of our turnover to come from innovative business models by 2030. To achieve this goal, we closely monitor technological advances and market trends and develop innovative strategies and business models.

We focus on meeting the energy needs of the future in a wide range of areas, from our research and development activities to sustainable energy solutions. Focusing on processes that can be digitized, we develop infrastructures that enable our customers to carry out their transactions entirely on digital platforms. Within the scope of these efforts, we play a pioneering role in the sector by offering innovative solutions such as electric vehicle rental and charging stations. We continue to resolutely pursue our goal of creating a sustainable energy ecosystem with our innovation-oriented strategy.

R&D AND INNOVATION

The struggle against global energy and climate crises necessitates innovative approaches and strong collaborations in our industry. As Zorlu Enerji, we act with this understanding and work to shape the future of the energy world. We aim to offer innovative and comprehensive solutions to complex problems in the field of energy by collaborating with the industry’s leading organizations, academia and research institutes.

We act in line with our [Sustainability Policy](#) on energy supply security, competition and environmental protection while assuming a pioneering role in the transformation of the energy sector. Adopting the principle of maximizing the use of domestic and renewable energy resources, we carry out our R&D activities to serve the Sustainable Development Goals (SDGs) and closely follow global standards.

Within the framework of Zorlu Holding Smart Life 2030 Goals and our Sustainability Policy, we contribute to the transition to a low-carbon and self-sufficient economy by combining our country’s unexplored renewable energy potential with advanced technology and innovation. As part of our innovation efforts, we invest in the establishment and operation of smart systems that will initiate transformation in the industry. In this way, we aim to shape not only today’s energy ecosystem but also the energy ecosystem of the future. We see innovation as one of the cornerstones of our corporate culture and we demonstrate our commitment to sustainable growth with the [R&D and Innovation Commitment](#).

We are successfully progressing in our multi-stakeholder projects supported by TÜBİTAK, Horizon 2020 and EMRA. The fact that Zorlu Enerji and our indirect subsidiary OEDAŞ ranked high in the “List of the Most Successful Turkish Industrial Organizations in Horizon 2020” is a

testament to this success.

Electric Vehicles and Smart Energy Solutions

We shape the future of mobility with the solutions we develop for electric vehicles. We provide smart services through electric charging stations and energy storage projects supported by EMRA, accelerating the transformation of the sector.

We continue our work in the following areas under the heading of Innovation and New Business Models, which is among our priorities:

- Electric vehicle rental and sharing services
- Electric vehicle charging stations
- Smart home systems and energy management solutions
- Big data and artificial intelligence based energy forecasting systems

The innovative content and high investment amounts of our realized and planned projects demonstrate the importance we attach to this issue. In addition, our projects, which are entitled to receive grant support from the European Union Horizon 2020 framework program and TÜBİTAK, play a critical role in Türkiye’s orientation towards new generation technologies.

We concentrate our R&D and innovation efforts in five main focus in the following five areas:

- Renewable and clean energy solutions
- Energy efficiency and low carbon solutions
- Digitalization and smart energy systems
- Sustainable cities and infrastructure
- Circular economy and waste management

These focus areas are the foundation of our impact-driven growth strategy and support our vision to develop innovative, effective and sustainable solutions to global energy challenges.



Renewable and clean energy solutions

Sustainability and environmental compliance in energy production are essential for us. We are therefore focusing on maximizing the potential of renewable energy sources such as solar, wind and geothermal. We also aim to contribute to the clean energy ecosystem by developing future energy carriers such as green hydrogen.

Energy efficiency and low carbon solutions

We focus on digital transformation practices, energy storage and carbon capture, utilization and storage (CCUS) technologies to increase energy efficiency and reduce our carbon footprint. Therefore, we both optimize our energy consumption and fulfill our environmental responsibility.

Digitalization and smart energy systems

We pioneer digitalization in energy management and continuously improve our processes with big data analysis and artificial intelligence applications. We increase efficiency in field operations with predictive maintenance strategies and enrich the customer experience by investing in smart energy systems and charging infrastructures. With these innovative projects, we increase the flexibility, connectivity and efficiency of our energy distribution networks.

Sustainable cities and infrastructure

We leverage the power of renewable energy sources and green transformation initiatives such as Zes to bring cities and living spaces into the future. We aim to reduce environmental impact and improve quality of life through integration into sustainable infrastructure.

Circular economy and waste management

Using resources efficiently and reducing the amount of waste forms the basis of our sustainability goals. We focus on the transformation of critical raw materials and develop projects to ensure the reuse, repair and recycling of equipment in our power plants. We support the transition to a circular economy, both reducing our environmental impact and using resources more efficiently.

While a radical transformation is taking place in the energy sector, we support the process with innovative technologies, collaborations and sustainable growth targets. While contributing to Türkiye’s transition to a low carbon economy, we will continue to pioneer the sustainable transformation of the energy sector on a global scale.

WE LEAD THE SUSTAINABLE TRANSFORMATION OF THE SECTOR

We succeeded in becoming one of the electricity distribution companies in Türkiye with 6 projects developed by our R&D department and approved by EMRA.

Domestic Software Services

- We succeeded in becoming one of the electricity distribution companies in Türkiye with 6 projects developed by our R&D department and approved by EMRA. We are implementing two of these projects by focusing on local software ecosystems to increase the localization rate in energy infrastructure. With our **“E-KEYS”** project, we make outage management traceable from end-to-end and manage our processes more effectively by coordinating notifications and signals accurately thanks to Geographic Information System integration. Our **“BTSYS”** project enables us to use information technology resources in a more efficient and integrated manner, thus optimizing energy management.
- The **“Şimşek”** project, which we initiated to develop a 100% indigenous Geographic Information System software, will increase the quality of service while aiming to keep high license and maintenance costs in the country. Şimşek software stands out with its ability to operate without internet access, especially in natural disasters and challenging geographical conditions. In addition, the system, equipped with augmented reality technology, will make the operational processes of field teams more efficient. If the project is successfully completed, the software will also be available to other electricity and natural gas distribution companies.



Geothermal Innovation

• Online Sediment Measurement Device

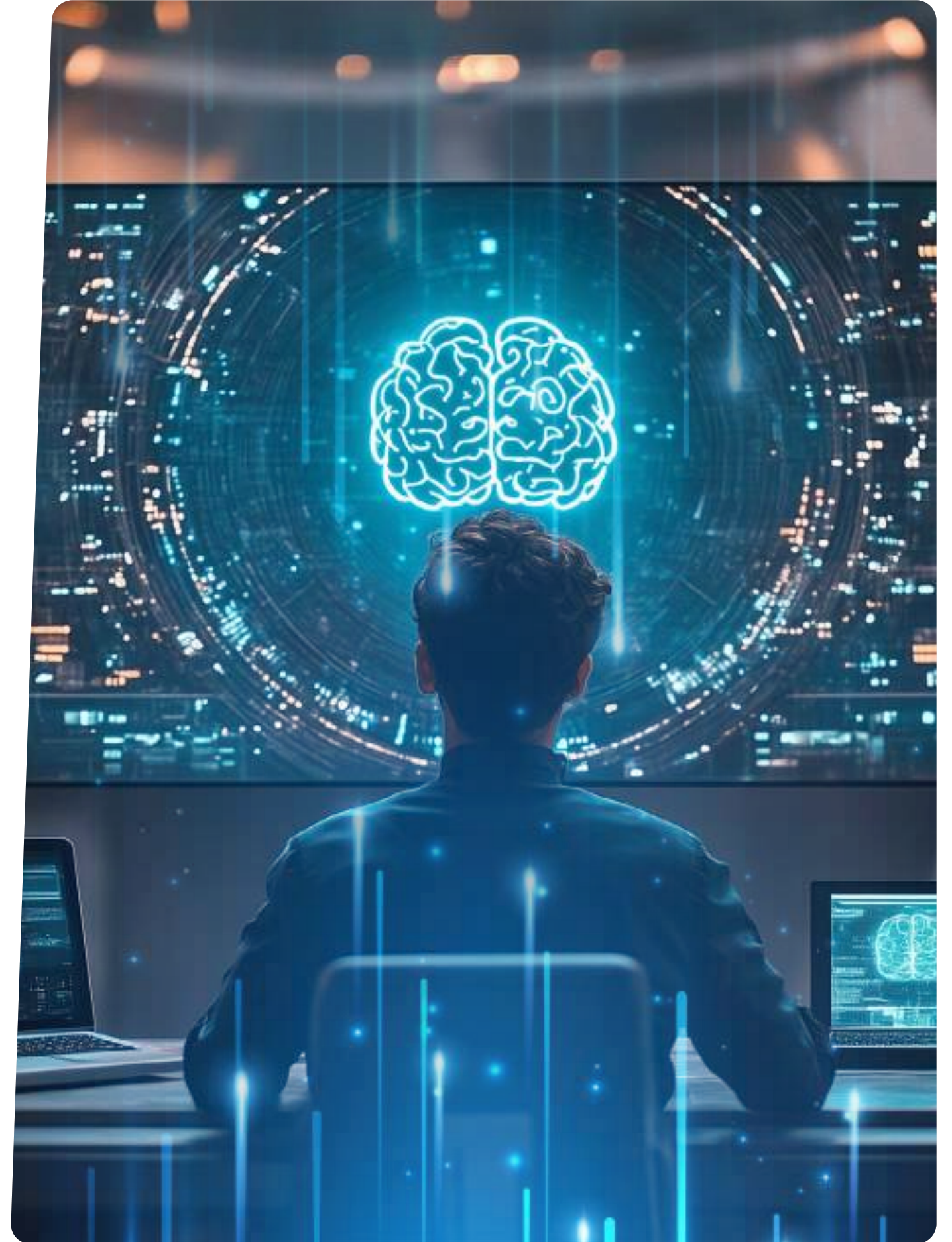
With the system we developed with Kurita, we can measure the precipitation formed by geothermal fluid in the pipe by surface contact. In our Kızıldere 3U1 power plant, where various separations and mixtures create precipitates that are difficult to dissolve, we optimize the surface treatment in line with the outputs of this device.

• Drilling Cuttings Identification with Artificial Intelligence

The identification of cut geological units in our geothermal drilling processes is critical for safe well drilling and determination of reservoir zones. We have created a data set using images of well cuttings from our different fields and chemical analysis measured by XRF device. In the study we are conducting in partnership with Yeditepe University, we aim to accurately identify the units cut during drilling by developing an artificial intelligence-supported system.

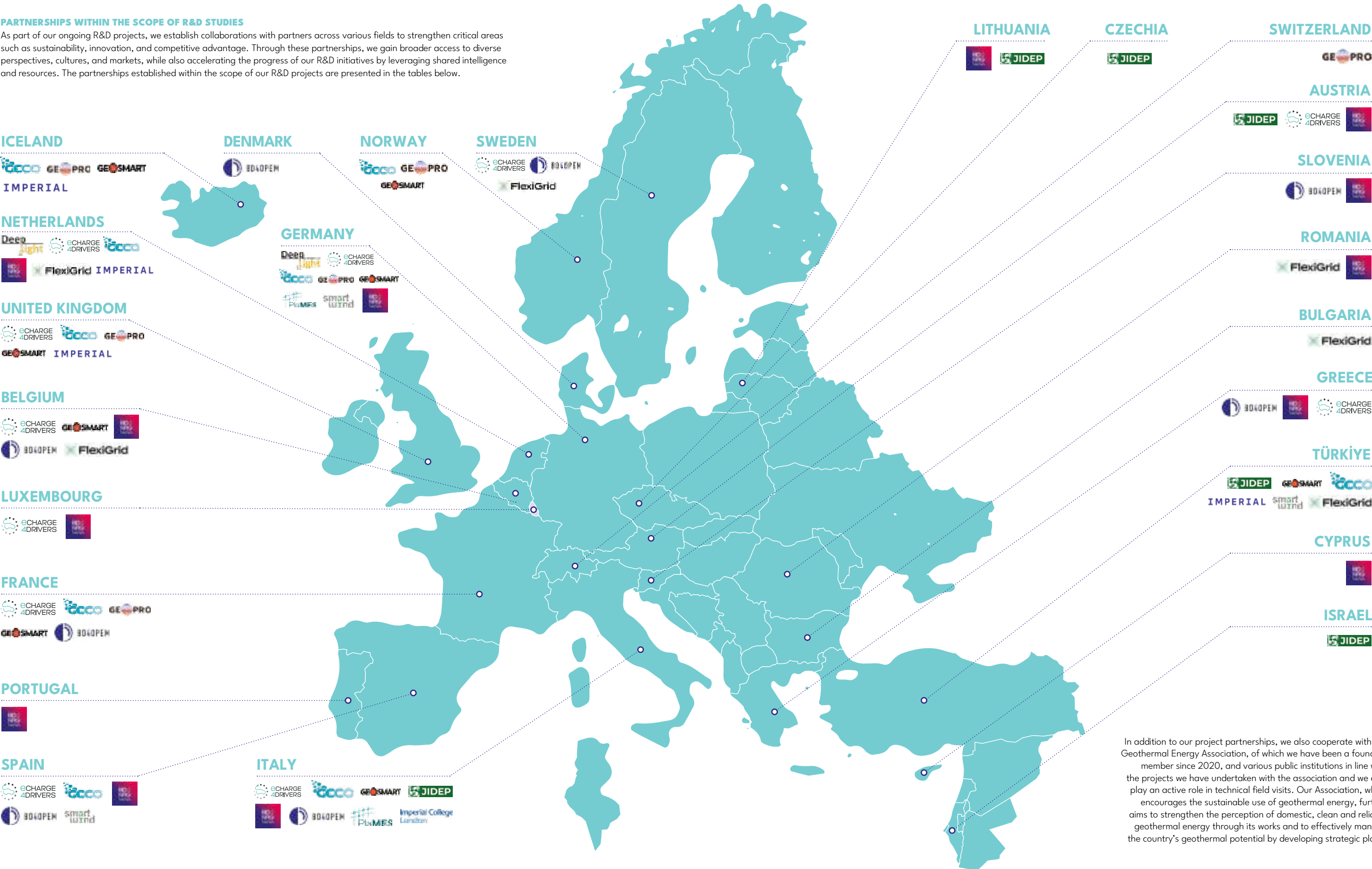
• Geothermal Resource Investigation with Radon Gas Measurements

We have started preliminary discussions with Uludağ Technical University to determine our geothermal potential. We aim to make our exploration processes more effective thanks to Radon gas measurements released from active faults and cracks.



R&D AND INNOVATION

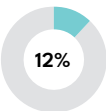
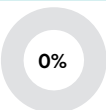
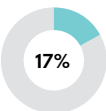
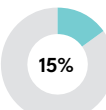
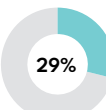
PARTNERSHIPS WITHIN THE SCOPE OF R&D STUDIES
As part of our ongoing R&D projects, we establish collaborations with partners across various fields to strengthen critical areas such as sustainability, innovation, and competitive advantage. Through these partnerships, we gain broader access to diverse perspectives, cultures, and markets, while also accelerating the progress of our R&D initiatives by leveraging shared intelligence and resources. The partnerships established within the scope of our R&D projects are presented in the tables below.

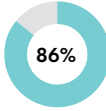
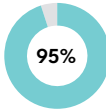


In addition to our project partnerships, we also cooperate with the Geothermal Energy Association, of which we have been a founding member since 2020, and various public institutions in line with the projects we have undertaken with the association and we also play an active role in technical field visits. Our Association, which encourages the sustainable use of geothermal energy, further aims to strengthen the perception of domestic, clean and reliable geothermal energy through its works and to effectively manage the country's geothermal potential by developing strategic plans.

R&D AND INNOVATION

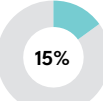
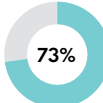
FEATURED PROJECTS

	Project Name	Project Details	Scope of Digitalization	Progress
Horizon 2020 Project				
	Horizon Europe-WindTwin	We are developing an innovative and integrated Wind Digital Twin to op-timize the design, operation and maintenance of our wind farms. This sys-tem increases efficiency through analytics and optimization tools, while contributing to our sustainable growth by evaluating new business models such as participation in local energy markets.	Digitalization of Business Processes	
	Horizon 2020-QuantEEFlex	With our QuantEEFlex Project, we aim to quantify the economic, technical and environmental value of energy flexibility in urban areas.		
	Horizon Europe-EOLIAN	The EOLIAN project investigates bio-based, repairable and recyclable vitrimer composites for reliable and sustainable wind turbine blades. By developing a smart blade made of infinitely recyclable material, we aim to extend the lifetime and increase the circularity of wind energy systems.		
	TWINVEST Project	With the TWINVEST Project, we are creating a universal, open-source and cyber-secure Digital Twin infrastructure. This innovative system aims to simplify decision-making processes in wind energy investments and provide more efficient and reliable analysis for investors.	Digitalization of Business Processes	
	Horizon Europe - Sehrene	With SEHRENE's electrothermal energy storage (ETES) concept, we store renewable electricity and heat and increase our energy efficiency by providing it back when needed. With this system, we reduce our carbon emissions by recovering waste heat and strengthen our energy security by providing backup power during power outages.		
	eCharge4Drivers	We aim to improve the charging experience of electric vehicle drivers, provide ISO 15118 Plug & Charge integration, and improve route planning and reservation processes with the eCharge4Drivers Project. We also aim to offer an uninterrupted and efficient charging experience by testing user-friendly charging stations in our pilot region.		

	Project Name	Project Details	Scope of Digitalization	Progress
Horizon 2020 Project				
	JIDEP Project	We support industrial data sharing with sustainable solutions through the JIDEP Project. As part of the project, we are testing the reusability of recycled composite materials in various industrial fields such as wind turbines. JIDEP supports the development of more sustainable materials, products and services by integrating industrial data into the circular economy.		
	GeoSmart Project	We integrate renewable energy technologies into our geothermal power plants with the GeoSmart Project and carry out pilot applications in the Kizildere field. In this context, we aim to increase power plant efficiency by integrating thermal storage of geothermal fluid, CSP and biomass, and optimize energy use by lowering reinjection temperatures. We are also working on balancing grid fluctuations with thermal storage and testing steam and hot water storage for the first time in geothermal energy.		
	BD4NRG Project	We leverage Artificial Intelligence and big data technologies to manage decentralized energy systems more efficiently and improve optimization processes with our BD4NRG Project. Accordingly, we are creating a data-based "Reference Architecture" for smart energy grids, improving opera-tional performance monitoring and increasing grid reliability by preventing failures through predictive maintenance methods.	Digitalization of Customer Service Processes	
	GECO Project	We launched the Geothermal Gas Emission Control Project (GECO) in line with our goal of achieving a sustainable future by minimizing our environmental impact in geothermal energy fields. With this project, we aim to completely eliminate carbon emissions and carry out studies on the treatment and recovery of non-condensable gases. At the same time, we develop CO ₂ reinjection technologies and contribute to their widespread use on a global scale. While reducing our carbon footprint with the improvement of our environmentally friendly geothermal power plants, we aim to increase the share of green energy we generate in total energy to 100%.		

FEATURED PROJECTS

	Project Name	Project Details	Scope of Digitalization	Progress
Horizon 2020 Project				
	GEOPRO Project	We aim to better understand the chemical and physical characteristics of geothermal energy and optimize operational processes with our GEOPRO Project. We are working to solve measurement problems caused by the two-phase flow of geothermal fluid, non-condensable gases and minerals, develop a Flow Assurance method and integrate innovative methods to reduce reinjection temperatures into the industry.		
	BD4OPEM Project	We create an open innovation platform by effectively integrating digital technologies in the energy sector with our BD4OPEM Project. We optimize grid monitoring, maintenance, planning and energy management with big data analytics, and create a more flexible and efficient market structure with demand side management, grid constraints and fault simulations. We make the energy ecosystem more sustainable and user-oriented.	Digitalization of Customer Service Processes	
	FlexiGrid Project	We integrate distributed energy resources, energy storage systems and V2G technology with OEDAS's vision to bring flexibility to next generation distribution networks. We are creating a transparent data management infrastructure with digital smart grid solutions, IoT and Blockchain, and making our energy ecosystem more flexible and efficient by commissioning V2G compatible charging stations and battery storage systems in Eskişehir.		
	PlAMES Project	We aim to increase energy efficiency by integrating generation, storage, transmission and distribution systems with our PlAMES Project. In the Osmangazi Electricity Distribution Region, we optimize energy generation distribution at the lowest cost and support renewable energy integration with grid flexibility.	Digitalization of Customer Service Processes	

	Project Name	Project Details	Scope of Digitalization	Progress
TÜBİTAK Supported Projects				
	nGEL Project	We aim to develop flexible trigeneration geothermal power plants by integrating heating, cooling and additional power generation equipment. We increase our efficiency by enabling our geothermal power plants to operate in reserve markets with nGEL to stabilize grid volatility with increasing renewable energy systems.		
	DEEPLIGHT Project	We aim to reduce geothermal drilling costs and increase efficiency with the DEEPLIGHT Project. We improve well safety and operational efficiency by developing non-contact drilling techniques with Electrical Pulsed Power (EPP) technology. We are also reducing risks, lowering costs and minimizing our carbon footprint in geothermal projects by extending well life through the use of smart cement.		
	ACT ERA-NET Programs SUCCEED Project	ERA-NET ACT is an initiative that aims to accelerate the deployment of carbon capture and storage (CCS) technologies. With the SUCCEED Project, we aim to reduce emissions from our geothermal power plants, inject purified CO ₂ into the reservoir under supercritical conditions and observe the effects of this process on seismic activity and other wells.		
	ITEA3 Program - SMART-PDM Project	We aim to reduce operating costs and increase efficiency by using predictive maintenance technologies in wind power plants with our SMART-PDM Project, which we are conducting within the scope of the EUREKA platform. The project is being implemented at Gökçedağ Wind Power Plant, enabling us to detect faults at an early stage, reduce downtime and maximize production by reducing maintenance and equipment replacement costs.	Digitalization of Customer Service Processes	
	Eurogia2020 Program - Smart Wind Project	We aim to increase the operational efficiency of Gökçedağ Wind Power Plant and reduce unit electricity generation costs with the Smart Wind Project, a collaboration between six companies and research institutes from Türkiye, Germany and Spain. In this context, we are optimizing power plant performance by developing a decision support system that analyzes data obtained from SCADA and sensor systems on cloud infrastructure.	Digitalization of Business Processes	

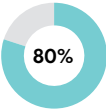
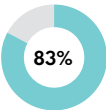
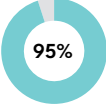
FEATURED PROJECTS

	Project Name	Project Details	Scope of Digitalization	Progress
EMRA Supported Projects				
	Şimşek (Geographic Information Systems) Project	We aim to keep license and maintenance costs in Türkiye and increase service quality by developing 100% domestic Geographic Information System software with our Şimşek Project. The system, which can operate without an internet connection in natural disasters and harsh conditions, will make the operations of our field teams more efficient with enhanced reality technology.	Digitalization of Business Processes	0%
	MASS TQM (Technical Quality Management) Project	We aim to collect and evaluate data from measurement devices and sensors in transmission and distribution systems on-site with our MASS TQM Project. With MASS protocol and other data transmission protocols, we enable data sharing with central servers, live monitoring and reporting. We create serverindependent data processing competence with SBC while managing data integrity, quality and communication audits.	Digitalization of Business Processes	5%
	Integration of Domestic Energy Ecosystem and Master Data Management Platform Project (YE3AP)	We increase data quality by centralizing master data generation, storage and access processes, and optimize costs by facilitating integration tracking with our YE3AP Project.	Digitalization of Business Processes	48%
	SLF: Spatial Load Prediction Tool Project	We aim to optimize the distribution infrastructure by increasing the long-term utilization rates of grid facilities and through new investments with our SLF Project. In this context, we create a roadmap that will guide electricity distribution planning in the most efficient way and manage uncertainties by integrating stochastic planning processes under different scenarios.	Digitalization of Customer Service Processes	15%
	Energy Storage Systems Project	We effectively manage storage systems implementation processes and increase operational efficiency by monitoring systems across the country from the centers with this project. We are also strengthening interaction across the industry by creating a platform to facilitate information sharing.	Digitalization of Customer Service Processes	25%

	Project Name	Project Details	Scope of Digitalization	Progress
EMRA Supported Projects				
	Project for the Development of the Electrical Infrastructure for the Electric Vehicles of Türkiye	We develop the EA projection software and identify the challenges in the distribution system by conducting technical analyses in pilot locations. In line with the data obtained, we create a road map and develop legal recommendations to make the system more efficient and sustainable.	Digitalization of Customer Service Processes	%30
	MAS Integrated Independent PLC and RF Communication Protocol and Products Development Project	We are planning and testing new power line communication technologies and radio frequency modules within the scope of National Measurement Standards. In this process, we aim to increase the reliability and efficiency of measurement systems with the protocols developed.	Digitalization of Customer Service Processes	%31
	National Software Ecosystem Project	We are researching new standards suitable for the needs of our national software projects and aim to make our development processes more efficient.	Digitalization of Business Processes	%48
	Data Driven Security and Compliance Platform Development Project	We address integration challenges, conflicting data and data ownership ambiguities in the information systems of distribution companies. We strengthen data security by detecting malicious activities with authorization-based dynamic data masking, data activity monitoring and user behavior analytics, and develop a compliance-oriented security platform.	Digitalization of Business Processes	%65
	Next Generation Grid Development Project	We aim to plan and optimize network assets more efficiently in line with the integration of new technologies.		%69
	Secure and Remote Activation System for Rural Street Luminaires	We provide the opportunity to remotely intervene in temporary faults in hard-to-reach rural areas without sending a team with the Secure Remote Activation System Project for Rural Street Luminaires, which we have implemented within Osmangazi EDAŞ. In this way, we increase efficiency by reducing operating expenses (OPEX), increase user satisfaction and develop software for new products and codes.		%75

R&D AND INNOVATION

FEATURED PROJECTS

	Project Name	Project Details	Scope of Digitalization	Progress
EMRA Supported Projects				
	Project for the Development of a Digital Maturity Assessment Model Roadmap	By determining our current digital maturity level, this project forms the basis of our transformation processes. We identify the necessary investment needs and technological tools to be developed, create our digital development roadmap and proceed step by step to achieve the set goals.	Digitalization of Business Processes	
	Distribution Specific National CPU Project	We aim to make our data processing processes safer and more efficient by conducting national processor research for the measurement needs of local distribution system operators (DSOs).	Digitalization of Customer Service Processes	
	Project for Examining the Resilience of the Electricity Distribution Network of Türkiye against Earthquakes and Other Natural Disasters, Possible Post Earthquake Performance Analyzes and Development of Emergency Action Plans	We are developing a local software that enables automatic planning for users during and after a disaster. We prepare action plans for distribution centers in high-risk groups and create an emergency warning system for DSO companies by integrating with the Disaster and Emergency Management Presidency system.		
	NOCA Platform Project for No-Code Application Development	We accelerate the digital transformation processes of distribution companies, reduce their transformation costs and create a platform that enables them to develop applications that do not require programming knowledge.	Digitalization of Business Processes	
	Project to Determine Partial Discharge with RF Emissions	We increase our operational efficiency by rapidly detecting partial discharges, reduce potential failures and strengthen the effectiveness of our preventive maintenance activities.		
	Project to Develop Solutions to Prevent Long Term Outages Due to Ice Load in Electricity Distribution Networks	We aim to minimize long-term interruptions caused by ice load and prepare infrastructure in electricity distribution networks with analytical and technological methods. We contribute to the development of standards for criteria such as equipment, design and topology by raising awareness in regions with ice load problems, and increase the reliability of distribution networks by reducing outages.		

	Project Name	Project Details	Scope of Digitalization	Progress
EMRA Supported Projects				
	Project to Examine the Effects of Charging Stations and Electric Vehicles on the Grid and to Develop the Necessary Domestic Software to Optimize These Loads	We aim to create standards by examining the usage areas of electric vehicle charging stations and simulate their impact on the network with real data. We reduce network load by spreading peak consumption throughout the day by observing the impact of charging stations on transformers, and optimize the usage time and power of charging stations by developing local software. We also create a sustainable energy infrastructure suitable for the widespread use of electric vehicles by keeping the network service quality high with renewable energy integration.	Digitalization of Customer Service Processes	
	Project for the Development of a Rectifier with a Highly Efficient Battery Charging System and Dual Control Unit Compatible with SCADA Systems	We develop domestic solutions to make electricity distribution systems more reliable and economical with this project. We aim to offer low-cost and high-reliability technological products by preventing the failures caused by DC rectifiers in distribution buildings with a new and local rectifier system design.	Digitalization of Business Processes	
	Project for Conducting Pilot Projects in Distribution Networks by Examining Chemical Energy Storage Technologies (KEDEP)	We increase the efficiency of energy systems by reducing failures caused by voltage drops and overloads on long power lines. We improve electricity quality by minimizing impacts such as reactive power, harmonics and flicker, and reduce technical losses in consumer devices. We are also working to increase the efficiency of solar power plants, develop SES-powered arbitrage applications for retail companies and create a versatile Battery Management Software.		
	National Smart Meter Systems Project (MASS)	We are developing a domestic and national Smart Meter System that covers all components from the communication protocol to the modem. We aim to offer reliable, efficient and innovative solutions in energy management by creating customized meters suitable for the needs of different user groups.	Digitalization of Customer Service Processes	

R&D ACTIVITIES ARE AT THE CENTER OF OUR VISION

We closely monitor national and international cooperation opportunities in line with our goals of increasing operational efficiency, developing the company portfolio with innovative practices and building an expert team for future investments.

Internal Innovation

As Zorlu Enerji, we are committed to providing sustainable solutions and contributing to the local economy by effectively utilizing domestic resources. With this approach focusing on domestic resources, we play a pioneering role in the sector by adopting the principles of sustainability and smart technology in our R&D activities.

R&D and innovation activities are at the center of our vision. The adoption and spread of this culture by our colleagues is of great importance in achieving our goals. As a Company, we aim to create a continuously developing R&D ecosystem that is accepted by all our stakeholders. To this end, while supporting ideas and projects within the company, we also focus on evaluating cooperation opportunities. The **R&D and Innovation Commitment**, which we adopted in 2021, clearly demonstrates our determination and goals in this area.

In particular, we prioritize the following:

- Increase information sharing and interaction within the company,
- Utilizing our natural and institutional resources in the most effective way,
- Reducing emissions and waste,
- Achieving a leading position in the sector with innovative practices,
- Developing clean energy, smart grids, customer-oriented solutions and digital transformation.

We closely monitor national and international cooperation opportunities in line with our goals of increasing operational efficiency, developing the company portfolio with innovative practices and building an expert team for future investments. We focus on projects that create environmental and social value with our strong governance structure. Energy storage, carbon capture and storage technologies, recycling, green approaches and digitalization are among our priorities.

Parlak bi' fikir!

Parlak Bi'Fikir ("A Bright Idea")

We bring our employees together with innovation-oriented thinking skills through the A Bright Idea program, which we have implemented in line with our Smart Life 2030 sustainability strategy. Thanks to this program, our teammates can combine their experience with innovative ideas and turn them into business solutions.

Our employees can share their ideas through a specially designed portal. The proposals are evaluated on five main criteria and the selected projects are transformed into independent start-ups with a 25% partnership of Zorlu Holding.

We also develop our employees' competencies such as entrepreneurship, teamwork and leadership through the trainings we offer. Thus, we both offer new generation career opportunities and shape our future with an innovation-oriented approach.

We develop the latest technologies to upgrade our electricity and natural gas distribution systems to global quality standards. We aim to increase efficiency and service quality, and reduce costs and losses by creating a favorable environment for knowledge generation, innovative ideas and practices. In addition, we continuously update and improve our business models by fully complying with EMRA legislation. At Zorlu Enerji, we are taking firm steps towards achieving these goals.



Enerji Dolu Fikirler

As OEDAŞ, we launched the "Enerji Dolu Fikirler Competition" to encourage innovative R&D projects that will shape the future of the electricity distribution sector. Our teammates showed great interest in this competition organized by our R&D department, and a total of 46 employees participated with 62 project ideas. The 10 finalist projects, which were meticulously evaluated by the jury, presented valuable ideas for developing innovative and sustainable solutions in the sector.



DIGITAL TRANSFORMATION

We act proactively in the digital transformation process, identifying the digitalization needs of our products and services and implementing innovative projects accordingly. Established in 2017, the Smart Systems Department accelerates our efforts in the areas of electric vehicles, digitalization, R&D and innovation, and develops customer-focused next-generation solutions by prioritizing technological integration.

Our Smart Systems Department focuses on areas such as electric vehicle rental, charging stations and energy management systems, as well as developing tools and mobile applications that enable customer and supplier transactions to be carried out on digital platforms. In a digitalizing world, Zorlu Enerji takes strategic digital transformation steps based on Industry 4.0 and 5.0 concepts and plays an active role in shaping the future of the industry.

We optimize our operational processes by deploying Robotic Process Automation (RPA) technologies to increase the efficiency of our business processes. Thus, we both increase our operational efficiency and make our digital transformation journey more sustainable.

Information Technologies and Business Development Directorate Budget

January-December Cumulative (TRY)

Budget	TRY 309,227,394
Actual	TRY 163,829,731
Difference	TRY 145,397,663

* Transferred figures are included.

Digitalization of Business Processes

As Zorlu Enerji, we carry out comprehensive efforts within our Information Technologies and Business Development Directorate to digitalize our business processes and increase operational efficiency.

You can find our Digitalization of Business Processes projects in our R&D and Innovation section.

Our activities throughout 2024 are summarized below:

ZORLU ENERJİ INFORMATION TECHNOLOGIES (IT) & BUSINESS DEVELOPMENT DIRECTORATE - 2024 ACTIVITIES

Focus Areas and Staff

IT Strategic Priorities

- Ensure Continuity of Agile IT Team and Work Cost-Oriented
- Ensure Service Continuity and Increase Efficiency
- Assess New Digitalization Opportunities and Position at the Right Time
- Create Value from Data and AI
- Improve Information Security and Cyber Security Infrastructure
- Comply with Regulation

Prioritized Business Initiatives

- Digitalization of Employee Support Processes
- Digitalization of Power Plants
- Transition of Corporate ERP Solution to SAP S/4 HANA Infrastructure
- Establishing a Management Model with Data
- Increasing Efficiency with Artificial Intelligence
- Enhancing Information and Cybersecurity & Regulatory Compliance
- Development and Implementation of R&D Projects
- Improving Call Center Processes
- Modernization in Field and Decision Support Processes
- Improvement of Retail Sales Receivables Management Processes
- Ensuring Commercial Quality Continuity

WE PROVIDED ARTIFICIAL INTELLIGENCE AWARENESS TRAINING TO ALL ZORLU ENERJİ EMPLOYEES

We conducted the Artificial Intelligence Vision Workshop with all Business Unit Managers and determined the current and targeted Artificial Intelligence maturity of our energy company.

Services for Business Units

Maintenance and Repair

- We standardized the maintenance processes in all our companies with our S/4 Hana project and provided the opportunity for mobile use through tablets and made this process widespread.
- We completed our Data Analytics and Reporting project in the areas of Geothermal Resource Production and Well Management. We strengthened data-driven decision-making processes by launching the necessary dashboards (Zorlu Enerji Data Warehouse + PowerBI) for Resource Production and Well Management.

Natural Gas

- We completed the assurance valuation study for gas subscribers in the earthquake zone.
- We have successfully completed the updating process of Gazdaş progress payment unit prices.
- We completed and launched our GIS Web Mobile Application Project.
- We held our analysis meetings for the transfer of easy subscription and virtual POS integrations.
- We completed the user and authorization transfer works of the personnel who transitioned to Palmet.
- We successfully completed the Gas TMS (Fault Management System) transition process.
- We completed our Zoren SAP ISU and Palmet PCMS live transition. In this process, we disabled Gas systems integrated with ISU and Gas web pages.
- cEWe successfully completed the transition of transition and other gas applications without any problems.

Energy Trading

- We reviewed the "Optimization Portal," which we have been using in energy trading for many years, within the scope of application modernization works. We backed up the functionalities and existing integrations on the application by moving them to Zorlu Enerji Data Warehouse Infrastructure and ended our supplier dependency by shutting down the system. In this process, we integrated our Energy Systems into EPIAŞ and TEİAŞ systems and automated some manually operated process steps.

Human Resources

- Within the scope of FutureFem, we provided training to senior students on Technology Management, Positioning and Dissemination.
- We launched our performance management system with a new user-friendly interface with the Human Resources "Performance Management" project.
- We completed the implementation of the birthday leave process and offered this new application to our employees.

Sustainability and HS-E

- We created our Digitalization Roadmap for Sustainability and HS-E processes and determined our digital maturity level.
- We developed the Sustainability Carbon Emission and Water Footprint Calculation Platform using our internal resources and Productive Artificial Intelligence.
- We initiated the HS-E ESG Form Application software development project using our internal resources and Productive Artificial Intelligence.

Corporate Affairs

- Within the scope of the "Corporate Portal Renewal" project, together with our Corporate Relations department, we transitioned to a modern and user-friendly interface.

Financial Affairs

- We supported the "Inflation Accounting" project together with our Financial Affairs department.
- We completed the process of simultaneous submission of e-ledger and certificate files requested by the Revenue Administration to the RA system.
- We launched the Incoming Invoice Confirmation (IPM), E-Payment Instruction and TRM Cockpit Reporting Systems.

Central Storage

- We increased mobility and digitalized approval processes by implementing the EWM system within the scope of the S/4 Hana project.
- We improved material batch and expiration date tracking with the S/4 Hana project, enabling us to track inventories more accurately.

Procurement

- We terminated the outdated SRM system within the scope of the S/4 Hana project and switched to the S/4 Hana system, which has faster and more modern interfaces and offers mobile approvals.
- We simplified the number and structure of storage locations with the S/4 Hana project.

Sales

- We made processual and organizational simplifications within the scope of the S/4 Hana project and implemented the adaptations of the SD processes in the widest way in all our companies.

Artificial Intelligence

- We realized the R&D Productive Artificial Intelligence Chatbot POC study.
- We provided Artificial Intelligence Awareness Training to all Zorlu Enerji and Osmangazi employees.
- We conducted the Artificial Intelligence Vision Workshop with all Business Unit Managers and determined the current and targeted Artificial Intelligence maturity of our energy company.
- We completed the Artificial Intelligence Roadmap Workshop with the participation of all Business Process owners and created the project inventory.
- We started the supplier selection process by detailing Human Resources Artificial Intelligence needs.
- We participated in the Türkiye Artificial Intelligence Summit organized by Türkiye Artificial Intelligence Initiative.
- We launched Geothermal Performance Monitoring and Preventive Maintenance Artificial Intelligence Project.

IT Operation Services

2024 Number of Closed Calls	Call Answer Rate
6,169	99%

Project Management Services

2024 Number of Completed Projects: 8
2024 Number of Ongoing Projects: 1

IT Services Development Activities

- We successfully launched the "S/4 HANA SHINE" project, which contributed greatly to the digital transformation of our company. Within the scope of this project, we increased mobility in the Central Storage (EWM) and Maintenance and Repair (PM) modules and digitalized the approval processes on paper with modern interfaces. We completely renewed our procurement tender and bidding system and started using it through S/4 Hana Fiori with mobile approval support.
- We implemented DLP (Data Leakage Prevention) to comply with regulations and secure our personal and critical company data.
- We completed our gap analysis studies for Gökçedağ Wind Power Electricity Generation Plant and Kızildere 3 Geothermal Energy Electricity Generation Plant within the scope of the Cyber Competence Model in Industrial Control Systems published by EMRA.
- We renewed the physical servers running SCADA applications at Gökçedağ Wind Power Electricity Generation Plant and moved our existing SCADA applications to a virtual server environment.

- We implemented our Incoming Invoice Recognition (IPM) project together with our Financial Affairs department and ensured that invoices received by IT are approved and automatically recognized in the mobile environment.

* OEDAŞ is not included.

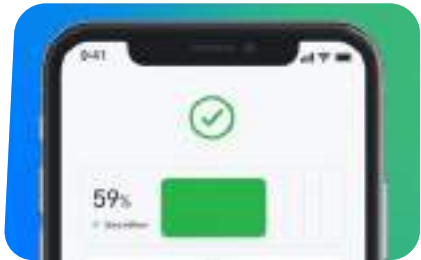
Digital Transformation in Our Products and Services

The energy sector is rapidly digitalizing in line with global transformation and sustainability goals. As Zorlu Enerji, we effectively utilize emerging technologies such as artificial intelligence (AI), big data, Internet of Things (IoT), blockchain and cyber security in this transformation process. With our innovative approach, we integrate current trends such as energy storage, microgrids and demand-side management into our operations and shape the energy ecosystem of the future today.

In our digitalization journey, we consider improving our sustainability (ESG) performance as a strategic priority. Thanks to the digital solutions we integrate into our products and services, we optimize resource use and minimize our environmental impact in all processes from energy generation to distribution, consumption to recycling. Accordingly, the digital tools and platforms we have developed enable us to create sustainable value at every stage of our operational processes.

With the opportunities offered by digitalization, we increase transparency in our sustainable value chain. By moving supplier and customer interactions to digital platforms, we make energy production and consumption processes more traceable. This transparency both supports our stakeholders to make informed decisions and accelerates the achievement of our sustainability goals.

You can find our Digital Transformation projects in our Products and Services in our R&D and Innovation section.



Digital Subscription Services Project

As Zorlu Enerji, we are pioneering transformation in the energy sector by digitalizing our customer-oriented service approach with the Digital Subscription Services Project. Thanks to this innovative project, our customers can complete their subscription transactions quickly and easily from any time and place through digital channels.

We created a strong infrastructure for distance subscription transactions in channels such as customer service centers, e-government, websites and mobile applications. Thus, we reduced transaction times from 8 minutes to 3 minutes while increasing customer satisfaction. While digital contracts are securely archived with TUBITAK-approved time stamps, we made the processes transparent with instant SMS and e-mail notifications.

We have also improved our environmental impact by reducing paper consumption and strengthened our contribution to a sustainable future by reducing our carbon footprint.

Electrip

Electric vehicle sharing platform Electrip introduces an innovative alternative to traditional car rental processes by offering hourly electric vehicle rental service with its zero-emission fleet. Electrip users can easily rent a car via the mobile application and manage their rental processes without a key.

Zes Mobile Application

Zorlu Enerji offers sustainable and innovative energy solutions with the fast charging stations installed on urban and intercity roads and enables the users to easily charge from anywhere through the Zes mobile application. In line with our sustainability goals, this digitalization effort contributes to making energy consumption more efficient and environmentally friendly.

WE ADOPT CREATING SUSTAINABLE VALUE AS A CORE OBJECTIVE

As Zorlu Enerji, we conduct our operations with an understanding that economic, environmental and social welfare are in harmony with each other.

Transparency and accountability are at the core of our sustainability strategies.

Significant Impacts, Risks and Opportunities

As Zorlu Enerji, we achieve sustainable growth by balancing environmental responsibility and financial sustainability. Responsible sustainable financing practices reduce our environmental impact through carbon credit sales, while carbon trading mechanisms strengthen our financial sustainability. These mechanisms contribute to the achievement of Zorlu Enerji’s environmental goals, while allowing us to gain a competitive advantage.

Positive Impacts	Adverse Impacts	Risks	Opportunities
Sustainable Growth			
Responsible and Sustainable Finance			
- Impact of Carbon Credit Sales on the Environment	-	-	- Opportunity for Financial and Environmental Sustainability through Carbon Trading Mechanisms - Opportunity for Growth and Market Share Increase with Sustainable Finance

RESPONSIBLE AND SUSTAINABLE FINANCE

As Zorlu Enerji, we conduct our operations with an understanding that economic, environmental and social welfare are in harmony with each other. We adopt the fundamental goal of creating long-term sustainable value by combining economic success with our responsibility to our planet and society.

We carefully evaluate all critical risks and opportunities that may affect our economic performance while shaping our business strategies in line with this goal. We address many factors, particularly our human resources, reputation, financial stability, business continuity and environmental factors, with a comprehensive risk management approach.

We focus on developing environmentally friendly and innovative solutions in the energy sector by integrating our sustainability approach into our decision-making processes. Using our resources responsibly, increasing energy efficiency and reducing our carbon footprint are among our top priorities. In this context, we strive

to continuously improve our environmentally sensitive practices and increase our contribution to social welfare.

We are committed to open and effective communication with our stakeholders. Taking into account the expectations of all our stakeholders, including investors, employees, customers and local communities, we strengthen our collaborations to produce common solutions. In this process, we adopt an approach that balances social and environmental impacts in the long term, beyond short-term gains.

Our Sustainable Finance Strategy

As Zorlu Enerji, we benefit from diversified and responsible financing sources such as international financing institutions, development banks and public funds to support our sustainable transformation goals. With these resources, we realize our projects in compliance with ESG standards. Beyond meeting today’s needs, our financing strategy also reflects our commitment to creating sustainable value for the future.



Transparency and accountability are at the core of our sustainability strategies. In order to improve our ESG performance and maintain our strong position in sustainability indices, we meticulously analyze both our positive and negative impacts and develop comprehensive plans to mitigate these impacts. Our goal is not only to share our achievements, but also to integrate a sustainable transformation into all processes of our company by clearly articulating the areas that need improvement.

Our performance in the indices is an indication that this strategy is built on solid foundations. Our environmental and social impacts, as well as our financial achievements, are subject to independent assessments, further strengthening our credibility.

Green Bonds and Sustainable Finance Instruments:

As Zorlu Enerji, we utilize green bonds and sustainability-related financing instruments that comply with international standards to finance our projects that provide environmental and social benefits. These instruments play a critical role in achieving our sustainability goals and further our mission to create economic, environmental and social benefits.

Sustainability Linked Bond (SLB) and Eurobond

In 2024, we realized our Eurobond issuance process as a Sustainability-Linked Bond (SLB), which was structured based on our carbon reduction targets in line with the Science Based Targets (SBTi) and our leadership in ESG performance.

Sustainability Linked Bond Framework
Our Sustainability-Linked Bond Framework, which we published in this process, explains the alignment of our financing strategy with international standards and the focus areas to which revenues will be directed. Our framework details our goals to reduce carbon emissions, support renewable energy projects and increase energy efficiency.

We utilize the proceeds from this bond in the following areas in line with our sustainable development goals:

- ✓ Developing renewable energy projects and expanding our portfolio,
- ✓ Modernization and upgrading of electricity distribution infrastructure,
- ✓ Optimizing resource use through energy efficiency projects.

Compliance with International Standards
We fully comply with international standards such as ICMA’s Green Bond Principles (GBP) in our green bond issuance processes. These standards ensure that bond proceeds are directed to projects that will provide environmental benefits and that the processes are transparently reported.

In addition, the Independent Second Party Opinion (SPO) issued by S&P Global Ratings confirmed our bond’s compliance with environmental and social criteria and its contribution to our sustainability goals. The report confirms that bond proceeds will be directed to projects such as renewable energy, electricity infrastructure and energy efficiency, thereby increasing investor confidence.



Euronext Collaboration
Our sustainability-linked bonds are traded on Euronext, one of the leading platforms in international financial markets. This not only increases the global accessibility of our financing sources, but also enables us to share our sustainability commitments with a wider network of investors.

International Grants and Funding:
We lead studies focused on transition to a low-carbon economy, circular economy and innovation with the R&D projects we carry out under the European Union’s Horizon Europe program. With these projects, we support our sustainability goals and use our resources more effectively by utilizing up to 100% grant support. You can find detailed information in the R&D and Innovation section.

Mandatory and Voluntary Carbon Markets:
We evaluate the carbon credits we generate from our wind power plants in both mandatory and voluntary carbon markets and sell them to buyers willing to fulfill their environmental commitments. We continue our efforts to generate carbon credits through our GECCO project and electric vehicle charging infrastructure investments.

WE ARE STRENGTHENING OUR CARBON MANAGEMENT

As Zorlu Enerji, we are strengthening our carbon risk management processes to minimize the costs that may arise from carbon pricing.

International Certification Standards

The carbon credits we generate in our projects are certified by the following internationally recognized standards:

- Gold Standard
- Verra
- PuroEarth
- IsoMetric

These standards ensure the quality and reliability of our carbon credits, giving us a strong presence in both voluntary and mandatory carbon markets.

Voluntary Carbon Markets

Voluntary carbon markets are flexible markets where companies purchase carbon credits to balance their carbon emissions. In these markets, certified carbon credits obtained from carbon reduction projects are certified in accordance with international standards such as Gold Standard, Verra, PuroEarth and IsoMetric and offered for sale. As Zorlu Enerji, we make environmental and economic contributions by utilizing the carbon reduction certificates obtained from our renewable energy projects in these markets.

Voluntary carbon markets offer a highly environmentally sensitive option, especially for companies and investors aiming to reduce their carbon footprint. The certification and trading of carbon credits in these markets both contributes to companies' achievement of carbon neutrality targets and creates economic resources for environmentally friendly projects. However, due to the variability of carbon credit pricing policies in these markets, revenues are often not at a level that can form the basis of a specific financing strategy.

Preparation for Mandatory Carbon Markets

Mandatory carbon markets are markets where carbon is priced under legal regulations in highly emission-intensive sectors and companies are incentivized to reduce their carbon emissions.

In these markets, certified carbon credits from carbon reduction projects are used to fulfill legal requirements.

The spread of carbon pricing practices increases the importance of carbon risk management processes and encourages the achievement of emission reduction targets. This process makes the economic advantages of low-carbon production and energy efficiency projects more visible and increases the value of carbon mitigation projects.

As Zorlu Enerji, we comply with the requirements of this process by increasing our renewable energy capacity and expanding our energy efficiency projects. We are strengthening our carbon risk management processes to minimize the costs that may arise from carbon pricing. We also aim to generate significant revenue opportunities by utilizing credits from our carbon mitigation projects in mandatory carbon markets.



Our Roadmap on Carbon Finance

- Carbon Credit Generation and Trading: We generate revenue by valuing carbon credits generated from renewable energy projects in voluntary and mandatory carbon markets. This process both offers solutions that support carbon neutrality targets and contributes to the transition to a low-carbon economy.
- Strengthening Low Carbon Investments: We allocate the proceeds from carbon credits and other financing sources to renewable energy projects, energy efficiency practices and innovative low-carbon technologies. These investments create environmental and economic benefits as well as reinforcing emission reduction targets.
- Reducing Carbon Costs: In preparation for mandatory carbon markets, we are accelerating emission reduction projects and taking strategic steps to minimize potential carbon costs. In this context, we prioritize projects that increase energy efficiency and reduce carbon intensity.
- Transparent Reporting: We regularly share our carbon emission reduction targets and carbon credit activities with the public and stakeholders in line with the principle of transparency. We adopt a reliable approach by reporting our presence in carbon markets and the environmental benefits achieved in international standards.



I-REC and YEK-G Income:

We provide additional sources of income by certifying our renewable energy production with International Renewable Energy Certificates (I-REC) and Renewable Energy Resource Guarantee Certificate (YEK-G).

These certificates prove at the international level that the renewable energy produced complies with environmental and sustainability standards. While I-REC and YEK-G constitute an important reason for preference for companies and investors with high environmental sensitivity, they also allow us to convey the environmentally friendly nature of our energy production to a wider range of buyers.

This process not only supports our energy production, but also makes it easier for us to collaborate with organizations seeking to achieve their environmental sustainability goals. Income from I-REC and YEK-G sales allows us to increase investments in renewable energy projects and make our energy infrastructure more efficient.

Sustainability Indexes:

As Zorlu Enerji, we continuously improve our environmental, social and governance (ESG) performance in line with our sustainability strategy. In this context, we aim to provide confidence to our investors by being included in national and international sustainability indices.

You can find detailed information in the 2024 Highlights section.

RESPONSIBLE INVESTMENTS

As Zorlu Enerji, our main objective is to create value through our investments and business partnerships with an awareness of environmental and social responsibility. Accordingly, we consider ESG factors as a strategic priority in our investment decisions and business processes. By continuously improving our practices, we aim to contribute to both our own long-term success and the sustainability of our business partnerships.

In 2024, we realized our investments in line with sustainable development goals. These investments were selected to support the long-term success of our company and to provide social, environmental and economic benefits in our investment areas. We prioritized sustainability-focused innovative areas such as renewable energy, energy storage systems and e-mobility. We increased our know-how in these areas through national and international collaborations and meetings and expanded our network with new opportunities.

The business partnerships we develop with our investments are the cornerstones of our value chain. Thanks to the strong partnership structure we have established to date, we are assuming a more effective role in the field of sustainability on a global scale and becoming stronger by integrating our experience into new investments. Our existing business partnerships guide us in determining and developing the sustainability structure of our future investments. Thus, we pioneer innovative projects and continue to create sustainable value for long-term success.



UN Global Compact CFO Principles

As Zorlu Enerji, we are working for a sustainable future in line with our Smart Life 2030 vision. In this context, we integrated sustainable development goals into our business strategy by signing the "CFO Principles for Integrated SDG Investments and Financing" published by the CFO Coalition of the UN Global Compact.

We aim to be carbon neutral in our entire value chain by 2040, and we work to facilitate carbon-free growth for our customers as well as our own operations. While shaping our energy ecosystem based on renewable resources, we plan our investments to support regional development through sustainable financing instruments.

As one of the few companies from Türkiye participating in this initiative, we are committed to adding value to the future through investments that support sustainable development.

WE AIM TO BE THE PIONEER OF TRANSFORMATION IN THE ENERGY SECTOR

We continue our efforts to support the expansion of access to clean energy and make it accessible for all.

Energy Trilemma

The Energy Trilemma concept was introduced by the World Energy Council (WEC), one of the most important organizations contributing to the shaping of global energy policies. With its annual Energy Trilemma Index, WEC measures and evaluates the performance of countries in terms of energy security, energy access (affordability) and environmental sustainability.

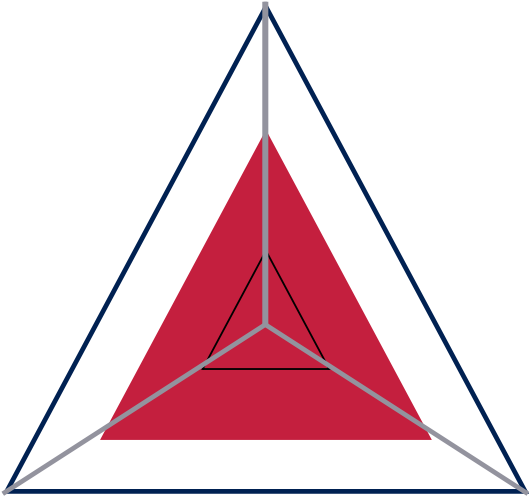
As Zorlu Enerji, we place balancing the three fundamental dimensions of the energy trilemma at the center of our responsible investment approach. This concept serves as a guide for us to understand the challenges facing the energy sector and to create sustainable solutions accordingly.

As Zorlu Enerji, we aim to be the pioneer of transformation in the energy sector and shaping our renewable energy investments in line with sustainability principles.

While renewable energy generation is subject to inherent volatility, storage technologies make it possible to balance electricity supply and demand. Storing excess energy generated during periods of high generation and using it during periods of low generation reduces dependence on fossil fuels and ensures a more reliable energy supply.

With this understanding, we have applied to the Energy Market Regulatory Authority (EMRA) for two separate Wind Power Plant with Storage (WPP) projects, one in Tekirdağ and one in Kırklareli.

• **Energy Security:** We aim to increase the security of energy supply through our investments in innovative technologies. Our diversified energy portfolio enables us to provide uninterrupted and reliable energy both locally and internationally. With our strong presence in renewable energy sources, we reduce dependence on fossil fuels and contribute to energy security.



• **Environmental Sustainability:** We increase renewable energy generation and encourage energy efficiency projects in line with our carbon neutrality goal. As of 2024, our renewable energy resources will constitute a significant portion of our total energy portfolio, demonstrating once again that we prioritize environmental sustainability.

• **Accessible and Affordable Energy:** Believing that access to energy is a human right, we develop projects to ensure that everyone can benefit from affordable energy services. Our investments in smart grid technologies enable our customers to optimize their energy costs while making energy consumption more efficient.



We are working to minimize the environmental impact of renewable energy generation with our R&D investments as well as storage technologies. Particularly in the field of geothermal energy, we aim to reduce emissions from geothermal resources through international cooperation initiated under the EU Horizon 2020 program. In this regard, we established a pilot carbon capture and storage facility at our Kızıldere III Geothermal Power Plant and initiated underground storage of emissions.

We aim to increase diversity and efficiency in energy generation by transforming our power plants into hybrid power plants. We have demonstrated our leadership in this area with the solar power plant at our Alaşehir Geothermal Power Plant, Türkiye's first combined power plant.

We will continue to grow with firm steps for a sustainable energy future by increasing our investments in renewable energy and new generation technologies. With our goal of ensuring environmental sustainability, economic accessibility and reliability in energy production, we will continue to make a difference in the sector and provide social benefits.

Renewable Energy Investments

We make a strong contribution to Türkiye's energy independence and 2053 Net Zero Emission Target with our renewable energy investments. Our strategic investments in renewable resources such as solar, wind and geothermal energy reduce our country's dependence on foreign energy while supporting the achievement of sustainable development goals.

We continue our efforts to support the expansion of access to clean energy and make it accessible for all. In this context, we always emphasize the importance of investing in renewable energy sources such as solar, wind and geothermal.

Expanding clean energy infrastructure and realizing technological improvements in developing countries contributes not only to economic growth but also to environmental sustainability.

We increase access to clean energy and directly contribute to global sustainable development goals through renewable energy projects in regions with limited access to energy, such as Pakistan and Palestine.

We minimize our environmental impact, protect biodiversity and ensure efficient use of water resources through the environmental improvement projects we implement at our geothermal, wind and solar power plants.

As Zorlu Enerji, we continue to create economic, social and environmental benefits and work for a sustainable future with the renewable energy projects we realize both in Türkiye and internationally.

WE ARE BUILDING A CLEAN FUTURE

We develop projects to reduce carbon emissions in the energy sector and increase the efficiency of power plants.

As Zorlu Enerji, we develop sustainable and innovative solutions with our renewable energy investments.

PRODUCT AND SERVICE QUALITY

Our Products and Services with Environmental and Social Contributionz

We shape our products and services in line with the United Nations Global Principles and Sustainable Development Goals. By always prioritizing our environmental and social responsibility,

- we take an active role in the fight against the climate crisis and develop solutions that reduce carbon emissions.
- we minimize environmental and social impacts in the regions where we operate.
- we create long-term value and ensure sustainable growth by collaborating with our stakeholders.
- we build a clean future by investing in innovative projects that promote energy transition.

Within this scope, we develop projects to reduce carbon emissions in the energy sector and increase the efficiency of power plants. We support sustainable material management through our efforts to recycle wind turbine blades and include them in the circular economy. Furthermore, we identify the processes that create a carbon footprint in the electricity distribution sector and implement projects to reduce them directly or indirectly.

We continue to minimize our environmental impact and pioneer transformation in the sector by integrating innovation into all our processes in line with our goal of creating a low-carbon and sustainable energy ecosystem.

Renewable and Clean Energy Production

As Zorlu Enerji, we develop sustainable and innovative solutions with our renewable energy investments. We meet Türkiye's energy needs with an environmentally friendly approach by utilizing clean energy sources such as wind, solar, hydroelectric, geothermal and biomass, while reducing foreign energy dependency.

Our hydroelectric power plants contribute to agricultural sustainability by encouraging the efficient use of water resources, while our geothermal energy investments support greenhouse cultivation and tourism, revitalizing the local economy.

Responsible Investment and Geothermal Energy

Geothermal energy not only provides clean electricity generation, but also supports employment and regional development. With the GECO (Geothermal Gas Emissions Control) Project, we increase green energy production by reducing carbon emissions at our power plants. Carbon capture and storage activities carried out at Kizildere III Geothermal Power Plant contribute to low-carbon energy production and support economic sustainability.

Electric Transportation: Zes/Electrip

Zes, our electric vehicle charging network brand, supports the spread of electric vehicles with its stations in Türkiye and Europe. Our charging stations operate on renewable energy, contributing to lower carbon emissions and encouraging the use of electric vehicles by reducing range anxiety.

Zes Solar: Solar Energy Solutions

With Zes Solar, we offer solar energy solutions to individuals and businesses and facilitate their transition to clean energy with installation and consultancy services. These systems both reduce energy costs and reduce carbon footprint.



Wind Turbine Repair, Maintenance and Operation Services

We offer wind turbine repair, maintenance and operation services to ensure the sustainability of renewable energy systems. While increasing the long-term efficiency of systems, we encourage the conscious participation of users in energy generation processes.

Detailed information can be found in Zorlu Enerji's Areas of Activity and Interaction, Our Contribution to Global Decarbonization with Our Products and Services, and Communication with Local Communities and Socio-Economic Contributions.

QUALITY AND SAFETY OF OUR PRODUCTS AND SERVICES

We strive to keep quality and efficiency at the highest level in our production processes and to provide uninterrupted and high-quality service to the market by developing our supply chain from end to end in line with the principle of operational excellence, which is one of the cornerstones of our corporate strategy. To this end, we invest in digitalization and automation and continuously improve our processes.

We establish and operate management systems in line with global standards to improve product and service quality, especially the ISO 9001 Quality Management System in all our business processes.

We pay full attention to health and safety regulations. Aiming to exceed the standards, licensing and certification requirements for electric vehicle chargers in Europe, Electrip takes a comprehensive approach to meet the safety and quality expectations of its products.

Our CE certified models are equipped with overcurrent and residual current protection relay, compliance with international standards, mechanical durability, user-friendly interface and authentication features. Zes TR's ISO 9001, ISO 14001 and ISO 45001 certifications once again demonstrate our commitment to quality, environmental management and occupational health and safety.

As Zorlu Enerji, with our meticulous attention to product quality and safety, we are committed not only to providing our customers with high quality products, but also to ensuring the safety of these products at the highest level.

Secure Energy Supply

As a company that focuses on electricity generation in four different countries in addition to our electricity and gas distribution operations in Türkiye, our main goal at Zorlu Enerji is to provide uninterrupted energy. We are increasing our investments for secure energy supply and working to strengthen the security of energy supply in the countries where we operate, in line with the **Access to Energy Commitment**, with our pioneering position in the sector and high production capacity. In addition, in line with our commitment to support access to secure energy for communities facing challenges in accessing affordable and clean energy, we are directing our investments towards this goal

Data Privacy and Cyber Security

As Zorlu Enerji, we adopt the highest standards in the protection of customer data and cyber security and implement strong policies and practices in these areas. We are committed to protecting the confidentiality and data integrity of our customers and the public, and we demonstrate our compliance with international standards with our **ISO 27001 Information Security Management System certification**.

ZWe meticulously implement all necessary measures against cyber-attacks, unauthorized access and data leaks

We recognize that cybersecurity threats are dynamic and constantly evolving. Therefore, we invest in comprehensive security initiatives to safeguard our systems, applications and information stores. Our security strategies include advanced technology, effective process management, competent human resources, continuous training programs, disaster recovery plans and regular testing and evaluation based on best practices. We regularly provide cyber security and information security trainings to our employees and raise their awareness. These trainings both make our employees more aware of potential threats and strengthen our organizational security culture.

Information Technology Governance

Our information security management is based on the principles of proactive approach and continuous improvement. Our management approach aims to increase the reliability and efficiency of all our processes. The CTO is responsible for information security and cyber security at the holding level. On the Zorlu Enerji side, our IT & Business Development Director leads the information security processes and regularly reports to our Zorlu Holding CTO on information security issues. This structure enables Zorlu Enerji's cyber security strategies to be implemented in an integrated manner with the Holding.

We continue planning efforts to address data security and cyber security risks in the Early Detection of the Risks Committee within the Board of Directors. We aim for this committee to contribute to the prioritization and assessment of data security and cyber threats in the company's risk management processes.

WE ATTACH GREAT IMPORTANCE TO THE PRIVACY OF OUR CUSTOMERS

We take a transparent approach to the collection, storage, processing and use of customer data.



Customer Categories:

- Residential Units: Individual users are one of the most important parts of the Zorlu Enerji family. Together with OEDAŞ and OEPSAŞ, we provide 3,389,817 residential customers with comfort and security in their homes.
- Commercial and Government Institutions: We are working to meet the energy needs of businesses and public institutions and support them to maintain their operations without interruption. With OEDAŞ, we serve 325,000 corporate customers in this field.
- Agricultural Irrigation: We are aware of the importance of the agricultural sector for our country. With OEDAŞ, we provide uninterrupted energy to our 37,673 agricultural irrigation customers in order to increase the productivity of our farmers and help them use water resources more effectively.

Energy Companies:

- OEDAŞ and OEPSAŞ: We provide electricity distribution services in Osmangazi and its region and meet the energy needs of the region.
- Zorlu Elektrik: We operate in electricity retail sales, supplying electricity to our customers at competitive prices and with a customer-oriented service approach.

With our innovative subsidiary Zes/Electrip, we are realizing our sustainable energy vision. We aim to contribute to the spread of electric vehicles and increase sustainability in the energy sector by providing a comprehensive charging infrastructure service to electric vehicle users. By developing solutions customized to the needs of our customers, we make their lives easier and improve their electric vehicle experience.

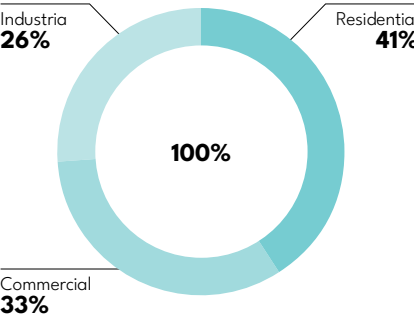
The services we offer through Zes/Electrip appeal to both individual and corporate customers. Thanks to this diversity, we reach a wide customer portfolio. As of 2024, we are proud to serve nearly 250 thousand customers.

What we offer with Zes/Electrip?

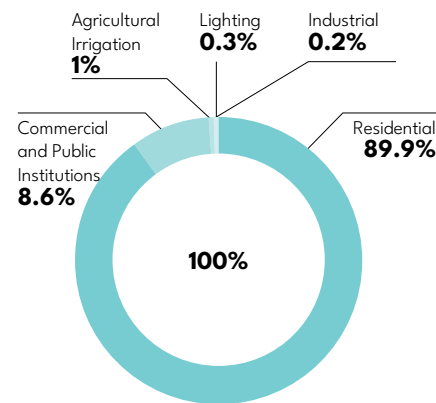
- Extensive Charging Network: With our charging stations located at strategic points across the country, we offer a network where electric vehicle users can meet their charging needs at any time.
- Fast and Reliable Charging: With our latest technology chargers, we provide a fast and reliable charging experience. Our customers can continue their journey without wasting time.
- User Friendly Mobile Application: With the Zes mobile application, our customers can find the nearest charging station, start and stop the charging process and make payments easily.
- 24/7 Customer Support: We provide 24/7 support to our customers in case they face any problem.

At Zes/Electrip, we believe in the future of electric vehicles and play an active role in shaping it.

Total Delivered Electricity Amounts (MWh)



ELECTRICITY DISTRIBUTION, RETAIL SALES (OEDAŞ and OEPSAŞ)



During the reporting period, there were no incidents of leakage, loss or theft of customer data.

Employee Data Privacy

Employees' personal data are retained with due diligence within the framework of confidentiality principles, and legal requirements regarding the protection of personal data are meticulously implemented. In accordance with the same principles, employees are expected to strictly protect the confidentiality of all technical information including the Company's proprietary programs, brand names and database.

Customer Data Privacy

We attach great importance to the privacy of our customers. We take strict measures to ensure the confidentiality of sensitive data such as account numbers, passwords, personal information and identification numbers. In this context, the management system used in our sales and service network enables centralized storage and control of customer data. In addition, in order to inform our customers about our information security policies, we send the necessary information via text message during the subscription process and provide detailed information through our website and call center.

We take a transparent approach to the collection, storage, processing and use of customer data. Our customers can request information about how their private data is managed, request the transfer of data to other service providers, request correction or deletion of data. We explicitly recognize these rights. We retain personal data only for the period necessary for the purpose for which they are processed and for the periods stipulated by the legal legislation. We securely dispose of personal data whose retention period has expired in accordance with the applicable laws.

During the reporting period, there were no incidents of leakage, loss or theft of customer data.

As Zorlu Enerji, we continue to work to ensure the security of our customers' data and to maintain their trust in us. With technological innovations and a people-oriented approach, we aim to remain a leader in cyber security.

Personal Data Protection and Processing Policy

Within the scope of the Personal Data Protection and Processing Policy, necessary measures are taken according to the nature of the data to be protected in order to prevent unlawful disclosure, access, transfer or other security deficiencies that may occur in other ways. The Policy covers all operations and suppliers of Zorlu Enerji. The Legal Directorate is responsible for the implementation of the policy. The privacy policy is managed in an integrated manner with the risk and compliance system. Disciplinary action is taken depending on the level of violation; violations are not tolerated. Compliance with the privacy policy is audited both by internal audit and by third parties. You can access the Personal Data Protection and Processing Policy from the [link](#).

Customer Satisfaction

As Zorlu Enerji, we stand out in the energy sector with our strategies focused on sustainability and customer satisfaction. We are constantly working to make our customers' lives easier and provide them with the best service. Our wide-ranging customer portfolio is structured to meet different needs and expectations. We know that each of our customers is special, and we strive to offer them personalized solutions.

Customer Profile

In order to better understand our customers and respond to their needs more effectively, we segment them in detail on an organizational basis. These segments can be listed as Residential, Commercial and Public Institutions, Agricultural Irrigation, Lighting, Industry, Electricity Generation and OIZ.

WE AIM TO ENHANCE CUSTOMER SATISFACTION

We maintain our understanding of quality and sustainable service with a customer-oriented approach.

Customer Experience

As Zorlu Enerji, we always prioritize customer satisfaction. We maintain our understanding of quality and sustainable service with a customer-oriented approach. We aim to increase customer satisfaction by offering innovative services and making improvements in areas with continuous development potential.

We regulate our customer relations with our **Customer Relations Manifesto** and position our customers, who play a critical role in our success, among our key stakeholders. Operating in the electricity, charging stations and natural gas sectors, we strive to maximize customer satisfaction

In order to manage customer expectations correctly and improve their experiences, we regularly conduct surveys and take actions based on the results of these surveys. We maintain uninterrupted communication with our customers 24/7. In addition to traditional channels such as provincial directorates and call centers, we respond to every request quickly and easily with digital solutions such as WhatsApp line, mobile application and artificial intelligence supported chatbot. We continuously improve our service quality with feedback while informing about activities and planned outages through many channels such as ALO 186, website IVR system, SMS and e-mail.

With the Satisfaction 4.0 R&D project developed by OEPSAŞ and approved by EMRA, we renew our CRM and smart IVR systems and offer customized solutions for the energy sector. We were entitled to receive ISO 18295-1 and ISO 18295-2 standard accreditation, which proves that we carry out our call center activities in accordance with international standards. This accreditation is an indication that we provide 24/7 uninterrupted and quality service with ALO 186 OEDAŞ solution center.

We measure customer satisfaction in all channels where we reach out to customers through various methods. We monitor customer feedback instantly and report it in certain periods. In this way, we pioneer projects to improve customer experience. "Energy" Thanks to the Customer Experience Project we launched in 2020, we design customer experiences from scratch. We have launched call center services for charging stations in the countries we serve under Electrip Global, with customer representatives available in local languages and English. In this way, we can manage the needs and complaints of our customers in these countries more effectively.

We evaluate the KPIs we measure in our Call Center and our digitalization-oriented efforts on a brand basis and aim to achieve our quality targets. We are successfully meeting these goals with the call center we commissioned in Eskişehir. At Zorlu Enerji, we support our call center service with technological investments in order to provide uninterrupted service in possible disaster situations.

Thanks to our outstanding efforts in customer experience and call center management, we won many prestigious awards in 2024.

- We ensure customer satisfaction while providing electricity distribution services in the provinces where we operate. As a result of our efforts in this direction, we received the bronze award in the "Success in Customer Satisfaction" category at the Stevie International Business Awards.
- We have once again proven our success in managing customer experience in the best way! We won the Diamond Award for the sixth time by ranking first in the A.C.E. Awards (Achievement in Customer Excellence) organized by the Şikayetvar web platform for the ninth time this year.

Our customer satisfaction rates are as follows:

- OEDAŞ: 88.7% satisfaction rate with the participation of 27,043 customers
- OEPSAŞ: 95.2% satisfaction rate with the participation of 5,581 customers

Our Customer Satisfaction Policies:

- **OEDAŞ Customer Satisfaction Policy**
- **OEPSAŞ Customer Satisfaction Policy**



Satisfaction 4.0 Projecti

We are making a difference with the Satisfaction 4.0 Project, which we implemented to increase customer satisfaction and pioneer digital transformation in the energy sector. With the project, we have developed a smart system that can identify which region our customers are calling from and instantly provide outage and fault information only for the city they are interested in. In this way, we automatically identify which fault or outage customers are affected by and provide them with the information they need via interactive voice response.

We have integrated this project with our diversified communication channels as part of our general approach to customer service. By providing 24/7 service through ALO 186 OEDAŞ Solution Center, our mobile application, e-mail and website, we facilitate our customers' interactions with us and ensure that they can perform all their processes easily and efficiently.

In the second phase of Satisfaction 4.0, we developed innovations such as enabling consumers to report faults and outages at the click of a single button, chatbot and live chat services, and customer support via WhatsApp. These innovations contribute to our goal of further improving the customer experience and increasing customer satisfaction to 100%.

Son Ödeme Tarihi Sizden Sorulur

As Zorlu Enerji, keeping customer satisfaction at the highest level forms the basis of our business strategy. Accordingly, we continuously make improvements and develop innovative solutions. The "Son Ödeme Tarihi Sizden Sorulur" campaign, which we launched to make life easier for our subscribers, is an example of this approach.

We realized that our subscribers may need to change their invoice payment dates for reasons such as job changes, retirement, scholarships or payment plans. Therefore, we launched a campaign where they can set their own invoice payment due dates.

We continue our work at full speed to raise customer satisfaction even higher and always go beyond expectations.

CORPORATE GOVERNANCE

FOCUSING ON THE ENERGY OF THE FUTURE WITH STRONG FOUNDATIONS

As we confidently advance toward the energy of the future, we establish a strong foundation of corporate governance through our experienced team, transparent processes, and accountability.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

Additional Disclosures within the scope of the Regulation No: 28395 dated 28 August 2012 on the Determination of the Minimum Content of Annual Reports of Companies

GENERAL INFORMATION

Reporting Period:	1 January - 31 December 2024
Commercial Title:	Zorlu Enerji Elektrik Üretim AŞ
Trade Registry Information:	Bursa Trade Registry Directorate, No: 33550
Authorized Share Capital:	TRY 6,000,000,000
Paid-in/Issued Capital:	TRY 5,000,000,000
Approximate Number of Employees:	2,107
Web Address:	www.zorluenerji.com.tr
Contact Address:	İstanbul Head Office: Levent 199, Büyükdere Caddesi No: 199 34394 Şişli - İSTANBUL Tel: (0212) 456 23 00 Bursa (Central): Organize Sanayi Bölgesi, Pembe Cadde, No: 17 16159 - BURSA Tel: (0224) 242 56 16

SHAREHOLDING STRUCTURE AND CAPITAL DISTRIBUTION

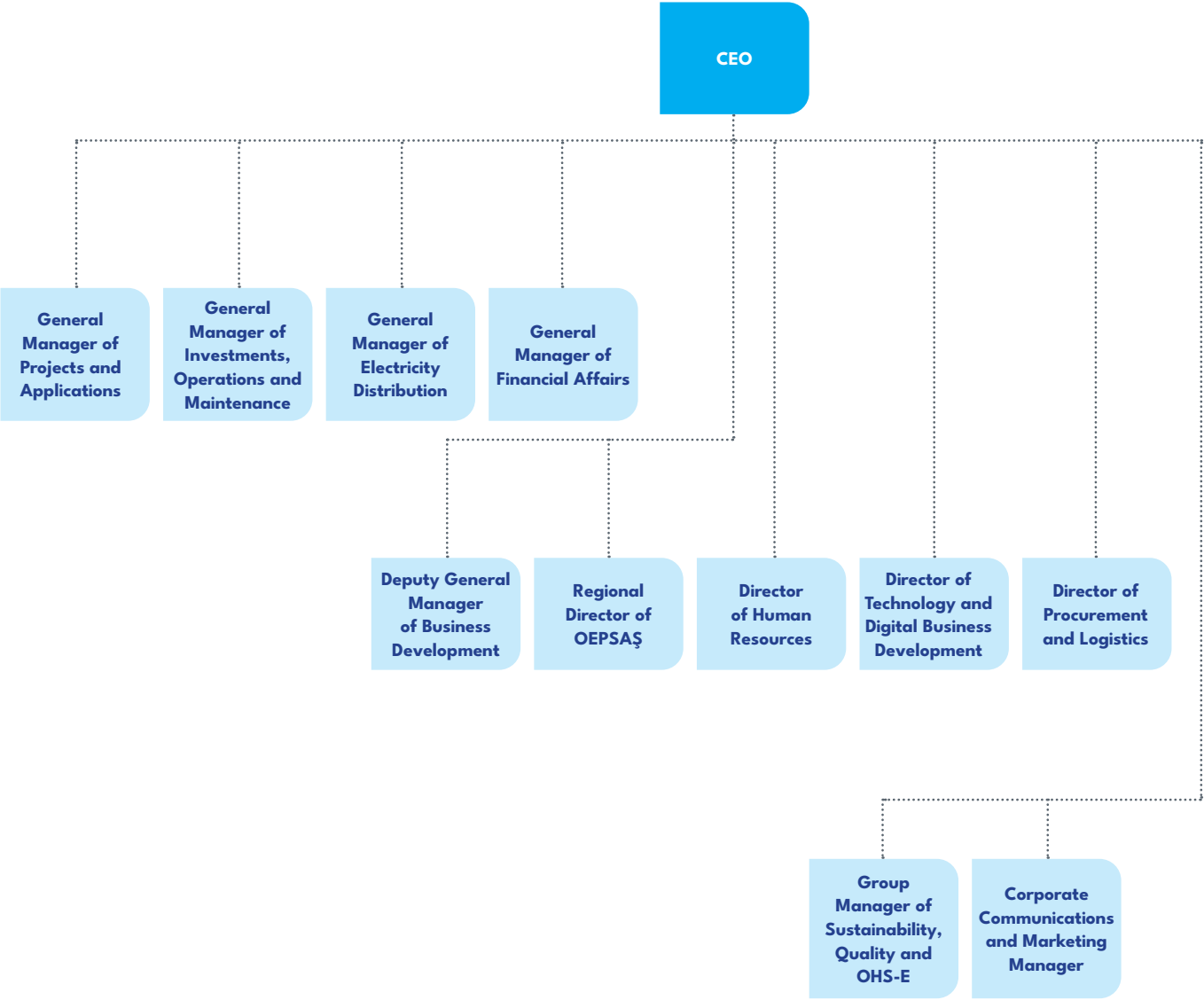
Paid-in capital of Zorlu Enerji as of 31 December 2024 is TRY 5,000,000,000 and the company's shareholding structure and capital.

COMMERCIAL TITLE OF THE SHAREHOLDER	NOMINAL VALUE OF THE SHARES (TRY THOUSAND)	EQUITY SHARE (%)
Zorlu Holding AŞ	1,615,434	32.31
Publicly traded	1,869,981	37.40
Korteks Mensucat Sanayi ve Ticaret AŞ	877,373	17.55
Wren House Infrastructure LP	617,212	12.34
Vestel Elektronik Sanayi ve Ticaret AŞ	20,000	0.40
TOTAL	5,000,000	100.00

PRIVILEGED SHARES AND VOTING RIGHTS OF SHARES

Pursuant to the Article 7 of the Company's Articles of Association, Group A shareholders have a privileged right in the election of the members of the Board of Directors. Accordingly, the Board of Directors consists of at least five (5) and at most eleven (11) members, all of whom will be elected by the General Assembly from among the Group A shareholders or among the candidates nominated by these shareholders.

ORGANIZATIONAL STRUCTURE*



* Chart shown as of 1 February 2025.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

BOARD OF DIRECTORS

Members of the Board of Directors appointed at the 2023 Ordinary General Assembly Meeting held on 27 May 2024, have been serving throughout the reporting period and their terms of office are presented in the table below.

FULL NAME	POSITION	TERM OF OFFICE		MOST RECENT		MEMBERSHIP STATUS
		Beginning Date	Ending	Positions Assumed Within the Group	Positions Assumed Outside the Group	
Ahmet Nazif Zorlu	Board Member	27 May 2024	Until 2024 Ordinary General Assembly Meeting	Chairman of the Board of Zorlu Group Companies	-	Non-executive member
Yusuf Günay	Vice Chairman	27 May 2024	Until 2024 Ordinary General Assembly Meeting		Board Member of Tatlıpınar Enerji Üretim A.Ş.	Independent
Selen Zorlu Melik	Board Member	27 May 2024	Until 2024 Ordinary General Assembly Meeting	Board Memberships in Zorlu Group Companies	-	Non-executive member
Mümin Cengiz Ultav	Board Member	27 May 2024	Until 2024 Ordinary General Assembly Meeting	Vestel Elektronik, Vestel Beyaz Eşya, Zorlu Renewable Board Member		Non-executive member
Bekir Cem Köksal	Board Member	27 May 2024	Until 2024 Ordinary General Assembly Meeting	Zorlu Holding CEO Vestel Group of Companies Executive Board Member, Vestel Elektronik Sanayi ve Ticaret AŞ Board Member, Vestel Beyaz Eşya Sanayi ve Ticaret AŞ Board Member, Board Memberships in other Zorlu Group companies	-	Executive Member
Betül Ebru Edin	Board Member	27 May 2024	Until 2024 Ordinary General Assembly Meeting	Zorlu Renewable Independent Board Member	Fibabanka, Mavi Jeans, MLP Care, Rönesans Gayrimenkul Independent Board Member	Independent Member
Cem Mengi	Board Member	27 May 2024	Until 2024 Ordinary General Assembly Meeting		Founding Chairman of CM Capital Management	Independent Member

Amendments to the Board of Directors during the Reporting Period

The new Board of Directors was appointed at the Ordinary General Assembly dated 27 May 2024.

Duties and Authorities of the Members of the Board of Directors

The Chairman and the members of the Board of Directors have the duties and authorities set forth in the relevant articles of the Turkish Commercial Code and the Company's Articles of Association.

Number of Board Meetings Held During the Year and the Attendance of the Board Member

The Board of Directors convened 9 times in 2024. Meetings were held simultaneously in person and in virtual environments. Majority of the Board members attended the meetings on a regular basis and the attendance rate of the Board members in the Board Meetings was 91%.

SENIOR EXECUTIVES (*)

FULL NAME	POSITION
Elif Yener	CEO
Aydın Akat	General Manager Responsible for Industrial Projects and Applications
Ali Kindap	General Manager Responsible for Investments, Operations and Maintenance
Fuat Celepci	General Manager Responsible for Electricity and Gas Distribution Operations
Murat Kubilay Şimşek**	General Manager of Financial Affairs
Nihat Türksever	Assistant General Manager for Business Development
Tamer Akaslan	OEPSAŞ Regional Director
Ramazan Harbili**	Director of Human Resources
Fulya Bıçak Muştu**	Director of Information Technologies and Business Development
Ersen Mustafa Özyılmaz	Director of Purchasing and Logistics
Tamer Soylu	Sustainability, Quality and HS-E Group Manager

(*) As of 1 January 2025, only executives directly reporting to the CEO are included in the table.
(**) This title is matrix linked to the CEO and the Holding is directly linked to the relevant Group Head.
(***) As of 1 February 2025, this title is a direct report to the CEO

Amendments to the Senior Executives during the Reporting Period

Serving as the Human Resources Director, Ms. Serpil Köşker resigned in May 2024 and was replaced by Ms. Ramazan Harbili.

Information on the Number of Employees

Total average number of employees of the Company in 2024 is 2,107.

Information on the Transactions of Board Members Conducted with the Company on Behalf of Themselves or of a Third Party and their Activities within the Scope of Non-Solicitation

At the Ordinary General Assembly held on 27 May 2024, members of the Board of Directors were allowed to make certain transactions in 2023 within the framework of Articles 395 and 396 of the Turkish Commercial Code. Members of the Company's Board of Directors did not make any transactions in this regard during the year

Personnel and Labor Movements, Collective Bargaining Practices and Rights and Benefits Provided to Employees

As of 31 December 2024, Osmangazi Elektrik Dağıtım A.Ş., the indirectly wholly-owned subsidiary of the Company, has 614 employees working under the Collective Bargaining Agreement who can benefit from union rights as union members. All rights and interests of employees are protected and observed within the scope of Labor Law No. 4857

Amendments to the Articles of Association

There is no amendment to the Articles of Association.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

MONETARY BENEFITS PROVIDED TO BOARD MEMBERS AND SENIOR EXECUTIVES

At the Ordinary General Assembly Meeting of the Company for the year 2023 held on 27 May 2024, it was decided to pay a monthly net fee of TRY 25,000.00 to Mümin Cengiz Ultav, one of the members of the Board of Directors, a monthly net fee of TRY 100,000.00 to Mr. Yusuf Günay, one of the independent members of the Board of Directors, a monthly net fee of TRY 100,000.00 to Cem Mengi, one of the independent members of the Board of Directors, a monthly net fee of TRY 100,000.00 to Betül Ebru Edin, one of the independent members of the Board of Directors, and a monthly net fee of TRY 80,000.00 to Betül Ebru Edin, one of the independent members of the Board of Directors for the fiscal year 2024, and not to pay a Board membership fee to other members of the Board of Directors.

As of 31.12.2024, the salaries, wages and allowances paid to the chairman and members of the Board of Directors and senior executives, including the effect of inflation, amounted to gross TRY 159,334 thousand.

Throughout the reporting period, no debt was given to any member of the Board of Directors or to the senior management, no loan was extended under the name of personal loans directly or through a third party, or no guarantee such as surety was granted in their favor.

FIELDS OF ACTIVITY OF THE COMPANY AND MATERIAL ISSUES WITH REGARD TO THE ACTIVITIES

Investments and Investment Incentives

The Company receives certain incentives through the relevant investment expenditures realized within the scope of investment incentives granted by the Incentive Implementation and Foreign Capital Directorate of the Ministry of Industry and Technology of the Republic of Türkiye. As of 31 December 2024, the amount of investment allowances accrued and carried over under these investment incentives is TRY 925,934,408.

Zorlu Jeotermal Enerji Elektrik Üretimi AŞ received the investment incentive certificate dated 25 April 2024 and numbered 567133 for its Alaşehir 1 GPP investment in Manisa Alaşehir district. The incentive certificate provides 100% customs duty exemption and VAT exemption for the purchase of new machinery and equipment and stamp tax exemption for the contracts to be made within the scope of the incentive certificate in accordance with the provision of Article 29 of the Law No. 6728 on Improvement of the Investment Environment.

Zorlu Doğal Elektrik Üretimi AŞ has received the investment incentive certificate dated 2 May 2024 and numbered 567295 for its Kızıldere 3 GPP investment in Denizli and Aydın provinces. The related incentive certificate provides 100% customs duty exemption and VAT exemption for the purchase of new machinery and equipment and stamp tax exemption for the contracts to be made within the scope of the incentive certificate in accordance with the provision of Article 29 of the Law No. 6728 on Improvement of the Investment Environment.

Zes Dijital Ticaret AŞ has received the investment incentive certificate dated 28 April 2022 and numbered 536058 for the electric vehicle charging station installation investments to be realized in various provinces and districts in Türkiye. The related incentive certificate provides VAT exemption for the purchase of new machinery-equipment and stamp tax exemption for the contracts to be made within the scope of the incentive certificate in accordance with the provision of Article 29 of the Law No. 6728 on Improvement of the Investment Environment.

OEDAŞ obtained an investment incentive certificate dated 10 November 2022 and numbered E-137424 (This document is issued to replace the incentive certificate dated 14 September 2022 and numbered D-137424) for the network and facility investments to be made in the electricity distribution region consisting of Eskişehir, Bilecik, Kütahya, Afyon and Uşak provinces. The related incentive certificate provides 100% customs duty exemption and VAT exemption for the purchase of new machinery and equipment and stamp tax exemption in the contracts to be made within the scope of the incentive certificate in accordance with the provision of Article 29 of the Law No. 6728 on Improvement of the Investment Environment. On 10.11.2024, the investment incentive certificate expired and an application for the closure of our incentive certificate was made to the Ministry of Industry and Technology General Directorate of Incentive Implementation and our certificate is in the process of closure.

The sections following paragraph (b) of the Provisional Article 69 of the Income Tax Law have been amended with the 5th article of the Law No: 6009 and it has been stated that the taxpayers can deduct the investment allowance exemption amounts that they could not benefit from in the previous years to be applied to their 2010 earnings, effective from 1 August 2010, and in the following section, it has been determined that the amount to be deducted as investment allowance exemption cannot exceed 25% of the related earnings. According to these provisions, the tax advantage that the Company can benefit from regarding the carried forward investment allowance amount has been extended indefinitely. However, in the current situation, although there is an annulment decision of the Constitutional Court regarding the application of the investment allowance exemption limited to 25% of the corporate income, a stay of execution has been issued since the decision has not yet been published. In the current practice, the Company can benefit from 100% of the investment allowance exemption in case of corporate income.

Direct and Indirect Subsidiaries and Equity Interests

As of 31 December 2024, the details of the Company’s direct subsidiaries and associates are as follows:

Direct Subsidiaries	Equity Interest	Main Field of Activity	Country
Zorlu Osmangazi Enerji Sanayi ve Ticaret AŞ (“Zorlu Osmangazi”)	100%	Distribution of electrical energy and other	Türkiye
Zorlu Yenilenebilir Enerji AŞ (“Zorlu Yenilenebilir”)	100%	Electricity generation and others	Türkiye
Eway Araç Kiralama Ticaret AŞ	100%	Renting and leasing of light motor vehicles	Türkiye
ZGP Pakistan (Private) Ltd. (“ZGP Pakistan”)	99.70%	Electricity generation and others	Pakistan
Zorlu Enerji Pakistan Ltd. (“Zorlu Enerji Pakistan”)	99.99%	Electricity generation and others	Pakistan
Zorlu Enerji İsrail Ltd. (“Zorlu Enerji İsrail”)	100%	Electricity generation and others	Israel
ZJ Strong Energy for Renewable Energy Limited Co. (“ZJ Strong”)	75%	Electricity generation and others	Palestine
Zador Israel Ltd. (“Zador”)	100%	Electricity generation and others	Israel
Zorlu Renewable USA Inc.	100%	Electricity generation and others	USA

The Company’s indirect subsidiaries are as follows:

Indirect Subsidiaries	Shareholder Direct Subsidiary and Share Rate	Main Field of Activity	Country
Osmangazi Elektrik Perakende Satış AŞ (“OEPSAŞ”)	100% Zorlu Osmangazi	Retail electricity sales	Türkiye
Osmangazi Elektrik Dağıtım AŞ (“OEDAŞ”)	100% Zorlu Osmangazi	Electricity distribution	Türkiye
Zorlu Doğal Elektrik Üretimi AŞ (“Zorlu Doğal”)	100% Zorlu Yenilenebilir	Electricity generation and others	Türkiye
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ (“Zorlu Jeotermal”)	100% Zorlu Yenilenebilir	Electricity generation and others	Türkiye
Rotor Elektrik Üretim AŞ (“Rotor”)	100% Zorlu Yenilenebilir	Electricity generation and others	Türkiye
Zorlu Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret AŞ (“Zorlu Elektrik”)	100% Zorlu Yenilenebilir	Wholesale buying and selling of electrical energy and/or capacity and other	Türkiye
Zorlu Renewable Pakistan (Private) Limited (“Zorlu Renewable Pakistan”)	99.70% ZGP Pakistan	Electricity generation and others	Pakistan
Zorlu Sun Power (Private) Limited (“Zorlu Sun Power Pakistan”)	99.70% ZGP Pakistan	Electricity generation and others	Pakistan
Zorlu Industrial Pakistan (Private) Limited (“Zorlu Industrial Pakistan”)	99.99% ZGP Pakistan	Engineering and consultancy activities for energy projects and other	Pakistan
Zorlu O&M Pakistan Limited (“Zorlu O&M Pakistan”)	99.99% ZGP Pakistan	Operation and maintenance activities for energy projects and other	Pakistan
Zorlu Solar Pakistan Limited (“Zorlu Solar Pakistan”)	99.70% ZGP Pakistan	Charging station maintenance, repair, installation, sale and other	Pakistan

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

Information on the Company’s Acquisition of its Own Shares

The Company did not acquire any of its own shares throughout the reporting period between 01.01.2024 - 31.12.2024.

Information on Special Audit and Public Audit

Within the framework of the compulsory regulations of the Capital Markets Board regarding the financial reporting and independent audit, the Company’s semi-annual and yearly financial statements are audited by an independent audit company.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ was appointed as the independent auditor for auditing the Company’s accounts and transactions for the fiscal year 2024 in accordance with the Capital Market Law, the Turkish Commercial Code and the related legislation in the Ordinary General Assembly Meeting held on 27 May 2024.

There was no special audit or public audit conducted specifically for Zorlu Enerji Elektrik Üretim throughout the accounting period.

Information on the Legal Proceedings initiated against the Company which could affect the Company’s Financial Status and Operations and Possible Consequences thereof

No material legal proceedings, which could affect the financial status and operations of the Company, were initiated against the Company throughout the period between 01.01.2024 - 31.12.2024.

Administrative or Judicial Sanctions Imposed against the Company or the Board Members Due to Practices in Breach of the Legislation
There is no administrative or judicial sanction applied against the Company or the members of the Board of Directors.

General Assembly Meetings

The decisions taken at the Company’s Ordinary General Assembly meeting held on 27 May 2024 have been implemented.

Donations and Social Responsibility Projects

In line with the Company’s Donation and Charity Policy, the total amount of donations and allowances extended in 2024, including the inflation effect, is TRY 62,570,481

Conclusions of the Subsidiaries Report Prepared Within the Scope of Article 199 of the Turkish Commercial Code

Within the scope of the relevant provisions of the Turkish Commercial Code (TCC), Zorlu Enerji is a subsidiary of Zorlu Holding A.Ş. in the 2024 operating year.

Pursuant to the Article 199 of the Turkish Commercial Code, Zorlu Enerji’s Board of Directors issued the following statements in its affiliation report, which was prepared regarding the Company’s relationship with the controlling company or an affiliated company of the controlling company:

““Our Company’s legal actions taken with the controlling company, or the companies affiliated to the controlling company for the benefit of the controlling company, or a company affiliated to it under the direction of the controlling company and any and all measures taken or avoided in favor of the controlling company, or a company affiliated to it in the 2024 operating year were evaluated based on the circumstances and conditions known to us. As a result of this evaluation, we declare that in all transactions in the 2024 operating year, an appropriate remuneration was received by our Company in accordance with the circumstances and conditions known to us, and that there was no measure taken or avoided that could harm the Company.”

Information on Transactions

No transaction was taken within this scope.

FINANCIAL STATUS

Determination and Evaluations of the Governing Body as to Whether the Company’s Capital Remains Unrequited or Whether the Company is Indebted

Within the framework of the calculations, taking into account the rates specified in Article 376 of the Turkish Commercial Code, the Company’s capital does not remain unrequited.

Qualifications and the Amount of Capital Market Instruments Issued

Information on the borrowing instruments issued by Zorlu Enerji is presented in the table below.

CORPORATE BONDS & COMMERCIAL BILLS

ISIN Code	Date of Issue	Term (Days)	Maturity (Date)	Nominal Value (TRY)	Type of Interest	Interest Rate	Coupon Payment
TRSZORN12512	14.12.2023	399	16.01.2025	141,850,000.00	Floating Rate	The greater of 49.00% annual simple for the first coupon, 49.00% annual simple for the remaining coupons and TLREF + 4% (BIST TLREF index change + 400 basis points additional return)	Monthly
TRSZORN22511	21.12.2023	426	19.02.2025	125,000,000.00	Floating Rate	The greater of 49.00% annual simple for the first coupon, 49.00% annual simple for the remaining coupons and TLREF + 4% (BIST TLREF index change + 400 basis points additional return)	Monthly
TRSZORN22529	1.02.2024	384	19.02.2025	278,800,000.00	Floating Rate	The greater of 49.00% annual simple for the first coupon, 49.00% annual simple for the remaining coupons and TLREF + 3% (BIST TLREF index change + 300 basis points additional return)	Quarterly
TRSZORN52518	7.03.2024	427	8.05.2025	181,000,000.00	Floating Rate	The greater of 52.00% annual simple rate for the first coupon, 52.00% annual simple rate for other coupons and average TLREF rate + 3.50% (arithmetic average of the BIST TLREF rate for the 3 business days prior to the coupon payment date + 350 basis points) additional return.	Quarterly
TRSZORN32510	7.03.2024	385	27.03.2025	400,000,000.00	Floating Rate	The greater of 52.00% annual simple rate for the first coupon, 52.00% annual simple rate for other coupons and average TLREF rate + 3.50% (arithmetic average of the BIST TLREF rate for the 3 business days prior to the coupon payment date + 350 basis points) additional return.	Quarterly
TRSZORN52526	4.04.2024	399	8.05.2025	174,450,000.00	Floating Rate	The Greater of 61.00% Annual Simple Return for the First Coupon, 61.00% Annual Simple Return for Other Coupons and TLREF + 3.00% (BIST TLREF Index Change + 300 Basis Points) Additional Return	Quarterly
TRSZORN62517	16.05.2024	399	19.06.2025	225,000,000.00	Floating Rate	The Greater of 61.00% Annual Simple Return for the First Coupon, 61.00% Annual Simple Return for Other Coupons and TLREF + 3.00% (BIST TLREF Index Change + 300 Basis Points) Additional Return	Quarterly
TRSZORN72516	13.06.2024	393	11.07.2025	260,580,000.00	Fixed	- 393 Days & 56.00% Annual Simple (Quarterly Fixed Coupon Bonds)	Quarterly
TRSZORN82515	11.07.2024	391	6.08.2025	600,000,000.00	Floating Rate	The Greater of 55.00% Annual Simple Return for the First Coupon, 55.00% Annual Simple Return for Other Coupons and TLREF + 1.00% (BIST TLREF Index Change + 100 Basis Points) Additional Return	Quarterly
TRSZORN92514	1.08.2024	399	4.09.2025	580,000,000.00	Floating Rate	The Greater of 54% Annual Simple for the First Coupon and 54% Annual Simple for Other Coupons and TLREF + 1.0% (BIST TLREF RATE + 100 Basis Points Additional Return)	Quarterly
TRSZORNE2510	29.08.2024	400	3.10.2025	200,540,000.00	Floating Rate	The Greater of 53% Annual Simple for the First Coupon and 53% Annual Simple for Other Coupons and TLREF + 0.25% (BIST TLREF RATE + 25 Basis Points Additional Return)	Quarterly
TRFZORN42516	29.08.2024	232	18.04.2025	43,530,000.00	Fixed	FIXED COUPON FINANCIAL BILL 52.5%	Quarterly
TRSZORNE2528	29.08.2024	400	3.10.2025	200,000,000.00	Fixed	Fixed 54.00% Annual Simple	Quarterly
TRSZORNE2536	12.09.2024	400	17.10.2025	305,000,000.00	Floating Rate	The Greater of 54.00% Annual Simple Return for the First Coupon, 54.00% Annual Simple Return for Other Coupons and TLREF + 0.50% (BIST TLREF Index Change + 50 Basis Points) Additional Return	Quarterly
TRSZORNK2512	3.10.2024	399	6.11.2025	508,000,000.00	Floating Rate	The Greater of 53% Annual Simple for the First Coupon and 53% Annual Simple and TLREF + 0.50% (BIST TLREF RATE + 50 Basis Points Additional Return) for Other Coupons	Quarterly
TRFZORN42524	24.10.2024	176	18.04.2025	52,000,000.00	Fixed	FIXED COUPON FINANCIAL BILL 49.75%	SINGLE COUPON PAYMENT ON REDEMPTION
TRSZORNA2514	14.11.2024	385	4.12.2025	456,200,000.00	Fixed	Fixed 51.00% Annual Simple	Quarterly

*TLREF: Turkish Lira Overnight Reference Interest Rate

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

A bond (Eurobond) amounting to USD 800,000,000,000 on 23.10.2024 and USD 200,000,000 on 07.11.2024, amounting to USD 1,000,000,000 in total, was issued by Zorlu Enerji to qualified investors abroad. USD 56.250.000 of the bond with a maturity of 5 years and a coupon payment of 11% every 6 months will be redeemed on 23.10.2027, USD 56.250.000 on 23.04.2028, USD 56.250.000 on 23.10.2028, USD 56.250.000 on 23.04.2029, USD 56.250.000 on 23.10.2029 and the remaining USD 718.750.000 on 23.04.2030. The bond is currently traded on the Irish Stock Exchange (Euronext Dublin).

Dividend Distribution Policy

Zorlu Enerji Elektrik Üretim A.Ş distributes dividends within the framework of the provisions of the Turkish Commercial Code, Capital Market Regulations, Tax Regulations and other relevant regulations, as well as the article on profit distribution of the Articles of Association. The amount of dividend to be distributed and the date of distribution are approved and decided upon by the General Assembly in line with the proposal of the Board of Director.

The Company has adopted the Dividend Distribution Policy of distributing at least 25% of its distributable profit in cash and/or as bonus shares. This policy is reviewed annually by the Board of Directors, by taking into account the domestic and global economic conditions, the Company’s growth and investment plans, and financial position. Amendments to the policy are submitted to the approval of shareholders at the first General Assembly meeting following the amendment and published on the Company’s website.

Distribution of profit shall begin on the date determined by the General Assembly, no later than the end of the year in which the General Assembly Meeting is held. Subject to the provisions of the legislation in force, the Company may consider distributing advance dividends or paying dividends in equal or in varying installments.

Concerning the Company’s 2023 accounting period: a net period loss was recognized in accordance with the financial statements prepared within the framework of the Turkish Commercial Code and Tax Procedural Law provisions, however Shareholders were notified at the 2023 Ordinary General Assembly Meeting that no profit will be distributed due to the existence of prior years’ loss although net profit was recognized for the period as per the consolidated financial statements prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards and the formats determined by the CMB Capital Markets Board’s (“CMB”) Communiqué No: II-14.1 on “Principles of Financial Reporting in the Capital Markets”

OTHER MATTERS

Information on Conflicts of Interest between the Company and the Institutions from which the Company Obtains Investment Consultancy, Rating and Similar Services, and the Measures Taken to Prevent Such Conflicts of Interest
None.

Information on Legislative Changes that could have a Significant Impact on the Company’s Activities
There were no legislative changes in 2024 that could significantly affect the Company’s activities.

Information on Cross-Shareholdings where Direct Participation in Share Capital exceeds 5%
None.

Information Mandatory to be Presented to Shareholders Regarding Related Party Transactions and Balances
Necessary explanations about the transactions realized by the Company with its related parties are included in the footnotes of the Company’s financial statements dated 31 December 2024.

INTERNAL AUDIT AND INTERNAL CONTROL SYSTEM

Structure and Activities of Audit Group Directorate

The internal audit of Zorlu Group companies is carried out by the centralized Internal Audit Department operating within Zorlu Holding since 2000. Relying upon International Internal Audit Standards, the Internal Audit Department conducts its audits in line with official regulations as well as the audit programs approved by the Board of Directors and shares the audit results for the year with the Board of Directors through both the audit reports drawn up following each audit and the annual reports prepared on an annual basis.

In addition to the Internal Audit Department, the Financial Audit and Tax Audit Departments were established in 2011 in order to perform financial audits across all Group companies, which commenced their activities in 2012. In the last quarter of 2013, the Internal Audit and Financial and Tax Audit Departments were gathered under the umbrella of Zorlu Holding General Directorate of Audit and Internal Control. In accordance with the evolving needs of Zorlu Group, the Tax Audit Department was restructured as Tax Audit Directorate as of 1 December 2015 while the Internal Audit Department was restructured into two distinct Directorates, namely, the Internal Audit Process Oversight and Internal Audit Inspection Oversight as of 1 January 2016. Following the completion of the organizational restructuring process in the General Directorate of Audit and Internal Control for the execution of internal control activities separately in 2017, the General Directorate of Internal Control has started to carry out its activities as an independent department as of 1 January 2018. As of 1 July 2021, an organizational change was made within the General Directorate of Audit. In this context, the tax consultancy function of the Tax Directorate, which performs tax consultancy and audit functions, was transferred to the Office of Chief Financial Officer.

As of 1 December 2021, the activities of the Internal Audit Process and Internal Audit Review Directorates were gathered under the umbrella of the Directorate of Internal Audit and Ethics with the addition of the ethics function.

As of 1 June 2022, the General Directorate of Audit has been restructured as Audit Department to report directly to the Board of Directors of Zorlu Holding as a result of the increasing importance of audit within the scope of the structuring of Zorlu Group towards corporate governance systems. The purpose, authorities and duties and the operating principles and structure of the Internal Audit Department have been defined by a series of board-approved documents circulated across Group companies, such as the “Audit Regulation” and the “Internal Audit Working Principles.”

Internal Audit Practices

Process audit activities are carried out in line with a board-approved, risk-based annual audit program to evaluate the effective and efficient use of resources, compliance to written rules (laws, regulations, internal policies and directives), and the accuracy, security and reliability of information.

Prior to each audit, internal auditors meet with senior management for risk assessment during which the risks that could jeopardize the Company’s targets are positioned on a risk matrix based on their potential impact and probability of occurrence. During audit field work, the effectiveness of internal controls for high-impact and high-probability risks are evaluated through tests. The results of the observations are shared with company executives in a draft report, which is then detailed with executives’ feedback and delivered to senior management in its final form. As a result, the department provides consultancy services with reasonable assurance while offering best practices drawing from synergy within the Group. One month after the issuance of the final report, actions taken (Treat, Terminate, Transfer, Tolerate) are reported to the Board of Directors in line with the 4T approach.

The Internal Audit Department organizes periodic meetings with the Audit Committee throughout the year. In these meetings, participants evaluate planned and actual audits, consultancy activities and special audits, etc. for the year ahead, share findings, review action plans, follow-up results based on these findings, and review plans for the upcoming period.

The 12-member Zorlu Group Internal Audit team is supported and encouraged by Zorlu Group to receive trainings to enhance and strengthen their existing knowledge, skills and other qualifications, to become members of relevant associations (e.g. (such as the Institute of Internal Auditors, Türkiye - TIDE), and to obtain professional international certifications by internal auditors. The team includes 3 CFE (Certified Fraud Examiner License), 1 CRMA (Certification in Risk Management Assurance), 1 CPA (Independent Accountant and Financial Advisor), 1 ISO 27001 LA (Chief Information Security Auditor), 1 CMB Level 3 and 1 CMB Derivative Instruments License.

Financial Audit

The Financial Audit Department has been carrying out their activities at Zorlu Group companies since 2012. Currently, a team of 5 people is carrying out inspection work in these departments.

This department ensures that the Group companies’ balance sheet and income statement accounts used for financial and tax reporting purposes are in conformity with the uniform chart of accounts, tax legislation and audit standards and provide reasonable assurance to the Board of Directors in these areas. Audit findings are reported to the Company executives and senior management.

In addition, the Financial Audit Team reviews the CMB compliant financial reports of the publicly listed companies of Zorlu Group and shares its comments with the relevant departments.

The Financial Audit Team includes 4 CPAs (Certified Public Accountant).

INTERNAL CONTROL AND CORPORATE RISK MANAGEMENT GENERAL DIRECTORATE STRUCTURE AND ACTIVITIES

The Internal Control and Corporate Risk Management Department coordinates the development of risk management and internal control systems that support the achievement of targets by taking into account the new business models, complex risks and technological requirements brought about by the changing business world and contributes to Zorlu Enerji Group’s development in terms of corporate governance and sustainability goals.

Internal Control Department Organization and Operations

The internal control function at Zorlu Enerji is carried out in a structure which is centrally coordinated within Zorlu Holding AŞ, as in other Zorlu Group companies. The purpose, duties and authorities and the working principles of the Internal Control Department and the professional and ethical rules to which it adheres, are defined in a series of documents such as the “Internal Control Regulation and “Internal Control Manual,” which were shared with the relevant managers. In addition, the basic internal control principles targeted to be implemented in our Group are defined in the “Zorlu Holding Internal Control Framework” and are shared in an up-to-date version accessible to employees.

“The internal control system is a system guided by the Board of Directors, managers and employees of the Company and implemented to provide reasonable assurance to ensure the effectiveness and efficiency of operations, the reliability of the financial reporting system and compliance with legal requirements.” The Internal Control Department guides and coordinates process owners and managers to establish and maintain effective and efficient internal controls with the aim of developing processes and internal control structures to ensure effective risk management at Zorlu Group.

The Internal Control Department assists executives and employees in identifying areas of improvement in existing processes and the internal control system as well as the actions to be taken in this context, utilizing information technologies in the aforementioned activities, implementing the specified actions, and monitoring their progress on a regular basis. In addition, the department provides continuous guidance to executives and process owners regarding these activities. It provides support in internal control, risk management and process development by taking part in the working groups of important projects that will improve process and information technologies. All relevant executives and employees of Group companies take part in the activities to establish, monitor and evaluate internal control systems and implement necessary measures.

The Internal Control Department prepares an annual, risk-based internal control plan and carries out its activities in a systematic, consistent, and disciplined approach. The internal control work plan is created based on risk-based evaluations by the Internal Control Department, requests from the Board of Directors and management, findings on internal control from audit activities conducted by the Audit Department, and corporate risk maps. The annual internal control work plan is submitted to the CEO and the Risk Committee for their information and approval.

Zorlu Group Internal Control team is also supported and encouraged by Zorlu Group to build upon their skills and expertise through further training, and to obtain membership in relevant professional associations and international professional certifications (such as CIA, CPA, CISA, CFE, CICA and CRMA).

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

Assessment of the effectiveness of the internal control system in the annual report

At Zorlu Enerji Group companies, it is the responsibility of all managers and employees to develop and implement internal control systems that contribute to the realization of targets. Furthermore, Zorlu Holding Internal Control and Corporate Risk Management Department supports and guides Zorlu Enerji Group companies in the development of risk-based, effective and efficient internal control systems, in the implementation of decided internal control actions, in the regular monitoring of the status of actions, and regularly presents the results of its work to the relevant senior management and the Early Detection of Risk Committee. Zorlu Holding Audit Group independently conducts audits on the existence and/or effectiveness of the internal control system in Zorlu Enerji Group companies in line with the risk-based annual audit plan, submits its reports to the Board of Directors and the Audit Committee, and regularly audits the actions of the findings specified in its reports and communicates the results to these authorities.

Corporate Risk Management Department Structure and Activities

As of January 2023, the corporate risk management function in Zorlu Enerji Group is carried out by the Corporate Risk Management Department, which is organized under the General Directorate of Internal Control and Corporate Risk Management, reporting to the CEO of Zorlu Holding. Zorlu Holding Corporate Risk Management Department carries out its duties by working together with the **Sector Corporate Risk Management Coordinator** appointed in Zorlu Enerji Group and the relevant management.

In order to ensure adequate oversight of **corporate risk management** processes, meetings of the **Early Detection of Risk Committee (EDRC)**, consisting of independent Board members, were held regularly in 2024 within the planned framework, where the main risks, emerging risks, issues related to risk appetite and risk culture, risk assessment results, determined risk mitigation actions and the status of these studies were discussed within the framework of the organization’s risk management. The decisions taken by the Committee as a result of its investigations, issues and reports on risks are presented to the Board of Directors. The General Directorate of Internal Control and Corporate Risk Management prepares the action follow-up, agenda and reporting of the Committee meetings; while the Sector President is a permanent invitee, company general managers and function leaders can be included in the meeting as participants on a subject basis. In addition, the Corporate Risk Management Department is a permanent member of the Sustainability Coordination Board.

Zorlu Group’s Corporate Risk Management team consists of individuals with advanced competencies in internal control, risk management, process development, system implementation controls, project management, and various sectoral experiences. Zorlu Group supports and encourages trainings on national and international professional platforms, representation and membership in relevant professional associations to improve the team’s existing knowledge and competencies.

Training and Awareness

The **“Corporate Risk Management Policy,”** which emphasizes the importance the Group attaches to Corporate Risk Management, includes the main principles regarding the risk management approach and is reviewed and approved by the Risk Committee, and the **“Corporate Risk Management Regulation,”** which includes the purpose, duties and authorities of the Corporate Risk Management Department, its working methods and the duties of all employees, especially the Group’s managers, in this field, and the relevant documents have been published on the company portals. These documents are reviewed every year and new versions are made available to all employees. In addition, in order to raise awareness of corporate risk management, a comprehensive training covering the functioning within the organization and the responsibilities of all employees in this area has been assigned as mandatory training for employees at all levels, and completion rates are monitored in the performance report cards of managers and employees.

Enterprise Risk Management

While evaluating the threats and opportunities in its enterprise risk management (ERM) approach, Zorlu Enerji Group always attaches importance to the fact that all executives should take into account its strategic goals and values in the decision-making stages. Accordingly, it is aimed to integrate the enterprise risk management approach into the strategies and corporate culture of the Group companies, to ensure all employees to take it into account at every stage from strategic management decisions to the execution of daily operations, to approach the risks from the perspective of threats and opportunities as a part of their performance and thereby to contribute to sustainable growth. In Zorlu Enerji Group, the financial, strategic, operational/organizational targets of the company management, starting with the CEO, include performance indicators related to the management of significant risks and the implementation of risk actions, and these factors are also taken into account in performance evaluations.

Within the framework of its holistic enterprise risk management approach, Zorlu Enerji Group aims to diagnose the potential consequences of situations that may jeopardize the continuity of the Group’s activities, to foresee the events that may hinder the achievement of its goals, to evaluate the risks subject to these events and to allocate the resources for the measures that can be taken and to develop and maintain a structure that will ensure constant surveillance of risks. Acting with the awareness of the significance of identifying non-financial risks as well as financial risks and developing a proactive approach against these risks, Zorlu Enerji Group positions the management of non-financial assets such as human, innovation and environmental capital in an important place in its corporate governance approach. The Group’s risk appetite and risk tolerance are taken into account, as a critical element of risk management and the effects of reputation, innovation, sustainability, occupational health and safety, human rights, environment, efficiency, employee and customer satisfaction and the Code of Ethics to which the Group does not compromise are also evaluated meticulously in addition to financial evaluations when determining these elements.

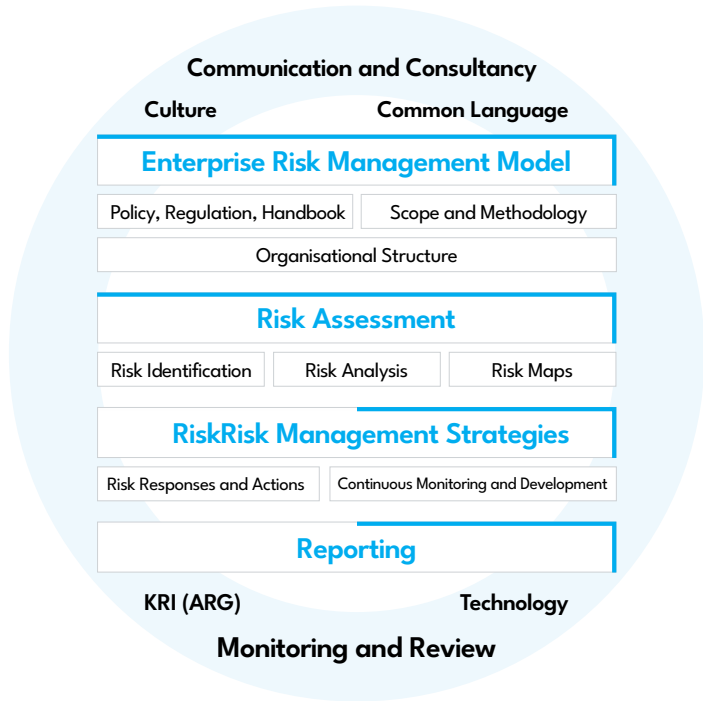
In the enterprise risk management systematic, all employees within Zorlu Enerji Group have the main responsibility for identifying, measuring and effectively managing the risks related to the activities and processes they own. It is aimed that process owners observe the risk appetite and tolerances of the organization in managing their processes and at every decision point.

As explained in the “Enterprise Risk Management Handbook” and in trainings with all managers, the risk universes created considering the core value chain are prioritized by scoring them based on impact-probability criteria matrices created considering risk appetite-tolerance levels in hierarchical workshops with **risk owners**, i.e., middle and senior managers at the first line. Risk management measures (**risk actions**) formulated for high-priority risks are authorized and implemented at the Board of Directors and Risk Committee levels. Though actions related are formally reviewed quarterly, reviews and, as the occasion demands, revisions are conducted with the relevant authorizations in regard to the list and levels of prioritized risk, taking account of recent developments and newly developed risks; a global evaluation for the entire universe of risk is replicated at least once a year.

Enterprise risk management is under the cover of international standards (IIA, COSO, ISO 31000). It is always in touch with the **process and risk owner roles** in the first line through guiding and coordinating. It works in close coordination with the **Internal Control Department**, also second line, by exchanging information on the current and future internal control design in terms of risks and the maturity of the related processes. The **Audit Group**, third line, takes the result of the enterprise risk assessment into consideration while developing the annual internal audit plan. Additionally, the two departments also share information and coordinate on unexpected happenings and arising threats in terms of risk issues.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

The Enterprise Risk Management Model Framework used in Zorlu Enerji Group companies is summarized below:



The Risk Management process consists of the following six sub-processes:

- 1. Enterprise Risk Management Model
- 2. Risk Assessment
- 3. Risk Management Strategies
- 4. Communication and Consultancy
- 5. Monitoring and Review
- 6. Reporting

Enterprise Risk Management Model: The enterprise risk management model contains the policies, regulations and directives required to carry out corporate risk management activities in an effective and sustainable structure, the risk management framework that includes the scope and methodology in detail, and the organizational chart that makes the functioning visible.

Risk Assessment: In identifying, analyzing and estimating the scope of risks, the business and dynamics the company operates in are taken into account, and internal and external expectations are considered logically and with common sense

Risk Management Strategies: Action plans must be determined for risks that are identified, named and defined, and whose impact, probability and level are determined as a result of scenario analysis. Risk action plans are the elaboration and transformation of risk strategies into concrete targets and their continuous monitoring and development.

Communication and Consultancy: One of the essential components for the success of an enterprise risk management framework and management system is the effective communication of enterprise risk management concepts, outputs and results, benefits, documents and internal/external benchmark studies to relevant employees.

Monitoring and Review: The monitoring and review role is to maintain and improve the quality and effectiveness of the design, implementation and results of the CRM process. Continuous monitoring and regular review of enterprise risk management processes and results is a structured element of risk management processes where responsibility is explicitly defined.

Reporting: The outputs of corporate risk management studies are shared through reporting at different levels according to the degree of importance and risk level.

Risk Types

Risks are examined under the following four groups according to their content. Risk types may be transitive within themselves (a risk may be defined in more than one risk type in terms of content). For example, a compliance risk can also be described as strategic risk. In this sense, the type of risk can be recorded on the corporate risk map in whichever way the qualifications and quantities of losses are more dominant.

- **Strategic Risks:** Structural risks that may prevent an institution from achieving its goals in the short, medium or long term can be classified under this heading. Risks such as planning, business model, market and competition, corporate communication, reputation, corporate governance are typical examples of strategic risk.
- **Financial Risks:** Financial risks refer to the risks that arise as a result of the institution’s financial position and choices. Among financial risks, risks such as credit, interest and liquidity take the lead.
- **Operational Risks:** Operational risks refer to risks that may prevent an organization from performing its core business activities. Risks such as natural disaster, business interruptions, supply, machine break-down/malfunction are some of the risks included in this category.
- **Compliance Risks:** It refers to the legal sanctions, material financial losses or reputational losses that the institution may face if it does not comply with the laws, regulations, Zorlu Group Code of Ethics and good practice standards.

Business Continuity Management

Similar to the organizational structure of Enterprise Risk Management, **Business Continuity Management Coordinators** have been designated by the management staff for the companies and trainings and workshops are organized every year with central coordination. Communication channels through which hierarchical notifications will be provided for events that may affect business continuity, crisis communication plans and management frameworks specific to the events have been established.

OPINION OF THE BOARD OF DIRECTORS REGARDING THE COMPANY’S INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

None.

Statement of Compliance with Corporate Governance Principles

Corporate governance practices were initiated at Zorlu Enerji Elektrik Üretim A.Ş in 2005 in accordance with the Corporate Governance Principles. Within the scope of these efforts, in the first stage, a series of amendments were made to the Company’s Articles of Association in order to provide an equitable, accountable, responsible and transparent structure to shareholders. Following the amendments to the Articles of Association, the corporate governance practices were continued with the establishment of corporate governance mechanisms within the Company. While the Board of Directors was vested with greater objectivity with the inclusion of independent members, committees were set up under the Board with the aim of further enhancing the effectiveness of corporate governance.

Zorlu Enerji Elektrik Üretim A.Ş. carries out all its activities in compliance with the applicable legislation and the Capital Markets Board’s “Corporate Governance Principles.” The Company fully complies with all the compulsory principles in the Corporate Governance Principles appended to the CMB’s Communiqué on Corporate Governance (II-17.1) and has also adopted the majority of the principles that are not mandatory. No conflict of interest has been noted between the stakeholders in relation to the principles that have not yet been fully complied with. Being aware of the positive contributions that adoption of the Corporate Governance Principles brings to the Company, Zorlu Enerji Elektrik Üretim A.Ş. continues its efforts to further improve its compliance with the Corporate Governance Principles and to comply with the non-mandatory principles that are not yet implemented.

The reporting period which ended on 31 December 2024, the compliance with the Corporate Governance Principles which are appended to the Communiqué on Corporate Governance and the explanations with regard to the principles that have not yet been complied with are included in the Corporate Governance Compliance Report (“URF”), the Corporate Governance Information Form (“KYBF”) and other relevant sections of the report. In case there are any amendments to the URF or KYBF throughout the period, these amendments are included in the interim activity reports in addition to making a special situation disclosure.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

CORPORATE GOVERNANCE COMPLIANCE REPORT

COMPLIANCE STATUS						
	YES	PARTLY	NO	EXEMPTED	NOT APPLICABLE	DESCRIPTION
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	x					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1- Management did not enter any transaction that would complicate the conduct of special audit.	x					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	x					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Assembly Meeting.					X	There was no such transaction in 2024.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related people, as well as the officers who are responsible for the preparation of the financial statements were present at the General Assembly Meeting.	x					
1.3.10- The agenda of the General Assembly Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		x				A separate item on donations and grants was included in the agenda of the General Assembly Meeting in order to inform the shareholders. In the relevant accounting period, general information is provided about the total amount of donations and grants made within the upper limit determined in the previous year's general assembly. In addition, in response to the detailed information requests of shareholders, general information is given at the General Assembly about the beneficiaries when necessary. The implementation is planned to continue in this vein in the following GAMs.
1.3.11 - The General Assembly Meeting was held open to the public, including the stakeholders, without having the right to speak.	x					
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	x					
1.4.2- The company does not have shares that carry privileged voting rights.	x					
1.4.3 - The company withheld from exercising its voting rights at the General Assembly Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					x	The Company has no cross-shareholding relationship which brings a controlling relationship.

COMPLIANCE STATUS						
	YES	PARTLY	NO	EXEMPTED	NOT APPLICABLE	DESCRIPTION
1.5. MINORITY RIGHTS						
1.5.1- The company pays maximum diligence to the exercise of minority rights.	x					
1.5.2- The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares and expand the scope of the minority rights.			X			The scope of minority rights has not been expanded in the Articles of Association and the provisions of the relevant legislation apply. No amendment to the Articles of Association is planned in this regard.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Assembly Meeting is posted on the company website.	x					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					As the Company operates in a regulated market, the acquisition of shares representing 5% or more of the share capital, directly or indirectly, by a real or a legal person and the transfer of shares that result in a change of control in ownership or other transactions that result in such a change are always subject to the approval of the Energy Market Regulatory Authority (EMRA) in line with the legislation and the Company's Articles of Association. However, EMRA's approval is not sought for changes in the shareholding structure arising from the transactions in publicly held shares.
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.		X				
2.1.2 - The shareholding structure (names, privileges, number and percentage of equity shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

CORPORATE GOVERNANCE COMPLIANCE REPORT

COMPLIANCE STATUS						
	YES	PARTLY	NO	EXEMPTED	NOT APPLICABLE	DESCRIPTION
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. COMPANY POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing mechanism is in place for the stakeholders to report transactions that are contrary to legislation and code of ethics.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S GOVERNANCE						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.			X			There is no such amendment in the articles of association.
3.2.2 - Surveys/other research techniques, consultation etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on Human Resources Development and organizes trainings for employees.	X					
3.3.4 - Meetings have been organized to inform employees about the financial status of the company, remuneration, career planning, training and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.					X	Employees are informed by their managers of any decisions that may affect them. There is no labor union at Zorlu Enerji.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees in detail, announced to them and taken into account to determine employee remuneration.	X					

COMPLIANCE STATUS						
	YES	PARTLY	NO	EXEMPTED	NOT APPLICABLE	DESCRIPTION
3.3.7 - Measures (procedures, trainings, raising awareness, goals, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.					X	There is no collective bargaining agreement at Zorlu Enerji.
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in the processing of their requests regarding the goods and services purchased.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHIC RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The Board of Directors has adopted a Code of Ethics and disclosed it on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility. It has further adopted measures to prevent corruption and bribery	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The Board of Directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The Board of Directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the Board of Directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and clearly defined.	X					

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

CORPORATE GOVERNANCE COMPLIANCE REPORT

COMPLIANCE STATUS						
	YES	PARTLY	NO	EXEMPTED	NOT APPLICABLE	DESCRIPTION
4.2.7 - The Board of Directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The Company has taken out a Directors and Officers liability insurance for an amount exceeding 25% of the capital, regarding the damages that may be caused to the company by the faults of the members of the Board of Directors during the performance of their duties.		x				The Company's controlling shareholder Zorlu Holding A.Ş. has taken out Directors & Officers Liability Insurance to cover the losses that may be suffered due to the misconduct of Board members during their term of office. The Policy covers all Zorlu Group companies including Zorlu Enerji. However, the annual insurance limit does not exceed 25% of the Company's share capital.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The Board of Directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.			X			There is currently no written policy or target regarding the appointment of female directors to the Board. However, diversity is observed in the candidate nomination process. The issue of constituting a written policy in the future is being considered. There are currently two female members on the Board of Directors, one of whom is independent, and the female member rate is 29%, and the minimum female member rate stipulated in the principle has been met.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/ accounting and finance.	x					
4.4. BOARD MEETING PROCEDURES						
4.1 - Each board member attended most of the board meetings in person	x					In 2023, Board meetings were held simultaneously in person and online and physical attendance was optional. Attending in person at meetings is essential.
4.4.2 - The Board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members	x					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	Although there was the option to do so, there was no Board member who could not attend the Board meetings and submitted his/her opinions in writing to the Board of Directors during the reporting period.
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board Meeting's minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					

COMPLIANCE STATUS						
	YES	PARTLY	NO	EXEMPTED	NOT APPLICABLE	DESCRIPTION
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Assembly Meeting.		X				Due to the significant contribution of the work experience and sectoral know-how of board members to the Board of Directors, they are not restricted from assuming other duties outside the Company, and no restriction is planned in this regard. The external commitments of the board members are presented in the annual report and in the AGM information document and presented to shareholders at the GAM.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Two independent members of the Board serve on more than one committee. Due to the number of the independent Board members, no change is planned regarding the current situation.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	x					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.	X					
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	x					
4.6. FINANCIAL RIGHTS PROVIDED TO MEMBERS OF THE BOARD OF DIRECTORS AND MANAGERS WITH ADMINISTRATIVE RESPONSIBILITIES						
4.6.1 - The Board of Directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		x				Remuneration of the members of the Board of Directors is submitted to the approval of the shareholders at the Ordinary General Assembly and disclosed in the annual report. However, other remunerations paid to the members of the Board of Directors and senior executives are disclosed collectively in the annual report in parallel with general practice. Considering the legislation on the protection of personal data, the practice of not disclosing salaries on individual basis will continue to be monitored.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

CORPORATE GOVERNANCE NOTIFICATION FORM

1. Shareholders	
1.1. Facilitating the Exercise of Shareholder Rights	
The number of investor meetings (conference, seminar/ etc.) organized by the company during the year	Throughout the year, a total of 20 meetings were held with investors via telephone, video conferencing and face-to-face.
1.2. Right to Obtain and Review Information	
The number of special audit request(s)	There was no request for the appointment of a special auditor in the reporting period.
The number of special audit requests that were accepted at the General Assembly Meeting.	None.
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/1281021
Whether the company provides materials for the General Assembly Meeting in English and Turkish at the same time	Yes, presented.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There was no such transaction in 2024.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	There was no transaction carried out within the scope of Article 9 in 2024.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/1350821
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations / Corporate Governance / Policies / Donation and Charity Policy
The relevant link to the PDP announcement with minutes of the General Assembly Meeting where the donation and charity policy has been approved	https://www.kap.org.tr/tr/Bildirim/206950
The provisions of the articles of association that discuss the participation of stakeholders to the General Assembly Meeting	None.
Identified stakeholder groups that participated in the General Assembly Meeting	Though there is no restriction regarding the participation of stakeholders in the general assembly meeting, there was no participation thereby other than the shareholders.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shareholder	None.
The equity share of the largest shareholder	32.31%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	None.
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations / Corporate Governance / Policies / Dividend Distribution Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	Pursuant to General Assembly Meeting No: 2024/22 dated: 03.05.2024: “Concerning the Company’s 2023 accounting period: a net period loss was recognized in accordance with the financial statements prepared within the framework of the Turkish Commercial Code and Tax Procedural Law provisions, however Shareholders were notified at the 2023 Ordinary General Assembly Meeting that no profit will be distributed due to the existence of prior years’ loss although net profit was recognized for the period as per the consolidated financial statements prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards and the formats determined by the CMB Capital Markets Board’s (“CMB”) Communiqué No: II-14.1 on “Principles of Financial Reporting in the Capital Markets.”
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	https://www.kap.org.tr/tr/Bildirim/1291463

GENERAL ASSEMBLY MEETING

General Assembly Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Assembly Meeting	Shareholder participation rate to the General Assembly Meeting	Percentage of shares directly present at the GAM	Percentage of shares represented by proxy at the GAM	The name of the page of the corporate website that contains the General Assembly Meeting minutes, and indicates for each resolution the voting levels for or against	The name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Assembly Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general assembly meeting notification
27.05.2024	0	53.70%	0.01%	53.68%	Investor Relations / Corporate Governance / General Assembly Meetings	Investor Relations / Corporate Governance / General Assembly Meetings	None.	0	https://www.kap.org.tr/tr/Bildirim/1292714

2. Public Disclosure and Transparency	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	The information requested in the corporate governance principle numbered 2.1.1. is available in the Investor Relations section of the Company’s website under the headings of “About Us, Corporate Governance, Financial Reports & Annual Reports, Information on Stock & Debt Instruments, Material Event Disclosures and Frequently Asked Questions.”
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	None.
List of languages for which the website is available	Turkish and English
2.2. Annual Report	
The page numbers and/or name of the sections in the annual report that demonstrate the information stated in corporate governance principle no. 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	It is presented in the Board of Directors and Corporate Governance sections of the annual report.
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	It is presented in the Corporate Governance section of the annual report.
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Included in the Additional Disclosures Pursuant to Legislation of the annual report.
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Included in the Additional Disclosures Pursuant to Legislation of the annual report.
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Included in the Additional Disclosures Pursuant to Legislation of the annual report.
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that purchase services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Included in the Additional Disclosures Pursuant to Legislation of the annual report.
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Included in the Additional Disclosures Pursuant to Legislation of the annual report.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results.	Included in the Human Capital, Social Capital and Value Creation Model (Our Sustainability Strategy) Sections of the annual report.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

3. Stakeholders	
3.1. Company Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Investor Relations / Corporate Governance / Policies / Employee Compensation Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	1
The position of the person responsible for the whistleblowing mechanism	On behalf of Zorlu Holding A.Ş Ethics Board, Zorlu Holding Internal Audit and Ethics Director (Senem Dal - senem.dal@zorlu.com)
The contact detail of the company whistleblowing mechanism	Code of Ethics Hotlines: etik@zorlu.com 0 (212) 456 23 23 / 0 (850) 226 23 23
3.2. Supporting the Participation of the Stakeholders in the Corporation's Governance	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Practices regarding the engagement of employees in management bodies are available in the Career / Human Resources Applications section of the website.
Corporate bodies where employees are actually represented	Sustainability Committee, Social Performance Team, Occupational Health & Safety Committee and Employee Representative Practice
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The succession plan is implemented within the scope of Zorlu Group Senior Talent Management Policy, under the coordination of the Human Resources Group Directorate, and in line with the opinion and approval of the Board of Directors by taking the recommendations of the Corporate Governance Committee.
The name of the section on the corporate website demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy	Human Resources Policy and practices, including equal opportunities and personnel recruitment criteria, are available in the Career / Human Resources Policy and Human Resources Applications sections of the website.
Whether the company provides an Employee Stock Ownership Plan (ESOP)	There is no Employee Stock Ownership Plan (ESOP)
The name of the section on the corporate website demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Human resources practices aimed at preventing discrimination and ill-treatment are available in the Career / Human Resources Applications section of the website.
Number of court decisions finalized against the company due to liabilities related to work accidents	0
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations / Corporate Governance / Code of Ethics
The name of the section on the company website demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues	Information on environmental, social and corporate governance issues is provided in the Sustainability Reports which are available in the Sustainability / Sustainability Management section of the Company's corporate website.
Any measures combating any kind of corruption including embezzlement and bribery	Available in Zorlu Holding's Ethical Principles in the Investor Relations / Corporate Governance / Code of Ethics Section of the Company's corporate website.

4. Board of Directors – I	
4.2. Activities of the Board of Directors	
Date of the last board evaluation conducted	None.
Whether the board evaluation was externally facilitated	No
Whether all board members were released from their duties at the GAM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Pursuant to the Board of Directors decision dated 28.05.2024 and numbered 2024/32 Chairman: Ahmet Nazif Zorlu Vice Chairman: Yusuf Günay Board Members: Selen Zorlu Melik, Mümin Cengiz Ultav, Bekir Cem Köksal, Cem Mengi, Betül Ebru Edin. Mr. Ahmet Nazif Zorlu and Ms. Selen Zorlu Melik are authorized to fully represent and represent the company in all matters and in all transactions and documents that will represent and bind the company and put it under commitment, with their joint signatures under the company title or the company seal showing the company title. Any one of Mr. Bekir Cem Köksal, Mr. Alp Dayı and Ms. Elif Yener and any one of Mr. Ahmet Nazif Zorlu or Ms. Selen Zorlu Melik are authorized to represent and bind the company in all matters and in the fullest sense with their joint signatures to be affixed under the company title or under the company seal showing the company title in all transactions and documents that will represent and bind the company and put it under commitment.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	2 (It is reported to the Early Detection of Risk Committee.)
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	It is presented in the Corporate Governance section of the annual report.
Name of the Chairman	Ahmet Nazif Zorlu
Name of the Chief Executive Officer (CEO)	İbrahim Sinan Ak
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	They are different individuals.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	There is Directors & Officers Liability Insurance for the damages which Board members may cause to the Company during their term of office, but the insurance limit does not exceed 25% of the Company's share capital.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	None.
The number and percentage of female directors within the Board of Directors	Number: 2 Rate: 29%

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

COMPOSITION OF BOARD OF DIRECTORS

Name, Surname of Board Member	Whether an Executive Role Is Assumed	Whether S/he Is an Independent Director or Not	Date of First Appointment to the Board	Link to tPDP Announcement Hosting the Declaration of Independence	Whether the Independent Member Has Been Evaluated by the Nomination Committee	Whether the Director who Ceased to Satisfy the Independence or Not	Whether the Director Has at Least 5 Years of Experience on Audit, Accounting and/ or Finance
Ahmet Nazif Zorlu	Non-executive	Not an Independent Member	17.05.2017				
Yusuf Günay	Non-executive	Not an Independent Member	27.05.2024	https://www.kap.org.tr/tr/Bildirim/1291459	Evaluated		
Selen Zorlu Melik	Non-executive	Not an Independent Member	10.05.2021				
Mümin Cengiz Ultav	Non-executive	Not an Independent Member	27.05.2024				
Bekir Cem Köksal	Executive	Not an Independent Member	4.06.2012				Yes
Cem Mengi	Non-executive	Independent Member	27.04.2021	https://www.kap.org.tr/tr/Bildirim/1146915	Evaluated	No	Yes
Betül Ebru Edin	Non-executive	Independent Member	27.05.2024	https://www.kap.org.tr/tr/Bildirim/1291459	Evaluated		Yes

4. Board of Directors - II	
4.4. Meeting Procedures of the Board of Directors	
Number of board meetings held physically or electronically during the reporting period	Board meetings are held physically, and remote participation is also provided for members who are out of the city. Physical attendance to meetings is essential. A total of 9 such meetings were held in 2024.
Average attendance rate at board meetings	91%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	The relevant information and documents are submitted to the members of the Board of Directors for review with sufficient time before the meeting.
The name of the section on the corporate website that determines how the board of directors' meetings will be held and provides information about internal regulations.	Specified in Article 7 of the Articles of Association which is available in the Investor Relations / About Us section of the website.
The upper limit specified in the policy for members to take on other duties outside the company	None.
4.5. Board Committees	
Page number or name of the relevant section in the annual report containing information about the board committees	It is presented in the Corporate Governance section of the annual report.
Link to the PDP announcement where the committee working principles are announced	https://www.kap.org.tr/tr/Bildirim/220219 , https://www.kap.org.tr/tr/Bildirim/261183 , https://www.kap.org.tr/tr/Bildirim/350849 , https://www.kap.org.tr/tr/Bildirim/350850 , https://www.kap.org.tr/tr/Bildirim/350851

BOARD COMMITTEES – I

Name of the Board Committees	Name of Committees Defines as “Other” in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Corporate Governance Committee	-	Betül Ebru Edin	Yes	Board member
Corporate Governance Committee	-	Cem Mengi	No	Board member
Corporate Governance Committee	-	Burak Şimşek	No	Not a board member
Audit Committee	-	Cem Mengi	Yes	Board member
Audit Committee	-	Yusuf Günay	No	Board member
Committee of Early Detection of Risk	-	Yusuf Günay	Yes	Board member
Committee of Early Detection of Risk		Betül Ebru Edin	No	Board member
Other	Strategy, Investment and R&D Committee	Yusuf Günay	Yes	Board member
Other	Strategy, Investment and R&D Committee	Betül Ebru Edin	No	Board member
Other	Strategy, Investment and R&D Committee	Bekir Cem Köksal	No	Board member
Other	Sustainability Committee	Betül Ebru Edin	Board member	Board member
Other	Sustainability Committee	Elif Yener	Board member	Board member

4. Board of Directors – III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/ website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/ website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the early risk detection committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
4.6. Financial Rights Provided to Members of the Board of Directors and Managers with Administrative Responsibilities	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Included in the Message from the CEO, Energy Industry in Türkiye, Zorlu Enerji's Operations in 2024 and Financial Figures sections of the annual report
Specify the section of website where remuneration policy for executive and non-executive directors are presented	Investor Relations / Corporate Governance / Policies / Remuneration Policy
The page number or section name in the annual report indicating the remuneration paid to board members and managers with executive responsibilities and all other benefits provided	Included in the Additional Disclosures Pursuant to Legislation section of the annual report.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

BOARD COMMITTEES – II

Name of the Board Committees	Name of Committees Defines as “Other” in the First Column	The Percentage of Nonexecutive Directors	The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	-	100%	100%	4	4
Corporate Governance Committee	-	100%	67%	2	1
Committee of Early Detection of Risk	-	100%	100%	6	6
Other	Strategy, Investment and R&D Committee	67%	67%	2	-
Other	Sustainability Committee	50%	50%	1	-

DUTIES AND AUTHORITIES OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors manages and represents the Company. In addition to this main task, the Board of Directors is also responsible for the Company's stakeholders (customers, employees, suppliers and other stakeholders).

- The following are the non-transferable and inalienable duties and powers of the Board of Directors:
- Managing the company at a high level and including the issue of instructions,
 - Determining the management organization of the company,
 - Establishing the necessary order for financial planning to the extent required by accounting, financial audit and management of the company,
 - Appointment and dismissal of managers and people serving the same purpose and who hold the authority to sign,
 - Higher supervision of whether the persons responsible for management act in accordance with the laws, articles of association, internal guidelines and written instructions of the Board of Directors,
 - Keeping the books of shares, the Board of Directors' resolutions and minutes of the general assembly meetings, preparation of the annual report and corporate governance report and submission to the General Assembly, organization of the General Assembly Meetings and execution of the General Assembly resolutions,
 - Taking the measures stipulated in the Article 376 of the Turkish Commercial Code in case of loss of capital or insolvency.

- In this context, the responsibilities of the Board of Directors are as follows:
- To act cautiously in line with duty of care and supervision,
 - To determine the company's short- and long-term goals,
 - To examine the strategies which will be implemented to achieve the company's goals, to contribute to their development and to ensure their implementation,
 - To examine the strategic and financial performance of the company and to take measures for improvement,
 - To appoint the general manager, evaluate him/her in accordance with certain performance criteria and to determine his/her remuneration,
 - To ensure the administrative and financial audit of the company,
 - To ensure that the Board of Directors has the structure and function required to ensure the effective and efficient operation of the sub-committees of the Board of Directors and senior management, and to determine their performance criteria,
 - To determine the communication and relationship approach taken by the company in communicating with the stakeholders and external authorities,
 - To determine and implement business ethics rules for the company and its employees,
 - To ensure that the company's internal and external activities and actions comply with the relevant legislation.

The Board of Directors is authorized to take decisions on all kinds of work and transactions as required to perform the company's business activities, except those to be taken by the General Assembly in accordance with the law and the Articles of Association.

BOARD COMMITTEES

- In line with the Capital Markets Board's Corporate Governance Principles, a Corporate Governance Committee, an Early Detection of Risk Committee and an Audit Committee were established to work under the Board of Directors to ensure that the duties and responsibilities of the Board of Directors be carried out effectively at Zorlu Enerji. Owing to the nature of the Board structure, the Company has not set up a separate "Remuneration Committee" or a "Nomination Committee," the duties of which are performed by the Corporate Governance Committee.
- As per the Corporate Governance Principle No. 4.5.3., all members of the Audit Committee and the chairpersons of other committees are elected from among the independent members of the Board. Also in line with the principles, the CEO does not take part in the Committees.
- Board Members Ms. Betül Ebru Edin, Mr. Mr. Yusuf Günay and Mr. Mr. Cem Mengi serve on more than one committee due to the number of the members of the Board of Directors and the committee formation requirements in accordance with the CMB's Corporate Governance Principles
- Committees convene at intervals stipulated by the legislation and the related Committee's working principles or upon a request from a member. The committees submit their reports containing information about their work and meeting results to the Board of Directors.
- All resources and support required for the committees to fulfill their duties effectively are provided by the Board of Directors. The committees can invite anyone they deem necessary to their meetings and take their opinions.
- Duties, working principles and the members of the Committees are determined by the Board of Directors and are publicly disclosed on the Public Disclosure Platform and the Company website.

SUSTAINABILITY COMMITTEE

- The Sustainability Committee is composed of at least two members, the committee chairperson is Ms. Betül Ebru Edin and the member is Ms. Betül Ebru Edin.

In line with the decision taken at the Board of Directors meeting dated 27 May 2024, the Committee's distribution of duties is as follows:

Committee Members	Role	Status
Betül Ebru Edin	Committee Chairman	Independent Board Member
Sinan Ak*	Committee Member	CEO

*Ms. Elif Yener was appointed as a Committee Member on 03.02.2025 instead of Mr. Sinan Ak.

- The Sustainability Committee operates in accordance with the Zorlu Enerji Sustainability Committee Working Principles.
- The Sustainability Committee held a meeting in 2024.
- The activities carried out by the Sustainability Committee in 2024 are listed below:
 - o Sustainability targets and current situation were reviewed.
 - o Developments and current status of ESG indexes were reviewed.
 - o Decarbonization strategy and carbon impacts of existing assets reviewed.
 - o Corporate memberships have been reviewed.
 - o It was agreed to revise the sustainability strategy in 2025

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

AUDIT COMMITTEE

- The Audit Committee was Set up for the effective oversight of the Company’s financial and operational activities pursuant to the Article 3 of the CMB’s Communiqué Serial X, No. 19. The Committee is responsible for overseeing the functioning and effectiveness of the Company’s accounting system, the disclosure of financial information to the public, independent auditing and the company’s internal control and internal audit system.
- The Committee can seek independent expert opinions on matters it deems necessary regarding its activities. Costs of consultancy services required by the Audit Committee are borne by the Company.
- Pursuant to the CMB’s Communiqué on Corporate Governance No. II-17.1, the “Working Principles of the Audit Committee” were revised and approved at the Board of Directors’ meeting dated 7 April 2014. The revised working principles were made available to shareholders through the Public Disclosure Platform and the Company’s website.
- The Audit Committee is structured in accordance with the Capital Markets Board’s Corporate Governance Principles. The Committee comprises of at least two members.
- The Chairman of the Committee was elected from among the independent members of the Board and certain criteria were considered in the election process. Care is taken to ensure that the Chairperson of the Committee previously held a similar role, has the knowledge to analyze financial statements, is well-versed in accounting standards, and is highly qualified.
- Both members of the Audit Committee were elected from among the independent Directors. The Chairman of the Committee is Mr. Cem Mengi while the other member is Mr. Yusuf Günay.

The structure of the Committee and membership information are as follows as per the decision taken in the Company’s Board meeting on 27 May 2024:

Committee Members	Role	Status
Cem Mengi	Committee Chairman	Independent Board Member
Yusuf Günay	Committee Member	Independent Board Member

- It is essential that the Audit Committee convenes at least 4 times a year including at least once every three months. The Committee convened 4 times in 2024.
- The Committee carries out its activities in line with the working principles set out in detail and in writing.
- The activities carried out by the Audit Committee in 2024 are as follows:
- Oversight of the Company’s financial and operational activities,
- Supervision and approval of the compliance of the annual and interim financial statements to be disclosed to the public with the accounting principles followed by the Company as well as their accuracy and veracity
- Appointment of the independent audit firm, preparation of the independent audit contract and initiation of the independent audit process,
- Monitoring the effectiveness and performance of the independent audit activity,
- Overseeing the functioning and effectiveness of the internal control and internal audit system,
- Reviewing the reports regarding the internal control and internal audit studies conducted during the reporting period.

CORPORATE GOVERNANCE COMMITTEE

- The Corporate Governance Committee was established in line with the Capital Markets Board’s Communiqué on Corporate Governance to monitor the Company’s compliance with the CMB’s Corporate Governance Principles, to make improvements in this regard and to offer suggestions to the Board of Director.
- Pursuant to the CMB’s Communiqué on Corporate Governance No. II-17.1, the “Working Principles of the Corporate Governance Committee” were revised and approved at the Board of Directors’ meeting dated 7 April 2014. The revised working principles were made available to shareholders through the Public Disclosure Platform and the Company’s website.
- The Corporate Governance Committee is composed of at least three members, including two non-executive Board Members and the Investor Relations Manager. The chairperson of the Committee is Mrs. Betül Ebru Edin elected from among the independent members.
- Corporate Governance Committee also fulfills the duties of the Nomination Committee and the Remuneration Committee.

The structure of the Committee and membership information are as follows as per the decision taken in the Company’s Board meeting on 27 May 2024:

Committee Members	Role	Status
Betül Ebru Edin	Committee Chairman	Independent Board Member
Cem Mengi	Committee Member	Independent Board Member
Burak Şimşek	Committee Member	Investor Relations Manager

- In principle, the Committee convenes at least twice a year in order to ensure the effective performance of its duties. Corporate Governance Committee convened 2 times in 2024.
- The activities carried out by the Committee in 2024 in line with its detailed and written working principles are as follows:
- Making proposals to the Board of Directors to improve corporate governance practices within the scope of compliance with the Capital Markets Board’s Communiqué on Corporate Governance no. II-17.1 and engaging in and overseeing activities required for compliance with the legislation within the Company,
 - Preparing the report as to whether independent members of the Board of Directors meet the independence criteria and presenting it to the Board of Directors.
 - Overseeing the activities of the Investor Relations Department,
 - Within the scope of the duties of the Remuneration Committee, submitting its proposal to the Board of Directors regarding the remuneration of the members of the Company’s Board of Directors and executives with administrative responsibility for 2024, taking into account the degree of achievement of the criteria used in remuneration.
 - Recommending the method (method, process, scope, timing) by which the Board reviews its own performance

EARLY DETECTION OF RISK COMMITTEE

- The Early Detection of Risk Committee was established in line with the Turkish Commercial Code, the Company’s Articles of Association and the Communiqué on Corporate Governance of the Capital Markets Board, with the aim of early detection of risks that may endanger the existence, development and continuity of the Company, implementation of necessary measures regarding the risks identified, and the management of risk. The committee works to detect threats that may have negative consequences on the continuation and development of the Company and to manage risks effectively by developing action plans against these threats
- Pursuant to the CMB’s Communiqué on Corporate Governance No. II-17.1, the “Working Principles of the Early Detection of the Risk Committee” were revised and approved at the Board of Directors’ meeting dated 7 April 2014. The revised working principles were made available to the shareholders through the Public Disclosure Platform and the Company’s website.
- The Early Detection of Risk Committee consists of at least two members of the Board of Directors. If the committee consists of two members, both of them, if there are more than two members, the majority of the members are composed of non-executive Board members. The chairperson of the Committee is Mr. Bekir Ağırdir elected from among the independent members. Other Chairperson of the Committee is Mr. Cem Mengi.
- Early Detection of Risk Committee submits a report to the Board of Directors every two months.

ADDITIONAL DISCLOSURES REQUIRED BY LEGISLATION

The structure of the Committee and membership information are as follows as per the decision taken in the Company’s Board meeting on 27 May 2024:

Committee Members	Role	Status
Yusuf Günay	Committee Chairman	Independent Board Member
Betül Ebru Edin	Committee Member	Independent Board Member

- The Early Detection of Risk Committee convenes at least 3 times a year, but as often as necessary for the effectiveness of its activities and as explained in its working principles. The Early Detection of Risk Committee convened 6 times in 2024 and submitted 6 risk reports to the Board of Directors.

The activities carried out by the Committee in 2024 in line with its detailed and written working principles are as follows:

- Risks have been identified and defined throughout the group.
- Risk assessments were made at all levels, and an inventory of risks of critical importance to the Company in strategic, financial and operational areas was prepared.
- Risks are categorized according to the following criteria in the risk map, where they are positioned according to their impact and probability levels.

By Level of Potential Impact:

- Negligible
- Minor
- Moderate
- Serious
- Critical

By Level of Likelihood:

- Rare
- Low
- Likely
- High
- Almost Certain

- As a result of these assessments, it was observed that risks were generally concentrated under the main headings of Strategic, Financial, Compliance and Operational Risks.
- As a result of the risk inventory and Corporate Risk Management Department’s research, risk reports were prepared and submitted to the Committee in order to detect the risks that may endanger the existence, development, and continuity of the Company, to implement necessary measures regarding the risks identified, and to manage the risk.

STRATEGY, INVESTMENT AND R&D COMMITTEE

The Strategy, Investment and R&D Committee has a membership structure that includes at least one independent member, non-executive members and executive members determined by the Board of Directors. The Committee is chaired by Mr. Yusuf Günay, who is elected among the independent members.

The structure of the Committee and membership information are as follows as per the decision taken in the Company’s Board meeting on 27 May 2024:

Committee Members	Role	Status
Yusuf Günay	Committee Chairman	Independent Board Member
Betül Ebru Edin	Committee Member	Independent Board Member
Bekir Cem Köksal	Committee Member	Executive Board Member

Strategy Investment and R&D Committee held 2 meetings in 2024 with full participation of members.

In line with its detailed and written working principles, some of the activities of the Committee in 2024 are as follows:

- Ensuring the preparation of feasibility studies within the scope of the Investment Approval Procedure
- Evaluating the investment projects under the authority of the Board of Directors and forming the Committee’s advisory opinion
- Ensuring the preparation and review of strategic plans in accordance with the SBU roles defined by the Holding
- Advising the Board of Directors on priorities for the utilization of the Capex budget in line with the actual free cash flow situation

Board of Directors’ Evaluation of the Working Principles and Effectiveness of the Board Committees

The Board Committees were established to support the Board of Directors in fulfilling its duties and responsibilities more effectively. In line with the Corporate Governance Principles of the Capital Markets Board, at its meeting on 27 May 2024, the Board of Directors resolved to:

- appoint Ms. Betül Ebru Edin, Independent Board Member, as the Chairman of the Corporate Governance Committee, and Mr. Cem Mengi, Independent Board Member, and Mr. Burak Şimşek, Investor Relations Department Manager, as the members of the committee,
- appoint Mr. Cem Mengi, Independent Board Member, as the Chairman of the Audit Committee and Mr. Yusuf Günay, Independent Board Member, as a member of the committee,
- appoint Mr. Yusuf Günay, Independent Board Member, as the Chairman of the Early Detection of Risk Committee and Betül Ebru Edin, Independent Board Member, as the Committee Member.

Due to the structure of the Board, the Company did not establish a separate “Remuneration Committee” and a “Nomination Committee.” The duties of these committees are fulfilled by the Corporate Governance Committee.

Pursuant to the CMB’s Communiqué on Corporate Governance No. II-17.1, the “Working Principles of the above-mentioned Committees” were revised and approved at the Board of Directors’ meeting dated 7 April 2014. The revised working principles were made available to the shareholders through the Public Disclosure Platform and the Company’s website (www.zorluenerji.com.tr).

In 2024, the Board Committees performed their duties and responsibilities as required in the Corporate Governance Principles and their own Working Principles and operated effectively.

In 2024, in order to enable the committees to fulfill their duties effectively, the committees convened as specified below as per their annual meeting schedules specified in their Working Principles:

- The Corporate Governance Committee convened once,
- The Corporate Governance Committee convened once to fulfill the duties of the Remuneration,
- Committee and once to fulfill the duties of the Nomination Committee,
- The Audit Committee convened 4 times,
- The Early Detection of Risk Committee convened six times.

The Committees submitted the reports containing information about their work and the results of their meetings held during the year to the Board of Directors:

Accordingly:

- The “Corporate Governance Committee,” which was established in line with the Capital Markets Board’s Communiqué on Corporate Governance in order to monitor the Company’s compliance with the Corporate Governance Principles, carry out studies for improvement, and make proposals to the Board of Directors, monitored the Company’s compliance with Corporate Governance Principles, made recommendations to the management to improve compliance with the non-mandatory principles and oversaw the activities of the Investor Relations Department.
- Fulfilling the duties of the Numeration Committee, the Corporate Governance Committee submitted to the Board of Directors its proposal for the numeration of the independent members of the Board of Directors taking into account the degree of achievement of the criteria used in numeration within the scope of the duties of this committee.
- Within the scope of the duties of the Remuneration Committee, the Corporate Governance Committee submitted to the Board of Directors its proposal regarding the remuneration of the members of the Company’s Board of Directors and executives with administrative responsibility for 2024, taking into account the degree of achievement of the criteria used in remuneration.
- The “Audit Committee,” which was established for the supervision of the Company’s accounting system, the independent audit, public disclosure of financial information, and functioning and effectiveness of the Company’s internal control and internal audit system, presented its opinions and suggestions in the areas of its responsibility to the Board of Directors.
- The “Early Detection of Risk Committee,” which was established for the early detection of risks which may jeopardize the Company’s existence, development and continuity, implementation of necessary measures against these risks and management of risk, carried out a high-level risk assessment, drew up an inventory of critical risks for the Company in strategic, financial and operational areas and prepared and submitted to the Board six Risk Reports as a result of its risk inventories and the Corporate Risk Management Department’s research during the year within the scope of its duties set forth in its Working Principles.

Annex -3
STATEMENT OF INDEPENDENCE

25 / 03 /2025

I hereby declare that

I declare that I am a candidate to serve as an “independent member” on the Board of Directors of **Zorlu Enerji Elektrik Uretim AS (the “Company”)**, in accordance with the applicable legislation, the Company’s Articles of Association, and the Capital Markets Board’s Corporate Governance Principles numbered II-17.1, and in this context,

a) within the last five years, there has been no employment relationship in a managerial position involving significant responsibilities between myself, my spouse, my second-degree relatives by blood or marriage and the Company, its subsidiaries where the Company has managerial control or significant influence, or entities where significant influence is held over the Company’s management, or with partners holding significant influence over the Company and their entities with management control, and there is no ownership, either jointly or individually, of more than 5% of capital or voting rights, or significant commercial relationship establishe, of such companies or subsidiaries,

b) Within the last five years, I confirm that I have not been a shareholder (holding 5% or more), held a managerial position involving significant responsibilities, or been a member of the Board of Directors at companies from which the Company has significantly purchased or sold services or products under agreements, including audits (tax audits, legal audits, including internal audits), ratings, and consultancy services for the Company,

c) I possess the professional education, knowledge, and experience necessary to fulfill the responsibilities I will undertake as an independent member of the Board of Directors effectively,

ç) In accordance with the applicable regulations, except for university lecturing positions, I will not engage in full-time employment at public institutions after being elected as a member,

d) I am based in Turkey as of the meaning given in the Income Tax Law (ITL) number 193, dated 31 December 1960,

e) I possess strong ethical standards, professional reputation, and experience to make independent decisions while considering the rights of stakeholders, maintain impartiality in conflicts of interest between the Company and shareholders, and contribute positively to the Company’s activities,

f) I will be able to dedicate sufficient time to follow the Company’s operations and fulfill the requirements of the responsibilities I undertake,

g) I did not act as a Board Member in the Board of Directors of the Company for longer that six years during the last ten years’ period,

ğ) I have not served as an independent member of the Board of Directors in more than three companies controlled by the Company or its controlling shareholders, nor in more than five companies traded on the stock exchange, in total,

h) I have not been registered and announced in name of a legal entity elected as a Board Member of the Company.

ı) I, my spouse and my relatives by blood or marriage up to the second degree have not received any payment of more than USD 60.000 from the company, the controlling shareholder or affiliates of the company within the annual reporting period, except for the financial benefits subject to the general assembly resolution arising from my duty as a member of the board of directors,

i) The Company does not have any service contract with the shareholders holding 5% or more of the Company’s shares and senior executives,

j) I am not on the board of any non-profit organisation that receives significant donations or contributions from the Company,

k) There is no consultancy service relationship between the Company, shareholders holding 5% or more of the Company’s shares and senior executives,

BETÜL EBRU EDİN

Betül Ebru Edin

Annex -3
STATEMENT OF INDEPENDENCE

25 /03 /2025

I hereby declare that

I declare that I am a candidate to serve as an “independent member” on the Board of Directors of **Zorlu Enerji Elektrik Uretim AS (the “Company”)**, in accordance with the applicable legislation, the Company’s Articles of Association, and the Capital Markets Board’s Corporate Governance Principles numbered II-17.1, and in this context,

a) within the last five years, there has been no employment relationship in a managerial position involving significant responsibilities between myself, my spouse, my second-degree relatives by blood or marriage and the Company, its subsidiaries where the Company has managerial control or significant influence, or entities where significant influence is held over the Company’s management, or with partners holding significant influence over the Company and their entities with management control, and there is no ownership, either jointly or individually, of more than 5% of capital or voting rights, or significant commercial relationship establishe, of such companies or subsidiaries,

b) Within the last five years, I confirm that I have not been a shareholder (holding 5% or more), held a managerial position involving significant responsibilities, or been a member of the Board of Directors at companies from which the Company has significantly purchased or sold services or products under agreements, including audits (tax audits, legal audits, including internal audits), ratings, and consultancy services for the Company,

c) I possess the professional education, knowledge, and experience necessary to fulfill the responsibilities I will undertake as an independent member of the Board of Directors effectively,

ç) In accordance with the applicable regulations, except for university lecturing positions, I will not engage in full-time employment at public institutions after being elected as a member,

d) I am based in Turkey as of the meaning given in the Income Tax Law (ITL) number 193, dated 31 December 1960,

e) I possess strong ethical standards, professional reputation, and experience to make independent decisions while considering the rights of stakeholders, maintain impartiality in conflicts of interest between the Company and shareholders, and contribute positively to the Company’s activities,

f) I will be able to dedicate sufficient time to follow the Company’s operations and fulfill the requirements of the responsibilities I undertake,



f) I will be able to dedicate sufficient time to follow the Company’s operations and fulfill the requirements of the responsibilities I undertake,

g) I did not act as a Board Member in the Board of Directors of the Company for longer that six years during the last ten years’ period,

ğ) I have not served as an independent member of the Board of Directors in more than three companies controlled by the Company or its controlling shareholders, nor in more than five companies traded on the stock exchange, in total,

h) I have not been registered and announced in name of a legal entity elected as a Board Member of the Company.

ı) I, my spouse and my relatives by blood or marriage up to the second degree have not received any payment of more than USD 60.000 from the company, the controlling shareholder or affiliates of the company within the annual reporting period, except for the financial benefits subject to the general assembly resolution arising from my duty as a member of the board of directors,

i) The Company does not have any service contract with the shareholders holding 5% or more of the Company’s shares and senior executives,

j) I am not on the board of any non-profit organisation that receives significant donations or contributions from the Company,

k) There is no consultancy service relationship between the Company, shareholders holding 5% or more of the Company’s shares and senior executives,

CEM MENGİ

Cem Mengi



Annex -3
STATEMENT OF INDEPENDENCE

25 / 03 /2025

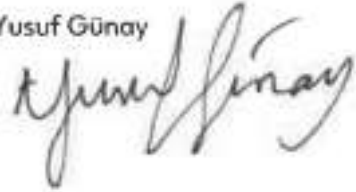
I hereby declare that
I declare that I am a candidate to serve as an “independent member” on the Board of Directors of **Zorlu Enerji Elektrik Uretim AS (the “Company”)**, in accordance with the applicable legislation, the Company’s Articles of Association, and the Capital Markets Board’s Corporate Governance Principles numbered II-17.1, and in this context,

- a) within the last five years, there has been no employment relationship in a managerial position involving significant responsibilities between myself, my spouse, my second-degree relatives by blood or marriage and the Company, its subsidiaries where the Company has managerial control or significant influence, or entities where significant influence is held over the Company’s management, or with partners holding significant influence over the Company and their entities with management control, and there is no ownership, either jointly or individually, of more than 5% of capital or voting rights, or significant commercial relationship establishe, of such companies or subsidiaries,
- b) Within the last five years, I confirm that I have not been a shareholder (holding 5% or more), held a managerial position involving significant responsibilities, or been a member of the Board of Directors at companies from which the Company has significantly purchased or sold services or products under agreements, including audits (tax audits, legal audits, including internal audits), ratings, and consultancy services for the Company,
- c) I possess the professional education, knowledge, and experience necessary to fulfill the responsibilities I will undertake as an independent member of the Board of Directors effectively,
- ç) In accordance with the applicable regulations, except for university lecturing positions, I will not engage in full-time employment at public institutions after being elected as a member,
- d) I am based in Turkey as of the meaning given in the Income Tax Law (ITL) number 193, dated 31 December 1960,
- e) I possess strong ethical standards, professional reputation, and experience to make independent decisions while considering the rights of stakeholders, maintain impartiality in conflicts of interest between the Company and shareholders, and contribute positively to the Company’s activities,
- f) I will be able to dedicate sufficient time to follow the Company’s operations and fulfill the requirements of the responsibilities I undertake,

U6

- g) I did not act as a Board Member in the Board of Directors of the Company for longer that six years during the last ten years’ period,
- ğ) I have not served as an independent member of the Board of Directors in more than three companies controlled by the Company or its controlling shareholders, nor in more than five companies traded on the stock exchange, in total,
- h) I have not been registered and announced in name of a legal entity elected as a Board Member of the Company.
- ı) I, my spouse and my relatives by blood or marriage up to the second degree have not received any payment of more than USD 60.000 from the company, the controlling shareholder or affiliates of the company within the annual reporting period, except for the financial benefits subject to the general assembly resolution arising from my duty as a member of the board of directors,
- i) The Company does not have any service contract with the shareholders holding 5% or more of the Company’s shares and senior executives,
- j) I am not on the board of any non-profit organisation that receives significant donations or contributions from the Company,
- k) There is no consultancy service relationship between the Company, shareholders holding 5% or more of the Company’s shares and senior executives,

YUSUF GÜNAY

Yusuf Günay


**FINANCIAL
INFORMATION**

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**FOCUSING ON
THE ENERGY OF
THE FUTURE WITH
SUSTAINABLE
FINANCIAL
PERFORMANCE**

With our strategic investments and strong financial structure, we are progressing steadily on the path toward sustainable energy.

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL REPORT

SERMAVE PİYASASI KURULU'NUN (II-14.1) SAYILI SERMAVE PİYASASINDA FİNANSAL RAPORLAMAYA İLİŞKİN ESASLAR TEBLİĞİ'NİN KİNCİ BÖLÜMÜNÜN 9. MADDESİ GEREĞİNCE HAZIRLANAN SORUMLULUK BEYANI

Şirketimizce hazırlanan ve Bağımsız Denetim Şirketi KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. tarafından bağımsız denetime tabi tutulan 2024 yılına ait, Türk Ticaret Kanunu ve Sermaye Piyasası Kurulu'nun (SPK) Seri II-14.1 sayılı "Sermaye Piyasasında Finansal Raporlamaya İlişkin Esaslar Tebliği" ("Tebliğ") uyumlu olarak hazırlanan faaliyet raporunun, SPK düzenlemeleri doğrultusunda;

- Tarafımızca incelendiğini,
- Şirketteki görev ve sorumluluk alanında sahip olduğumuz bilgiler çerçevesinde, önemli konularda gerçeğe aykırı bir açıklama veya açıklamanın yapıldığı tarih itibarıyla yanlışlığı olması sorucunu doğurabilecek herhangi bir eksiklik içermediğini,
- Şirketteki görev ve sorumluluk alanında sahip olduğumuz bilgiler çerçevesinde, Tebliğ uyarınca hazırlanmış Faaliyet Raporu'nun için gelişimi ve performansını ve konsolidasyon kapsamındaki diğer işletmelerin finansal durumunu, karşı karşıya olunan önemli risk ve belirsizliklerle birlikte dürüstçe yansıttığını beyan ederiz.

Saygılarımızla,

Denetim Komitesi Başkanı

Cem Mengi

Denetim Komitesi Üyesi

Yusuf Günay

Finansal Raporlamadan Sorumlu Yönetici

Elif Yener

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS



KPMG Bağımsız Denetim ve SMMM A.Ş.
Levent Mah. Meltem Sokak
İş Bankası Kuleleri No:14/10
34330 Beşiktaş İstanbul
Tel +90 212 316 6000
Fax +90 212 316 6060
www.kpmg.com.tr

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the Shareholders of Zorlu Enerji Elektrik Üretim Anonim Şirketi

Opinion

We have audited the annual report of Zorlu Enerji Elektrik Üretim Anonim Şirketi (the "Company") and its subsidiaries (together will be referred as "the Group") for the period between 1 January 2024 and 31 December 2024, since we have audited the complete set consolidated financial statements for this period.

In our opinion, the consolidated financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Group are consistent, in all material respects, with the audited complete set of consolidated financial statements and information obtained during the audit and provides a fair presentation.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing which is a component of the Turkish Auditing Standards as adopted within the framework of the Capital Markets Board ("CMB") regulations, published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under Standards on Auditing issued by POA are further described in the *Auditor's Responsibilities for the Annual Report* section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA (including *Independence Standards*) (POA's Code of Ethics) and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements, and we have fulfilled our other ethical principles regarding independent audit of financial statements in the CMB legislation and other relevant legislation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's Opinion on Complete Set of consolidated Financial Statements

We have expressed an unqualified opinion on the complete set of consolidated financial statements of the Group for the period between 1 January 2024 and 31 December 2024 on 11 March 2025.



Board of Directors' Responsibility for the Annual Report

In accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 ("TCC") and Communiqué on the Principles of Financial Reporting in Capital Markets numbered II – 14.1 (the "Communiqué"), the Group's management is responsible for the following regarding the annual report:

- a) The Group's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.
- b) The Group's management prepares its annual report in such a way that it reflects the operations of the year and the consolidated financial position of the Group accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Group's consolidated financial statements. The annual report shall also clearly indicates the details about the Group's development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the report.

c) The annual report also includes the matters below:

- Significant events occurred in the Group after the reporting period,
- The Group's research and development activities.
- Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar guarantees.

When preparing the annual report, the Board of Directors also considers the secondary legislation arrangements issued by the Ministry of Trade and related institutions.

Auditor's Responsibility for the Audit of the Annual Report

Our objective is to express an opinion on whether the consolidated financial information included in the annual report in accordance with the TCC and the Communiqué and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Group are consistent with the audited consolidated financial statements of the Group and the information obtained during the audit and give a true and fair view and form a report that includes this opinion.

We conducted our audit in accordance with Standards on Auditing issued by POA. These standards require compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the consolidated financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Group are consistent with the consolidated financial statements and the information obtained during the audit and provides a fair presentation.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Şirin Soysal, SMMM
Partner
11 March 2025
İstanbul, Türkiye

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

SERMAİYE PİYASASI KURULU'NUN (II-14.1) SAYILI SERMAİYE PİYASASINDA FİNANSAL RAPORLAMAYA İLİŞKİN ESASLAR TEBLİĞİ'NİN İKİNCİ BÖLÜMÜNÜN 9. MADDESİ GEREĞİNCE HAZIRLANAN SORUMLULUK BEYANI

Şirketimizce hazırlanan ve Bağımsız Denetim Şirketi KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. tarafından bağımsız denetime tabi tutulan 01.01.2024-31.12.2024 dönemi için, Sermaye Piyasası Kurulu'nun (SPK) Seri II-14.1 sayılı "Sermaye Piyasasında Finansal Raporlamaya İlişkin Esaslar Tebliği" ("Tebliğ") uyarınca Türkiye Muhasebe Standartları/Türkiye Finansal Raporlama Standartları (TMS/IFRS) ve SPK tarafından belirlenen formatlar ile uyumlu olarak hazırlanan 01.01.2024-31.12.2024 konsolide finansal tablolarının, SPK düzenlemeleri doğrultusunda;

- Tarafımızca incelendiğini,
- Şirketteki görev ve sorumluluk alanında sahip olduğumuz bilgiler çerçevesinde, konsolide finansal tabloları önemli konularda gerçeğe aykırı bir açıklama veya açıklamanın yapıldığı tarih itibarıyla yanlış olması sonucunu doğurabilecek herhangi bir eksiklik içermediğini,
- Şirketteki görev ve sorumluluk alanında sahip olduğumuz bilgiler çerçevesinde, Tebliğ uyarınca hazırlanmış konsolide finansal tabloların konsolidasyon kapsamındaki diğer birliktelik, şirketin aktifleri, pasifleri, finansal durumu ve kar ve zarar ile ilgili gerçeği doğru bir biçimde yansıttığını ve işin gelişimi ve performansını ve konsolidasyon kapsamındaki diğer birliktelik, şirketin finansal durumunu, karşı karşıya olduğu önemli riskler ve belirsizliklerle birlikte dürüstçe yansıttığını beyan ederiz.

Saygılarımızla,

Denetim Komitesi Başkanı

Cem Mengi

Denetim Komitesi Üyesi

Yusuf Günay

Finansal Raporlamadan Sorumlu Yönetici

Eli Yener

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

KARAR TARİHİ : 11.03.2025
KARAR NO : 2025/10
YÖNETİM KURULU ÜYELERİ : Ahmet Nazif Zorlu
Yusuf Günay
Selen Zorlu Malik
Mümin Cengiz Ullav
Bekir Cem Köksal
Cem Mengi
Betül Ebru Edin

GÜNDEM: 31.12.2024 tarihli konsolide finansal tabloların görüşülmesi ve kabul edilmesi hakkında

KARAR : Zorlu Enerji Elektrik Üretim A.Ş. Yönetim Kurulu aşağıdaki kararı almıştır:

Şirketimizin, Sermaye Piyasası Kurulu'nun II-14.1 sayılı "Sermaye Piyasasında Finansal Raporlamaya İlişkin Esaslar Tebliği" hükümleri uyarınca, Tebliğin 5. maddesine istinaden Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu tarafından yayınlanan Türkiye Muhasebe Standartları/Türkiye Finansal Raporlama Standartları çerçevesinde hazırlanmış, bağımsız denetimden geçmiş 31.12.2024 tarihinde sona eren hesap dönemine ait bağımsız denetimden geçmiş konsolide finansal tablolarının, anılan Standartlara ve Tebliğ hükümlerine uygun olarak hazırlandığını, sunulduğunun ve gerçeğe uygunluğu ile doğruluğunun kabulüne ve anılan finansal tabloların bu doğrultuda onaylanmasına,

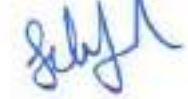
Toplantıya katılanların oybirliği ile karar verilmiştir.

YÖNETİM KURULU

Ahmet Nazif Zorlu
Yönetim Kurulu Başkanı



Selen Zorlu Malik
Yönetim Kurulu Üyesi



Cem Mengi
Yönetim Kurulu Üyesi



Yusuf Günay
Yönetim Kurulu Başkan Vekili



Mümin Cengiz Ullav
Yönetim Kurulu Üyesi



Betül Ebru Edin
Yönetim Kurulu Üyesi



Bekir Cem Köksal
Yönetim Kurulu Üyesi



KARAR TARİHİ : 11.03.2025
KARAR NO : 2025/11
YÖNETİM KURULU ÜYELERİ : Ahmet Nazif Zorlu
Yusuf Günay
Selen Zorlu Malik
Mümin Cengiz Ullav
Bekir Cem Köksal
Cem Mengi
Betül Ebru Edin

GÜNDEM : Yıllık Faaliyet Raporunun görüşülerek karar alınması

KARAR : Zorlu Enerji Elektrik Üretim A.Ş. Yönetim Kurulu aşağıdaki kararı almıştır:

Şirketimizin, 01.01.2024-31.12.2024 hesap dönemine ait Sermaye Piyasası Kurulu ("SPK")'nın II-14.1 sayılı "Sermaye Piyasasında Finansal Raporlamaya İlişkin Esaslar Tebliği" ("Tebliğ") hükümleri uyarınca, Türk Ticaret Kanunu ve SPK Tebliğine uyumlu olarak hazırlanan, bağımsız denetimden geçmiş faaliyet raporunun, anılan Tebliğ ve ilgili mevzuat hükümlerine uygun olarak hazırlandığını, sunulduğunun ve gerçeğe uygunluğu ile doğruluğunun kabulüne ve anılan Faaliyet Raporunun bu doğrultuda onaylanmasına ve Kamuyu Aydınlatma Platformu'nda yayımlanmasına,

Toplantıya katılanların oybirliği ile karar verilmiştir.

YÖNETİM KURULU

Ahmet Nazif Zorlu
Yönetim Kurulu Başkanı



Selen Zorlu Malik
Yönetim Kurulu Üyesi



Cem Mengi
Yönetim Kurulu Üyesi



Yusuf Günay
Yönetim Kurulu Başkan Vekili



Mümin Cengiz Ullav
Yönetim Kurulu Üyesi



Betül Ebru Edin
Yönetim Kurulu Üyesi



Bekir Cem Köksal
Yönetim Kurulu Üyesi



ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AS AT
AND FOR THE YEAR ENDED 31 DECEMBER 2024
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT



KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavir
İş Kuleleri Kule 3 Kat:2-9
Levent 34330 İstanbul
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CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR’S REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH
TO ENGLISH

Independent Auditor’s Report

To the Shareholders of Zorlu Enerji Elektrik Üretim Anonim Şirketi

Opinion

We have audited the consolidated financial statements of Zorlu Enerji Elektrik Üretim Anonim Şirketi (“the Company”) and its subsidiaries (together “the Group”), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

Basis for Opinion

We conducted our audit in accordance with Turkish Standards on Auditing (“TSA’s) which is a component of the Turkish Auditing Standards as adopted within the framework of the Capital Markets Board (“CMB”) regulations, published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) (“Standards on Auditing issued by POA”). Our responsibilities under Standards on Auditing issued by POA are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA (including Independence Standards) (“POA’s Code of Ethics”) and the ethical principles regarding independent audit of consolidated financial statements in the CMB legislation and other relevant legislation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., a Turkish corporation and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of deferred tax asset for unused tax losses

Refer to Note 2.4, Note 2.7 and Note 24 to the consolidated financial statements for summary of significant accounting policies and significant accounting estimates and assumptions for recoverability of deferred tax asset for unused tax losses.

The key audit matter	How the matter was addressed in our audit
The Group has recognized deferred tax asset for unused tax losses amounting to TRY 2.616.760 thousand as at 31 December 2024.	We have performed the following audit procedures:
The recoverability of recognized deferred tax assets is dependent on the extent that it is probable that Group will have taxable profit, against which the deductible temporary differences and tax losses (before latter expire) can be utilized. Thus, significant judgment is required in relation to the recognition and recoverability of deferred tax assets.	- Assessing and challenging the assumptions and judgments exercised by management in respect of the forecasts of future taxable profits by analyzing the assumptions adopted by management; - Considering the historical accuracy of forecasts of future taxable profits made by management by comparing the actual taxable profits for the current year with management’s estimates in the forecasts made in the previous year. - In addition, assessing the appropriateness and adequacy of the disclosures in the consolidated financial statements about the deferred asset calculated over accumulated losses in terms of TFRSs; - Assessing whether the Group’s disclosures in the consolidated financial statements of the application of judgment in estimating recognized and unrecognized deferred tax asset appropriately reflect the Group’s deferred tax position with reference to the requirements of the TFRSs.
We have determined this to be a key audit matter, due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences.	



Hedge accounting

Refer to Note 2.4, Note 2.7 and Note 20 to the consolidated financial statements for summary of significant accounting policies and significant accounting estimates and assumptions for hedge accounting.

The key audit matter	How the matter was addressed in our audit
As of 31 December 2024, the Group used its investment loans and its Eurobond amounting to USD 308.000 thousand as a hedging instruments to hedge against the exchange rate risk resulting from the highly probable sales income earned in the scope of Renewable Energy Sources Support Mechanism (“YEKDEM”), and implemented cash flow hedge accounting for highly- probable YEKDEM sales as a result of efficiency tests carried out within this scope.	We have performed the following audit procedures to be responsive to this area: - Documentation and appropriateness of hedging relationships of cash flow hedge transactions have been identified. - The objective of the hedge accounting and its compliance with TAS 39 “Financial Instruments” are considered. Management’s assessment of effectiveness, measuring ineffectiveness and appropriateness of accounting records were tested. - Involving specialists to assist in evaluating the appropriateness of hedging models, and - Assessing the adequacy and appropriateness of disclosures in the consolidated financial statements, regarding the hedge accounting.
The criteria for the application of the hedge accounting include defining, documenting and regularly testing the effectiveness of the hedge accounting transactions. Due the fact that hedge accounting has complicated structure and requires complex calculations, we considered this to be one of the key audit matters.	



Revaluation of property, plant and equipment

Refer to Note 2.4, Note 2.7 and Note 16 to the consolidated financial statements for summary of significant accounting policies and significant accounting estimates and assumptions for revaluation of property, plant and equipment.

The key audit matter	How the matter was addressed in our audit
In the consolidated financial statements, the Group applies the revaluation model in TAS 16 Property, Plant and Equipment and TFRS 16 Leases as an accounting policy in relation to the accounting of power plants that it owns and has the right to operate. In this regard, as a result of the revaluations carried out as of 31 December 2024, a revaluation increases in property, plant and equipment amounting to TRY 51.400.411 thousand was recognized in the consolidated financial statements. Within the scope of the Group’s revaluation model, the values of the property, plant and equipment were determined by independent valuation institutions. “Revaluation of property, plant and equipment” has been identified as one of the key audit matters because the carrying values of property, plant and equipment subject to revaluation are material to the consolidated financial statements as of 31 December 2024 and some of the inputs and calculations used in the valuation are complex and involve significant management estimates and assumptions.	We have performed the following audit procedures to be responsive to this area: - Assessing the competence and independence of independent valuation experts who carry out revaluations of property, plant and equipment, - Involving valuation specialists to evaluate methods used in revaluations for property, plant and equipment. - Assessing the appropriateness of significant estimates and inputs used in valuation modeling with the help of valuation specialists, including comparing them with current precedents and past values in the market, - Assessing the appropriateness and adequacy of disclosures in the consolidated financial statements related to revaluation of property, plant and equipment in accordance with TFRS.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Other Legal and Regulatory Requirements

- 1) Pursuant to the fourth paragraph of Article 398 of Turkish Commercial Code ("TCC") numbered 6102; the Independent Auditor's Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Company on 11 March 2025.
- 2) Pursuant to the fourth paragraph of Article 402 of Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that for the period between 1 January -31 December 2024, the Company's bookkeeping activities and consolidated financial statements are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.
- 2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Şirin Soysal, SMMM Partner
11 March 2025 İstanbul, Türkiye

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

		Audited	Audited
ASSETS	Notes	31 December 2024	31 December 2023
Current assets:			
Cash and cash equivalents	4	1,541,918	2,791,942
Financial investments	13	-	576,172
Trade receivables		6,439,443	8,644,313
- Trade receivables from related parties	7,32	1,915,407	1,782,069
- Trade receivables from third parties	7	4,524,036	6,862,244
Other receivables		1,096,199	1,866,862
- Other receivables from related parties	8,32	1,045,942	1,656,005
- Other receivables from third parties	8	50,257	210,857
Financial assets service concession arrangements	5	2,827,315	2,501,954
Inventories	9	467,769	767,176
Prepaid expenses		199,712	151,413
- Prepaid expenses to third parties	11	199,712	151,413
Assets related to current tax		59,124	-
Other current assets		778,571	1,234,204
- Other current assets from third parties	10	778,571	1,234,204
Subtotal		13,410,051	18,534,036
Non-Current assets classified as held for sale	12	-	10,092,151
Total current assets		13,410,051	28,626,187
Non-current assets:			
Financial investments		2,820	2,820
- Other financial investments	13	2,820	2,820
Trade receivables		581,994	538,692
- Trade receivables from third parties	7	581,994	538,692
Other receivables		12,422,579	17,838,610
- Other receivables from related parties	8,32	12,393,118	17,382,082
- Other receivables from third parties	8	29,461	456,528
Contract assets		239,887	434,205
- Other contract assets	18	239,887	434,205
Financial assets service concession arrangements	5	9,426,971	10,666,064
Investments accounted for using equity method	14	5,748,923	6,448,743
Property, plant and equipment	16	54,966,237	58,368,006
Right of use assets	15	905,792	872,396
Intangible assets	17	10,487,578	11,061,118
Derivative financial instruments	20	-	496,169
Prepaid expenses		14,230	15,991
- Prepaid expenses to third parties	11	14,230	15,991
Deferred tax assets	24	10,576,533	6,855,687
Other non-current assets		1,130	4,469
- Other non-current assets from third parties	10	1,130	4,469
Total non-current assets		105,374,674	113,602,970
Total assets		118,784,725	142,229,157

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

		Audited	Audited
LIABILITIES	Notes	31 December 2024	31 December 2023
Current liabilities:			
Short-term borrowings		1,479,026	2,392,597
Short-term borrowings from third parties		1,479,026	2,392,597
- Bank loans	6	597,856	1,769,791
- Issued debt instruments	6	881,170	622,806
Short-term portions of Long-term borrowings		9,716,387	22,012,854
Short-term portions of Long-term borrowings from third parties		9,716,387	22,012,854
- Bank loans	6	1,824,359	16,534,861
- Issued debt instruments	6	7,812,273	5,297,541
- Lease liabilities	6	79,755	180,452
Trade payables		5,077,060	5,602,363
- Trade payables due to related parties	7,32	291,430	337,874
- Trade payables due to third parties	7	4,785,630	5,264,489
Payables related to employee benefits		143,467	70,646
Other payables		2,259,321	1,769,217
- Other payables due to related parties	8,32	44,671	52,529
- Other payables due to third parties	8	2,214,650	1,716,688
Deferred income		948,351	2,716,823
- Deferred income from third parties	22	50,890	-
- Deferred income from related parties	22,32	897,461	2,716,823
Current income tax liabilities		15,176	153,303
Short-term provisions		127,918	106,508
- Short-term provisions for employee benefits	19	97,563	75,676
-Other short-term provisions	19	30,355	30,832
Other current liabilities		370,915	615,618
- Other current liabilities due to third parties	10	370,915	615,618
Subtotal		20,137,621	35,439,929
Non-Current liabilities classified as held for sale	12	-	10,124,746
Total current liabilities		20,137,621	45,564,675
Non-current liabilities:			
Long-term borrowings		34,533,664	36,947,343
Long-term borrowings from third parties		34,533,664	36,947,343
- Bank loans	6	3,695,406	26,157,035
- Lease liabilities	6	265,174	428,344
- Issued debt instruments	6	30,573,084	10,361,964
Other payables		15,832	16,123
- Other payables due to related parties	8,32	15,832	16,123
Deferred income		742,614	-
- Deferred income from related parties	22,32	742,614	-
Long-term provisions		444,141	413,527
-Long-term provisions for employment benefits	19,21	444,141	413,527
Deferred tax liabilities	24	4,263,290	3,741,901
Total non-current liabilities		39,999,541	41,118,894
Total liabilities		60,137,162	86,683,569

The accompanying notes form an integral part of these consolidated financial statements.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

EQUITY	Notes	Audited	Audited
		31 December 2024	31 December 2023
Equity attributable to owners of the Company		58,647,103	55,444,006
Share capital	23	5,000,000	5,000,000
Adjustment to share capital	23	25,262,214	25,262,214
Share premium	23	46,984	46,984
Other comprehensive income not to be reclassified to profit or loss		8,473,148	9,060,348
- Revaluation and measurement losses/(gains)		8,473,148	9,060,348
- Revaluation of property, plant and equipment	16	8,844,903	9,432,586
- Actuarial losses		(371,755)	(372,238)
Other comprehensive expenses that are or may be reclassified to profit or loss		(30,155,317)	(35,623,933)
- Foreign currency translation differences		2,935,302	2,781,147
- Cash flow hedge losses	20	(33,090,619)	(38,405,080)
Restricted reserves appropriated from profits		145,280	145,280
- Legal reserves	23	145,280	145,280
Retained earnings		52,238,638	35,785,006
Net period profit / (loss)		(2,363,844)	15,768,107
Non-controlling interests	23	460	101,582
Total equity		58,647,563	55,545,588
Total liabilities and equity		118,784,725	142,229,157

The accompanying notes form an integral part of these consolidated financial statements.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

PROFIT/LOSS	Notes	Audited	Audited
		1 January - 31 December 2024	1 January - 31 December 2023
Revenue	25	29,657,596	39,389,311
Cost of sales (-)	26	(25,947,551)	(33,957,316)
Gross profit		3,710,045	5,431,995
General administrative expenses (-)	27	(1,703,544)	(2,036,018)
Marketing expenses (-)	27	(237,029)	(236,760)
Other operating income	28	2,921,533	4,250,788
Other operating expense (-)	28	(2,756,109)	(2,683,707)
Operating income		1,934,896	4,726,298
Income from investment activities	29	4,825,556	5,993,617
Expenses from investment activities	29	-	(4,125)
Shares of gain of associates	14	800,581	196,693
OPERATING PROFIT BEFORE			
FINANCIAL EXPENSES		7,561,033	10,912,483
Net monetary position gains	31	840,052	12,716,229
Finance income	30	4,910,232	13,283,568
Finance expenses (-)	30	(22,282,467)	(30,154,247)
PROFIT / (LOSS) BEFORE TAX			
FROM CONTINUED OPERATIONS		(8,971,150)	6,758,033
Tax income from continuing operations		4,511,967	8,809,465
- Period tax expense	24	(393,455)	(700,134)
- Deferred tax income	24	4,905,422	9,509,599
PROFIT / (LOSS) FROM CONTINUED OPERATIONS		(4,459,183)	15,567,498
PROFIT FROM DISCONTINUED OPERATIONS	12	2,094,623	293,943
PERIOD PROFIT / (LOSS)		(2,364,560)	15,861,441
Income attributable to:			
Non-controlling interest		(716)	93,334
Equity holders of the parent		(2,363,844)	15,768,107
Income/(loss) per share (TRY)			
- From continued operations	33	(0.89)	4.67
- From discontinued operations	33	0.42	0.09

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

		Audited	Audited
		1 January -	1 January -
OTHER COMPREHENSIVE INCOME/(EXPENSE)	Notes	31 December 2024	31 December 2023
Income / (loss) for the year		(2,364,560)	15,861,441
Items that will not to be reclassified to profit or loss		(2,081)	(14,805,558)
Tangible assets revaluation increases/(decreases)	16	8,006	(18,294,579)
Changes in actuarial losses on employment benefit obligations	21	(75,609)	(226,527)
Items that will not to be reclassified to profit or loss			
Taxes on Other Comprehensive Income		65,522	3,715,548
Tangible assets revaluation increases/(decreases), tax effect		46,620	3,658,916
Changes in actuarial losses on employment benefit obligations, tax effect		18,902	56,632
Items that are or may be reclassified to profit or loss		5,468,616	343,767
- Foreign currency translation differences		154,155	(384,049)
Losses from foreign currency translation differences		154,155	(384,049)
- Hedge reserves		7,085,948	970,421
Items that are or may be reclassified to profit or loss		(1,771,487)	(242,605)
Taxes on Other Comprehensive Income			
Hedge reserves, tax effect		(1,771,487)	(242,605)
Other comprehensive loss/income		5,466,535	(14,461,791)
Total comprehensive income		3,101,975	1,399,650
Total comprehensive income attributable to:			
Non-controlling interests		(716)	93,334
Equity holders of the parent		3,102,691	1,306,316

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

	Adjustments to share capital		Share premium	Revaluation of property plant and equipment	Actuarial losses	Foreign currency translation differences	Hedge reserves	Legal reserves	Retained earnings	Period profit/ (loss)	Equity of the parent company	Non-controlling interests	Total equity
	Share capital												
Balance at 1 January 2023	2,500,000	23,604,780	14,382	26,390,353	(202,967)	3,149,593	(39,132,896)	145,280	19,772,516	13,706,613	49,947,654	(107,256)	49,840,398
Capital increase	2,500,000	1,657,434	32,602	-	-	-	-	-	-	-	4,190,036	-	4,190,036
Subsidiary acquisition or disposal	-	-	-	-	624	15,603	-	-	(16,227)	-	-	-	-
Transactions with the non-controlling parties	-	-	-	-	-	-	-	-	-	-	-	115,504	115,504
Transfers	-	-	-	(2,322,104)	-	-	-	-	16,028,717	(13,706,613)	-	-	-
Total comprehensive income/(loss)	-	-	-	(14,635,663)	(169,895)	(384,049)	727,816	-	-	15,768,107	1,306,316	93,334	1,399,650
-Income for the year	-	-	-	-	-	-	-	-	-	15,768,107	15,768,107	93,334	15,861,441
-Other comprehensive income / (loss)	-	-	-	(14,635,663)	(169,895)	(384,049)	727,816	-	-	-	(14,461,791)	-	(14,461,791)
31 December 2023	5,000,000	25,262,214	46,984	9,432,586	(372,238)	2,781,147	(38,405,080)	145,280	35,785,006	15,768,107	55,444,006	101,582	55,545,588
Balance at 1 January 2024	5,000,000	25,262,214	46,984	9,432,586	(372,238)	2,781,147	(38,405,080)	145,280	35,785,006	15,768,107	55,444,006	101,582	55,545,588
Subsidiary acquisition or disposal	-	-	-	-	57,190	-	-	-	43,216	-	100,406	(100,406)	-
Transfers	-	-	-	(642,309)	-	-	-	-	16,410,416	(15,768,107)	-	-	-
Total comprehensive income/ (loss)	-	-	-	54,626	(56,707)	154,155	5,314,461	-	-	(2,363,844)	3,102,691	(716)	3,101,975
- Loss for the year	-	-	-	-	-	-	-	-	-	(2,363,844)	(2,363,844)	(716)	(2,364,560)
-Other comprehensive income/ (loss)	-	-	-	54,626	(56,707)	154,155	5,314,461	-	-	-	5,466,535	-	5,466,535
31 December 2024	5,000,000	25,262,214	46,984	8,844,903	(371,755)	2,935,302	(33,090,619)	145,280	52,238,638	(2,363,844)	58,647,103	460	58,647,563

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

		Audited	Audited
	Notes	1 January - 31 December 2024	1 January - 31 December 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		6,550,147	16,990,011
Net income/(loss) for the year		(2,364,560)	15,861,441
- Profit/(loss) from continuing activities		(4,459,183)	15,567,498
- Period profit from discontinued operations	12	2,094,623	293,943
Adjustments related to period net profit/(loss) reconciliation		(793,612)	(12,098,977)
Adjustments related to depreciation and amortization	15,16,17	4,827,761	6,194,368
Adjustments related to provisions		72,620	120,561
- Adjustments for provisions related with employee benefits	21	51,210	46,915
- Adjustments for other provisions (cancellations)		21,410	73,646
Adjustments related to interest (income) and expense		8,580,408	7,082,503
- Adjustments related to interest (income)	28, 30	(3,403,769)	(3,858,494)
- Adjustments related to interest expense	28, 30	11,984,177	10,940,997
Adjustments related to unrealized foreign exchange losses and currency translation differences		5,631,376	14,830,605
Adjustments related to fair value gains / (losses)		288,716	(1,745,470)
- Adjustments related to fair value losses (gains) of derivative financial instruments	20	288,716	(16,335)
- Other adjustments related to fair value losses (gains)	2.2, 29	-	(1,729,135)
Adjustments related to share of profit of equity - accounted investees		(800,581)	(196,693)
- Adjustments related to share of affiliates	3,14	(800,581)	(196,693)
Adjustments related to tax (income) expense	24	(4,511,967)	(8,307,716)
Adjustments related to gains from disposals of fixed assets		(809)	(8,905)
- Adjustments related to gains resulting from disposal of tangible assets	29	(809)	(8,905)
Other adjustments related to monetary (gains)/losses		(10,438,912)	(25,992,964)
Adjustments related to gains from disposals of subsidiaries or joint operations	2.2, 29	(4,824,747)	(4,251,452)
Other adjustment related to profit (loss) reconciliation	4	382,523	176,186
Net Cash Generated From Operating Activities			
Before Changes In Working Capital		10,388,866	13,750,679
Changes in trade receivables		3,005,669	6,781,109
- Changes in trade receivables from related parties		121,052	2,123,754
- Changes in trade receivables from third parties		2,884,617	4,657,355
Changes in other receivables		9,311,611	12,421,204
- Changes in other receivables from related parties		8,723,944	12,417,495
- Changes in other receivables from third parties		587,667	3,709
Changes in financial assets service concession arrangements		913,732	1,078,204
Changes in inventories		299,407	478,433
Changes in trade payables		(2,464,557)	(4,642,839)
- Changes in trade payables to related parties		(46,444)	(615,615)
- Changes in trade payables to third parties		(2,418,113)	(4,027,224)
Changes in other payables		(91,793)	(290,079)
- Changes in other payables to third parties		(91,793)	(290,079)
Changes in other liabilities		246,337	(1,367,376)
- Changes in other assets		418,219	(1,512,667)
- Changes in other liabilities		(171,882)	145,291
Changes in assets arising from customer contracts		194,318	(418,233)
- Changes in other contract assets		194,318	(418,233)
Changes in deferred revenue		(1,025,858)	(289,744)
Net cash generated from operating activities		7,230,694	17,513,143
Payments for employee benefits	21	(84,056)	(66,468)
Tax payments		(596,491)	(456,664)

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

		Audited	Audited
	Notes	1 January- 31 December 2024	1 January- 31 December 2023
CASH FLOWS FROM INVESTING ACTIVITIES		3,623,192	(114,165)
Cash inflows related to sales resulting in loss of control of subsidiaries	2.2	4,808,664	3,039,266
Cash outflows related to capital advance payments of subsidiaries and/or joint ventures		(378,080)	(1,974,778)
Cash Inflows from the sale of tangible and intangible assets		8,393	267,173
- Cash inflows from the sale of tangible assets		8,393	267,173
Cash outflows from purchases of tangible and intangible assets		(1,210,612)	(1,486,255)
- Cash outflows from the purchase of tangible assets	16	(1,190,124)	(1,404,197)
- Cash outflows from the purchase of intangible assets	17	(20,488)	(82,058)
Other cash inflows/outflows		-	(120,006)
Dividend received	14	394,827	160,435
CASH FLOW FROM FINANCING ACTIVITIES:		(10,795,778)	(17,196,679)
Cash inflows from issuance of shares and other equity instruments		-	1,928,247
- Cash inflows from share issuance		-	1,928,247
Cash inflows from proceeds of borrowings		43,832,750	6,570,376
- Cash inflows from bank loans	6	2,573,908	377,314
- Cash inflows from issued debt instruments	6	41,258,842	6,193,062
Cash outflows related to debt payments		(46,027,674)	(17,503,790)
- Cash outflows related to loan repayments	6	(32,715,192)	(12,962,201)
- Cash outflows from repayments of issued debt instruments	6	(13,312,482)	(4,541,589)
Decrease in other payables to related parties		(71,960)	(1,122,044)
Payment of lease liabilities	6	(107,837)	(213,834)
Interest paid	6	(9,537,181)	(8,714,016)
Interest received		491,848	1,123,121
Cash inflows from derivative instruments		1,026,849	388,775
Other inflows/ (outflows)	4	(402,573)	346,486
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF CURRENCY TRANSLATION DIFFERENCES		(622,439)	(320,833)
Effect of Currency Translation Differences in Cash and Cash Equivalents		(83,485)	(211,657)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(705,924)	(532,490)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		2,779,085	5,456,515
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS		(629,197)	(2,144,940)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	1,443,964	2,779,085

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Zorlu Enerji Elektrik Üretim AŞ (“The Company” or “Zorlu Enerji”) and its subsidiaries (collectively referred to as (“The Group”) is engaged in electricity, steam production and selling, trading electricity, distribution and retailing of electricity sales, electric vehicle rental, installation and operation of electric charging stations. The Group was established by Zorlu Holding AŞ (“Zorlu Holding”) and Korteks Mensucat Sanayi ve Ticaret AŞ (“Korteks”) in 1993. Ultimate controlling party of the Group is Zorlu Holding. The Group is registered in Türkiye and its registered address is as follows: Bursa Organized Industrial Zone, Pembe Street, Nu:13 Bursa, Türkiye. The Group is registered to the Capital Markets Board (“CMB”), and its shares are publicly traded in Borsa İstanbul AŞ (“BIST”) since 2000. As at December 31, 2024, 37.40% of its shares are open for trading (December 31, 2023: 37.40%) (Note 23).

Directly held subsidiaries of the Company are presented below:

Directly held subsidiaries	Share Percentage (%)	Nature of Operations	Country	Currency
Zorlu Osmangazi Enerji Sanayi ve Ticaret AŞ (“Zorlu Osmangazi”)	100%	Distribution and retail sale of electricity	Türkiye	TRY
Zorlu Yenilenebilir Enerji AŞ (“Zorlu Yenilenebilir”) ⁽¹⁾	100%	Electricity generation and other	Türkiye	TRY
		Rental, leasing and other services of motorized light land vehicles and cars without drives	Türkiye	TRY
Eway Araç Kiralama Ticaret AŞ (“Eway”)	100%		Türkiye	TRY
ZGP Pakistan (Private) Ltd. (“ZGP Pakistan”)	99.70%	Electricity generation and other	Pakistan	Pakistani Rupee (“PKR”)
Zorlu Enerji Pakistan Ltd (“Zorlu Enerji Pakistan”)	99.99%	Electricity generation and other	Pakistan	Pakistani Rupee (“PKR”)
ZJ Strong Energy for Renewable Energy Ltd. Co. (“ZJ Strong”)	75%	Electricity generation and other	Palestine	Jordanian Dinar (“JOD”)
Zador Israel Limited (“Zador”)	100%	Electricity generation and other	Israel	New Israeli Shekel (“NIS”)
Zorlu Renewable USA Inc (“Zorlu Renewable USA”)	100%	Electricity generation and other	USA	US Dollar (“USD”)

⁽¹⁾ An application was made to the CMB on February 22, 2024, for the approval of the prospectus regarding the public offering of some shares of Zorlu Yenilenebilir. Zorlu Enerji Group (“the Company and its subsidiaries”) has initiated discussions with international investment banks to secure up to USD 1,100,000,000 in foreign-sourced sustainable financing in line with the Company’s strategic objectives. On September 4, 2024, an application was made to the Capital Markets Board of Türkiye (“CMB”) for the issuance of foreign debt instruments. In this context, the existing financial debts of Zorlu Yenilenebilir and its subsidiaries will be settled using the funds obtained from the Company’s foreign financing source, which is expected to result in significant changes to the consolidated financial statement items of Zorlu Yenilenebilir. As a result, the CMB-approved application for the public offering of a portion of Zorlu Yenilenebilir’s shares, dated February 22, 2024, has been postponed to a date following the acquisition of the foreign-sourced sustainable financing. The application to the CMB for this postponement has been accepted. The transfer of the proceeds from the sale of USD 800,000,000 nominal value bonds and the issuance of an additional USD 200,000,000 nominal value sustainability-linked bonds, to be consolidated, was completed on October 23, 2024, and November 7, 2024, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

The indirectly held subsidiaries of the Company are as follows:

Indirectly held subsidiaries	Shareholding Direct subsidiaries and its Share Ratio	Nature of Operations	Country
Osmangazi Elektrik Perakende Satış AŞ (“OEPSAŞ”)	100% Zorlu Osmangazi	Retail sale of electricity	Türkiye
Osmangazi Elektrik Dağıtım AŞ (“OEDAŞ”)	100% Zorlu Osmangazi	Electricity distribution	Türkiye
Zorlu Doğal Elektrik Üretimi AŞ (“Zorlu Doğal”)	100% ZorluYenilenebilir	Electricity generation and other	Türkiye
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ (“Zorlu Jeotermal”)	100% ZorluYenilenebilir	Electricity generation and other	Türkiye
Rotor Elektrik Üretim AŞ (“Rotor”) ⁽¹⁾	100% ZorluYenilenebilir	Electricity generation and other	Türkiye
		Wholesale purchase of electrical energy and/or capacity and sales activities and other	Türkiye
Zorlu Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret AŞ (“Zorlu Elektrik”)	100% ZorluYenilenebilir		Türkiye
Nemrut Jeotermal Elektrik Üretimi AŞ (“Nemrut Jeotermal”)	100% ZorluYenilenebilir	Electricity generation and other	Türkiye
Zorlu Renewable Pakistan (Private) Limited (“Zorlu Renewable Pakistan”)	99.70% ZGP Pakistan	Electricity generation and other	Pakistan
Zorlu Sun Power (Private) Limited (“Zorlu Sun Power Pakistan”)	99.70% ZGP Pakistan	Electricity generation and other	Pakistan
Zorlu Industrial Pakistan (Private) Limited (“Zorlu Industrial Pakistan”)	99.99% ZGP Pakistan	Engineering and consultancy activities for energy projects and other	Pakistan
		Operation and maintenance activities for energy projects and other	Pakistan
Zorlu O&M Pakistan Limited (“Zorlu O&M Pakistan”)	99.99% ZGP Pakistan		Pakistan
		Maintenance, repair, installation, sale of charging stations and other	Pakistan
Zorlu Solar Pakistan Limited (“Zorlu Solar Pakistan”)	99.70% ZGP Pakistan		Pakistan

⁽¹⁾ The Company’s 100% indirectly owned subsidiaries, Rotor, has been merged with Zorlu Yenilenebilir, a 100% directly owned subsidiary, using the Simplified Merger Method. As a result of this merger, all assets and liabilities of Rotor have been transferred as a whole to Zorlu Yenilenebilir. The merger was officially registered with the İstanbul Trade Registry on February 25, 2025, and as a consequence, Rotor has been dissolved.

Affiliates

Direct affiliates of the Company are presented below:

Direct Affiliates	Share Percentage (%)	Nature of Operations	Country
Electrip Global Limited	49.99%	Maintenance, repair, installation, sale of charging stations and other	England, Jersey
Dorad Energy Limited (“Dorad”) ⁽¹⁾	25%	Electricity generation and other	Israel

⁽¹⁾ Based on the material event disclosure dated March 6, 2025, it was decided to sign Share Purchase Agreement with the Phoenix Group, resident in Israel, for the sale of Company’s entire 25% shares in Dorad Energy Ltd. (“Dorad”), which is also resident in Israel. The planned share transfer is subject to the approval of Dorad’s Board of Directors and will be executed with contractual price adjustments upon obtaining the necessary legal approvals and fulfilling the contractual conditions. Once the transaction is completed, our Company will no Longer hold any shares in Dorad. Under Dorad’s Shareholders’ Agreement, other shareholders have right of first refusal over 15% of our 25% shares. If this right of first refusal is not exercised, Company’s entire 25% shares will be transferred to Phoenix Group under the same conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Affiliates (Continued)

Indirect affiliates of the Company are presented below:

Indirect affiliates	Shareholding Direct Affiliates and its Share Ratio	Nature of Operations	Country
ZES Dijital Ticaret AŞ (“ZES Dijital”)	100% Electrip Global B.V.	Wholesale trade of gas, liquid or electricity supply or production meters, installation services of electrical equipment and other	Türkiye
ZES Solar Enerji Tedarik ve Ticaret AŞ (“ZES Solar”)	100% Electrip Global Ltd.	Electricity generation and other	Türkiye
Electrip Energy Solutions and Mobility Services Sasu	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	France
Electrip Bucharest SRL	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Romania
Electrip Global B.V. ^(*)	100% Electrip Global Ltd.	Maintenance, repair, installation, sale of charging stations and other	Netherlands
Electrip Albania SHPK	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Albania
Electrip USA Inc.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	USA
ZES Germany GmbH	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Germany
Electrip Doel Skopje	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Macedonia
Electrip Italy S.r.l.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Italy
Electrip Hellas Single Member P.C.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Greece
Electrip Mobility Service D.O.O.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Croatia
Electrip Poland Spółka Z.O.O.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Poland
Electrip Montenegro DOO	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Montenegro
Zorlu Energy Solutions (ZES) Israel Ltd.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Israel
Electrip Mobility Service L.T.D.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	England
Electrip Solar Italy S.r.l.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Italy
ZES Solutions, D.O.O	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Slovenia
Electrip Netherlands B.V.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Netherlands
Electrip PTG, Unipessoal LDA	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Portugal

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Affiliates (Continued)

Indirectly held affiliates (Continued)	Shareholding Direct Affiliate and its Share Ratio	Nature of Operations	Country
Electrip DOO Belgrade	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Serbia
Electrip Czech Republic s.r.o.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Czechia
Electrip Mobility Service Kft	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Hungary
Electrip Energy Solutions Spain, S.L.U.	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Spain
Electrip BH d.o.o	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Bosnia and Herzegovina
Electrip Bulgaria EOOD	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Bulgaria
Electrip Austria GmbH	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	Austria
ZES Solar Mena DMCC	100% Electrip Global B.V.	Maintenance, repair, installation, sale of charging stations and other	United Arap Emirates

The average person of Group as of December 31, 2024: 2,107 (December 31, 2023: 2,619).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 1- ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Installed capacity in Türkiye:

The power plants of the Group located in Türkiye and abroad are presented below together with their existing installed capacities:

Power Plant	Company	Location	Type	Electricity Production Capacity (MW)	Steam Production Capacity (Ton/ Hour)
Geothermal				305.00	-
Kızıldere 1	Zorlu Doğal	Denizli	Geothermal	15.00	-
Kızıldere 2	Zorlu Doğal	Denizli	Geothermal	80.00	-
Kızıldere 3	Zorlu Doğal	Denizli-Aydın	Geothermal	165.00	-
Alaşehir 1 ⁽¹⁾	Zorlu Jeotermal	Manisa	Geothermal	45.00	-
Wind				135.00	-
Gökçedağ	Rotor	Osmaniye	Wind	135.00	-
Hydroelectric				118.94	-
Tercan	Zorlu Doğal	Erzincan	Hydroelectric	15.00	-
Kuzgun	Zorlu Doğal	Erzurum	Hydroelectric	20.90	-
Ataköy	Zorlu Doğal	Tokat	Hydroelectric	5.50	-
Mercan	Zorlu Doğal	Tunceli	Hydroelectric	20.40	-
Çıldır	Zorlu Doğal	Kars	Hydroelectric	15.40	-
İkizdere	Zorlu Doğal	Rize	Hydroelectric	24.94	-
Beyköy	Zorlu Doğal	Eskişehir	Hydroelectric	16.80	-
Natural Gas				49.53	98.00
Lüleburgaz	Zorlu Enerji	Lüleburgaz, Kırklareli	Cogeneration Natural Gas	49.53	98.00
TOTAL				608.47	98.00

⁽¹⁾ The 3.588 MWp solar power plant, integrated with the Alaşehir 1 Geothermal Power Plant (“GPP”), began commercial electricity sales on December 22, 2022. The second unit, a 0.1663 MWp rooftop solar power plant (“Rooftop GPP”), started commercial electricity sales on January 20, 2023. With the total installed capacity of 3.7543 MWp for the Alaşehir 1 Hybrid Solar Power Plant, there is no increase in the licensed installed capacity in MW(e) terms, as per the Hybrid License Regulation. The total installed capacity of the plant is 48.7543 MWm/45 MWe.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Installed capacity abroad:

Power Plant	Location	Type	Electricity Production Capacity (MW)	Steam Production Capacity (Ton/ Hour)
Wind			56.40	-
Jhimpir	Pakistan	Wind	56.40	-
Solar ⁽¹⁾			1.50	-
Deadsea	Palestine	Solar (2 MW)	1.50	-
Natural Gas ⁽¹⁾			215.00	-
Dorad	Israel	Combined-Cycle Natural Gas (840 MW)	215.00	-
TOTAL			272.90	-

⁽¹⁾ Stake of Zorlu Enerji in Israel and Palestine companies has been taken into consideration in the calculation of total production capacity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

a) Basis of measurement

These consolidated financial statements were prepared in accordance with TAS 29 “Financial Reporting in Hyperinflationary Economies”, except for monetary assets and liabilities and also assets and liabilities measured at fair value as specified below, adjusted for the effects of inflation on the Turkish lira at the reporting date, based on the historical cost principle.

- Financial instruments whose fair value difference is reflected in profit or loss -derivative financial instruments,
- Lands, underground and land improvements, buildings, facilities, machinery and equipment that are accounted for in tangible fixed assets.

b) Functional currency

These consolidated financial statements are presented in Turkish Lira (“TRY”), which is the functional currency of the Company. All financial information presented in TRY has been rounded to the nearest thousand TRY unless otherwise stated.

c) Accounting in hyperinflationary economies

The Group has prepared its financial statements for the year dated December 31, 2024, and ending on the same date, by applying (“TAS”) No. 29 “Financial Reporting in Hyperinflationary Economies” Standard, based on the announcement made by the Public Oversight Accounting and Auditing Standards Authority (“POA”) on November 23, 2023 and the “Implementation Guide on Financial Reporting in High-Inflation Economies” published. In accordance with the standard, financial statements based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date, and comparative information is expressed in terms of the current measurement unit at the end of the reporting period for the purpose of comparison in previous period financial statements. Therefore, the Group has presented its financial statements dated December 31, 2023 on the basis of purchasing power as of December 31, 2024.

In accordance with the CMB’s decision dated December 28, 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations implementing Turkish Accounting/Financial Reporting Standards shall comply with the provisions of TAS 29, starting from their annual financial reports for the accounting periods ending as of December 31, 2024. It was decided to apply inflation accounting by applying.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

c) Accounting in hyperinflationary economies (Continued)

Consequently, the financial statements of the entities whose functional currency TRY are restated for the changes in the general purchasing power of the Turkish Lira as at December 31, 2024 based on TAS 29. The restatement is calculated by means of conversion factors derived from the Turkish countrywide consumer price index published by the TSI. For the last three years, such indices and conversion factors used to restate the accompanying consolidated financial statements are as follows:

Date	Index	Conversion factor
31 December 2024	2,684.55	1.00000
31 December 2023	1,859.38	1.44379
31 December 2022	1,128.45	2.37897

These consolidated financial statements were prepared in accordance with TAS 29 “Financial Reporting in Hyperinflationary Economies”, except for monetary assets and liabilities and also assets and liabilities measured at fair value as specified below, adjusted for the effects of inflation on the Turkish lira at the reporting date, based on the historical cost principle.

TFRS requires the financial statements of an entity whose functional currency is hyperinflationary, prepared under either the historical cost or current cost approach, to be restated in accordance with the requirements of TAS 29 and applied retrospectively, assuming that there has always been high inflation in the economy of the currency. The fundamental principle in TAS 29 is that the financial statements of an entity reporting in the currency of a hyperinflationary economy should be reported in terms of the current measuring unit at the reporting date. Comparative figures for prior periods are restated in terms of the same current measuring unit.

The main procedures applied for the adjustments mentioned above are as follows:

- Monetary assets and liabilities carried at amounts denominated in the current reporting currency at the reporting date were not restated.
- Non-monetary assets and liabilities not carried at amounts denominated in the current reporting currency at the reporting date, as well as equity items, were restated using the relevant conversion factors from the most recent revaluation date up to the transaction date or, if applicable, up to the reporting date.
- Tangible fixed assets were adjusted for changes in the index from the transaction date or, if applicable, from the most recent revaluation date up to the reporting date. Depreciation is based on the restated amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

c) Accounting in hyperinflationary economies (Continued)

- All items in the income statement, excluding depreciation expenses and deferred tax expenses described above, were adjusted using monthly conversion factors based on the months in which the transactions occurred relative to the reporting date.
- The effects of inflation on the Group’s net monetary position are presented in the consolidated statement of profit or loss as “Net monetary position gains/(losses)”.
- All items in the cash flow statement are expressed in terms of the measuring unit current at the reporting date; and all items in the statement of cash flows are, therefore, restated by applying the relevant conversion factors from the date on which the transaction originated.
- All figures for the comparative period have been rearranged by applying the index change from the relevant comparative period to December 31, 2024.

d) Statement of Compliance to Turkish Financial Reporting Standards (“TFRS”s)

The accompanying consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) published by POA which was adopted by Capital Markets Board of Türkiye (“CMB”) as set out in the Communiqué numbered II-14.1 “Communiqué on Principles of Financial Reporting in Capital Markets” published in the Official Gazette numbered 28676 on 13 June 2013. TFRSs consist of standards and interpretations which are published as Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards, interpretations of TAS and interpretations of TFRS.

The consolidated financial statements are presented in accordance with “Announcement regarding with TFRS Taxonomy” which was published on April 15, 2019 by POA and templates defined in the Illustrative Financial Statements and User Guide published CMB based on the financial statement and disclosure formats of CMB.

Approval of consolidated financial statements

The consolidated financial statements were approved by the Company’s Board of Directors on March 11, 2025. The General Assembly of the Company has the right to amend and relevant regulatory bodies have the right to request the amendment of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Basis of consolidation

The consolidated financial statements include the accounts of the Parent company, Zorlu Enerji and its subsidiaries and associates on the basis set out in sections below. The financial statements of the companies included in the scope of consolidation have been prepared at the date of the consolidated financial statements and have been prepared in accordance with TFRS by applying uniform accounting policies and presentations. The results of operations of subsidiaries are included or excluded from their effective dates of acquisition or disposal, respectively.

a) Affiliates

Zorlu Enerji controls an affiliate when it is exposed, or has rights, to variable returns from its involvement with the affiliate and has the ability to affect those returns through its power over the affiliate. Zorlu Enerji has power over an affiliate when it has existing rights that give it the current ability to direct the relevant activities that significantly affect the affiliate’s returns. Power arises from rights and the existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Zorlu Enerji controls another entity.

Affiliates including the structured entities are the companies controlled by the Zorlu Enerji. The Zorlu Enerji control is provided by the ability to affect the variable returns through its power over the affiliates.

Affiliates are consolidated from the date on which the control is transferred to the Zorlu Enerji and are no Longer consolidated from the date that control ceases.

On the statement of financial position and statement of profit or loss the affiliates are consolidated on a line-by-line basis and the carrying value of the investments held by Zorlu Enerji and its affiliates are eliminated against the related equity. Intercompany transactions and balances between Zorlu Enerji and its affiliates are eliminated within the scope of consolidation accounting.

Loss of control

If the Group loses control of an affiliate, it recognizes any investment retained in the former affiliate at its fair value when control is lost and any difference between the fair value and net book value of investment is accounted for as a gain or loss. That fair value shall be regarded as the fair value on initial recognition of a financial asset, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. Additionally, assets and liabilities that were previously recognized as other comprehensive income attributable to that affiliate are accounted for as if those were disposed of by the Group. This may result in a fact that these amounts previously recognized as other comprehensive income may be classified to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Basis of consolidation (Continued)

a) Affiliates (Continued)

Loss of control (contunied)

i) Disposal of Zorlu Enerji Dağıtım AŞ

Based on the Company’s material event disclosure dated March 13, 2024, the sale of all of the shares of the Company’s 100% subsidiary Zorlu Enerji Dağıtım AŞ were completed for a total consideration of USD 200,000,000 equivalent of TRY 6,375,330 thousand and the share transfer transactions were completed on February 29, 2024. Within the framework of the adaptation criteria in the Share Purchase Agreement, adjustments were made by deducting the financial and commercial liabilities by TRY 2,806,343 thousand from the sales price and remaining TRY 3,568,987 thousand was received in cash and advance from the buyer, Gaztrak Enerji AŞ a fully owned subsidiary of Palmet Enerji AŞ.

The assets, liabilities and net assets related to the shares of Zorlu Enerji Dağıtım, which were sold at a 100% rate are as follows at their values as of the transaction date, February 29, 2024 (expressed in purchasing power as of December 31, 2024);

	29 February 2024
Current assets	3,326,967
Non-current assets	6,038,882
Total assets	9,365,849
Short-term liabilities	(7,776,013)
Long-term liabilities	(1,605,919)
Total liabilities	(9,381,932)
Net assets	(16,083)
Ratio of shares sold	100%
Net assets disposed	(16,083)
Net cash inflow from sales	4,619,911
As of 31 December 2024, subsidiary sales profit (Note 29)	4,635,994

ii) Disposal of the shares representing half plus one shares of the capital of Electrip Global B.V.

The shares representing half of the capital of Electrip Global B.V., in which the company owns 100%, plus one share, were sold to Electrip Global Limited on January 13, 2023, for a price of USD 50,000 thousand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Basis of consolidation (Continued)

a) Affiliates (Continued)

Loss of control (continued)

ii) Disposal of the shares representing half plus one shares of the capital of Electrip Global B.V. (continued)

The shares minus one share (minority shares) representing half of the capital of Electrip Global B.V., which remained under the ownership of the Company, were transferred to Electrip Global Limited by being contributed as capital in kind in return for the capital commitment of the Company in the capital increase of Electrip Global Limited on the same date. With this share transfer, management control of Electrip Global B.V. passed to Wren House through Electrip Global Limited.

After this share transfer, the remaining shares held by the Company were accounted for at fair value. The increase in value of the held financial asset is presented under the income from investment activities item in the consolidated statement of profit or loss. The financial information of Electrip Global Limited, which holds 49.99%, and the details regarding the increase in value resulting from fair value representation are presented below:

	13 January 2023
Fair value of 100% shares of Electrip Global Limited	1,993,310
Group's ownership interest in Electrip Global Limited shares	49.99%
Fair value of the financial asset held	996,456
Registered value of the financial asset held	148,201
As of 13 January 2023, increase in value of financial assets held	848,255
Monetary gain impact related to value increase (TAS 29 effect)	880,880
As of 31 December 2024, Increase in value of financial assets held (Note 29)	1,729,135

With the share transfers, Electrip Global B.V.is out of full consolidation. The Company’s ownership rate on Electrip Global Limited was 49.99%, and Electrip Global Limited, which is a direct subsidiary, was accounted for within the scope of investments valued by the equity method in the consolidated financial statements for the period ending on December 31, 2024 and December 31, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Basis of consolidation (Continued)

a) Affiliates (Continued)

Loss of control (continued)

ii) Disposal of the shares representing half of plus one shares the capital of Electrip Global B.V. (continued)

The assets, liabilities and net assets at Electrip Global B.V. shares sold at a rate of 50.01% are as follows with their values as of the transaction date of January 13, 2023. (The amounts are presented in the purchasing power of December 31, 2024):

	13 January 2023
Current assets	133,702
Non-current assets	304,637
Total assets	438,339
Short-term liabilities	(176,256)
Long-term liabilities	(36,287)
Total liabilities	(212,543)
Net assets	225,796
Ratio of shares sold	50.01%
Net assets disposed	112,921
Net cash inflow from sales	1,354,333
As of 13 January, gain on sale of subsidiary	1,241,412
Subsidiary sales profit monetary gain impact	622,811
As of 31 December 2024, gain on sale of subsidiary (Note 29)	1,864,223

iii) Disposal of Zes Solar

Based on the material event disclosed dated June 22, 2023, the sale of all ZES Solar shares to Electrip Global Limited, a company established in Jersey, with a 49.99% share in its capital, for a total price of USD 49,400 thousand, in the Share Purchase and Sale Agreement. If the stipulated correction conditions are met, it has been decided to make sales price adjustments and the relevant share transfer transactions have been completed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Basis of consolidation (Continued)

a) Affiliates (Continued)

Loss of control (continued)

iii) Disposal of Zes Solar (continued)

The amounts of assets, liabilities and net assets related to the ZES Solar shares, which were fully sold at 100% rate, as of the transaction date, June 22, 2023 are as follows. (The amounts are presented in the purchasing power of December 31, 2024):

	22 June 2023
Current assets	1,152,230
Non-current assets	8,489
Total assets	1,160,719
Short-term liabilities	(1,166,263)
Long-term liabilities	(924)
Total liabilities	(1,167,187)
Net assets	(6,468)
Ratio of shares sold	100.00%
Net assets disposed	(6,468)
Net cash inflow from sales	1,684,933
As of 22 June, gain on sale of subsidiary	1,691,401
Monetary gain effect of gain on sale of subsidiary	695,828
As of 31 December 2024, gain on sale of subsidiary (Note 29)	2,387,229

Non-controlling interests

The minority shares in the net assets and operating results of affiliates are separately classified in the consolidated statement of financial position and consolidated statements of profit or loss as “non- controlling interests.”

The Group applies a policy of treating transactions with non-controlling interests as transactions with owners of the Parent. Regarding the purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the affiliate is deducted from equity. Gains or losses on disposals to non-controlling interests are also accounted for in equity.

For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recorded in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Basis of consolidation (Continued)

a) Affiliates (Continued)

Non-controlling interests (Continued)

The table below sets out all subsidiaries and demonstrates the proportion of ownership interest as at December 31, 2024 and December 31, 2023. Financial statements of subsidiaries are consolidated using the full consolidation method.

	Direct ownership interest by Zorlu Enerji (%)	
Directly held affiliates	31 December 2024	31 December 2023
Zorlu Osmangazi	100	100
Zorlu Yenilenebilir	100	100
Eway	100	100
Zorlu Enerji Dağıtım ⁽¹⁾	-	100
ZGP Pakistan	99.70	99.70
Zorlu Enerji Pakistan	99.99	99.99
Zorlu Enerji İsrail	100	100
Zador	100	100
ZJ Strong	75	75
Zorlu Renewable USA	100	100

⁽¹⁾The sale of Zorlu Enerji Dağıtım together with its subsidiaries Trakya, Gazdaş and Zorlu Doğal Gaz Tedarik to Gaztrak Enerji AŞ, a 100% subsidiary of Palmet Enerji AŞ, was completed as of March 12, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Basis of consolidation (Continued)

b) Investments accounted for using equity method

Investments in associates are accounted for based on their acquisition cost on the date of initial recording and the equity method in the following periods. These are entities in which the Group generally has between 20% and 50% of the voting rights or over which the Group has significant influence, but not control. Unrealized profits arising from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate, and unrealized losses are also eliminated if the transaction does not indicate that the transferred asset is impaired. According to the equity method, the net profit/(losses) after tax of the associates after the acquisition are reflected in the net profit/(loss) of the Group to the extent of the Group's share in the associate.

The equity method is abandoned if the carrying value of the investment in the associate is zero or the significant effect of the Group has ended, as Long as the Group does not incur an obligation or commitment in relation to the associate. After the Group's share in the associate has decreased to zero, additional provision and recognition of the liability has been incurred if the Group is exposed to legal or constructive obligations or has made payments on behalf of the associate.

The table below sets out direct associates and the effective shareholding rates as at December 31, 2024 and December 31, 2023:

	31 December 2024	31 December 2023
Direct Associates	(%)	(%)
Dorad	25	25
Ezotech ⁽¹⁾	-	42.15
Solad ⁽¹⁾	-	42.15
Adnit ⁽¹⁾	-	42.15
Electrip Global Limited	49.99	49.99

⁽¹⁾Based on the material event disclosed dated December 17, 2024, the sale of all Company shares in Ezotech Electric Ltd. (“Ezotech”) and Solad Energy Ltd., both resident in Israel and in which the Company directly hold a 42.15% stake, to the other shareholder of these companies, Edeltech Ltd. (“Edeltech”), and the sale of all Company shares in Adnit Real Estate Ltd., resident in Israel and in which the Company directly hold a 42.15% stake, to its other shareholder, Edeltech Holdings 2006 Ltd., have been completed for USD 5,405,406.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Basis of consolidation (Continued)

b) Investments accounted for using equity method (continued)

Disposal of investments accounted for using equity method

The assets, liabilities and net assets of Ezotech, Solad, and Adnit, whose 42% stake has been sold, as of December 31, 2024, are as follows:

	Ezotech	Solad	Adnit	Total
Current assets	2,695,394	23	19,516	2,714,933
Non-current assets	12,141,067	-	7,046	12,148,113
Total assets	14,836,461	23	26,562	14,863,046
Short-term liabilities	(3,226,632)	(156,976)	(9,252)	(3,392,860)
Long-term liabilities	(12,166,239)	(412,717)	(19,046)	(12,598,002)
Total liabilities	(15,392,871)	(569,693)	(28,298)	(15,990,862)
Net assets	(556,410)	(569,670)	(1,736)	(1,127,816)
Ratio of shares sold	42%	42%	42%	
Net assets disposed	-	-	-	-
Net cash inflow from disposal of subsidiary				188,753
As of 31 December 2024, gain on sale of subsidiary (Note 29)				188,753

2.3 Amendments in International Financial Reporting Standards

a) Standards, amendments, and interpretations that are issued but not effective as of December 31, 2024

Lack of Exchangeability – Amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates In August 2023, IASB amended TAS 21 to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability. Related amendments were published by POA on June 5, 2024.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

A company’s objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Amendments in International Financial Reporting Standards (Continued)

a) Standards, amendments, and interpretations that are issued but not effective as of December 31, 2024 (Continued)

Therefore, when estimating a spot rate a company can use:

- an observable exchange rate without adjustment; or
- another estimation technique.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

The Group does not expect that application of these Amendments to TAS 21 will have significant impact on its consolidated financial statements.

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority (“POA”)

TFRS 18 Presentation and Disclosure in Financial Statements

On 9 April 2024, IASB has issued TFRS 18 Presentation and Disclosure in Financial Statements that will replace TAS 1 Presentation of Financial Statements. It carries forward many requirements from TAS 1 unchanged.

The objective of TFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income and expenses.

TFRS 18 introduces three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Amendments in International Financial Reporting Standards (Continued)

a) Standards, amendments, and interpretations that are issued but not effective as of December 31, 2024 (Continued)

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) (Continued)

TFRS 18 Presentation and Disclosure in Financial Statements

TFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027 and applies retrospectively. Early adoption is permitted.

The Group does not expect that application of TFRS 18 will have significant impact on its consolidated financial statements.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures

Classification of financial assets with contingent feature

The amendments introduce an additional SPPI (solely payment of principal and interest) test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG (environmental, social, and governance) target specified in the loan contract. This contingent financial asset’s classification will be determined by the SPPI test. The SPPI test determines whether the asset should be accounted for at amortized cost or fair value.

Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. Judgement will be required in determining whether the new test is met.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Amendments in International Financial Reporting Standards (Continued)

a) Standards, amendments, and interpretations that are issued but not effective as of December 31, 2024 (Continued)

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) (Continued)

Settlement by electronic payments

A company that settles its trade payable by using an electronic payment system generally derecognizes its trade payable on settlement date. The amendments provide an exception for the derecognition of such financial liabilities. The exception allows the company to derecognize its trade payable before the settlement date when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Other amendments

Contractually linked instruments (CLIs) and non-recourse features

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the ‘look through’ test).

Disclosures on investments in equity instruments

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

The Group does not expect that application of these Amendments to TFRS 9 and TFRS 7 will have significant impact on its consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Amendments in International Financial Reporting Standards (Continued)

a) Standards, amendments, and interpretations that are issued but not effective as of December 31, 2024 (Continued)

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) (Continued)

TFRS 19 Subsidiaries without Public Accountability: Disclosures

Subsidiaries of companies using TFRS Accounting Standards can substantially reduce their disclosures and focus more on users’ needs following the release of TFRS 19.

A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability;
- its parent produces consolidated financial statements under TFRS Accounting Standards.

A subsidiary applying TFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with TFRS Accounting Standards that TFRS 19 has been adopted.

The amendments apply for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted.

The Group does not expect that application of TFRS 19 will have significant impact on its consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Amendments in International Financial Reporting Standards (Continued)

a) Standards, amendments, and interpretations that are issued but not effective as of December 31, 2024 (Continued)

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) (Continued)

Annual Improvements to TFRS Accounting Standards- Volume 11 – Amendments to:

The annual improvements process aims to improve the clarity and internal consistency of TFRS Accounting Standards. In July 2024, the IASB issued “Annual Improvements to TFRS Accounting Standards—Volume 11” to make minor amendments to 5 standards.

Transaction Price (Amendments to TFRS 9: Financial Instruments) The term “transaction price” used in TFRS 9, with a meaning that is not necessarily consistent with the definition in TFRS 15, has been updated to “the amount determined by applying TFRS 15” for consistency.

Lessee derecognition of lease liabilities (Amendments to TFRS 9: Financial Instruments): If a lease liability is derecognized, then the derecognition is accounted for under TFRS 9. However, when a lease liability is modified, the modification is accounted for under TFRS 16 Leases. The IASB’s amendment states that when lease liabilities are derecognized under TFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

Hedge Accounting by a First-time Adopter (Amendments to TFRS 1 First-time Adoption of International Financial Reporting Standards)

TFRS 1 is amended:

- to improve their consistency with the requirements in TFRS 9 for hedge accounting; and
- to improve the understandability.

A cross-reference to TFRS 9 in TFRS 1 “Exception to the retrospective application of other TFRSs” is added.

Gain or Loss on Derecognition (Amendments to TFRS 7 Financial Instruments: Disclosures): With this amendment, a statement is added clarifying that the guidance in TFRS 7 does not illustrate all the requirements regarding the accounting for gains and losses arising from derecognition. Additionally, the phrase “inputs that were not based on observable market data” is adjusted to “unobservable inputs” to align with TFRS 13 terminology.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Amendments in International Financial Reporting Standards (Continued)

a) Standards, amendments, and interpretations that are issued but not effective as of December 31, 2024 (Continued)

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) (Continued)

Annual Improvements to TFRS Accounting Standards- Volume 11 – Amendments to: (Continued)

Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to TFRS 7 Financial Instruments: Disclosures): The statement that was not amended after the publication of TFRS 13 in May 2011 is clarified and simplified with this change, explaining that the transaction price at initial recognition may differ from the fair value. Fair value is not supported by a quoted price in an active market for an identical asset or liability (Level 1 input) nor by a valuation technique relying solely on observable market data. (In these circumstances, the difference will be recognized in profit or loss in subsequent periods in accordance with TFRS 9.)

Credit Risk Disclosures(Amendments to TFRS 7 Financial Instruments: Disclosures): The IG1 paragraph has been revised to provide clarity, explaining that not all requirements in the referenced paragraphs of TFRS 7 are necessarily illustrated.

Determination of a ‘De Facto Agent’ (Amendments to TFRS 10 Consolidated Financial Statements)

When determining an investor whether another party is acting on its behalf, TFRS 10 is amended to use conclusive language when the parties that direct the activities of the investor have the ability to direct that party to act on the investor’s behalf, judgement is required to determine whether a party is acting as a de facto agent.

Cost Method (Amendments to TAS 7): Following the removal of the term “cost method” in previous amendments, the statement in TAS 7 is adjusted from “cost method” to “accounted at cost”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Amendments in International Financial Reporting Standards (Continued)

a) Standards, amendments, and interpretations that are issued but not effective as of December 31, 2024 (Continued)

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) (Continued)

Contracts Referencing Nature-dependent Electricity – Amendments to TFRS 9 and TFRS 7

In December 2024, The International Accounting Standards Board (IASB) has now amended TFRS 9 to address challenges in applying TFRS 9 to contracts referencing nature-dependent electricity – sometimes referred to as renewable power purchase agreements (“PPAs”). The amendments include guidance on:

- the ‘own-use’ exemption for purchasers of electricity under such PPAs; and
- hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs.
- new disclosure requirements for certain PPAs to TFRS 7 Financial Instruments: Disclosures and TFRS 19 Subsidiaries without Public Accountability: Disclosures.

The amendments apply for reporting periods beginning on or after January 1, 2026. Early application is permitted.

Own-use Exemption for PPAs

If the own-use exemption does not apply under TFRS 9 when purchasing electricity through PPAs, PPAs are treated as derivatives, measured at FVTPL, potentially causing significant volatility in the income statement over time, especially as PPAs are often Long-term agreements.

To apply the own-use exemption to a PPA, TFRS 9 currently requires companies to assess whether the contract is for receipt of electricity in line with the company’s expected purchase or usage requirements – e.g., the company expects to consume the purchased electricity. Due to electricity’s unique characteristics, its inability to be stored and the requirement to sell unused electricity back to the market within a short period and these sales occur due to market conditions rather than short- term price speculation, a clarification of application of own-use exemption under existing requirements was needed. The amendments allow companies to apply the own-use exemption to PPAs if they have been, and expect to continue being, net purchasers of electricity during the contract period.

These amendments apply retrospectively based on the facts and circumstances at the start of the reporting period of initial application, without requiring restatement of prior periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Amendments in International Financial Reporting Standards (Continued)

a) Standards, amendments, and interpretations that are issued but not effective as of December 31, 2024 (Continued)

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) (Continued)

Contracts Referencing Nature-dependent Electricity – Amendments to TFRS 9 and TFRS 7: (Continued)

Hedge accounting requirements for PPAs

Since virtual PPAs (contracts for differences) and PPAs that do not meet the own-use exemption are accounted for as derivatives and measured at FVTPL, the hedge accounting requirements in TFRS 9 have been amended to allow applying hedge accounting for PPAs, to reduce profit or loss volatility:

- It permits companies to designate a variable nominal volume of forecasted sales or purchases of renewable electricity as the hedged transaction, rather than a fixed volume.
- It allows the measurement the hedged item using the same volume assumptions as those used for the hedging instrument.

The amendments apply prospectively to new hedging relationships designated on or after the date of initial application. They also allow companies to discontinue an existing hedging relationship, if the same hedging instrument (i.e., the nature-dependent electricity contract) is designated in a new hedging relationship applying the amendments.

Amendments are effective on January 1, 2024

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2024:

1. Classification of Liabilities as Current or Non-current (Amendments to TAS 1) for SMEs Accounting Standard – International Tax Reform – Pillar Two Model Rules
2. Lease Liability in a Sale and Leaseback – Amendments to TFRS 16 Leases
3. Amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
4. TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 Climate-related Disclosures

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Amendments in International Financial Reporting Standards (Continued)

a) Standards, amendments, and interpretations that are issued but not effective as of December 31, 2024 (Continued)

Amendments are effective on January 1, 2024 (Continued)

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2024: (Continued)

5. International Tax Reform – Pillar Two Model Rules- Amendments to TAS 12: The IASB has amended TAS 12 to introduce a temporary mandatory relief from accounting for deferred tax that arises from legislation implementing the Global Anti-Base Erosion Model Rules (“the GloBE model rules”). Under the relief, companies are effectively exempt from providing for and disclosing deferred tax related to top-up tax. However, they need to disclose that they have applied the relief.

The relief is effective immediately and applies retrospectively in accordance with TAS 8. It will apply until the IASB decides either to remove it or to make it permanent. This amendment is published by POA by amending TAS 12.

These newly adopted amendments to standards have not been a significant impact on the consolidated financial statements of the Group.

2.4 Summary of material accounting policies

a) Related parties

If one of the below listed criteria exists the party is regarded as related with the Group:

- a) Directly, or indirectly through one or more intermediaries, the party:
 - i) Controls, is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries);
 - ii) has an interest in the Group that gives it significant influence over the Group; or
 - iii) has joint control over the Group;
- b) The party is an associate of the Group;
- c) The party is a joint venture in which the Group is a venture;
- d) The party is a member of the key management personnel of the Group or its Parent;
- e) The party is a close member of the family of any individual referred to in (a) or (d);
- f) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);
- g) The party has a post-employment benefit plans for the employees of the Group, or of an entity that is a related party of the Group.

A number of transactions are entered into with related parties in the normal course of business (Note 32).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (Continued)

b) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The consolidated financial statements are presented in TRY.

The financial statements of the subsidiaries operating in foreign countries have been prepared in accordance with the TFRS published by POA reflecting the necessary adjustments and classifications in order to make the correct presentation. The assets and liabilities of the related foreign subsidiaries are translated into Turkish Lira using the exchange rate on the balance sheet date, and the income and expenses are converted into Turkish Lira using the average exchange rate. Currency differences resulting from the use of closing and average exchange rates are accounted for under the foreign currency translation differences in equity.

c) Property, plant and equipment

The Group revalued its power plants in accordance with TAS 16 Tangible Fixed Assets standard and presented its tangible fixed assets with their fair values in its consolidated financial statements.

“Peer Comparison Method” and “Cost Approach” methods have been used to determine the fair values of natural gas power plants belonging to Zorlu Energy and Kızildere 1 geothermal power plant owned by Zorlu Doğal. As for the calculation of the fair value of the facilities other than the abovementioned ones, Income Capitalization Approach-Discounted Cash Flow Analysis (“DCF”) has been used.

In the accompanying financial statements, the value increase amounts determined in the power plants where the DCF method is applied, have been presented by proportional distribution in addition to the plant, machinery and devices; to the lands, underground and surface improvements and buildings, which are considered as an integral element of the power plants. Motor vehicles and fixtures are reflected in the consolidated financial statements at their acquisition costs, consistent with previous years, after deducting accumulated depreciation and permanent impairment, if any.

Increases in tangible assets as a result of revaluation are recorded to the revaluation fund account in the equity line of the balance sheet after deferred tax effect is netted off. The difference between the depreciation and amortization calculated over the carrying values of the revalued assets (depreciation charged to the profit or loss statement) and the depreciation and amortization calculated over the acquisition cost of these assets is transferred from the revaluation fund to the accumulated profit/loss after the deferred tax effect is netted each year. The same applies to property, plant and equipment disposals.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (Continued)

c) Property, plant and equipment (Continued)

Lands are not depreciated because their economic life is considered to be indefinite. Depreciation is calculated using the straight-line depreciation method over the values of tangible fixed assets based on their useful lives.

In the consolidated financial statements, Kızildere 1, 2 and 3 geothermal power plants and hydroelectric power plants owned by Zorlu Doğal, Alaşehir 1 geothermal power plant and solar power plant owned by Zorlu Geothermal, Gökçedağ wind farm owned by Rotor and Jhampir wind form owned by Zorlu Pakistan and the wind farm and natural gas power plants owned by to Zorlu Energy were revalued on December 31, 2024 and were taken into account with their new values in the consolidated financial statements. The assumptions used in the valuation reports are presented in Note 2.7.

The remaining useful lives of the plants whose fair values are calculated by adopting the DCF approach are as follows:

	Remaining useful life (Years)
Kızildere geothermal power plants and hydroelectric power plants	14
Alaşehir 1 geothermal and solar power plant	16
Jhampir wind farm	9
Gökçedağ wind farm	11

In the valuation of Zorlu Enerji’s facilities, whose fair values are determined by Cost Approach and Peer Comparison Method, the estimated useful lives are taken into account as follows:

	Useful life (Years)
Buildings	30-45
Land improvements	10-20
Plant and machinery	6-48

Maintenance and repair expenses of tangible assets are normally recorded in expense accounts. However, if there is an expansion or significant improvement in assets, these expenses can be capitalized and depreciated over the remaining economic life of the associated fixed asset. The profit or loss resulting from the disposal of tangible fixed assets is determined by comparing the adjusted amounts with the collected amounts and is then reflected to the related income and expense accounts in the current period. If the carrying amount of an asset is higher than the estimated recoverable value of the asset, the carrying amount is immediately reduced to its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (Continued)

d) Intangible assets

Intangible assets are carried at their acquisition cost less accumulated depreciation and permanent impairment losses, if any. Intangible assets include licenses, rights (computer softwares, customer relationships, service concession agreements, contract costs and other),goodwill and licenses (commercial enterprise licenses).

Intangible assets with definite useful life are recognized at the cost of acquisition and depreciated using the straight-line method.

Intangible assets with definite useful life are reviewed for the purpose of determining whether there is an indication of impairment or not, and if the carrying amount of the intangible asset exceeds its recoverable amount, the carrying amount of the intangible asset is reduced to its recoverable amount. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset’s net selling price or its value in use. An impairment provision is reflected in the profit or loss statement within the same period.

Other Rights

Other rights consist of development costs and computer software and are recorded at acquisition cost. Other rights are amortized using the straight-line method over their estimated useful lives and are carried over the acquisition cost less accumulated amortization. The estimated useful life of other rights is approximately 10 years (Note 17).

Service Concession Agreements

Service concession agreements owned as a result of business combinations are recognized at their fair values at the acquisition date. The duration of the arrangement was determined as 20 years for OEDAŞ (remaining useful life is about 12 years). The service concession agreement is amortized within this period specified (Note 17).

Customer Relationships

Customer relationships acquired as a result of a business combination are accounted for at their fair value at the date of acquisition. The duration of customer relationships is determined as 20 years (remaining useful life is about 12 years) for OEPSAŞ. Customer relationships are amortized within this period specified. (Note 17).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

d) Intangible assets (Continued)

Business combinations and goodwill

A business combination is the bringing together of separate legal entities or businesses into one reporting entity. Business combinations are recognized using the acquisition method in accordance with TFRS 3.

Cost of the acquisition incurred as a result of the acquisition of an enterprise is allocated to identifiable assets, obligations and contingent obligations of the enterprise on the date of acquisition. The difference between the cost of the acquisition and the fair value of identifiable assets, obligations and contingent obligations of the entity on the date of acquisition is recognized in the consolidated financial statement as goodwill. The assets, intangible assets and contingent obligations that are not covered by the financial statements of the acquired entity but can be separated from the goodwill are recognized in the consolidated statement of financial position at their fair values. The goodwill previously recognized in the financial statements of the acquiree is not considered to be an identifiable asset.

If the acquirer’s share in the fair value of the acquired identifiable assets, liabilities and contingent liabilities exceeds the business combination cost, the difference is associated with the consolidated income statement.

The recorded value of the goodwill is reviewed annually and, when deemed necessary, adjusted taking into account its permanent depreciation. The carrying amount of the goodwill is reviewed for impairment at year-ends in accordance with TFRS 3.

In the impairment test, goodwill is allocated to each cash-generating unit of the Group that will benefit from the synergies of the merger. Impairment testing is applied every year or in shorter periods when there is an indication of impairment in order to check whether there is an impairment on the goodwill (Note 2.7).

In cases when the cash-generating unit’s recoverable amount is less than its carrying amount, the impairment is first used to reduce the carrying amount of the goodwill allocated to the cash- generating unit and then, within a ratio, to reduce the carrying amount of other assets. The impairment provision for goodwill cannot be reversed in subsequent periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

e) Financial assets under service concession arrangements

TFRS Interpretation 12, “Service concession agreements” regulates the recognition of the arrangements for service concessions provided by public operators to private industry. The service concession agreements concerning electricity and services are recognized within the framework of TFRS Interpretation 12 by the Group.

As per the conditions of agreements based on the arrangements within the scope of ; TFRS Interpretation 12, the Group operates as a service provider with the title “operator”. An operator builds and renovates the infrastructure used to provide a public service, operates the infrastructure during the determined period and maintains the infrastructure.

The Group distributes electricity and gas within the scope of the service concession agreement transferred from public to private sector. The Group recognizes investment expenditures related to distribution, under financial assets to the extent that it has unconditional rights arising from the contract concerning invoicing to subscribers in line with the instructions from the guarantor. The right to collect in return for distribution services is carried out by invoicing subscribers. The distribution element of the said invoices is regulated by distribution tariffs determined by Energy Market Regulation Authority (“EMRA”). The difference between the annual collections from distribution and the revenue cap predetermined by EMRA is corrected by EMRA by revising the future tariff.

In scope of TFRS 12, all investments of the Group related to electricity distribution operation are

recognized as “Financial Assets Service Concession Arrangements” (Note 5).

As of December 31, 2023, “Financial Assets Service Concession Arrangements “ related to natural gas distribution activities are classified as “Non-Current Assets Classified as Held for Sale”.

The electricity distribution activities of OEDAŞ are carried out within the framework of the service concession agreement regulated by the Transfer of Operating Rights (“TOR”) agreement signed with Türkiye Elektrik Dağıtım AŞ (“TEDAŞ”) on July 24, 2006. Until the expiration date of the distribution license of the Company on September 1, 2036 or its cancellation for any reason before its expiration, the Company has the right to operate the electricity distribution system, the existing or to be established distribution facilities in the distribution region and the operation of distribution facilities, rehabilitation and strengthening of these facilities and constructions. It has control of immovable and immovable assets, which are of very high importance for the Company. Any renewal of the distribution license will not result in the extension of the contract with the same terms. The Company may apply to TEDAŞ and request the renewal of the contract at least one year before the expiry of the contract period. TEDAŞ may decide to renew the contract six months before the expiration of the contract, after considering this request taking into account the new conditions within the framework of the current legislation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

e) Financial assets Under service concession arrangements (continued)

The distribution system operating income requirement and related parameters for the third implementation period, which will be valid for OEDAŞ between the years 2016-2020, were determined by EMRA with the Board decision dated December 30, 2015 and numbered 6039-1 (last revision: numbered 9067-1 and dated December 26, 2019) whereas the distribution system operating income requirement and related parameters for the fourth implementation period, which will be valid between the years 2021-2025, were approved by EMRA with the Board decision dated December 24, 2020 and numbered 9911-1.

Financial assets service concession arrangements are measured at amortized cost in accordance with TFRS 9, since they are composed of cash flows that only include principal and interest.

Financial assets service concession arrangements for electricity distribution activities are depreciated over 10 year as per the concession arrangements, respectively (Note 5).

The Group has applied the financial asset model in accordance with TFRS Interpretation 12 “Service Concession Agreements”, taking into account the terms of its service concession agreement with the government and has accounted for financial assets related to concession agreements amounting to TRY 12,254,286 in its statement of financial position as of December 31, 2024 (December 31, 2023: TRY 13,168,018) (Note 5). In addition, the interest income related to weighted average cost of capital correction of OEDAŞ amounting to TRY 1,862,703 (December 31, 2023: TRY 1,760,357) (Note 3, 28) has been accounted in the operating income and is included in the calculation of earnings before interest, depreciation and tax (“EBITDA”).The indexation difference on receivables from service concession arrangements belonging to OEDAŞ amounts to TRY 4,307,909 (December 31, 2023: TRY 6,012,522) (Note 3) is accounted for in monetary gain/loss and is included in the EBITDA calculation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

f) Revenue

The Group recognizes revenue in its consolidated financial statements when it completely or partially fulfills its performance obligation by transferring a promised good or service to its customer. An asset is transferred when control of an asset is completely or partially taken possession of by the customer. The Group reflects revenue in the consolidated financial statements in line with the following 5 basic principles:

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of transaction price in the contract,
- Allocation of price to performance obligations,
- Recognition of revenue when the performance obligations are fulfilled.

The Group recognizes revenue from its customers only when all of the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- The Group can identify each party’s rights regarding the goods or services to be transferred,
- The Group can identify the payment terms for the goods or services to be transferred,
- The contract has commercial substance,
- It is probable that the Group will be able to collect in exchange for the goods or services that will be transferred to the customer. In evaluating whether the collectability of an amount of consideration is probable, an entity shall only consider the customer’s ability and intention to pay that amount when it is due.

At the beginning of an agreement the Group evaluates the services committed to the client in the agreement and defines each commitment to transfer services as a separate performance obligation. In addition, at the beginning of the agreement the Group identifies whether they will meet each obligation over time. The Group considers agreement provisions and commercial customs in order to determine the transaction price. The transaction price is the price which the Group expects to earn in return for services it committed to provide to a customer, excluding amounts (e.g., some sales taxes) collected on behalf of third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

f) Revenue (continued)

The Group allocates a transaction price to each performance obligation (or different good or service) in an amount that shows how much the customer expects to have a right to in return for the transfer of goods or services committed to the client. In this allocation, the Group allocates the transaction price to each performance obligation specified in the agreement over a relative sales price, in this allocation, the Group determines the individual selling price of different goods or services that form the basis of each performance obligation at the beginning of the agreement and the transaction price is proportional to these individual sales prices.

The Group does not adjust the promised amount of consideration for the effects of a significant financing component since the Group expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. If the financing component is significant in revenue, future collections are discounted by the interest rate in financing component. The difference is recognized as income from operating activities in current period.

The Group’s performance obligations consist of distribution of electricity and electricity sales. The customer simultaneously consumes the benefits of performance provided by the Group. Electricity distribution services are recognized as soon as services are rendered whereas electricity sales are recognized upon the delivery of electricity. The Group recognizes revenue when the entity satisfies a performance obligation by transferring a promised good or service to the customer. Due to the Group’s operations, TFRS 15 did not have a material impact on the Group’s financial position and performance.

Electricity production and wholesale revenue

It is the income generated by the electricity produced and sold by the Group through its power plants. Electricity service is accounted for as a single act since it is a service that the customer receives and consumes simultaneously by its nature and is offered in series.

Electricity sales revenue is recognized in case of electricity delivery and on accrual basis and at the invoiced amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

f) Revenue (continued)

Retail sales revenue

In the Electricity Market Law, retail sales services are defined as services provided to consumers other than electrical energy and/or capacity sales by companies holding retail sales licenses. In the Electricity Market License Regulation, the scope of retail sales service is defined as other services provided to consumers, such as invoicing and collection, apart from electrical energy and/or capacity sales. The retail sales service fee included in the invoices issued by the Company consists of invoicing, customer services, investment expenses and other expenses related to retail sales service. Retail sales service fee is applied to all consumers who purchase energy from the Company.

Revenue related to electricity distribution

· Distribution system utilization income

Fees for the use of the distribution system are calculated by taking into account the distribution revenue ceiling and demand forecasts. Distribution revenue ceiling consists of system operating and lost energy revenue ceilings. Distribution system utilization revenues are determined based on the costs required for the Group’s distribution companies to carry out their distribution activities. In this context, in determining the revenues related to the use of the distribution system, the investment expenditures required within the scope of the execution of the distribution activity and all costs and services within the scope of the distribution activity are taken into account such as WACC on investment expenditures, system operating costs, technical and non-technical loss costs, cutting- connecting service costs, meter reading costs, reactive energy costs and the amounts paid under the transmission tariff.

In determining the costs for the use of the distribution system; detection and change of the target rates for technical and non-technical losses and including the cost to be incurred in the tariffs and to consumers, the provisions of EMRA’s Communiqué on the Regulation of Distribution Tariffs and the procedures and principles issued by EMRA for determining the target loss rates of electricity distribution companies are taken into account.

The costs of technical and non-technical losses are included in the distribution tariffs and are reflected to consumers, provided that they do not exceed the target loss rates determined by EMRA regarding the technical and non-technical losses that will be taken as a basis while determining the tariff of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

f) Revenue (continued)

Revenue related to electricity distribution (continued)

· Distribution system utilization income (continued)

Revenues to be collected by electricity distribution companies for system operating activities in a tariff year are limited by system operating revenue ceilings approved by EMRA for each electricity distribution company. For each tariff year, the difference between the system operating income ceiling, which is the basis for year-end correction, calculated by EMRA according to the realizations of each electricity distribution company, and the system operating income realized at the end of the year, is adjusted with tariffs by EMRA two years later.

Following the final determination of the amount by EMRA, the difference between the year-end adjusted system operating income ceiling calculated by EMRA and the system operating income realized at the end of the year is recognized in the financial statements as a trade receivable or deferred income on an accrual basis.

The main income difference for the lost energy correction component is calculated by subtracting the lost energy part of the support amount and the lost energy part of the income accrued to the users regarding the use of the distribution system from the total lost energy cost in line with the target loss rate. Lost energy correction component is corrected with tariffs by EMRA two years later for each tariff year, as in the income difference correction component. The income difference based on the lost energy correction component is recognized as trade receivables or deferred income on an accrual basis in the financial statements.

Price equalization mechanism is established to ensure that consumers are partially or completely protected from cost differences between distribution regions. With this mechanism, support amounts are calculated by taking the difference between the distribution revenue ceiling approved by EMRA for each distribution company and the revenue amounts expected to be obtained in national unit prices, considering the seasonal electric traction proportionality of the annual demand forecast. The transfer of the calculated support amounts between the related parties is made through Elektrik Üretim AŞ (“EÜAŞ”).

Therefore, distribution revenues of electricity distribution companies are regulated according to the revenue cap methodology.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

f) Revenue (continued)

· Electricity sales revenue

The Group, also as the party responsible for the balance, has revenues from the electrical energy sold to the Market Operator EPIAŞ in accordance with the “Electricity Market Balancing and Settlement Regulation.” These revenues are accounted for as electricity sales revenues at the same time the electricity sale is performed.

· Indexation difference on financial assets service concession arrangements

EMRA takes into account the annual consumer price index (“CPI”) when regulating the price of investment expenditures made by distribution companies in accordance with the Business Transfer Rights Agreement (“IDHS”) agreement. Therefore, receivables from privileged service agreements accounted for as financial assets in accordance with TFRS Comment 9 are updated according to CPI as of each reporting date. The index difference regarding financial assets service concession arrangements belonging to OEDAŞ is accounted as monetary gain/(loss) in the accompanying financial statements.

· Interest income from distribution activities

In accordance with TOR, interest income related to WACC adjustment for investment expenditures made by the Group is accounted for in accordance with TFRS 9. Interest income on financial assets related to concession agreements are recognized using the effective interest method. Interest income of ODEAŞ related to the WACC adjustment is recorded in other operating income in the accompanying financial statements.

· Income from investment and construction activities

OEDAŞ makes capacity increase, expansion, improvement, modernization and network operating system investments necessary for the execution of distribution activities within the framework of the demand forecasts and investment plans approved by EMRA and also invests in assets - other than distribution assets -with a useful life of more than one year such as land, fixtures, buildings, drones etc. which are required for the execution of the distribution activities.

Within the scope of TFRS Interpretation 12 “Service Concession Agreements”, a service concession agreement is defined as the transfer of transactions provided by the government or other public sector enterprises - such as road construction, energy distribution, hospital or school construction - to private enterprises. The Company’s electricity distribution service operations are covered by service concession agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

f) Revenue (continued)

· Income from investment and construction activities (continued)

The aforementioned right arising from electricity distribution is accounted for by being reflected in the total billing made to the subscribers based on the tariffs for distribution and retail sales service set out by EMRA. Investment expenditures and income from construction activities are recognized as a single performance obligation as soon as the related investments are settled. The Group recognizes the income calculated according to the financial asset model as “Income from investment and construction activities” in the statement of profit or loss and other comprehensive income, and the financial asset as “Financial assets service concession arrangements” in the statement of financial position (Note 5 and Note 25). The Group accounts for the revenue collected and costs incurred as a result of its investment expenditures in accordance with TFRS 15 “Revenue from Contracts with Customers”.

· General lighting income

Within the scope of the Electricity Market Law No. 6446 and other secondary legislation, electricity distribution companies are obliged to supply energy to the general lighting consumer group. By the electricity sales made to the general lighting consumer group, the purchase and sale of electricity take place at the same time, due to the fact that electricity is not a low cost- and highly storable stock in the current situation, thus sales and costs occur at the time of us.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

g) Discontinued activities

A discontinued operation is part of the Group's business that includes activities and cash flows that are clearly distinguishable from other parts of the Group and:

- Represents a separate major business line or geographic area of operations;
- It is part of the sale of a separate major line of business or geographic area of operations under a single coordinated plan; or
- It is a subsidiary acquired for the sole purpose of resale.

Classification as a discontinued operation occurs after or before the sale of the activity, if it meets the criteria for being an asset held for sale.

If an activity is classified as a discontinued operation, the statement of profit or loss and other comprehensive income is presented again as if the activity had been discontinued from the beginning of the comparative period.

Revenue related to naturel gas distribution

· Income from investment and construction expenditures

Gazdaş and Trakya make investments in power line, facility and various construction activities in the natural gas distribution system to fulfil demand estimates determined by EMRA. Revenue and costs related to investment expenditures are accounted within the framework of discontinued operations.

· Natural gas sales income and system operating income

Gazdaş and Trakya, determine the amount of natural gas sales for the invoicing of subscribers based on the index value read by the customer counter. Counters are read periodically once a month and index values are recorded. Natural gas sales revenue is recognized on an accrual basis based on weighted average retail price determined by EMRA on the sales quantity calculated according to two index differences between the last reading date and the previous reading date and calculated on the basis of reading periods. The retail price consists of the unit purchase price and the system usage price. According to the Natural Gas Market Distribution and Customer Services Regulation, Gazdaş and Trakya may not charge any fee to consumers other than the retail price approved by EMRA and other service fees determined by EMRA. Gazdaş and Trakya reflect the sale of natural gas to subscribers to their consolidated financial statements in accordance with EMRA regulations. In this context, Gazdaş and Trakya invoice the natural gas they purchase to subscribers without adding a profit margin. Gazdaş and Trakya record the revenue as gross, since they are mainly responsible for fulfilling the commitment that subscribers are provided with natural gas. System usage income related to natural gas sales revenue has been accounted within the framework of discontinued operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

g) Discontinued activities (continued)

· Natural gas transmission income

Wholesale companies, from whom individual consumers purchase natural gas, contact with distribution companies to sign transmission service agreements and delivery service agreements for their customers. The distribution companies provide natural gas transmission service to the wholesale companies in scope of the transmission service agreement and delivery service agreement. As it is the case with its customers, the distribution company processes the amount of natural gas consumption for invoicing to the system records by reading the customer counter periodically every month. The sale of natural gas transportation service is accrued over the calculated natural gas consumption amount and the system usage fee notified to the distribution company by EMRA. The transmission service invoice is reflected to the wholesale companies by the distribution companies.

· Interest income from distribution activities

The interest income portion of the revenue related to the service concession agreements for distribution is recognized as per Service Concession Agreements (TFRS Interpretation 12). Interest income earned from financial assets under service concession arrangements is recognized using the effective interest method. Interest income related to the weighted average cost of capital correction has been accounted for under profits from discontinued operations in the accompanying financial statements.

· Indexation difference on financial assets service concession arrangements

The Group accounts for the income calculated using the effective interest method on the financial asset as “Indexation difference related to financial assets service concession arrangements” within other operating income. The indexation difference on financial assets from service concession arrangements is included in profits from discontinued operations item in the accompanying financial statement.

h) Deferred revenue

The retail company must earn a net profit margin of 2.38% on sales to its tariff customers. The retail net profit margin consists of the adjustment component recorded to equate the net profit margin to 2.38%. The excess portion of the period is classified under deferred income in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

i) Deposits received

In accordance with the decision of EMRA about “The Rules and Regulation related to the Update of Guarantee Payments in Electricity Market,” OEPSAŞ is obliged to pay the deposit amounts to customers which have terminated their subscription, updated in accordance with the methods identified by EMRA. Deposits received are included in the financial statements by being updated according to the CPI. In addition, according to the Transfer of Operating Rights agreement signed between TEDAŞ and OEPSAŞ, the Group must keep track of deposits received from the subscribers and refunded, and to pay the net balance back to TEDAŞ until the end of the license period. Differences resulting from the valuation of the amounts received for deposits are accounted for under gains/(losses) on monetary position in the consolidated statement of profit or loss.

j) Borrowing costs

Bank loans are recorded at their fair values with reduced transaction costs on the date they are received. In the following periods, they are valued at their discounted values using the effective interest rate method, and the difference between the remaining amount after deducting the transaction costs and the discounted cost value is reflected in the consolidated profit or loss statement as financing cost during the loan period.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which (at least a period of one year) are assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are mostly ready for their intended use or sale.

All other borrowing costs are recorded in the consolidated statement of profit or loss in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

k) Provisions, contingent liabilities, contingent assets

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Liabilities arising from past events that cannot be confirmed by the realization of one or more uncertain future events, the existence of which is not fully under the control of the enterprise, are not included in the financial statements and are treated as contingent liabilities (Note 19).

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are disclosed where an inflow of economic benefit is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements of the period in which the change occurs.

l) Employment termination benefits

Provisions for employee termination benefits:

As per the existing labor law in Türkiye, the Group is obliged to pay certain amounts to its employees who have completed one year of employment and left due to reasons such as retirement, military service or death. Provision for employment termination benefits represents the present value of the estimated future probable obligation of the Group in case of the retirement of employees on a 30- day basis. Provision for employment termination benefits is calculated as if all employees are subject to such payment and reflected in the consolidated financial statements on accrual basis. The provision has been calculated based on the severance pay ceiling announced by the Government.

m) Earnings/(losses) per share

Earnings/(losses) per share are calculated by dividing net profit/(losses) by the weighted average number of shares that have been outstanding during the related year concerned. In case of capital increase from internal resources during the period, the newly found value is considered to be valid as of the beginning of the period while calculating the weighted average of the shares.

Companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings and allowable reserves. Therefore, the weighted average number of shares used in the calculation of earnings per share is obtained by applying the issue of bonus shares retrospectively (Note 33).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

n) Current Period Tax Expense and Deferred Tax Assets and Liabilities

Tax liability on the current period profit or loss includes current period tax and deferred tax. Current year tax liability consists of the tax liability calculated based on the taxable portion of the profit for the period with the tax rates valid as of the reporting date and according to the tax legislation in force and includes adjustments related to previous years’ tax liabilities.

Deferred tax is provided, for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax bases of assets and liabilities comprise of the amounts that will impact taxable income in future periods based on the tax legislation. Currently enacted tax rates, which are expected to be effective during the periods when the deferred tax assets will be utilized or deferred tax liabilities will be settled, are used to determine deferred tax.

Deferred tax is calculated over the temporary differences between the book values of assets and liabilities in the financial statements and the values used in the tax base. Deferred tax is not recognized for temporary differences occurring in the following cases:

- Temporary differences in the initial recognition of assets or liabilities resulting from a transaction that is not a business combination and does not affect either accounting profit or taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and jointly controlled entities that are not likely to reverse in the foreseeable future and for which the Group has control over the reversal time;
- Taxable temporary differences during the initial recognition of goodwill.

Deferred tax assets and liabilities are recognized to the extent that they will impact taxes to be paid in the periods that temporary differences will disappear. Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Carrying value of deferred tax assets are decreased to the extent necessary if future taxable profits are not expected to be available to utilize deferred tax assets partially or fully.

Deferred tax assets and deferred tax liabilities related to taxes levied by the same taxation authority are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities (Note 24).

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(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

o) Inventories

Inventories are valued at the lower of cost and net realizable value. It is determined by the inventory costs method and includes the cost of purchasing inventories, production or conversion costs, and other costs incurred in bringing the inventories to their current state and location (Note 9).

p) Share Premium

Share premium represents differences resulting from the sale of the Group’s affiliates” or associates’ shares at a price exceeding the face value of those shares or differences between the face value and the fair value of shares issued for acquired companies (Note 23).

r) Financial instruments

(i) Recognition and initial measurement

The Group recognizes its trade receivables and borrowing instruments at the time of their origination. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. The Group accounts for all of its other financial assets and financial liabilities if and only if it becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as; measured at amortized cost; FVOCI – investments in debt instruments, equity investments; or FVTPL.

The Group cannot reclassify its financial assets subsequent to their initial recognition unless it changes its business model for managing financial assets. In this case, all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

r) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows;
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. These also include all derivative assets. On initial recognition, the Group may irrevocably designate a financial asset that meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liability or expected cash outflows for realizing cash flows through the sale of the assets;
- Purpose of the business model; it may be to manage daily liquidity needs, maintain a certain interest yield, or match the maturity of financial assets with the maturity of the debts funding those assets;
- How the performance of the portfolio is reported to the Group’s management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

r) Financial instruments (continued)

Financial assets – Business model assessment

- How managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets held for trading or managed on a fair value basis and whose performance is evaluated on this basis are classified as measured at fair value through profit or loss.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows (triggering event in other words)
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Group’s claim to cash flows from specified assets (e.g., non-recourse features)
- A prepayment feature is solely consistent with the payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.
- Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

r) Financial instruments (continued)

Financial assets – Gains or losses from subsequent measurement

Financial assets and liabilities at fair value through profit or loss	These assets are measured at their fair value in subsequent measurements. Net gains and losses related to them, including any interest or dividend income, are recognized in profit or loss. The Group’s financial assets at fair value through profit or loss include derivative instruments that are not subject to hedge accounting. For derivatives defined as hedging instruments, See Section (v) below.
Financial assets and liabilities carried at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Amortized costs are reduced by the amount of impairment losses, if any. Interest income, foreign currency gains and losses and impairments are recognized in profit or loss. Gains or losses resulting from their derecognition are recognized in profit or loss. Financial assets which are accounted for by the Group based on their amortized costs are “cash and cash equivalents,”
Debt instruments measured at fair value through other comprehensive income	“trade receivables,” “other receivables” and “•financial assets service concession arrangements.” These assets are subsequently measured at fair value. Interest income calculated using the effective interest method are recognized foreign currency gains and losses and impairments in profit or loss. Other gains and losses are recognized in other comprehensive income. When financial assets are derecognized, total gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost and at fair value through profit or loss.

A financial liability is classified as at fair value through profit or loss if it meets the definition of held for trading. A financial liability is classified as a financial liability held for trading if it is a derivative or designated as such at initial recording. Financial liabilities at fair value through profit or loss are measured at their fair value and net gains and losses including interest expenses are recognized in profit or loss. Other financial liabilities are measured at effective interest rates and amortized cost values of future principal and interest cash flows, less any impairment upon initial recognition. Interest expenses and foreign exchange differences are recognized in profit or loss. Gains or losses on derecognition of these liabilities are recognized in profit or loss. For derivatives defined as hedging instruments, see Section (v) below.

The Group derecognizes the financial asset if it does not continue to have control over the financial asset when the contractual rights to the cash flows related to the financial assets expire or when it transfers substantially all the risks and rewards of ownership of that financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

r) Financial instruments (continued)

(iii) Derecognition

Financial liabilities

The Group derecognizes a financial liability and if and only if the debt related to the liability is removed or cancelled. In addition, if there is a material change in the terms or cash flows of an existing financial liability, the Group removes that financial liability from its statement of financial position. This requires the recognition of a new financial liability at fair value in accordance with the amended terms.

On derecognition of a financial liability, the difference between the carrying amount and the amount paid for the liability (including any non-cash assets transferred or any liabilities assumed) is recognized as profit or loss.

(iv) Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

(v) Derivative financial instruments and hedge accounting

Derivative instruments are initially recognized at fair value. Following the initial recognition of derivative instruments, changes in their fair values are recognized in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

r) Impairment of Assets (continued)

(i) Non-derivative financial assets

Financial instruments and contract assets

The Group recognizes a loss allowance for expected credit losses (“ECL”) for:

- Financial assets measured at amortized cost;

The Group measures the loss allowance at an amount equal to life-time ECLs, excluding items measured as 12-month expected credit losses as noted below:

- Debt instruments determined to have low credit risk at the reporting date, and
- Other debt instruments and bank balances for which the credit risk (i.e., the risk of default over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group has chosen life-time ECLs in calculating the impairment of trade receivables and contract assets.

The Group considers reasonable and supportable information available without undue cost or effort regarding the estimation of expected credit losses including the effects of expected early payments in determining whether the credit risk of a financial asset has increased significantly since initial recognition and in estimating its ECLs. This information includes quantitative and qualitative information and analysis based on the Group’s past experience of credit losses and forward-looking information.

Life-time ECLs are expected credit losses resulting from possible default events over the expected life of the financial instrument.

The 12-month ECLs are the portion that represents the expected credit losses arising from possible default events on the financial instrument within the following 12 months after the reporting date.

The maximum period for which ECLs will be measured is the maximum contractual period for which the Group is exposed to credit risk.

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(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

s) Impairment of Assets

Measurement of ECLs

The ECLs are a weighted estimate based on the probabilities of credit losses over the expected life of the financial instrument. In other words, they are credit losses measured at the present value of all cash deficits (for example, the difference between the contractual cash flows to the entity and the cash flows the entity expects to receive).

Since the amount and timing of payments are taken into account for the calculation of expected credit losses, a credit loss is incurred even if the entity expects to receive full payment after the contractual maturity.

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At the end of each reporting period, the Group assesses whether its financial assets measured at amortized cost and debt assets measured at fair value through other comprehensive income are impaired. A financial asset is credit impaired when one or more events occur that adversely affect the estimated future cash flows of a financial asset.

Evidence that a financial asset is credit impaired includes the following observable data:

- The borrower or issuer is in significant financial difficulty;
- A breach of contract, such as a default of debtor or an average of 90 days past the due date of the financial instrument;
- Restructuring of a loan or advance, subject to conditions that the Group cannot take into account otherwise;
- The debtor is likely to go bankrupt or have financial restructuring; or
- The disappearance of an active market for a security due to financial difficulties.

Presentation of impairment

Loss provisions for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

s) Impairment of Assets (continued)

Write-off

If there are no reasonable expectations of partial or full recovery of the value of a financial asset, the entity directly reduces the gross carrying amount of the financial asset. Write-off is a reason for derecognition.

For individual customers, the Group has a write-off policy based on the gross book value of the relevant financial asset if it is 180 days past due, based on the Group’s historical experience regarding the recovery of similar assets. For corporate customers, the Group makes an assessment of the timing and amount of write-off based on whether there is a reasonable expectation of recovery on an individual basis. The Group does not expect a significant recovery regarding the amount written off.

However, written-off financial assets may still be subject to enforcement activities to comply with the Group’s procedures for recovering amounts due.

t) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At the actual commencement date of the lease or at the date of the change in the contract containing the lease component, the Group allocates to each lease component based on the relative stand-alone price of the lease component and the total price of the non-lease components.

The Group has not separated the non-lease components from the lease components, but preferred accounting for each lease component and its associated non-lease components as a single lease component instead.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

t) Leases (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use-asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

In addition, the value of the right-of-use asset is periodically reduced by deducting any impairment losses and adjusted for remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease payments are discounted using the interest rate implicit in the lease in case it can easily be determined. If that rate cannot be specified readily, the Group’s incremental borrowing rate is utilized as the discount rate. Generally, the Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- Penalties to be incurred when the Group is reasonably certain in exercising call option or demonstrates that it will exercise an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. In case of re- measurement of the lease liability, it is reflected to the financial statements as an adjustment to the right-of-use asset based on the newly found debt amount. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the remaining remeasurement amount is recognized in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of material accounting policies (continued)

u) Segment reporting

The Group management has determined the reportable segments of the Group as electricity distribution and retail electricity sales, production and trade and other according to activity groups. The Group management may change the structure of segment reporting, if they reach the conclusion that it might affect financial statement users’ decisions and/or it will be useful during the review of financial statements (Note 3).

v) Assets classified as held for sale and discontinued operations

The Group classifies the non-current asset (or asset group to be disposed of) as held for sale if the book value of a non-current asset or asset group will be recovered through a sale transaction rather than continued use. For this situation to be valid; the relevant asset must be in a position to be sold immediately under customary conditions that are common in the sale of such assets, and the probability of sale must be high. The Group measures the fixed asset group, which it classifies as assets classified as held for sale, at the lower of its book value and fair value less costs to sell. Depreciation is stopped for tangible and intangible assets within this asset group as of the relevant classification date. Discontinued activities related to the asset group in question are presented in the period profit/loss, and the transactions presented and the adjustments regarding these transactions are defined and classified as transactions that will not be included in the financial statements after the sale transaction takes place.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Going concern assumption

The Group’s EBITDA for the years ending December 31, 2024 and 2023 is TRY 12,191,756 and TRY 16,439,710, respectively. The Group’s net loss and profit for the equity holders of the parents for the years ending December 31, 2024 and 2023 is TRY (2,363,844) and TRY 15,768,107, respectively, and as of December 31, 2024, short-term liabilities exceed its current assets by TRY 6,727,570 (December 31, 2023: TRY 16,938,488).

The fact that most of the Group’s electricity sales are made at guaranteed prices in dollar terms within the scope of the Renewable Energy Resources Support Mechanism (“YEKDEM”) positively affects gross profitability. In addition, foreign exchange losses arising from foreign currency loans of companies selling within the scope of YEKDEM are largely eliminated naturally with foreign currency-indexed sales revenues. Among the power plants within the Group, Alaşehir geothermal power plant owned by Zorlu Geothermal will be able to sell electricity within the scope of YEKDEM until December 31, 2025, and Zorlu Doğal’s Kızıldere 3 geothermal power plant will be able to sell electricity within the scope of YEKDEM until December 31, 2027.

The Group’s licenses for the 0.9 MWm Kızıldere 1 Hybrid GPP, 10 MWm Kızıldere 2 Hybrid GPP, 47.7 MWm Kızıldere 3 Hybrid GPP and 18.6 MW Alkan Geothermal Power Plant are at the investment stage. In addition to these projects, there are additional new projects, existing facility improvement investments and capacity increase projects.

Within the scope of the material event disclosure dated March 12, 2024, and in line with the adjustment criteria set forth in the Share Purchase Agreement, a deduction of financial and commercial liabilities amounting to TRY 2,806,342 thousand was made from the sales price based on the financial and commercial liabilities as of the closing date. The remaining amount of TRY 3,568,987 thousand was paid in cash and in advance by the buyer. Accordingly, the sale and transfer of all shares held by the Company in its wholly-owned subsidiary, Zorlu Enerji Dağıtım A.Ş., to Gaztrak Enerji A.Ş., a wholly-owned subsidiary of Palmet Enerji A.Ş., for a total consideration of USD 200,000,000 (equivalent to TRY 6,375,330 thousand), was completed on March 12, 2024.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Going concern assumption (continued)

Pursuant to the material event disclosure dated October 22, 2024, the sale of the sustainability-linked bonds, approved for issuance by the Capital Markets Board on October 22, 2024, to qualified investors abroad was completed on October 23, 2024. The proceeds from the sale of the bonds amounting to USD 800,000,000 were transferred to the Company's accounts on the same date. Furthermore, as stated in the material event disclosure dated November 1, 2024, the book-building process for the additional sustainability-linked bonds with a nominal value of USD 200,000,000, planned to be issued for the purpose of being consolidated with the USD 800,000,000 nominal value sustainability-linked bonds, which were previously sold to qualified investors abroad and listed on the Irish Stock Exchange (Euronext Dublin), has been completed. The proceeds from the sale of the additional USD 200,000,000 nominal value bonds were transferred to the Company's accounts on November 7, 2024.

The proceeds amounting to USD 1,000,000,000 obtained from the bond issuance were used for the refinancing of existing financial liabilities of the Company's subsidiaries and the payment of other financing expenses. In this context, the remaining portion of USD 262,500,000 of the bond previously issued abroad by Zorlu Yenilenebilir Enerji A.Ş., a wholly owned subsidiary of the Company, was fully redeemed on October 23, 2024, using the funds obtained from the new issuance. The remaining USD 737,500,000 was utilized for the repayment of financial liabilities and the payment of other financing expenses of the Company's other subsidiaries.

Additionally, pursuant to the Company's disclosure dated February 27, 2025, an additional sustainability-linked bond with a nominal value of USD 100,000,000 has been issued. The sale transactions were completed as of March 6, 2025. The proceeds from the issuance will be used for the repayment of financial liabilities, capital expenditures, and the payment of other financing expenses.

The said bonds will be listed on the Irish Stock Exchange (Euronext Dublin). The total issuance amount is USD 1,100,000,000.

With this financing, the aim is to extend the repayment schedules of Zorlu Enerji's other subsidiaries. existing financial debts, thereby strengthening the financial structures of Zorlu Enerji's other subsidiaries.

The Group has prepared its consolidated financial statements on a going concern basis in a foreseeable future and does not expect any risk in this respect.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Comparatives and restatement of prior year financial statements

The consolidated financial statements of the Group for the current period is prepared in comparison with the prior year in order to be able to determine the financial position and performance trends. Where necessary, comparative figures are reclassified to conform to changes in presentation in the current year and material differences are disclosed.

2.7 Critical accounting estimates, assumptions and judgments

The preparation of the consolidated financial statements requires the disclosure of the amounts of assets and liabilities reported as of the reporting date, the disclosure of contingent assets and liabilities, and the use of estimates and assumptions that may affect the amounts of income and expenses reported during the accounting period. These estimates and assumptions are based on the Group management's understanding of current events and transactions. Although based on the best information available, actual results may differ from assumptions.

The estimates and assumptions that are significant in terms of the carrying values of the Group's assets and liabilities and operating results are given below:

a) Deferred tax asset on cumulative tax losses

Deferred tax assets are accounted for only where it is likely that related temporary differences and accumulated losses will be recovered through expected future profits. When accounting for deferred tax assets it is necessary to make critical estimations and evaluations with regard to taxable profits in the future periods. As at December 31, 2024 according to the future projections, deferred tax assets are recognized on the carryforward tax losses amounts to TRY 10,467,040 (December 31, 2023: TRY 20,425,734). Deferred tax asset is not recognized carryforward tax losses for the remaining TRY 10,099,266 (December 31, 2023: TRY 5,935,827) (Note 24).

b) Cash flow hedge transactions

As explained in Note 20, the Group uses bond and investment loans amounting USD 308,000 thousand (December 31, 2023: USD 549,077 thousand) and as a hedging instrument against the highly probable USD spot exchange rate risk the Group is exposed to due to YEKDEM sales income, and applies cash flow hedge accounting as a result of the effectiveness tests performed. The estimations in budgets for YEKDEM sales income used for effectiveness test include estimations such as sales quantities and production capacity

As a result of the sensitivity analysis carried out regarding the sales amount estimation that is the basis of the efficiency test, the Group concluded that a 1% increase/decrease in the sales estimates for 2024 and 2023 has no effect on the evaluation of the efficiency tests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Critical accounting estimates, assumptions and judgments

c) Explanations for revaluation method and fair value measurements

Effective from the presentation of the consolidated financial statements dated 31 December 2013, the cost model, one of the application methods in TAS 16, has been excluded from the application and the revaluation model has been chosen for the presentation of the Group’s electricity generation facilities at their fair values.

The cost approach method (depreciated replacement cost method) was used in the valuation of natural gas power plants owned by Zorlu Enerji and the Kızildere 1 geothermal power plant owned by Zorlu Doğal, and the income approach method (discounted cash flows method - “DCF”) was used in the valuation of other power plants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Critical accounting estimates, assumptions and judgments (Continued)

c) Explanations for revaluation method and fair value measurements (Continued)

Companies	Valuated power plant type	Valuation period	Valuation method	Weighted capital cost rate (%) (USD) ^(*)	Valuation assumptions	
					Electricity sales price (cent/kWh) ^(*)	Electricity sales volume (kWh/year)
Zorlu Doğal	Kızildere I Geothermal Energy Power Plant	31 December 2024	Depreciated	-	-	-
Zorlu Doğal	Kızildere II Geothermal Energy Power Plant	31 December 2024	Replacement cost	9.5	75.6 -119.1 cent	379,668,400
Zorlu Doğal	Kızildere III Geothermal Energy Power Plant	31 December 2024	DCF	9.5	85.1-119.1 cent	996,603,300
Zorlu Doğal	Tokat/Ataköy Hydroelectric Energy Power Plant	31 December 2024	DCF	9.5	75.6 -119.1 cent	6,918,843
Zorlu Doğal	Eskişehir/Beyköy Hydroelectric Energy Power plant	31 December 2024	DCF	9.5	75.6 -119.1 cent	43,488,144
Zorlu Doğal	Kars/Çıldır Hydroelectric Energy Power Plant	31 December 2024	DCF	9.5	75.6 -119.1 cent	18,554,941
Zorlu Doğal	Rize/İkizdere Hydroelectric Energy Power Plant	31 December 2024	DCF	9.5	75.6 -119.1 cent	116,206,533
Zorlu Doğal	Erzurum/Kuzgun Hydroelectric Energy Power Plant	31 December 2024	DCF	9.5	75.6 -119.1 cent	22,542,218
Zorlu Doğal	Tunceli/Mercan Hydroelectric Energy Power Plant	31 December 2024	DCF	9.5	75.6 -119.1 cent	74,809,962
Zorlu Doğal	Erzincan/Tercan Hydroelectric Energy Power Plant	31 December 2024	DCF	9.5	75.6 -119.1 cent	38,181,555
Rotor	Gökçedağ Wind Energy Power Plant	31 December 2024	DCF	9.5	75.6 -164 cent	331,985,385
Zorlu Jeotermal	Alaşehir I Geothermal Energy Power Plant	31 December 2024	DCF	9.5	75.6-196 cent	264,035,160
Zorlu Enerji Pakistan	Jhampir Wind Energy Power Plant	31 December 2024	DCF	11.96	71.3 cent	159,010,000
Depreciated						
Zorlu Enerji	Bursa ve Lüleburgaz Natural Gas Power Plant	31 December 2024	Replacement cost	-	-	-

^(*) Represents the minimum and maximum weighted average cost of capital which was used in DCF calculation.
^(**) Represents the minimum and maximum sales volume which was used in DCF calculation.

Zorlu Doğal consists of the power plants that it has obtained the operating rights from Ankara Doğal Elektrik Üretim ve Ticaret AŞ (“ADÜAŞ”) for 30 years. The projection period for the above mentioned power plants is based on the license periods.

The projection period for Alaşehir I Geothermal power plant belonging to Zorlu Jeotermal, according to the “Geothermal Resources and Natural Mineral Waters Law” numbered 5686 and “Geothermal Resources and Natural Mineral Waters Law Implementation Regulation” numbered 26727 and within the scope of Article 25 of the Electricity Market License Regulation, the Company Management has evaluated the extension of the license that will expire on January 19, 2040 until July 28, 2060, which is the minimum license period, by applying for an extension within the scope of the law, and the projection period has been used until 2060. The effect of this assumption on the determination of the fair value of Alaşehir 1 power plant as of December 31, 2024 is USD 54,335 thousands.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Critical accounting estimates, assumptions and judgments (Continued)

c) Explanations for revaluation method and fair value measurements (Continued)

In the event that the prospective electricity prices, sales volume and weighted capital cost ratio used in the models increase or decrease by 10%, the effects on tangible fixed assets recognized in the consolidated financial statements, assuming all other variables are constant, are presented below:

31 December 2024	In case of a 10% increase	In case of a 10% decrease
Electricity prices	5,708,982	(2,583,379)
Sales volume	4,807,054	(4,807,054)
Weighted capital cost ratio	(462,705)	454,716

d) Uninvoiced sales

The costs of active energy and retail sale services provided to the customer but not invoiced are recognized at estimated amounts. Unbilled electricity costs of active energy and retail sale services are reflected in the consolidated financial statements by multiplying the relevant period's tariff prices by the difference between the date of the customer's most recent meter reading and the last day of the relevant period.

e) Provisions

The Group management is reflecting the best estimation to the consolidated financial statements based on the best available data and results might differ when fulfilling the liabilities. As at December 31, 2024, the Group is the object of several lawsuits. Depending on the reviews of legal counsels, the Group is evaluating the probable results of these lawsuits and setting aside necessary provisions in consolidated financial statements. The Group also insures the loss of profits or damages incurred during the period regarding the cash-generating facilities with the insurances it has taken out at its facilities. Additionally, insurance income accruals are recorded against current damage and profit losses.

f) Goodwill impairment

In accordance with the aforementioned accounting policy in Note 2.4, the Group reviews the goodwill for impairment once a year or more frequently if conditions indicate impairment. Recoverable values of cash-generating units are determined based on the value in use or fair value calculations. As a result of the impairment tests performed on the basis of cash-generating units, the details of which are given below, no impairment has been detected in the goodwill amounts as of December 31, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Critical accounting estimates, assumptions and judgments (Continued)

OEDAŞ:

OEDAŞ operations were considered to be part of separate cash-generating units, and the recoverable amount of the said units were determined based on fair value calculations. Fair value calculations include cash flow projections to be realized during the life of the license valid until September 1, 2036 and the projections determined in TRY are based on Long-term plans prepared by the Group management. In the fair value calculations, the cost of capital ratio for OEDAŞ is variable over the years and is between 38% and 19%, while the annual inflation rate is kept variable between 33% for 2025, 19% for 2026 and between 16% and 10% for the following years. The Group has also considered the cost efficiency in the fair value calculations and has taken into account the cost efficiency as an annual average of 15% over fixed and variable costs.

If the inflation rate, cost of capital ratio and expense efficiency ratio used in the calculation of discounted cash flows are higher or lower by 1% the effects on the equity value reached, assuming all other variables are constant, are presented below:

31 December 2024	In case of a 1% increase	In case of a 1% decrease
Inflation rate	1,051,243	(987,711)
Capital cost ratio	(625,143)	663,334
Expense efficiency	104,790	(104,790)

As a result of the sensitivity analysis, there is no impairment in the amount of goodwill.

OEPSAŞ:

The activities of OEPSAŞ have been evaluated as separate cash-generating units and the recoverable values of these cash-generating units have been determined according to the fair value calculations. Fair value calculations include cash flow projections to be realized throughout the life of the license and the projections determined in TRY are based on Long-term plans prepared by the Group management. In the cash flow projections used in the fair value calculations, the eligible consumer profit margin ratio started at 2.38% in 2025 and continued at a constant rate. The capital cost ratio for OEPSAŞ is variable over the years and has been taken into account in the range of 39%-19%.

If the eligible consumer profit margin ratio and cost of capital ratio used in the calculation of discounted cash flows are higher or lower by 1% the effects on the equity value reached, assuming all other variables are constant, are presented below:

31 December 2024	In case of a 1% increase	In case of a 1% decrease
Eligible consumer profit margin	363,586	(363,586)
Capital cost ratio	(106,802)	114,851

As a result of the sensitivity analysis, there is no impairment in the amount of goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.8 Seasonality of operations

Business volume shows seasonal changes according to the structure of the industry in which the Group operates. The wind and hydroelectric power plants, which are under production and trading segment, business volumes are higher in second and third quarters and in the second quarter of the year, respectively. Seasonality does not have a significant impact on the volume of business in the remaining segments of the Group.

NOTE 3 - SEGMENT REPORTING

Management of the Group has determined the reportable parts of the Group as distribution and retail sale of electricity, production and other according to the activity groups.

Management of the Group considers earnings before interest, taxes, depreciation and amortization (“EBITDA”) as the most appropriate method for comparability with other companies within the same industry. The segment information in industrial basis is presented below:

1 January - 31 December 2024	Electricity generation	Profit from discontinued operations	Electricity distribution and retail sales	Other	Consolidation adjustments	Consolidation total
Revenue	8,929,628	-	24,815,686	5,106,932	(9,194,650)	29,657,596
Cost of sales	(7,288,739)	-	(22,743,508)	(4,646,484)	8,731,180	(25,947,551)
Gross profit	1,640,889	-	2,072,178	460,448	(463,470)	3,710,045
Operating expenses	(457,941)	-	(1,517,038)	(430,125)	464,531	(1,940,573)
Amortization and depreciation expenses ⁽¹⁾	3,978,284	-	682	273,767	(1,061)	4,251,672
Weighted average cost of capital (“WACC”) correction ⁽²⁾	-	-	1,862,703	-	-	1,862,703
Indexation difference on financial assets under service concession arrangements ⁽³⁾	-	-	4,307,909	-	-	4,307,909
EBITDA ⁽⁴⁾	5,161,232	-	6,726,434	304,090	-	12,191,756
Other income	305,638	-	2,534,915	4,246,301	(4,165,321)	2,921,533
Other expense	(890,255)	-	(3,518,982)	(2,109,046)	3,762,174	(2,756,109)
Finance income	1,570,021	-	894,345	6,495,726	(4,049,860)	4,910,232
Finance expense	(10,219,808)	-	(2,826,054)	(12,149,894)	2,913,289	(22,282,467)
Tax income / (expense)	5,399,864	-	(181,786)	69,424	(775,535)	4,511,967
Income from continued operations	-	2,094,623	-	-	-	2,094,623

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 3 - SEGMENT REPORTING (Continued)

1 January - 31 December 2023	Electricity generation	Profit from discontinued operations	Electricity distribution and retail sales	Other	Consolidation adjustments	Consolidation total
Revenue	10,339,250	-	29,249,544	12,262,148	(12,461,631)	39,389,311
Cost of sales	(7,846,561)	-	(26,588,816)	(10,800,548)	11,278,609	(33,957,316)
Gross profit	2,492,689	-	2,660,728	1,461,600	(1,183,022)	5,431,995
Operating expenses	(308,412)	-	(1,551,540)	(541,105)	128,279	(2,272,778)
Amortization and depreciation expenses ⁽¹⁾	5,186,104	-	131,486	190,024	-	5,507,614
Weighted average cost of capital (“WACC”) correction ⁽²⁾	-	-	1,760,357	-	-	1,760,357
Indexation difference on financial assets under service concession arrangements ⁽³⁾	-	-	6,012,522	-	-	6,012,522
EBITDA ⁽⁴⁾	7,370,381	-	9,013,553	1,110,519	(1,054,743)	16,439,710
Other income	591,054	-	2,824,241	2,392,108	(1,556,615)	4,250,788
Other expense	(323,269)	-	(578,260)	(2,128,168)	345,990	(2,683,707)
Finance income	1,672,857	-	320,422	18,344,683	(7,054,394)	13,283,568
Finance expense	(15,355,970)	-	(1,904,506)	(23,294,999)	10,401,228	(30,154,247)
Tax income / (expense)	5,350,758	-	2,291,742	953,628	213,337	8,809,465
Income from continued operations	-	293,943	-	-	-	293,943

⁽¹⁾ The depreciation and amortization expenses amounts to TRY 4,251,672 (December 31, 2023: TRY 5,507,614) has been presented in the cost of sales and general administrative expenses and an amortization expense amounts to TRY 576,089 (December 31, 2023: TRY 574,517) in the other operating expenses.

⁽²⁾ Interest income related to weighted average cost of capital correction which are related to OEDAŞ amounts to TRY 1,862,703 (December 31, 2023: TRY 1,760,357), which are accounted in the other income are included in EBITDA calculation. Indexation difference on financial assets under service concession arrangements which are related to OEDAŞ amounts to TRY 4,307,909 (December 31, 2023: TRY 6,012,522), which are accounted in the monetary gain are included in EBITDA calculation.

⁽³⁾ The Group's EBITDA amount for the year ending December 31, 2024, the EBITDA effect of Dorad investments amounting to TRY 1,557,690 (December 31, 2023: TRY 1,603,509), which are classified as investments accounted for using equity method and correspond to the share owned, and the EBITDA effect of Electrip investments amounting to TRY (313,819) (December 31, 2023: TRY (136,896)) (Note 14) and the EBITDA effect of Zorlu Enerji Dağıtım and its subsidiaries amounting to (December 31, 2023: TRY 2,274,828) (Note 12), which are classified under profits from discontinued operations, are not included.

⁽⁴⁾ Based on the material event statement dated March 12, 2024, It relates to Zorlu Enerji Dağıtım and its subsidiaries, which were sold to Palmet.

1 January - 31 December 2024	Electricity generation	Electricity distribution and retail sales	Other	Consolidation adjustment	Consolidation total
Segment assets	64,006,443	19,374,156	113,362,039	(83,706,836)	113,035,802
Shares from investments accounted for using equity method	-	-	5,748,923	-	5,748,923
Segment liabilities	29,567,968	9,416,441	54,906,326	(33,753,573)	60,137,162

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 3 - SEGMENT REPORTING (Continued)

1 January - 31 December 2023	Electricity generation	Profit from discontinued operations	Electricity distribution and retail sales	Other	Consolidation adjustment	Consolidation total
Segment assets	65,665,688	-	23,898,526	126,672,096	(90,548,047)	125,688,263
Asset classified as held for sale assets related to groups	-	12,031,371	-	-	(1,939,220)	10,092,151
Shares from investments accounted for using equity method	-	-	-	6,448,743	-	6,448,743
Segment liabilities	35,997,804	-	10,840,330	58,105,577	(28,384,888)	76,558,823
Liabilities related to asset held for sale	-	10,394,956	-	-	(270,210)	10,124,746

Reconciliation between EBITDA and income before tax from continued operations is as follows:

	1 January - 31 December 2024	1 January- 31 December 2023
EBITDA ⁽¹⁾	12,191,756	16,439,710
Amortization and depreciation expenses	(4,827,761)	(6,082,131)
Financial income/(expenses), net	(17,372,235)	(16,870,679)
Other operating income/(expenses), net	(1,121,190)	381,241
Shares from investments accounted for using equity method	800,581	196,693
Income from investment activities	4,825,556	5,989,492
Net monetary position gain / (loss)	(3,467,857)	6,703,707
Tax income/(expense)	4,511,967	8,809,465
Profit/(loss) from discontinued operations	2,094,623	293,943
Income/(loss) before tax from continued operations	(2,364,560)	15,861,441

⁽¹⁾ The Group’s EBITDA amount for the year ending December 31, 2024, the EBITDA effect of Dorad investments amounting to TRY 1,557,690 (December 31, 2023: TRY 1,603,509), which are classified as investments accounted for using equity method and correspond to the share owned, and the EBITDA effect of Electrip investments amounting to TRY (313,819) (December 31, 2023: TRY (136,896)) (Note 14) and the EBITDA effect of Zorlu Enerji Dağıtım and its subsidiaries (December 31, 2023: TRY 2,274,828) (Note 12), which are classified under profits from discontinued operations, are not included.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 4- CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash	3,504	1,699
Banks		
- <i>Time deposits</i>	<i>1,025,840</i>	<i>196,213</i>
- <i>Demand deposits</i>	<i>512,574</i>	<i>2,594,030</i>
	1,541,918	2,791,942

The maturities of time deposits are less than 3 months and the average effective annual interest rates for time deposits are as follows:

	31 December 2024 (%)	31 December 2023 (%)
US Dollars	11.12	-
Pakistani Rupee	12.67	20.51
TRY	35.16	28.28

The credit risks of the banks where the Group has deposits are evaluated taking into account independent data and no significant credit risk is foreseen.

The details of cash and cash equivalents include the following for the purpose of the consolidated statements of cash flows as at December 31, 2024 and December 31, 2023:

	31 December 2024	31 December 2023
Cash and cash equivalents	1,541,918	2,791,942
Less: Restricted cash	(97,954)	(12,857)
	1,443,964	2,779,085

The details of “Other adjustments related to profit / (loss) reconciliation” presented in the cash flow statement are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Redemptions related to loan commissions	382,523	332,958
Income from investment expenditures (Not 25,26)	-	(156,772)
	382,523	176,186

Details of “Other cash inflows / (outflows)” in net cash used in financing activities in cash flows as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Commission paid related to borrowings	(893,648)	(443,212)
Change in restricted deposits	491,075	789,698
	(402,573)	346,486

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 5 - FINANCIAL ASSETS UNDER SERVICE CONCESSION ARRANGEMENTS

	31 December 2024	31 December 2023
Short-term financial assets	2,827,315	2,501,954
Long-term financial assets	9,426,971	10,666,064
	12,254,286	13,168,018

The financial assets under service concession arrangement represent the amounts of the investments not yet recovered by the tariff.

As of December 31, 2024 and 2023, all financial assets related to the concession agreements belong to OEDAŞ.

The maturity analysis of financial assets under service concession arrangement has shown as below;

	31 December 2024	31 December 2023
Up to 1 years	2,827,315	2,501,954
Between 1 to 2 years	2,827,315	2,501,954
More than 2 years	6,599,656	8,164,110
	12,254,286	13,168,018

The movements of the financial assets under service concession arrangement for electricity and gas distribution companies are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	13,168,018	18,575,812
Gross investments	1,913,605	2,448,044
Collections of subscriber connection fee	-	(570,122)
Net investments	1,913,605	1,877,922
Collections (-)	(2,827,337)	(2,799,354)
Assets classified as held for sale	-	(4,486,362)
Closing balance	12,254,286	13,168,018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 6 - FINANCIAL LIABILITIES

The detail of financial liabilities of the Group as at December 31, 2024 and December 31, 2023 is as follows:

	31 December 2024	31 December 2023
Short-term secured bank borrowings	597,856	1,769,791
Issued debt instruments	881,170	622,806
Total short-term financial liabilities	1,479,026	2,392,597
Short-term portion of Long-term secured bank borrowings	1,824,359	16,534,861
Issued debt instruments	7,812,273	5,297,541
Lease liabilities	79,755	180,452
Total short-term portion of Long-term financial liabilities	9,716,387	22,012,854
Long-term secured bank borrowings	3,695,406	26,157,035
Issued debt instruments	30,573,084	10,361,964
Lease liabilities	265,174	428,344
Total Long-term financial liabilities	34,533,664	36,947,343
Total financial liabilities	45,729,077	61,352,794

The detail of short-term financial liabilities of the Group as at December 31, 2024 and December 31, 2023 is as follows:

	Original currency		Weighted average effective interest rate per annum (%)		TRY equivalent	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
US Dollars	15,301	32,442	10.92%	15.92%	540,795	1,381,356
EURO	-	183	-	12.07%	-	8,622
TRY	938,231	1,002,619	51.98%	50.69%	938,231	1,002,619
					1,479,026	2,392,597

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 6 - FINANCIAL LIABILITIES (Continued)

The detail of short-term portion of Long-term financial liabilities of the Group as at December 31, 2024 and December 31, 2023 is as follows:

	Original currency		Weighted average effective interest rate per annum (%)		TRY equivalent	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
US Dollars	132,654	390,235	12.81%	12.74%	4,688,496	16,615,911
EUR	12,806	11,671	8.39%	9.52%	471,292	549,875
TRY	4,556,599	4,842,416	53.45%	49.59%	4,556,599	4,842,416
NIS	-	394	-	5.50%	-	4,652
					9,716,387	22,012,854

The detail of Long-term financial liabilities of the Group as at December 31, 2024 and December 31, 2023 is as follows:

	Original currency		Weighted average effective interest rate per annum (%)		TRY equivalent	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
US Dollars	950,616	762,728	11.30%	12.92%	33,598,370	32,476,381
EUR	16,854	16,353	8.13%	8.68%	620,268	770,466
TRY	263,094	3,641,682	17.80%	41.27%	263,094	3,641,682
PKR	16,541	19,895	-	-	2,081	2,997
NIS	5,146	4,732	7.25%	5.50%	49,851	55,817
					34,533,664	36,947,343

Letters of guarantees given, pledges and mortgages related to financial liabilities are explained in Note 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 6 - FINANCIAL LIABILITIES (Continued)

The movements of financial liabilities as of December 31, 2024 and 2023 as follows:

	2024	2023
As at 1 January	61,352,794	81,765,631
Cash inflows from borrowings	2,573,908	377,314
Cash inflows from issued debt instruments	41,258,842	6,193,062
Cash outflows due to the repayment of bank borrowings	(32,715,192)	(12,962,201)
Cash outflows from debt repayments of issued debt instruments	(13,312,482)	(4,541,589)
Interest accruals	10,454,004	9,160,726
Cash outflows from debt repayments of lease agreements	(107,837)	(213,834)
Interest paid	(9,537,181)	(8,714,016)
Interest accruals related to lease contract	81,920	90,874
Change of exchange difference	6,861,474	25,683,193
Other classifications	(511,125)	(110,254)
Net monetary position gain / (loss)	(20,670,048)	(32,884,927)
Non-Current assets and liabilities classified as held for sale (Note 12)	-	(2,491,185)
31 December	45,729,077	61,352,794

The carrying value of variable-rate financial liabilities are considered to approximate to their respective carrying values.

As of December 31, 2024, the carrying value and the fair value of the fixed- rate financial liabilities is TRY 40,106,166 (December 31, 2023: TRY 24,812,380) and TRY 40,783,721, respectively (December 31, 2023: TRY 26,619,019).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

a) Short-term trade receivables:

	31 December 2024	31 December 2023
Trade receivables from related parties (Note 32)	1,915,407	1,782,069
	1,915,407	1,782,069
Trade receivables from third parties	4,817,104	7,208,090
Notes receivables and cheques	7,256	13,601
Less: Allowance for doubtful receivables	(300,324)	(359,447)
	4,524,036	6,862,244

Movement for allowance for doubtful receivables is as follows:

	2024	2023
Opening Balance - 1 January	359,447	623,340
Provisions released	(33)	(137)
Provisions related to the current period	125,018	271,512
Provision no Longer required	(71,687)	(83,084)
Net monetary gain/(loss)	(112,421)	(424,501)
Assets classified as held for sale	-	(27,683)
Closing Balance - 31 December	300,324	359,447

As of December 31, 2024, trade receivables amounting to TRY 300,324 (December 31, 2023: TRY 359,447) have passed the due date and impaired. As of December 31, 2024 and 2023 the aging schedules are as follows:

	31 December 2024	31 December 2023
More than 12 months	300,324	359,447
	300,324	359,447

Past experience of the Group at collecting its receivables is considered in providing doubtful receivable provisions. The Group believes that no other trade receivable collection risk is present.

The Group has receivable that is past due but not impaired in the amount of TRY 1,165,922 (December 31, 2023: TRY 1,849,078) and TRY 731,338 of the amount is under guarantee with collaterals (December 31, 2023: TRY 1,607,441).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

a) Short-term trade receivables: (Continued):

As of December 31 2024 and 2023, the detail of receivables that is past due but not impaired are as follows:

	31 December 2024	31 December 2023
Between 0-30 days	217,803	634,772
Between 31-60 days	170,381	188,855
Between 61-90 days	124,108	156,466
91 days and up	653,630	868,985
	1,165,922	1,849,078

Information related to the credit and market risk the Group is exposed to and impairment losses for trade receivables are presented in the Note 34.

b) Long-term trade receivables:

As of December 31, 2024 and December 31, 2023, the Group’s Long - term trade receivables are as follows:

	31 December 2024	31 December 2023
Revenue difference correction component ^(*)	474,890	-
Income accruals for non-controlling expenses ^(*)	107,104	538,692
	581,994	538,692

^(*)Income accruals for non-controlling expenses which are one of the Group’s system operating income ceiling elements approved by EMRA, belong to OEDAŞ and OEPSAŞ. The Group accounts for the adjustments for these uncontrollable operating expenses on accrual basis in the year they occur.

^(**)The income difference adjustment component includes the adjustment for the difference between the system operation revenue cap of a tariff year, calculated based on the Consumer Price Index (CPI) of December of the relevant tariff year, and the actual system operation revenue of the same tariff year, also calculated based on the December CPI of the relevant tariff year. This adjustment is taken into account by the Energy Market Regulatory Authority (EPDK) as the revised system operation revenue cap in the second year following its occurrence and is used in the calculation of the revenue cap for the respective year.

c) Trade payables:

	31 December 2024	31 December 2023
Short-term trade payables to related parties (Note 32)	291,430	337,874
Short-term trade payables to third parties	4,785,630	5,264,489
	5,077,060	5,602,363

As of December 31, 2024 and 2023, the average maturity of trade payables is less than 30 days and is not discounted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

a) Short-term other receivables:

	31 December 2024	31 December 2023
Other receivables from related parties (Note 32)	1,045,942	1,656,005
Other short-term receivables from third parties	50,257	210,857
	1,096,199	1,866,862

b) Long-term other receivables:

	31 December 2024	31 December 2023
Other receivables from related parties (Note 32)	12,393,118	17,382,082
Other Long-term receivables from third parties	29,461	456,528
	12,422,579	17,838,610

c) Short-term other payables,

	31 December 2024	31 December 2023
Deposit received	2,214,584	1,716,393
Other payables to related parties (Note 32)	44,671	52,529
Other short-term payables to third parties	66	295
	2,259,321	1,769,217

Movement for allowance for deposit received is as follows:

	2024	2023
1 January	1,716,393	5,680,403
Deposit received / (payments), net	537,217	241,207
Indexation on deposit ^(*)	589,755	1,820,781
Non-Current liabilities classified as held for sale (Note 12)	-	(3,686,328)
Net monetary gain/(loss)	(628,781)	(2,339,670)
31 December	2,214,584	1,716,393

^(*) As of December 31, 2023, the indexation of deposits amounts to TRY 1,240,437 is related to naturel gas distribution group reclassified in the scope of discontinued operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 8 - OTHER RECEIVABLES AND PAYABLES (continued)

d) Long-term other payables:

	31 December 2024	31 December 2023
Other payables to related parties (Note 32)	15,832	16,123
	15,832	16,123

NOTE 9 – INVENTORIES

	31 December 2024	31 December 2023
Investment inventories ^(*)	230,927	266,775
Direct materials and merchandise	193,630	296,448
Trade goods and other ^(**)	43,212	203,953
	467,769	767,176

^(*)As of December 31, 2024 and December 31, 2023, the investment inventories consist of the materials that have not yet been used in investments of the Group.

^(**) TRY 40,599 of the commercial goods amounting to TRY 43,212 is related to the panel stocks (December 31, 2023: TRY 181,293).

NOTE 10 - OTHER ASSETS AND LIABILITIES

a) Other current assets:

	31 December 2024	31 December 2023
VAT receivable	707,219	1,071,078
Insurance income accruals ^(*)	59,762	155,280
Other	11,590	7,846
	778,571	1,234,204

^(*)Insurance income accruals are related to the damage compensation income that the Group’s commercial enterprises and elements have secured, collected and expect to collect based on insurance policies against all risks such as machine breakdown, loss of profit, fire, etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 10 - OTHER ASSETS AND LIABILITIES (Continued)

b) Other non-current assets:

	31 December 2024	31 December 2023
Prepaid taxes	1,130	4,469
	1,130	4,469

c) Other current liabilities:

	31 December 2024	31 December 2023
VAT payable	227,479	429,556
Taxes and funds payable	142,223	184,925
Other	1,213	1,137
	370,915	615,618

NOTE 11 – PREPAID EXPENSES

a) Short - term prepaid expenses:

	31 December 2024	31 December 2023
Prepaid expenses	155,895	120,464
Advances given	43,817	30,949
	199,712	151,413

b) Long - term prepaid expenses:

	31 December 2024	31 December 2023
Advances given	12,868	15,991
Prepaid expenses	1,362	-
	14,230	15,991

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 12 – NON-CURRENT ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND PROFIT FROM DISCONTINUED OPERATION

It has been decided to sell Zorlu Enerji Dağıtım, which is evaluated within the scope of TFRS 5 “Assets Classified as Held For Sale and Discontinued Operations”, together with its subsidiaries Trakya, Gazdaş and Zorlu Doğal Gaz Tedarik, to Palmet Enerji AŞ and a “Share Purchase Agreement” was signed between the parties on February 13, 2024. Following the fulfillment of the conditions required by TFRS 5, the assets and liabilities related to this subsidiary have been classified as “ Non-current assets classified as held for sale” and “Non-current liabilities classified held for sale” while the profit related to groups has been classified as “Profit from discontinued operations”. The sale of all shares of the Company’s 100% subsidiary Zorlu Enerji Dağıtım to Gaztrak Enerji AŞ, a 100% subsidiary of Palmet Enerji AŞ, the share transfer transactions were completed as of March 12, 2024.

a) Non-Current assets classified as held for sale

Non-current assets classified as held for sale related to Zorlu Enerji Dağıtım and its subsidiaries is presented below.

	31 December 2023
Cash and cash equivalents	215,656
Financial investments	139
Derivative financial instruments	108,915
Trade receivables	2,557,909
Other receivables	540,868
Service concession arrangements	4,486,362
Inventories	190,503
Prepaid expenses	48,005
Deferred tax assets	7,973
Other current assets	456,300
Other contact assets	4,323
Right of use assets	28,404
Tangible assets	63,163
Intangible assets	1,181,508
Deferred tax assets	202,123
	10,092,151

Other receivables of Zorlu Enerji Dağıtım from Zorlu Enerji amounting to TRY 1,932,246 and trade receivables of Zorlu Enerji Dağıtım from the Group amounting TRY 6,974 to same balance arising from intra-group transactions, are eliminated in the preparation of the consolidated financial statements. Before elimination of intra-group balances asset held for sale of Zorlu Enerji Dağıtım was amounting to TRY 12,031,371.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 12 – NON-CURRENT ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND PROFIT FROM DISCONTINUED OPERATION (Continued)

b) Non-Current liabilities classified as held for sale

Non-current liabilities classified as held for sale of Zorlu Enerji Dağıtım are as follows:

	31 December 2023
Borrowings	2,491,185
Short - term provisions	18,312
Trade payables ⁽¹⁾	3,753,822
Payables related to employee benefits	15,909
Other payables	3,686,328
Deferred revenue	42,608
Long - term provisions	65,391
Tax provisions	24,996
Deferred tax liability	6
Other short - term liabilities	26,189
	10,124,746

⁽¹⁾ The trade payable balance of Zorlu Enerji Dağıtım amounting to TRY 270,210 has been eliminated against the Group's trade receivable balance of the same amount from Zorlu Enerji Dağıtım as of December 31, 2023. Before elimination of intra- group balances liabilities directly associated with the assets classified as held for sale of Zorlu Enerji Dağıtım was amounting to TRY 10,394,956.

c) Period profit from discontinued operations

	1 January - 13 March 2024 ⁽¹⁾	1 January - 31 December 2023 ⁽¹⁾
Revenue	4,295,408	21,528,871
Cost of sales	(3,899,853)	(20,339,311)
Gross profit	395,555	1,189,560
General administrative expenses (-)	(48,353)	(467,127)
Marketing expenses (-)	(26)	(3,797)
Other income	(68,646)	211,436
Income from investment activities	9,767	7
Operating income before financial expenses	288,297	930,079
Financial income/(expense)	(195,427)	(759,766)
Monetary gain	1,846,369	771,741
Income before tax	1,939,239	942,054
Tax income/ (expense)	319,606	(554,680)
Non-controlling interests	(164,222)	(93,431)
Period income from discontinued operations	2,094,623	293,943

⁽¹⁾ Expressed in purchasing power as of December 31, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 12 – NON-CURRENT ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND PROFIT FROM DISCONTINUED OPERATION (Continued)

d) Cash flow related to discontinued operations

	1 January - 31 December 2023
Cash flow from operating activities	19,390
Cash flow from investing activities	(201,248)
Cash flow from financing activities	57,679
Net increase/(decrease) in cash and cash equivalents	(124,603)

NOTE 13 – FINANCIAL INVESTMENTS

Short-term financial investments

	31 December 2024	31 December 2023
Financial investments ⁽¹⁾	-	576,172
	-	576,172

⁽¹⁾ The Group's total restricted deposits are TRY 97,954 (December 31, 2023: TRY 589,029) all of which is in cash and cash equivalents (December 31, 2023: TRY 12,857). There are no restricted deposits in short – term financial investment (December 31, 2023: TRY 576,172). The restricted deposits in financial investments are related to the bank borrowings obtained by OEDAŞ from the European Bank for Reconstruction and Development (“EBRD”), the International Finance Corporation (“IFC”), Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden N.V. (“FMO”), Asian Infrastructure Investment Bank (“AIIB”) and Denizbank AŞ. together amounting to TRY 3,683 million and by ZJ Ztrong from Bank Palestine amounting to NIS 5.1 million. As at December 31, 2023, the weighted average interest rate for TRY denominated time deposits of TRY 561,730 is 38%.

Long-term financial assets

	31 December 2024	31 December 2023
Long-term securities ⁽¹⁾	2,820	2,820
	2,820	2,820

⁽¹⁾ Zorlu Enerji participated with 246,291 shares (Share amount: TRY 246) and in a ratio of 0.4% in the ownership of Enerji Piyasaları İşletme Anonim Şirketi which was established with a capital of TRY 61,573.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 14 –INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Movement of investments accounted for using equity method for the ended is as follows:

	2024	2023
1 January	6,448,743	3,839,718
Change on investments accounted for using equity method ⁽¹⁾	498,551	490,451
Capital increase in associates	378,080	-
Share of gain of investments accounted for using equity method	800,581	196,693
Electrip Global Ltd. share transfer effect	-	2,935,216
Dividend received	(394,827)	(160,435)
Losses on net monetary position	(1,982,205)	(852,900)
31 December	5,748,923	6,448,743

⁽¹⁾ As at December 31, 2024 change on investments accounted for using equity method to TRY 498,551 relates to the currency translation difference (December 31, 2023: TRY 490,451).

Summary information regarding the financial statements of the Group’s investments accounted for using equity method, Dorad, Ezotech, Solad, Adnit and Electrip Global Ltd. is as follows:

31 December 2024	Dorad	Electrip Global Ltd.	Total
Current assets	10,313,003	1,890,891	12,203,894
Non-current assets	32,673,200	5,997,750	38,670,950
Current liabilities	(5,079,206)	(3,182,168)	(8,261,374)
Non-current liabilities	(22,240,074)	(294,206)	(22,534,280)
Currency translation difference	(1,581,909)	43,963	(1,537,946)
Net assets/(liabilities)	14,085,014	4,456,230	18,541,244
Group’s share on net assets/(liabilities) (%)	25%	49.99%	
Book value in the statement of financial position	3,521,254	2,227,669	5,748,923

The financial data related to Dorad and Electrip Global Ltd. have been prepared based on the financial statements as of December 31, 2024.

31 December 2023	Dorad	Ezotech	Solad	Adnit	Electrip Global Ltd	Total
Current assets	5,227,902	2,695,394	23	19,516	3,086,809	11,029,644
Non-current assets	43,902,885	12,141,067	-	7,046	4,533,040	60,584,038
Current liabilities	(5,915,798)	(3,226,632)	(156,976)	(9,252)	(2,103,664)	(11,412,322)
Non-current liabilities	(27,999,380)	(12,166,239)	(412,717)	(19,046)	(57,363)	(40,654,745)
Currency translation difference	(1,161,505)	-	-	-	412,787	(748,718)
Net assets/(liabilities)	14,054,104	(556,410)	(569,670)	(1,736)	5,871,609	18,797,897
Group’s share on net assets/(liabilities) (%)	25%	42.15%	42.15%	42.1%	49.99%	
Book value in the statement of financial position	3,513,526				2,935,217	6,448,743

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 14 – INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Continued)

31 December 2024	Dorad	Ezotech	Solad	Adnit	Electrip Global Ltd.	Total
Revenue	25,393,361	-	-	-	2,105,382	27,498,743
Cost of sales	(19,893,207)	-	-	-	(2,001,735)	(21,894,942)
Operating expense	(211,667)	-	-	-	(1,055,816)	(1,267,483)
Financial income/ (expense), net	(78,793)	-	-	-	(115,490)	(194,283)
Other income/(expense), net	-	-	-	-	559,176	559,176
Tax expense	(1,198,860)	-	-	-	104,147	(1,094,713)
Net profit for the period	4,010,834	-	-	-	(404,336)	3,606,498
Dividend distribution	(394,827)	-	-	-	-	(394,827)
Amortization and depreciation expenses	(942,272)	-	-	-	(324,405)	(1,266,677)
EBITDA	6,230,759	-	-	-	(627,764)	5,602,995
Group’s share of EBITDA	1,557,690	-	-	-	(313,819)	1,243,871
Group’s share on period profit/(loss)	1,002,709	-	-	-	(202,128)	800,581

31 December 2023	Dorad	Ezotech	Solad	Adnit	Electrip Global Ltd.	Total
Revenue	25,643,059	-	-	-	1,042,955	26,686,014
Cost of sales	(21,248,862)	-	-	-	(981,324)	(22,230,186)
Operating expense	(260,613)	-	-	-	(335,478)	(596,091)
Financial income/ (expense), net	(1,549,353)	-	-	-	1,639	(1,547,714)
Tax expense	(611,402)	-	-	-	-	(611,402)
Net profit for the period	1,972,829	-	-	-	(272,208)	1,700,621
Dividend distribution	(160,435)	-	-	-	-	(160,435)
Amortization and depreciation expenses	(2,280,455)	-	-	-	-	(2,280,455)
EBITDA	6,414,039	-	-	-	(273,847)	6,140,192
Group’s share of EBITDA	1,603,509	-	-	-	(136,896)	1,466,613
Group’s share on period profit/(loss)	332,772	-	-	-	(136,079)	196,693

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 15 - RIGHT OF USE ASSETS

As of December 31, 2024 and December 31, 2023, the details of right-of-use assets accounted in the consolidated financial statement by asset categories are as follows:

	31 December 2024	31 December 2023
Land ⁽¹⁾	892,762	812,882
Motor vehicles	13,030	47,695
Buildings	-	7,926
Plant, machinery and equipment	-	3,893
Total right of use assets	905,792	872,396

⁽¹⁾The portion amounting to TRY 546,835 is related to Zorlu Doğal’s Sarayköy geothermal field which is valid for 30 years and the portion amounting to TRY 345,927 is related to Rotor - Gökçedağ Wind Power Plant field which is valid for 25 years.

The movements for the right of use assets are as follows:

	1 January 2024	Additions	Disposal	31 December 2024
Cost				
Land	929,431	127,780	-	1,057,211
Buildings	70,322	-	(61,831)	8,491
Property, plant and equipment	26,384	2,756	-	29,140
Vehicles	375,570	-	(48,218)	327,352
	1,401,707	130,536	(110,049)	1,422,194
Accumulated depreciation				
Land	116,549	47,900	-	164,449
Buildings	62,396	2,330	(56,235)	8,491
Property, plant and equipment	22,491	6,649	-	29,140
Vehicles	327,875	29,603	(43,156)	314,322
	529,311	86,482	(99,391)	516,402
Net book value	872,396	44,054	(10,658)	905,792

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NOTE 15 - RIGHT OF USE ASSETS (Continued)

	1 January 2023	Additions ⁽¹⁾	Disposal	Transfer to assets held for sale	31 December 2023
Cost					
Land	760,024	169,407	-	-	929,431
Buildings	125,653	18,557	(23,762)	(50,126)	70,322
Property, plant and equipment	24,715	1,669	-	-	26,384
Vehicles	348,844	41,913	(13,654)	(1,533)	375,570
	1,259,236	231,546	(37,416)	(51,659)	1,401,707
Accumulated depreciation					
Land	72,896	43,653	-	-	116,549
Buildings	73,508	26,170	(15,398)	(21,884)	62,396
Property, plant and equipment	15,011	7,480	-	-	22,491
Vehicles	216,584	125,337	(12,674)	(1,372)	327,875
	377,999	202,640	(28,072)	(23,256)	529,311
Net book value	881,237	28,906	(9,344)	(28,403)	872,396

⁽¹⁾As of December 31, 2023, TRY 20,090 of the additions in right of use assets belongs to natural gas distribution group companies classified as assets classified as held for sale.
⁽¹⁾As of December 31, 2023, TRY 7,092 of additions to depreciation belongs to natural gas distribution group companies which was reclassified to discontinued operations.

The all depreciation expenses for the year ended December 31, 2024 related to right of use assets amounts to are presented in cost of sales (December 31, 2023: TRY 189,692 and TRY 12,948 are presented in cost of sales and general administrative expenses, respectively).

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 16 – TANGIBLE ASSETS

Cost	Land		Land improvements		Buildings	Plant and machinery	Motor vehicles	Furniture and fixtures	Construction work in progress ^(*)		Leasehold improvements	Total
	Land	improvements	Land	improvements					Construction work in progress ^(*)	improvements		
1 January 2024	1,335,268		1,575,824		924,585	51,343,641	477,382	421,311	2,678,172	34,130	58,790,313	
Additions ⁽¹⁾	2,624		24		-	629,006	45,192	18,212	495,066	-	1,190,124	
Transfers ^(**)	-		(113,598)		(63,504)	(3,516,723)	-	-	(88,693)	-	(3,782,518)	
Disposals	-		-		-	-	(14,202)	(2,213)	-	-	(16,415)	
Currency translation difference	-		-		-	(724,742)	-	(259)	34,666	-	(690,335)	
Revaluation increase	48,720		96,085		16,144	(152,943)	-	-	-	-	8,006	
31 December 2024	1,386,612		1,558,335		877,225	47,578,239	508,372	437,051	3,119,211	34,130	55,499,175	
Accumulated depreciation:												
1 January 2024	-		-		-	-	86,911	309,360	-	26,036	422,307	
Additions ⁽¹⁾	-		114,552		63,504	3,851,810	103,423	16,635	-	-	4,149,924	
Transfers ^(**)	-		(114,552)		(63,504)	(3,604,462)	-	-	-	-	(3,782,518)	
Disposals	-		-		-	-	(6,984)	(1,847)	-	-	(8,831)	
Currency translation difference	-		-		-	(247,348)	-	(596)	-	-	(247,944)	
31 December 2024	-		-		-	-	183,350	323,552	-	26,036	532,938	
Net book value	1,386,612		1,558,335		877,225	47,578,239	325,022	113,499	3,119,211	8,094	54,966,237	

⁽¹⁾ The total investment, which is being added in 2024, is TRY 495,066. In 2024, TRY 225,382 of the inflows to the ongoing investments presented under tangible fixed assets will be allocated to the improvement works of the existing Kızıldere 1, 2 and 3 projects, TRY 87,205 will be allocated to the Alaşehir 1 improvement and hybrid solar power plant projects, TRY 117,594 will be allocated to the Rotor improvement projects, TRY 61,041 will be allocated to the improvement works of the Zorlu Enerji investment. TRY 3,844 belongs to other projects of the Group.

^(**) The ongoing investments amounting to TRY 88,693, TRY 87,739, were transferred to plant machinery and equipment, TRY 954 to land improvements. As of 31 December 2024, the total depreciation amount for land improvements, buildings, plant and machinery recorded under the revaluation model is TRY 3,782,518 this amount has been classified under the cost of asset classes for net presentation purposes.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 16 – TANGIBLE ASSETS (Continued)

Cost	Land		Land improvements		Buildings	Plant and machinery	Motor vehicles	Furniture and fixtures	Construction work in progress ^(***)		Leasehold improvements	Total
	Land	improvements	Land	improvements					Construction work in progress ^(***)	improvements		
1 January 2023	1,527,728		2,346,768		880,365	73,759,697	188,172	602,755	3,394,258	161,029	82,860,772	
Additions ⁽¹⁾	8,221		10,802		16	17,761	369,213	28,629	968,977	578	1,404,197	
Transfers ^(**)	-		(149,206)		51,799	(2,849,660)	-	-	(1,395,482)	-	(4,342,549)	
Disposals	(40,319)		(4,279)		(288,361)	(453,479)	(16,797)	(11,205)	-	-	(814,440)	
Currency translation difference	-		-		-	(1,119,147)	-	(878)	(79,127)	-	(1,199,152)	
Disposal of subsidiary ^(***)	-		-		-	(192,220)	(42,895)	(19,444)	(210,421)	(100,605)	(565,585)	
Revaluation decrease	(147,329)		(628,261)		292,534	(17,811,523)	-	-	-	-	(18,294,579)	
Fixed assets classified as held for sale	(13,033)		-		(11,768)	(7,788)	(20,311)	(178,546)	(33)	(26,872)	(258,351)	
31 December 2023	1,335,268		1,575,824		924,585	51,343,641	477,382	421,311	2,678,172	34,130	58,790,313	
Accumulated depreciation:												
1 January 2023	-		-		-	-	75,442	430,413	-	87,475	593,330	
Additions ⁽¹⁾	-		157,597		64,318	5,011,833	46,240	30,919	-	667	5,311,574	
Transfers ^(**)	-		(153,318)		51,799	(4,239,227)	-	-	-	-	(4,340,746)	
Disposals	-		(4,279)		(112,640)	(425,707)	(3,352)	(10,196)	-	-	(556,174)	
Currency translation difference	-		-		-	(328,960)	-	(42)	-	-	(329,002)	
Disposal of subsidiary ^(***)	-		-		-	(10,804)	(11,220)	(2,667)	-	(36,795)	(61,486)	
Fixed assets classified as held for sale	-		-		(3,477)	(7,135)	(20,199)	(139,067)	-	(25,311)	(195,189)	
31 December 2023	-		-		-	-	86,911	309,360	-	26,036	422,307	
Net book value	1,335,268		1,575,824		924,585	51,343,641	390,471	111,951	2,678,172	8,094	58,368,006	

⁽¹⁾ As of December 31, 2023, TRY 9,191 of the inflow in property, plant and equipment belongs to natural gas distribution group companies classified as assets classified as held for sale.

^(*) As of December 31, 2023, TRY 14,188 of the depreciation on tangible fixed assets belongs to the natural gas distribution group companies classified in profits from discontinued operations.

^(**) The ongoing investments amounting to TRY 1,395,482, TRY 1,389,567 were transferred to plant machinery and equipment, TRY 4,112 to land improvements, and TRY 1,803 to rights. As of December 31, 2023, the total depreciation amount for land improvements, buildings, plant and machinery recorded under the revaluation model is TRY 4,340,746 this amount has been classified under the cost of asset classes for net presentation purposes.

^(***) The total net tangible fixed assets excluded from the scope of consolidation due to the sale of Electrip Global B.V. on January 13, 2023, and Zes Solar on June 22, 2023, amount to TRY 504,099.

^(****) The total investment, which is being added in 2023, is TRY 968,977. In 2023, TRY 815,496 of the inflows to the ongoing investments presented under tangible fixed assets will be allocated to the improvement works of the existing Kızıldere 1, 2 and 3 projects, TRY 60,410 will be allocated to the Alaşehir 1 improvement and hybrid solar power plant projects, TRY 82,208 will be allocated to the Rotor improvement projects, TRY 150 will be allocated to the improvement works of the Zorlu Enerji investment. TRY 10,731 belongs to other projects of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 16 – TANGIBLE ASSETS (Continued)

Effective from the presentation of the consolidated financial statements as of December 31, 2013, the Group conducted a valuation study for its facilities classified under property, plant, and equipment, and these facilities began to be presented at their fair values. As of December 31, 2024, the Group has revalued all its power plants and reflected the valuation differences resulting from the revaluation of its facilities in the consolidated financial statements.

Collateral, pledges and mortgages on property, plant and equipment are presented in Note 19.

Breakdown of the current period depreciation and amortization expenses under cost of sales, operating expenses and other operating expenses have been presented in Notes 26 and 27.

If the Group has not adopted the revaluation model in accordance with TAS 16, the table showing the net book values of tangible fixed asset items adjusted for inflation accounting as of December 31, 2024, and 2023 is as follows:

	31 December 2024	31 December 2023
Land	478,644	475,994
Land improvements	827,672	880,059
Buildings	607,783	664,460
Machinery and equipment	28,736,447	30,434,392

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 17 – INTANGIBLE ASSETS

Cost	Rights	Customer relationships	Service concession agreements	Other rights	Goodwill	Licenses	Total
1 January 2024	11,676,817	3,098,934	8,156,862	421,021	3,573,575	60,899	15,311,291
Additions	20,488	-	-	20,488	-	-	20,488
Disposals	(83,122)	-	-	(83,122)	-	-	(83,122)
Currency translation difference	(196)	-	-	(196)	-	-	(196)
31 December 2024	11,613,987	3,098,934	8,156,862	358,191	3,573,575	60,899	15,248,461
Accumulated amortization							
1 January 2024	4,220,228	2,361,555	1,609,691	248,982	-	29,945	4,250,173
Additions	590,368	158,608	417,481	14,279	-	987	591,355
Disposals	(80,448)	-	-	(80,448)	-	-	(80,448)
Currency translation difference	(197)	-	-	(197)	-	-	(197)
31 December 2024	4,729,951	2,520,163	2,027,172	182,616	-	30,932	4,760,883
Net book value	6,884,036	578,771	6,129,690	175,575	3,573,575	29,967	10,487,578

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 17 - INTANGIBLE ASSETS (Continued)

Cost	Customer relationships		Rights	Service concession agreements		Contract cost	Other rights	Goodwill	Licenses	Total
1 January 2023	13,580,796	3,098,934		8,156,862		1,502,666	822,334	3,573,575	135,800	17,290,171
Additions ⁽¹⁾	196,070	-		-		-	196,070	-	1,489	197,559
Transfers	1,803	-		-		-	1,803	-	-	1,803
Disposals	(5,768)	-		-		-	(5,768)	-	(3,194)	(8,962)
Disposal of subsidiary	(15,454)	-		-		-	(15,454)	-	-	(15,454)
Currency translation difference	(328)	-		-		-	(328)	-	-	(328)
Assets classified as held for sale	(2,080,302)	-		-		(1,502,666)	(577,636)	-	(73,196)	(2,153,498)
31 December 2023	11,676,817	3,098,934		8,156,862		-	421,021	3,573,575	60,899	15,311,291
Accumulated amortization										
1 January 2023	4,482,319	2,203,379		1,193,350		716,853	368,737	-	74,349	4,556,668
Additions ⁽¹⁾	673,097	158,176		416,341		56,130	42,450	-	7,057	680,154
Disposals	(5,582)	-		-		-	(5,582)	-	(1,242)	(6,824)
Disposal of subsidiary	(7,505)	-		-		-	(7,505)	-	-	(7,505)
Currency translation difference	(331)	-		-		-	(331)	-	-	(331)
Assets classified as held for sale	(921,770)	-		-		(772,983)	(148,787)	-	(50,219)	(971,989)
31 December 2023	4,220,228	2,361,555		1,609,691		-	248,982	-	29,945	4,250,173
Net book value	7,456,589	737,379		6,547,171		-	172,039	3,573,575	30,954	11,061,118

⁽¹⁾ As of December 31, 2023, additions to intangible assets amounts to TRY 192,056 is related to natural gas group companies, which is reclassified to assets classified as held for sale.

⁽²⁾ As of December 31, 2023, additions to amortization of intangible assets amounts to TRY 90,953 is related to natural gas group companies, which is reclassified to profits from discontinued operations.

Amortization and depreciation amounts are included in cost of sales, general administrative expenses and other operating expenses; details have been presented in Notes 26, 27 and 28.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 18 - CONTRACT ASSETS

	31 December 2024	31 December 2023
Other contract assets ⁽¹⁾	239,887	434,205
	239,887	434,205

⁽¹⁾ Contract assets consist of ongoing investment expenditures as of December 31, 2024 and 2023. The aforementioned investment expenditures have not yet been notified to EMRA by the Group and include amounts that cannot be recognized as financial assets related to concession agreements. They are recognized as financial assets associated to service concession agreements upon their notification to EMRA by the Company.

NOTE 19 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

19.1 Short-term provisions

	31 December 2024	31 December 2023
Provisions for annual leave	97,563	75,676
Provisions for legal disputes	30,355	30,832
	127,918	106,508

19.2 Long-term provisions

	31 December 2024	31 December 2023
Provisions for employment benefits (Note 21)	444,141	413,527
	444,141	413,527

19.3 Contingent assets

	Original currency	31 December 2024		31 December 2023	
		Original amount	TRY equivalent ⁽¹⁾	Original amount	TRY equivalent ⁽¹⁾
Letters of guarantees received	TRY	1,183,752	1,183,752	3,478,880	3,478,880
Letters of guarantees received	US Dollars	5,976	210,494	5,804	246,685
Letters of guarantees received	EUR	670	24,618	1,265	59,493
Cheques received	TRY	33,185	33,185	44,223	44,223
Cheques received	US Dollars	73	2,571	91	3,868
Cheques received	EUR	65	2,388	181	8,513
		1,457,008		3,841,662	

⁽¹⁾ As at December 31, 2024 and 2023, all other currencies presented in Turkish Lira are expressed in terms of the purchasing power of 2024.

Guarantee letters received consist of the letters, cheques and notes received from customers in relation to the Group’s operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 19 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

19.4 Guarantees, pledges and mortgages given by the Group

The Group’s guarantees, pledges and mortgages (“GPM”) as at December 31, 2024 and December 31, 2023 are summarized as follows:

		31 December 2024		31 December 2023	
	Original currency	Original amount	TRY amount ⁽¹⁾	Original amount	TRY amount ⁽¹⁾
GPMS's given by the Group					
A. Total amount of GPMS given on behalf of its own legal entity					
	US Dollars	129,025	4,544,686	128,805	5,474,545
	TRY	5,235,470	5,235,470	8,649,856	8,649,856
	PKR	4,796,483	603,302	4,796,483	727,484
B. Total amount of GPMS given in favor of subsidiaries included in the scope of full consolidation					
	TRY	3,326,722	3,326,722	4,753,746	4,753,746
	US Dollars	550	19,373	950	40,377
	NIS	-	-	625	7,372
C. Total amount of GPMS given in order to secure the debt of other third parties for the purpose of conducting ordinary commercial activities					
commercial activities	US Dollars	18,892	665,439	19,047	809,546
	NIS	9,062	87,689	9,243	109,027
D. Total amount of other GPMS		-	-	-	-
		14,482,681		20,571,953	

⁽¹⁾ As at December 31, 2024 and 2023, all other currencies presented in Turkish Lira are expressed in terms of the purchasing power of 2024.

Letters of guarantee given generally consist of letters given to government agencies for the electricity and transmission distribution (mainly to “EMRA” and government agencies providing electricity and distribution) and banks for borrowings obtained.

The ratio of other guarantees, pledges and mortgages given by the Group to the total equity of the Group is 0% as at December 31, 2024 (December 31, 2023: 0%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 19 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

19.4 Guarantees, pledges and mortgages given by the Group (Continued)

Details concerning the guarantees, pledges and mortgages that the Company and its subsidiaries gave have given within the scope of project finance loans and on behalf of their legal entities are presented below:

Zorlu Doğal

The entire project finance loan of Zorlu Doğal was early repaid on October 25, 2024, using the proceeds from the international bond issuance by Zorlu Enerji. Zorlu Doğal has acted as a guarantor for Zorlu Enerji’s international bond (Eurobond) issuance amounting to one billion USD, with a coupon rate of 11% and a maturity date of April 2030.

Zorlu Jeotermal

Zorlu Jeotermal has acted as a guarantor for Zorlu Enerji’s international bond (Eurobond) issuance amounting to one billion USD, with a coupon rate of 11% and a maturity date of April 2030.

Rotor

Rotor has acted as a guarantor for Zorlu Enerji’s international bond (Eurobond) issuance amounting to one billion USD, with a coupon rate of 11% and a maturity date of April 2030.

Zorlu Yenilenebilir

The remaining portion of Zorlu Yenilenebilir’s bond issued for international sale, amounting to USD 262,500,000, was called back on October 23, 2024, using the proceeds from Zorlu Enerji’s international bond issuance.

Zorlu Yenilenebilir has acted as a guarantor for Zorlu Enerji’s international bond (Eurobond) issuance amounting to one billion USD, with a coupon rate of 11% and a maturity date of April 2030.

Zorlu Osmangazi

Zorlu Osmangazi has acted as a guarantor for Zorlu Enerji’s international bond (Eurobond) issuance amounting to one billion USD, with a coupon rate of 11% and a maturity date of April 2030.

OEDAŞ

The entire project finance loan of OEDAŞ was repaid early on December 11, 2024, using the proceeds from the international bond issuance by Zorlu Enerji. In connection with this repayment, an intercompany loan agreement in the amount of USD 70,000,000 was executed between OEDAŞ and Zorlu Enerji, reflecting the same interest rate and maturity terms as the issued international bond. Pursuant to this agreement, the related amount was assigned by OEDAŞ to Zorlu Enerji as collateral under a receivables transfer agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 19 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

19.4 Guarantees, pledges and mortgages given by the Group (Continued) ZJ Strong

ZJ Strong signed a loan agreement with Bank of Palestine on August 28, 2019, for up to NIS 5 million to be used in the financing of its 2 MW solar power plant located in the Jericho region of Palestine. An additional agreement was signed on July 7, 2020, for a further NIS 1 million, bringing the total loan amount to up to NIS 6 million. The loan has a 13-year maturity with a nine-month grace period. On December 1, 2024, an amendment agreement was signed to defer one year of installment payments to the end of the loan maturity. In addition to the loan agreement, a pledge over account agreement was also signed.

Zorlu Enerji, together with JDECO (Jerusalem District Electricity Company), which holds a 25% stake in ZJ Strong, has acted as guarantor for the loan. Following repayments and all adjustments for reporting purposes, the outstanding loan balance currently stands at NIS 5.2 million.

19.5 Electricity purchase and sale commitments

Zorlu Elektrik Toptan

In connection with electricity purchase and sale operations, no transactions were carried out in 2024 under risk-sharing agreements made with energy companies. Zorlu Elektrik Toptan has also not committed to conducting any transactions in 2025.

Zorlu Enerji

There is no transaction were carried out in 2024 under risk – sharing agreements made with energy companies in connection with electricity purchase and sale operations. The company has also not committed to conducting any transactions in 2025.

OEDAŞ

The Company has no electricity sales commitment for 2024. Within the scope of electricity sales agreements the Company has committed to buy 799,541 MWh energy for 2024 and has bought the total of the committed amount.

OEPSAŞ

The Company has a electricity purchase commitment of 576,997 MWh for 2024. Within the scope of the electricity buying agreements made with energy companies, the Company has committed to buy 2,987,551 MWh energy for 2024 and fulfilled its commitment as at December 31, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 20 - DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments

31 December 2024				
	Contract amount (USD)	Total contract amount (TRY)	Fair value asset	Carried at fair value through profit or (loss)
Interest rate swap agreements	-	-	-	(288,716)
	-	-	-	(288,716)
31 December 2023				
	Contract amount (USD)	Total contract amount (TRY)	Fair value asset	Carried at fair value through profit or (loss)
Interest rate swap agreements	491,125	20,874,079	496,169	(183,220)
	491,125	20,874,079	496,169	(183,220)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 20 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Derivative instruments not covered by cash flow hedge accounting

Interest rate swap transactions

As of December 31, 2023, Zorlu Doğal has entered into interest rate swap transactions to hedge the interest rate risk of its variable interest rate project finance loan. These transactions are conducted with the relevant banks based on predetermined amounts and interest payment periods. As of December 31, 2023, approximately 73% of Zorlu Doğal’s project finance loan is subject to interest rate swap transactions. Under the agreements with the banks, Zorlu Doğal has fixed its variable interest loan at an average interest rate of 2.39%, thereby hedging against interest rate fluctuations. Due to the early closure of Zorlu Doğal’s variable interest rate project finance loan, the interest rate swap transaction was terminated and the transaction was terminated as of October 25, 2024.

The movements of derivative financial instruments are as follows:

	2024	2023
As at 1 January	496,169	1,049,792
Carried at fair value through profit or loss		
Expense from derivative instruments (Note 30)	(288,716)	(183,220)
Non – current assets classified as held for sale	-	(108,915)
Income from derivative instruments		
reclassified to discontinued operations	-	199,555
Net monetary loss	(207,453)	(461,043)
As at 31 December	-	496,169

Non-derivative financial instruments

As explained in Note 2.7, the Group has a loan with a total amount of USD 308,000 thousand (December 31, 2023: USD 549,077) which are used as a hedging instrument for the USD spot exchange rate risk. The Group is exposed to foreign exchange risk due to highly probable YEKDEM revenues, and applies cash flow hedge accounting as a result of the effectiveness tests performed.

Alaşehir geothermal power plant of Zorlu Jeotermal will sell electricity in scope of YEKDEM until 2025 and Kızıldere 3 geothermal power plant of Zorlu Doğal will sell electricity in scope of YEKDEM until 2027.

The maturity dates of the hedging items are considered to be the end of YEKDEM sales. Also the maturity dates of the hedging instruments are considered to be the final payment dates of the loans which are subject to hedge relationships. Hedge ratios are 100% and 97% for the years ended December 31, 2024 and 2023 respectively. These hedge ratios represent the portion of YEKDEM sales revenue included in the effectiveness tests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 20 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Derivative instruments not covered by cash flow hedge accounting (Continued)

Non-derivative financial instruments (Continued)

	31 December 2024		31 December 2023	
	Original amount USD	Carried at fair value through other comprehensive income (TRY) ⁽¹⁾	Original amount USD	Carried at fair value through other comprehensive income (TRY) ⁽¹⁾
Hedging amount	308,000	(33,090,619)	549,077	(38,405,080)
	308,000	(33,090,619)	549,077	(38,405,080)

⁽¹⁾ As of December 31, 2024, the Group uses Eurobond and investment loans amounting to USD 308,000 thousand and as a hedging instrument against the USD exchange rate risk which the Group is exposed to due to highly probable YEKDEM sales income, and applies cash flow hedge accounting as a result of the effectiveness tests performed.

The movements of non -derivative financial instruments are as follows:

	2024	2023
As at 1 January	(38,405,080)	(39,132,896)
Carried at fair value through other comprehensive income		
- Cash flow hedge losses	5,314,461	727,816
As at 31 December	(33,090,619)	(38,405,080)

For the years ended December 31, 2024 and 2023, amounts of TRY 11,275,644 and TRY 11,782,115, respectively, were reclassified from cash flow hedge losses to the statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 21 - PROVISIONS FOR EMPLOYMENT BENEFITS

Long - term provisions related to employee benefits

	31 December 2024	31 December 2023
Provision for employee termination benefits	444,141	413,527
	444,141	413,527
Movement of provision for employee termination benefits is as follows:		
	2024	2023
1 January	413,527	416,817
Service cost ⁽¹⁾	51,210	46,915
Interest cost ⁽¹⁾	104,539	54,004
Termination benefits paid ⁽¹⁾	(84,056)	(66,468)
Actuarial gain	75,609	226,527
Net monetary gain/(loss)	(116,688)	(198,877)
Liability transfer related to asset groups held for sale	-	(65,391)
31 December	444,141	413,527

⁽¹⁾ As of December 31, 2024, service cost, the amounts presented in service cost interest cost and termination benefits paid amount to TRY 6,751, TRY 8,335 and TRY 15,672 are related to the naturel gas group companies which was reclassified to discontinued operations, respectively.

Provisions for employment termination benefits are allocated in accordance with the disclosures given below:

Under the Turkish Labour Law, companies are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on May 23, 2002, there are certain transitional provisions relating to the length of service prior to retirement. The amount payable consists of one month's salary limited to a maximum of TRY 41,828 for each year of service as of December 31, 2024 (December 31, 2023: TRY 23,490).

Termination benefits liability is not dependent on any funding legally and any funding requirement does not exist. The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 21 - PROVISIONS FOR EMPLOYMENT BENEFITS (Continued)

TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	2024	2023
Discount rate (%)	2.9	2.1
Estimated salary increase/inflation rate	23.3	22.0
Probability of retirement (weighted average %)	84.0	90.1

The principal assumption is that the ceiling amount designated for each year of service increases in proportion to inflation. Accordingly, the applied discount rate reflects the real rate, net of expected effects of inflation. The Group's provision for employee termination benefits is calculated based on the ceiling amount effective as of January 1, 2025, which is TRY 46,655 (January 1, 2024: TRY 35,059), as the severance pay ceiling is revised every six months.

NOTE 22 – DEFERRED REVENUE

a) Short-term deferred revenue from third parties

	31 December 2024	31 December 2023
Retail sales net profit margin income accruals (OMEGA 4) ⁽¹⁾	50,843	-
Advances received from customers	47	-
	50,890	-

⁽¹⁾ The retail company should obtain a net profit margin of 2.38% from sales made by tariff customers. The retail sales net margin consists of the adjustment components recorded to equalize net profit margin to 2.38%.

b) Short-term deferred revenue from related parties

	31 December 2024	31 December 2023
Advances received from related parties (Note 32)	897,461	2,716,823
	897,461	2,716,823

c) Long-term deferred revenue from related parties

	31 December 2024	31 December 2023
Advances received from related parties (Note 32)	742,614	-
	742,614	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 23 - EQUITY

a) Share capital

	31 December 2024	31 December 2023
Limit on registered share capital	6,000,000	6,000,000
Issued capital	5,000,000	5,000,000

The Group’s shareholders and shareholding structure as at December 31, 2024 and December 31, 2023 are as follows:

Trade name of shareholder	Share (%)	31 December 2024	Share (%)	31 December 2023
		Nominal Share Amount Thousand TRY		Nominal Share Amount Thousand TRY
Zorlu Holding	32.31	1,615,531	32.31	1,615,531
Korteks	17.55	877,373	17.55	877,373
Publicly held	37.40	1,869,884	37.40	1,869,884
Wren House Infrastructure LP	12.34	617,212	12.34	617,212
Other	0.40	20,000	0.40	20,000
	100	5,000,000	100	5,000,000
Adjustment to share capital		25,262,214		25,262,214
Total		30,262,214		30,262,214

The subscription period for Zorlu Enerji’s rights issue for increasing the Company’s paid-in capital from TRY 2,500,000,000 to TRY 5,000,000,000 via TRY 2,500,000,000 rights issue, within the limits of the registered capital ceiling of TRY 6,000,000,000 which commenced on June 15, 2023 has ended on July 3, 2023. During the subscription period, pre-emptive rights corresponding to shares with a nominal value of TRY 7,027,487.23 were not exercised and thus, corresponding shares will be offered for sale in the Primary Market of Borsa Istanbul on July 6, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 23 – EQUITY (Continued)

a) Share capital (Continued)

The registration process of the new capital within the scope of the amendment to the articles of association has been completed as of August 31, 2023.

As of December 31, 2024, the Group’s capital inflation adjustment differences amounted to TRY 25,262,214, representing the adjustment difference arising from the adjustment of the Group’s paid-in capital amount according to inflation and not offset with previous years’ losses.

31 December 2024	Inflation-adjusted amounts included in financial statements prepared in accordance with Law No. 6762 and other legislation	Inflation adjusted amounts included in the financial statements prepared in accordance with TAS 29	Difference in previous year’s profits
Adjustments to Share Capital	102,532	25,159,682	25,262,214
Share Premium	19,419	27,565	46,984
Restricted reserves appropriated from profits	7,931	137,349	145,280

b) Premiums related to shares

The share premiums presented in the consolidated financial statements arise from the difference between the issue price and the nominal value of shares issued at a premium during capital increases subsequent to the initial establishment of the Group. As of December 31, 2024, the Group’s consolidated financial statements reflect share premiums amounting to TRY 46,984 (December 31, 2023: TRY 46,984).

c) Restricted reserves and retained earnings

	31 December 2024	31 December 2023
Legal reserves	145,280	145,280

In accordance with the Turkish Commercial Code (“TCC”), legal reserves are classified as first and second legal reserves. Under the Turkish Commercial Code, the first legal reserve is appropriated at 5% of the statutory net profit until it reaches 20% of the paid-in capital. The second legal reserve is appropriated at 10% of the portion of the profit distributed that exceeds 5% of the paid-in capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 23 – EQUITY (Continued)

c) Restricted reserves and retained earnings (Continued)

In accordance with the Turkish Commercial Code, legal reserves may only be used to offset losses, to ensure the continuity of the business during unfavorable periods, or to take measures to mitigate unemployment and its consequences, provided that they do not exceed 50% of the paid-in capital. Apart from these purposes, their use is not permitted. These amounts must be classified under ‘Restricted Reserves Appropriated from Profit’ in accordance with the Turkish Financial Reporting Standards.

Retained earnings and current period profit presented in the statutory financial statements are available for distribution, provided that the legal reserve requirements mentioned above are fulfilled and the profit distribution regulations of the Capital Markets Board are complied with. Publicly held companies distribute dividends in accordance with the Dividend Communiqué No. II-19.1, which came into effect on February 1, 2014, issued by the Capital Markets Board.

Companies distribute their profits in accordance with their profit distribution policies as determined by their general assemblies and in compliance with the relevant legal regulations, based on a resolution of the general assembly. Under the relevant communiqué, no minimum distribution rate has been established. Companies pay dividends in accordance with the provisions set forth in their articles of association or profit distribution policies. Additionally, dividends may be paid in equal or varying installments, and advance dividends may be distributed in cash based on the profit disclosed in the financial statements.

Unless the legal reserves required to be set aside under the Turkish Commercial Code and the dividends determined for shareholders in the articles of association or profit distribution policy are allocated, no decision may be taken to set aside additional reserves, to carry forward profits to the following year, or to distribute dividends to holders of usufruct shares, members of the board of directors, company employees, or third parties. Furthermore, unless the dividends determined for shareholders are paid in cash, no profit distribution can be made to these parties.

d) Non-controlling interests

The parts of the net assets of the subsidiaries that correspond to the shares outside the direct and/or indirect control of the Parent (December 31, 2024: TRY 460, December 31, 2023: TRY 101,582) are classified under the “non-controlling interests” item in the consolidated statement of financial position of the Group.

The movements of non-controlling interests in the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
As at 1 January	101,582	(107,256)
The portion of the period (loss)/profit attributed to non-controlling interests	(716)	93,334
Transactions with non-controlling shareholders	-	115,504
Disposal of subsidiaries	(100,406)	-
As at 31 December	460	101,582

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 24 – TAX ASSETS AND LIABILITIES

	1 January - 31 December 2024	1 January - 31 December 2024
Period tax expense	(393,455)	(700,134)
Deferred tax income	4,905,422	9,509,599
Total tax income	4,511,967	8,809,465

Corporation tax

The Company and its subsidiaries located in Türkiye are subject to the tax legislation and practices in force in Türkiye. Corporate tax is payable in one installment by the end of the fourth month following the end of the accounting period to which it relates. Corporations are required to calculate advance tax at the current rate on their quarterly financial profits and declare it until the 17th day of the second month following the end of the period and pay it until the 17th day of the second month.

Advance taxes paid during the year are offset against the corporate tax calculated on the annual corporate tax return for that year. In the event that there is an amount of advance tax paid despite the offset, this amount can be refunded in cash or offset against other financial debts.

In Türkiye, the general corporate tax rate is applied to the statutory tax base, which is calculated by adding non-deductible expenses as per tax legislation to the commercial profit of entities and deducting exemptions provided under the tax laws. As of December 31, 2022, the applicable general corporate tax rate was 20%. However, pursuant to Article 21 of the Law on the Introduction of Additional Motor Vehicle Tax to Compensate for the Economic Losses Caused by the Earthquakes Occurred on February 6, 2023, and on Amendments to Certain Laws and Decree Law No. 375, which was published in the Official Gazette dated July 15, 2023 and numbered 32249, amendments were made to Article 32 of Corporate Tax Law No. 5520. Accordingly, the general corporate tax rate was increased from 20% to 25%, effective for tax returns to be submitted as of October 1, 2023. Therefore, the Group applied a tax rate of 25% in calculating the current period corporate tax for the year 2024 (December 31, 2023: 25%).

The necessary conditions for the inflation adjustment of the financial statements have been met as of December 31, 2021, within the scope of Article 298 of the Tax Procedure Law. However, with the Law No. 7352, published in the Official Gazette dated January 29, 2022, and numbered 31734, amending the Tax Procedure Law and the Corporate Tax Law, temporary Article 33 of the Law No. 213:

- Regardless of whether the conditions for inflation adjustment under Article 298 are met, duplicate financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods as well as the 2023 interim tax periods, including interim tax periods.

The financial statements as of December 31, 2023, will be subject to inflation adjustment in a manner that will not affect the corporate tax base, as stipulated. (With the Constitutional Court’s decision dated 30/11/2023 and numbered E.: 2023/105; K.: 2023/208, the phrase “...2021...” included in this paragraph has been annulled.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 24 – TAX ASSETS AND LIABILITIES (Continued)

Corporation tax (Continued)

The financial statements of enterprises operating in Türkiye for the 2023 accounting period are subject to inflation adjustment in accordance with the duplicate Article 298 of the Tax Procedure Law, as stated in General Communiqué No. 555 published in the Official Gazette dated December 30, 2023 and numbered 32415. The inflation-adjusted financial statements will form the opening balance sheet for tax returns prepared from January 1, 2024 onwards, and the inflation effects will not be taken into account in the calculation of the 2023 period tax.

According to temporary Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements as of December 31, 2024, have been included in the calculation of deferred taxes as of December 31, 2024.

As of December 31, 2024, the corporate tax rates for Türkiye and subsidiaries outside Türkiye are as follows:

Country	Tax rate
Türkiye	25%
Pakistan (Earnings from electricity sales are exempt from corporate tax)	29%
Israel	23%
Netherlands (The first EUR 395,000 of the financial profit is taxed at 15%)	25.8%

According to the Corporate Tax Law, financial losses stated on the tax return can be deducted from the tax base of current institutions, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by tax offices within five years and tax accounts can be revised.

Dividend payments made to joint stock companies residing in Türkiye other than the ones which are not responsible for or exempt from corporate-and income tax and to real persons whether residing in Türkiye or not and to non-resident legal entities in Türkiye are subject to 15% income tax.

Dividend payments made from joint stock companies residing in Türkiye to joint stock companies residing in Türkiye are not subject to income tax. In addition, in the case that profit is not distributed or added to the capital, income tax is not calculated.

Dividend earnings of corporations from their participation in the capital of another corporation subject to full obligation are exempt from corporation tax. Furthermore, 75% of the profits arising from the sale of the participation shares included in the assets of the institutions for at least two full years and the founding certificates of the real estates (immovables) that they own for the same period, the dividend shares and the preference rights, are exempt from corporate tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 24 – TAX ASSETS AND LIABILITIES (Continued)

Corporation tax (Continued)

However, with the amendment made with the Law No. 7061, this rate has been reduced from 75% to 50% in terms of immovables and this rate is used as 50% in tax returns to be prepared as of 2018. Additionally, as of July 15, 2023, the 50% tax exemption rate for real estate capital gains specified in Law No. 5520 has been abolished. However, this exemption will be applied at a rate of 25% for the sales of real estate assets existing in the assets of enterprises before July 15, 2023.

In order to be able to benefit from the exemption, the income must be kept in a passive fund account and not withdrawn from the business for 5 years. The sales price must be collected until the end of the second calendar year following the year of sale.

There is no practice in Türkiye to reach an agreement with the tax administration regarding the taxes to be paid. Corporate tax returns are submitted within four months following the end of the accounting period. The tax inspection authorities may examine the tax returns and the accounting records underlying them during the five years following the accounting period and make a reassessment as a result of their findings.

Dividend distributions are subject to withholding tax, and this withholding tax obligation is declared when the dividend is paid in cash or in kind. Dividend payments other than those made to resident institutions with a permanent establishment or representative office in Türkiye were subject to a withholding tax rate of 15% until December 22, 2021. However, with the Presidential Decree No. 4936, published in the Official Gazette dated December 22, 2021, and numbered 31697, the withholding tax rate on dividends, which was 15% according to Article 193 of the Income Tax Law and Law No. 5520 on Corporate Tax, has been reduced to 10%. However, with the Presidential Decree No. 9286 published in the Official Gazette No. 32760 dated December 22, 2024, the dividend withholding tax rate has been increased from 10% to 15%.

In the application of withholding tax rates on dividends distributed to non-resident institutions and individuals, the withholding tax rates specified in the relevant Double Taxation Prevention Agreements are also taken into consideration. The addition of profits from previous years to capital is not considered as dividend distribution. Therefore, it is not subject to withholding tax.

Transfer pricing regulations

In Türkiye, transfer pricing regulations are specified in Article 13 of the Corporate Tax Law, titled “Disguised profit distribution through transfer pricing”. Application details are regulated by the Communiqué dated November 18, 2007 on disguised profit distribution via transfer pricing.

If the taxpayer buys or sells goods or services with related parties at a worth or price they have determined in violation of the arm’s length principle, the profit is deemed to have been distributed implicitly through transfer pricing in whole or in part. Disguised profit distribution through such transfer pricing is considered a non-deductible expense for corporate tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 24 – TAX ASSETS AND LIABILITIES (Continued)

Transfer pricing regulations (Continued)

The reconciliation of current tax expense and tax income/(expense) calculated using the current tax rate on profit before tax in the consolidated profit or loss statements for the accounting periods ending on December 31, 2024 and 2023 is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Profit / (Loss) before tax	(8,971,150)	6,758,033
Tax rate	25%	25%
Tax income / (expense) calculated with effective tax rate	2,242,788	(1,689,508)
Deductions and exemptions	403,562	2,449,136
Additions	(990,178)	(631,303)
Unrecognized tax losses	(1,173,620)	(857,512)
Effect of tax rate change	124,291	996,962
Tax revenue from the indexation of legal records to inflation	-	12,822,634
Tax effect reclassified to discontinued operations	-	(554,680)
Net monetary gain / (loss)	3,918,387	(3,727,797)
Other	(13,263)	1,533
Total tax income	4,511,967	8,809,465

Deferred taxes

The Group calculates its deferred tax assets and liabilities by taking into account the effects of temporary differences that arise as a result of different evaluations of financial statements prepared in accordance with TFRS and Tax Procedure Law.

As of December 31, 2024, the tax rate used in the calculation of deferred tax assets and liabilities is 25% (December 31, 2023: 25%).

	31 December 2024	31 December 2023
Deferred tax assets	10,576,533	6,855,687
Deferred tax liabilities	(4,263,290)	(3,741,901)
Deferred tax assets/(liabilities), net	6,313,243	3,113,786

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 24 – TAX ASSETS AND LIABILITIES (Continued)

Deferred taxes (Continued)

	Temporary differences		Deferred tax assets/(liabilities)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Tangible and intangible assets	(25,680,136)	(4,208,568)	6,420,034	1,045,236
Carry forward tax losses	(10,467,040)	(20,425,734)	2,616,760	5,106,434
Financial assets under service concession arrangements	12,254,286	13,168,017	(3,063,571)	(3,292,004)
Indexation of deposits received	(1,553,606)	(1,391,598)	388,402	347,900
OMEGA 4 income accrual	-	294,266	-	(73,567)
Credit commission and unearned credit finance expense	(5,068)	(700,748)	1,267	175,187
Investment incentive	(630,247)	(708,017)	157,562	177,004
Derivative instruments	-	496,169	-	(124,042)
Provision for employee termination benefits	(486,378)	(413,527)	130,616	103,238
Other	1,309,500	1,415,890	(337,827)	(351,600)
Deferred tax assets/(liabilities), net	(25,258,689)	(12,473,850)	6,313,243	3,113,786

The movements in deferred tax assets and liabilities for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
1 January	3,113,786	(9,171,420)
Charged to statement of profit or loss from continued operations (net)	4,905,422	9,509,599
Deferred tax assets/(liabilities) recognized in equity, net	(1,705,965)	3,472,943
Charged to statement of profit or loss from discontinued operations (net)	-	(501,749)
Assets classified as held for sale	-	(202,118)
Disposal of subsidiary	-	6,531
31 December	6,313,243	3,113,786

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 24 – TAX ASSETS AND LIABILITIES (Continued)

Deferred taxes (Continued)

As at December 31, 2024, the Group recognized deferred tax assets for the carry forward tax losses amounting to TRY 10,467,040 (December 31, 2023: TRY 20,425,734) for which the Group believes it will utilize in the future. For the remaining carry forward tax losses amounting to TRY 10,099,266 (December 31, 2023: TRY 5,925,827), the Group has not recognized deferred tax assets. The financial losses and expiry years of the Group for which deferred tax assets are not calculated in the assessment made as of the balance sheet date are as follows:

Due of Validity	31 December 2024	31 December 2023
2024	-	3,202
2025	417,135	5,403
2026	656,248	1,086,898
2027	876,696	1,385,615
2028	3,624,724	3,454,709
2029	4,524,463	-
	10,099,266	5,935,827

NOTE 25 – REVENUE

	1 January - 31 December 2024	1 January - 31 December 2023
Electricity generation and wholesale income	10,793,082	15,185,275
Retail sales income	10,343,618	12,567,938
Income from electricity distribution activities	4,208,772	5,566,801
Income from investment activities	1,913,605	1,228,325
General lighting income	1,055,644	1,706,488
Panel sales income	-	2,590,946
Other	1,342,875	543,538
	29,657,596	39,389,311

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 26 – COST OF SALES

	1 January - 31 December 2024	1 January - 31 December 2023
Retail electricity purchase expense	9,777,055	12,353,629
Depreciation and amortization	4,229,793	5,445,195
Electricity generation and wholesale purchase expense	2,352,540	4,276,621
Energy purchase cost related to electricity distribution	2,321,225	2,929,459
Electricity generation and retail system utilization fee	2,131,966	2,264,573
Expenses from investment and construction activities	1,913,605	1,071,553
Employee and personnel expenses	1,147,685	1,070,231
Maintenance and repair expenses	940,367	951,990
Panel purchase expense	-	2,616,503
Other	1,133,315	977,562
	25,947,551	33,957,316

NOTE 27 – GENERAL ADMINISTRATIVE AND MARKETING EXPENSES

a) General Administrative Expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Employee and personnel expenses	787,134	787,179
Consulting and outsourcing expenses	419,274	612,196
Office expenses	133,674	30,653
Taxes paid	75,575	259,810
Rent expenses	60,970	44,755
Maintenance and repair expenses	29,229	10,703
License expenses	24,628	24,996
Depreciation and amortization expense	21,879	62,419
Travelling expenses	17,231	33,210
Insurance expenses	14,355	17,071
Advertising expenses	13,579	16,957
Communication expenses	12,169	16,085
Other	93,847	119,984
	1,703,544	2,036,018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 27 – GENERAL ADMINISTRATIVE AND MARKETING EXPENSES (Continued)

b) Marketing expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Employee and personnel expenses	143,113	134,287
Commission expense	19,176	19,195
Consulting and outsourcing expenses	13,549	19,106
Communication expenses	8,501	11,750
Office expenses	7,807	7,534
Advertising expenses	7,415	2,082
Rent expenses	4,951	22,982
Motor vehicle expenses	2,894	3,344
Travelling expenses	732	3,698
Other	28,891	12,782
	237,029	236,760

NOTE 28- OTHER OPERATING INCOME AND EXPENSES

a) Other operating income:

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income related to weighted overage cost of capital correction	1,862,703	1,760,357
Interest income from trading activities	532,358	825,575
Foreign exchange difference from trading activities	311,743	1,215,678
Insurance income	-	145,482
Other	214,729	303,696
	2,921,533	4,250,788

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 28 - OTHER OPERATING INCOME AND EXPENSES (Continued)

b) Other operating expense:

	1 January - 31 December 2024	1 January - 31 December 2023
Interest expense from trading activities	1,370,448	441,072
Foreign exchange difference from trading activities	568,806	1,121,626
Depreciation of service concession arrangements	417,481	416,341
Depreciation of customer relations	158,608	158,176
Provisions expenses	143,524	216,482
Other	97,242	330,010
	2,756,109	2,683,707

NOTE 29 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) Income from investing activities

	1 January - 31 December 2024	1 January - 31 December 2023
Gain on sale of subsidiaries (Note 2.2)	4,635,994	4,251,452
Gain on sale of affiliate (Note 2.2)	188,753	-
Fair value gains of associates (Note 2.2)	-	1,729,135
Gain on sale of fixed assets	809	13,030
	4,825,556	5,993,617

b) Expenses from investing activities

	1 January - 31 December 2024	1 January - 31 December 2023
Loss on sale of fixed assets	-	4,125
	-	4,125

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 30 - FINANCE INCOME AND EXPENSES

a) Financial income:

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	2,871,411	3,032,919
Foreign exchange gains	2,038,821	10,250,649
	4,910,232	13,283,568

b) Financial expense:

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange loss	11,016,771	19,038,567
Interest expense ⁽¹⁾	10,613,729	10,499,925
Bank commission and other financial expenses	363,251	432,535
Loss on derivative instruments	288,716	183,220
	22,282,467	30,154,247

⁽¹⁾As at December 31, 2024, TRY 81,920 of interest expense (December 31, 2023: TRY 101,054) is related to lease agreements in within the scope of TFRS 16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 31 – EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSES)

	31 December 2024
Non Monetary Items	
Statement of Financial Position Items	
Inventories	67,829
Tangible assets	11,391,257
Intangible assets	2,886,015
Right of use assets	302,561
Deferred tax assets	1,439,650
Paid-in capital	(9,301,954)
Changes in actuarial losses on employment benefit obligations	114,418
Restricted reserves	(44,656)
Hedge reserves	9,234,994
Deposits received	(694,288)
Financial assets under service concession arrangements	4,047,544
Retained earnings	(20,368,655)
Statement of Profit or Loss Items	
Revenue	(3,308,397)
Cost of sales	3,578,385
Marketing expense	30,502
General administrative expense	204,660
Other operating income	(218,290)
Other operating expense	104,595
Finance income	(796,168)
Finance expense	2,441,773
Income from investing activities	332,584
Period tax expense	(604,307)
Net monetary position gains/(losses)	840,052

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 32 - RELATED PARTY TRANSACTIONS

i) Related party balances:

a) Short-term trade receivables from related parties

	31 December 2024	31 December 2023
Korteks	1,298,470	617,290
ZES Dijital Ticaret AŞ (“ZES Dijital”)	212,489	-
Zorluteks Tekstil Ticaret ve Sanayi AŞ (“Zorluteks”)	196,133	471,956
Meta Nikel Kobalt Madencilik Sanayi AŞ (“Meta Nikel”)	144,211	574,960
Zorlu Tesis Yönetim AŞ (“Zorlu Tesis Yönetimi”)	27,827	39,388
Vestel Ticaret AŞ (“Vestel Ticaret”)	12,326	-
Vestel Elektronik Sanayi ve Ticaret AŞ (“Vestel Elektronik”)	7,068	20,448
Vestel Beyaz Eşya Sanayi ve Ticaret AŞ (“Vestel Beyaz Eşya”)	3,093	21,801
Zes Solar Enerji Tedarik ve Ticaret AŞ (“Zes Solar”)	126	16,182
Other	13,664	20,044
	1,915,407	1,782,069

The Group’s trade receivables consist of electricity and commercial goods sales within the scope of its main activity.

b) Short-term other receivables from the related parties

	31 December 2024	31 December 2023
Zorlu Holding AŞ ⁽¹⁾	1,015,509	1,624,638
ZES Israil	-	21,956
Other	30,433	9,411
	1,045,942	1,656,005

⁽¹⁾ TRY 1,015,509 of the Group’s total receivables from Zorlu Holding amounting to TRY 10,826,314 are short-term. All of the short-term receivables originate from intercompany loans, and the interest rates of the receivables amounting to are 9% for USD.

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 32 - RELATED PARTY TRANSACTIONS (Continued)

i) Related party balances (Continued):

c) Long-term other receivables from related parties

	31 December 2024	31 December 2023
Zorlu Holding ⁽¹⁾	9,810,805	11,008,624
Zorlu O&M Enerji Tesisleri İşletme ve Bakım Hizmetleri AŞ (“Zorlu O&M”) ⁽¹⁾	2,582,313	4,965,309
Ezotech	-	1,268,419
Other	-	139,730
	12,393,118	17,382,082

⁽¹⁾ TRY 9,810,805 of the Group’s total receivables from Zorlu Holding amounting to TRY 10,826,314 are Long-term. All of the Long-term receivables originate from intercompany loans, and the interest rates of the receivables amounting to are 9% for USD
⁽¹⁾ The Group’s entire Long-term receivable of TRY 2,582,313 from Zorlu O&M amounting to are of financial nature and the interest rate is 9%.

d) Short-term trade payables to related parties

	31 December 2024	31 December 2023
Zorlu O&M ⁽¹⁾	106,175	61,337
Zes Solar Mena Dmcc	40,212	172,924
Vestel Elektronik	31,706	10,381
Vestel Ticaret	27,353	25,019
Zorlu Holding ⁽¹⁾	16,273	40,843
Other	69,711	27,370
	291,430	337,874

⁽¹⁾ The Group’s trade payables to Zorlu Holding generally consist of general administrative expenses.
⁽¹⁾ The Group’s trade payables to Zorlu O&M consists of the maintenance and repair services provided to the power plants which belongs to the Group.

e) Short-term other payables to related parties

	31 December 2024	31 December 2023
Zorlu O&M	44,671	52,529
	44,671	52,529

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 32 - RELATED PARTY TRANSACTIONS (Continued)

i) Related party balances (Continued):

f) Long-term other payables to related parties

	31 December 2024	31 December 2023
Zorlu O&M	15,832	16,123
	15,832	16,123

g) Short-term deferred liabilities from related parties

	31 December 2024	31 December 2023
Vestel Elektronik ⁽¹⁾	617,818	1,902,557
Vestel Beyaz Eşya ⁽¹⁾	279,643	814,046
Other	-	220
	897,461	2,716,823

⁽¹⁾ As of December 31, 2024 and 2023, the balances represent the Group’s advance payables from Vestel Elektronik and Vestel Beyaz Eşya.

h) Long-term deferred liabilities from related parties

	31 December 2024	31 December 2024
Vestel Beyaz Eşya ⁽¹⁾	422,680	-
Vestel Elektronik ⁽¹⁾	319,934	-
	742,614	-

⁽¹⁾ As of December 31, 2024 the balances represent the Group’s advance payables from Vestel Elektronik and Vestel Beyaz Eşya.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 32 - RELATED PARTY TRANSACTIONS (Continued)

All other transactions between the Company and its subsidiaries that are not mentioned in this footnote have been eliminated during consolidation. Details of transactions between the Group and other related parties are explained below.

i) Sales to related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Korteks	720,441	1,108,813
Vestel Beyaz Eşya	392,733	501,870
Zorluteks	342,915	597,416
Zorlu Tesis Yönetimi	289,791	332,518
Vestel Elektronik	277,800	428,979
Meta Nikel Kobalt	200,910	266,937
Zes Solar	21,850	251,593
Other	155,302	71,813
	2,401,742	3,559,939

i) Purchases from related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Zorlu O&M	203,316	175,156
Other	30,725	10,908
	234,041	186,064

j) General administrative expenses and marketing expenses from related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Zorlu Gayrimenkul	57,018	58,823
Zorlu Holding	39,149	36,635
ABH Turizm Temsilcilik ve Ticaret AŞ (“ABH Turizm”)	14,542	25,164
Zorlu Yapı Yatırım AŞ	13,333	8,423
Zorlu Tesis Yönetimi	6,670	12,284
Mehmet Zorlu Vakfı	63,328	9,399
Other	73,230	10,639
	267,270	161,367

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 32 - RELATED PARTY TRANSACTIONS (Continued)

i) Related party balances (Continued):

k) Operating other income to related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Korteks	241,785	597,820
Meta Nikel Kobalt	200,912	193,826
Zorluteks	87,243	441,421
Other	4,738	18,456
	534,678	1,251,523

l) Operating other expenses to related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Vestel Elektronik	681,644	627,724
Vestel Beyaz Eşya	228,406	194,350
Other	28,891	9,863
	938,941	831,937

m) Interest income from related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Zorlu Holding	1,079,978	1,889,970
Zorlu O&M	230,984	310,864
Other	41,752	44,291
	1,352,714	2,245,125

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 32 - RELATED PARTY TRANSACTIONS (Continued)

i) Related party balances (Continued):

n) Interest expense from related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Zorlu O&M	2,574	3,588
Other	2,897	-
	5,471	3,588

o) Foreign exchange gain from related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Zorlu Holding	789,448	4,944,727
Zorlu O&M	689,777	2,052,952
Ezotech	193,282	563,677
Zorlu Doğal Gaz İthalat	37,420	225,386
Other	62,276	146,237
	1,772,203	7,932,979

p) Foreign exchange loss from related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Zorlu O&M Enerji	-	9,389
Other	3,747	1,374
	3,747	10,763

Sales and purchase transactions with related parties generally include electricity, product and service sales and purchase transactions made within the framework of the main activity.

Exchange rate differential income and expenses from related parties and interest income and expenses are related to receivables and debits from related parties that are in the nature of financing.

The operating income and expenses related parties included trade receivables related to the Group’s related parties interest income and expense related to debt and income and foreign exchange gains and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 32- RELATED PARTY TRANSACTIONS (Continued)

ii) Key management compensations for the periods between 1 January - 31 December 2024 and 2023 are as follows:

For the purpose of this consolidated financial statements, key management compensation consists of the payments made to Group shareholders and top management (General Manager and Vice General Managers and directors).

	1 January - 31 December 2024	1 January - 31 December 2023
Salaries and other benefits	159,334	147,714

There are no guarantees, pledges or mortgages regarding the Group's related party transactions.

NOTE 33 – EARNINGS PER SHARE

Income per share disclosed in the accompanying consolidated statement of income are determined by dividing net income/(expense) by the weighted average number of shares in existence during the year concerned.

Earnings / (Loss) per share from continued operations:

	1 January - 31 December 2024	1 January - 31 December 2023
Period profit/(loss) from continued operations	(4,459,183)	15,567,498
Weighted average value of each of the issued share	500,000,000	333,333,333
Profit/(Loss) per 100 share (TRY)	(0.89)	4.67

Earnings per share from discontinued operations:

	1 January - 31 December 2024	1 January - 31 December 2023
Period profit from discontinued operations	2,094,623	293,943
Weighted average value of each of the issued share	500,000,000	333,333,333
Profit/(Loss) per 100 share (TRY)	0.42	0.09

Nominal value of each of the issued share as of December 31, 2024 and 2023 is 1 Kr.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management

The Group is subject to various financial risks including liquidity risk, market risk (foreign currency risk and interest rate risk), funding risk, capital risk and credit risk. The Group’s entire risk management program focuses on the unpredictability of financial markets and aims to minimize the potential negative effects on the Group’s financial performance.

The Group also benefits from derivative financial instruments to hedge against various risks.

(a) Liquidity risk

The Group continuously monitors and manages the risks by conducting periodic analysis studies on the liquidity risks that it may be exposed to, such as not being able to provide sufficient cash and securities in the sense of business continuity, not finding sufficient funding in order to balance cash flow or weakening of its ability to close open positions.

The table below shows the cash outflows that the Group will be exposed to for its on-balance sheet financial liabilities according to their remaining maturities as of the balance sheet date. The amounts shown in the table are contractual undiscounted cash flows and the Group performs its liquidity management by taking into account the expected undiscounted cash flows.

As at 31 December 2024 and 2023, the analysis of the Group’s financial liabilities according to their maturities is as follows:

Non-derivative financial liabilities ⁽¹⁾⁽²⁾:

	Book value	Total cash outflows in accordance with contract	Less than 3 months	3-12 months	1-5 years	Over 5 years
2024						
Financial liabilities	45,384,148	73,060,187	6,011,501	7,796,983	59,219,249	32,454
Lease liabilities	344,929	1,379,040	22,478	61,381	286,571	1,008,610
Trade payables	5,077,060	5,077,060	5,077,060	-	-	-
Other payables	2,259,321	2,275,153	2,259,321	-	15,832	-
	53,065,458	81,791,440	13,370,360	7,858,364	59,521,652	1,041,064

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

(a) Liquidity risk (Continued)

Non-derivative financial liabilities ⁽¹⁾⁽²⁾(Continued):

2023	Book value	Total cash outflows in accordance with contract	Less than 3 months	3-12 months	1-5 years	Over 5 years
Financial liabilities	60,743,998	78,084,452	11,959,965	14,014,985	47,642,314	4,467,188
Lease liabilities	608,796	2,131,010	141,065	273,299	568,464	1,148,182
Trade payables	5,602,363	5,602,362	5,602,362	-	-	-
Other payables	1,769,217	1,785,340	1,769,217	-	16,123	-
	68,724,374	87,603,164	19,472,609	14,288,284	48,226,901	5,615,370

⁽¹⁾ Maturity analysis has been applied on financial borrowings, lease liabilities, trade payables and other financial liabilities, this analyze does not include legal liabilities.
⁽²⁾ Amounts above are cash flows which has not been discounted belongs to contracts. Since discounted amounts are on immaterial level, balances with maturity less than 3 months are equivalent to their book value.

(b) Market risk

Interest rate risk

Interest rate risk arises from financial assets and liabilities. The Group funds its investments with various financing sources. The Group manages its financial liabilities by making an appropriate distribution between fixed- and variable-rate debts. Variable-rate liabilities can be converted into fixed-rate liabilities, taking into account market forecasts, the Group’s maturity needs, and short- and Long-term interest rate expectations, and to minimize interest rate changes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

(b) Market risk (Continued)

Interest rate risk (Continued)

The Group’s interest rate position is as of December 31, 2024 and 2023 as follows:

	2024	2023
Fixed interest rate financial instruments		
Cash and cash equivalents	1,025,840	196,213
Financial investments	-	576,172
Other receivables	-	2,456,682
Financial liabilities	(40,106,166)	(24,812,381)
Variable interest rate financial instruments		
Other receivables	13,439,060	18,297,325
Financial assets under service concession arrangements ⁽¹⁾	12,254,286	13,168,018
Other payables to related parties	(60,503)	(68,652)
Financial liabilities ⁽²⁾	(5,622,911)	(36,540,413)
Deposits received ⁽¹⁾	(2,214,584)	(1,716,393)

⁽¹⁾ Financial assets under service concession arrangements are indexed with CPI. Security deposits received are also indexed with CPI in accordance with the methods determined by EMRA.
⁽²⁾ As of December 31, 2023, the borrowings with variable interest rates amounts to TRY 16,883,735 whose interest rate is fixed are taken into consideration in the variable rate financial borrowings.

If interest rates of borrowings with floating rates had been 100 basis points lower/higher with all other variables held constant, loss before taxation of the Group would be TRY 56,229 lower (December 31, 2023: Profit before tax TRY 196,566 higher/ lower).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

(b) Market risk (Continued)

Foreign exchange risk

The sources used by the Group in financing its investments are predominantly foreign currency denominated. The Group is exposed to foreign exchange risk arising from the translation of the amounts denominated in US Dollars, EUR and NIS. In order to eliminate these risks, protection policies are applied in order to use various derivative instruments. In addition, foreign exchange losses arising from borrowings of the companies which sell electricity in scope of YEKDEM have been mainly hedged by the foreign exchange gains arising from the sales indexed to foreign currency (Note 20).

Foreign currency denominated assets and liabilities held by the Group as at December 31, 2024 and December 31, 2023 are as follows:

	31 December 2024	31 December 2023
Assets	15,590,433	24,641,387
Liabilities	(43,551,219)	(54,115,128)
Foreign currency position, (net)	(27,960,786)	(29,473,741)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

(b) Market risk (Continued)

The amounts and TRY equivalent of assets and liabilities denominated in foreign currency held by the Group at December 31, 2024 and December 31, 2023 are as follows:

	31 December 2024			
	TRY equivalent (functional currency)	USD	EURO	NIS
1- Trade receivables	1,550,829	40,329	3,320	860
2a- Monetary financial assets	1,583,476	42,498	2,080	1,047
2b- Non-monetary financial assets	-	-	-	-
3- Other	63,010	1,237	527	-
4- Current Assets (1+2+3)	3,197,315	84,064	5,927	1,907
5- Trade receivables	-	-	-	-
6a- Monetary financial assets	12,393,118	351,844	-	-
6b- Non-monetary financial assets	-	-	-	-
7- Other	-	-	-	-
8- Non-Current Assets (5+6+7)	12,393,118	351,844	-	-
9- Total Assets (4+8)	15,590,433	435,908	5,927	1,907
10- Trade payables	1,699,186	46,135	1,864	-
11- Financial liabilities	5,700,583	147,955	12,806	-
12a- Other monetary liabilities	1,895,665	53,635	-	-
12b- Other non-monetary liabilities	-	-	-	-
13- Short-term Liabilities (10+11+12)	9,295,434	247,725	14,670	-
14- Trade payables	-	-	-	-
15- Financial liabilities	34,218,638	950,616	16,854	-
16a- Other monetary liabilities	37,147	-	1,011	-
16b- Other non-monetary liabilities	-	-	-	-
17- Long-term Liabilities (14+15+16)	34,255,785	950,616	17,865	-
18- Total Liabilities (13+17)	43,551,219	1,198,341	32,535	-
Net asset/liability position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-
19a- Amount of active off-balance sheet derivative products denominated in foreign currency	-	-	-	-
19b- Amount of passive off-balance sheet foreign currency derivative products	-	-	-	-
Net foreign currency denominated assets/(liabilities) position (9-18+19)	(27,960,786)	(762,433)	(26,608)	1,907
Monetary accounts net foreign currency denominated assets/(liabilities) position (1+2a+5+6a-10-11-12a-14-15-16a)	(28,023,796)	(763,670)	(27,135)	1,907
Total fair value of financial instruments used for foreign exchange hedge	-	-	-	-
23- Export	6,692	190	-	-
24- Import	476,289	13,522	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

(b) Market risk (Continued)

31 December 2023				
	TRY equivalent (functional currency)	USD	EURO	NIS
1- Trade receivables	3,152,641	73,151	710	860
2a- Monetary financial assets	4,000,328	91,887	1,640	1,506
2b- Non-monetary financial assets	-	-	-	-
3- Other	181,755	3,475	722	-
4- Current Assets (1+2+3)	7,334,724	168,513	3,072	2,366
5- Trade receivables	-	-	-	-
6a- Monetary financial assets	17,306,663	355,150	20,062	107,528
6b- Non-monetary financial assets	-	-	-	-
7- Other	-	-	-	-
8- Non-Current Assets (5+6+7)	17,306,663	355,150	20,062	107,528
9- Total Assets (4+8)	24,641,387	523,663	23,134	109,894
10- Trade payables	1,336,685	19,032	11,171	-
11- Financial liabilities	18,555,764	422,677	11,854	-
12a- Other monetary liabilities	975,832	33,089	-	-
12b- Other non-monetary liabilities	-	-	-	-
13- Short-term Liabilities (10+11+12)	20,868,281	474,798	23,025	-
14- Trade payables	-	-	-	-
15- Financial liabilities	33,246,847	762,728	16,353	-
16a- Other monetary liabilities	-	-	-	-
16b- Other non-monetary liabilities	-	-	-	-
17- Long-term Liabilities (14+15+16)	33,246,847	762,728	16,353	-
18- Total Liabilities (13+17)	54,115,128	1,237,526	39,378	-
Net asset/liability position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-
Amount of active off-balance sheet derivative products				
19a- denominated in foreign currency	-	-	-	-
Amount of passive off-balance sheet foreign currency derivative products				
19b- products	-	-	-	-
Net foreign currency denominated assets/(liabilities) position (9-18+19)	(29,473,741)	(713,863)	(16,244)	109,894
Monetary accounts net foreign currency denominated assets/ (liabilities) position (1+2a+5+6a-10-11-12a-14-15-16a)	(29,655,496)	(717,338)	(16,966)	109,894
Total fair value of financial instruments used for foreign exchange hedge	-	-	-	-
23- Export	-	-	-	-
24- Import	1,551,004	36,492	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

(b) Market risk (Continued)

The Group is mainly exposed to foreign exchange risk through the impact of rate changes in the translation of US Dollars, EUR and NIS currencies denominated assets and liabilities to local currency.

As at December 31 2024 and December 31, 2023, had the TRY appreciated or depreciated by 10% against USD, EUR and NIS with all other variables held constant, the effect over current consolidated net income/ (loss) and equity would be as follows:

	31 December 2024	31 December 2024		
	Profit or loss	Equity		
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation / depreciation USD against TRY:				
US Dollars net asset/(liability)	(2,699,980)	2,699,980	(2,699,980)	2,699,980
Amount hedged for US Dollars risk (-)	1,084,878	(1,084,878)	-	-
USD net effect	(1,615,102)	1,615,102	(2,699,980)	2,699,980
In case of 10% appreciation / depreciation of EUR against TRY:				
EUR net asset/(liability)	(97,959)	97,959	(97,959)	97,959
Amount hedged for EUR risk (-)	-	-	-	-
EUR net effect	(97,959)	97,959	(97,959)	97,959
In case of 10% appreciation / depreciation of NIS against TRY:				
NIS net asset/(liability)	1,860	(1,860)	1,860	(1,860)
Amount hedged for NIS risk (-)	-	-	-	-
NIS net effect	1,860	(1,860)	1,860	(1,860)
Total net effect	(1,711,201)	1,711,201	(2,796,079)	2,796,079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

(b) Market risk (Continued)

As at December 31, 2024, the Group uses investment loans amounting to USD 308,000 thousand as a hedging instrument against the USD spot exchange rate risk the Group is exposed to due to highly probable YEKDEM sales income, and applies cash flow hedge accounting as a result of the effectiveness tests performed.(December 31, 2023: USD 549,077 thousand).

	31 December 2023		31 December 2023	
	Profit or loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation / depreciation USD against TRY:				
US Dollars net asset/(liability)	(3,000,269)	3,000,269	(3,000,269)	3,000,269
Amount hedged for US Dollars risk (-)	2,333,719	(2,333,719)	-	-
USD net effect	(666,550)	666,550	(3,000,269)	3,000,269
In case of 10% appreciation / depreciation of EUR against TRY:				
EUR net asset/(liability)	(76,730)	76,730	(76,730)	76,730
Amount hedged for EUR risk (-)	-	-	-	-
EUR net effect	(76,730)	76,730	(76,730)	76,730
In case of 10% appreciation / depreciation of NIS against TRY:				
NIS net asset/(liability)	129,625	(129,625)	129,625	(129,625)
Amount hedged for NIS risk (-)	-	-	-	-
NIS net effect	129,625	(129,625)	129,625	(129,625)
Total net effect	(613,655)	613,655	(2,947,374)	2,947,374

(c) Funding risk

The Group makes Long-term investments as a matter of normal course of business. The financing needs of these investments are met with liquid assets and risks such as not being able to find funds on favorable terms for the project financing loan, the fact that the maturity of current loans can not be made according to the maturity of the assets and the lack of an optimum balance between assets and resources is being followed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

(d) Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Group sets the amounts of capital in proportion to its overall financing structure i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid the shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

As of December 31, 2024 and 2023, net financial debt / total equity ratio is as follows:

	31 December 2024	31 December 2023
Financial liabilities (Note 6)	45,729,077	61,352,794
Less: Cash and cash equivalents (Note 4)	(1,541,918)	(2,791,942)
Less: Financial investments (Note 13)	-	(576,172)
Net debt	44,187,159	57,984,680
Total equity	58,647,563	55,545,588
Net financial debt / equity ratio	0.8	1.0

(e) Credit risk

The Group’s exposure to credit risk is limited to the carrying amount of financial assets recognized at the financial position date.

The possession of financial instruments also carries the risk of not meeting the requirements of the other party. The Group management meets these risks by restricting the average risk for each negotiated counterparty and by obtaining collateral if necessary.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk for liquid funds and other short-term financial assets is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

(e) Credit risk

The credit risks the Group is exposed to by types of financial instruments as of December 31, 2024 are as follows:

Credit risks exposed through types of financial instruments	Trade receivables		Service concession arrangements		Other receivables		Cash at bank	
	Related Parties	Third parties	Related Parties	Third parties	Related Parties	Third parties	Related Parties	Third parties
Maximum credit risk exposed as of balance sheet date as of								
31 December 2024 (A+B+C+D)	1,915,407	5,106,030	-	12,254,286	13,439,060	79,718	-	1,538,414
-The part of maximum risk under guarantee with collaterals, etc.	-	2,513,191	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1,915,407	3,940,108	-	12,254,286	13,439,060	79,718		1,538,414
B. Net book value of financial assets that are renegotiated, if not that								
will be accepted as part due or impaired	-	1,165,922	-	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	731,338	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	300,324	-	-	-	-	-	-
- Impairment (-)	-	(300,324)	-	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

(e) Credit risk (Continued)

The credit risks the Group is exposed to by types of financial instruments as of December 31, 2023 are as follows:

Credit risks exposed through types of financial instruments	Trade receivables		Service concession arrangements		Other receivables		Cash at bank	
	Related Parties	Third parties	Related Parties	Third parties	Related Parties	Third parties	Related Parties	Third parties
Maximum credit risk exposed as of balance sheet date as of								
31 December 2023 (A+B+C+D)	1,782,069	7,400,936	-	13,168,018	19,038,087	667,385	-	2,790,243
-The part of maximum risk under guarantee with collaterals, etc.	-	3,628,520	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1,782,069	5,551,858	-	13,168,018	19,038,087	667,385	-	2,790,243
B. Net book value of financial assets that are renegotiated, if not that								
will be accepted as part due or impaired	-	1,849,078	-	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	1,607,441	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	359,447	-	-	-	-	-	-
- Impairment (-)	-	(359,447)	-	-	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The fair values of financial instruments that are not traded in an active market have been determined by the Group using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate fair value. Accordingly, the estimates presented herein may differ from the amounts the Group could realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Monetary assets

The fair values of certain financial assets carried at cost, including cash and cash equivalents, are considered to approximate to their respective carrying values due to their short-term nature.

The carrying values of trade receivables along with the related provisions for uncollectibility are estimated to approximate to their fair values.

Monetary liabilities

The amortized costs of fixed-interest financial liabilities are expected to be close to their carrying values.

The fair value of variable-interest financial liabilities is assumed to be equivalent to their carrying amount, as the variable interest rate is expected to change in line with market interest rates.

Trade payables are assumed to be equivalent to their fair value due to their short-term nature.

Fair value estimation:

Disclosure of fair value measurements by level of the following fair value measurement hierarchy is as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted market prices included within level 1 that are observable for the asset or
- Level 3: Inputs for the asset or liability that are not based on observable market data.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Fair value estimation (Continued):

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to estimate the fair value an instrument are observable, the instrument is included in Level 2.

The fair values of assets and liabilities as at December 31, 2024 and December 31, 2023 are as follows:

	31 December 2024	31 December 2023
Derivative financial instruments		
Level 1	-	-
Level 2	-	496,169
Level 3	-	-
	-	496,169

Derivative financial instruments consist of interest rate swap transactions carried out by the Group. Fair values of interest rate swap transactions are determined using standard valuation models. The key inputs used in these models are classified as Level 2 because they are readily available in public markets or can be derived from observable market transactions. Inputs used in these standard valuation models for interest rate swap transactions include current reference interest rates and discount interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Fair value estimation (Continued):

“Peer Comparison Method” and “Cost Approach Method” were used in determining the fair value of the natural gas power plants belonging to Zorlu Energy and the Kizildere 1 geothermal power plant specified in Zorlu Doğal (Level 2), and in determining the fair value of the facilities other than these facilities. “Income Approximation Method (discounted cash flows method “DCF”)” was used (Level 3). Important unobservable inputs and sensitivity analyzes included in the valuation methods are presented in Note 2.7.

Property, plant and equipment	31 December 2024	31 December 2023
Level 1	--	--
Level 2	2,043,578	2,150,798
Level 3	49,356,833	53,028,520
	51,400,411	55,179,318

NOTE 35 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR / INDEPENDENT AUDIT FIRM

As of December 31, 2024 and 2023, the Group’s explanation regarding the fees for the services provided by independent audit firms, which is prepared in accordance with the Board Decision of POA published in the Official Gazette dated March 30, 2021 and based on the POA letter dated August 19, 2021, is as follows:

	31 December 2024	31 December 2023
Independent audit fee for the reporting period	20,482	18,892
Special purpose independent audit fees	12,295	6,693
Service fee for bond issuance	5,155	-
Fees for other assurance services	1,693	224
	39,625	25,809

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) with the purchasing power of 31 December 2024 unless otherwise stated.)

NOTE 36 - SUBSEQUENT EVENTS

Developments on Eurobond Issuance - TAP Pricing

Zorlu Enerji Elektrik Üretim A.Ş. will issue a USD 100,000,000 tap Eurobond issuance to be consolidated with its existing USD 1,000,000,000 sustainability-linked bonds due April 23, 2030, which was sold to qualified investors abroad within the format of “Regulation S” and “Rule 144A” regulations and currently listed on the Irish Stock Exchange (Euronext Dublin) as announced with the Company’s material event disclosures dated October 23, 2024 and October 30, 2024. The nominal value of the sustainability-linked bonds to be issued is USD 100,000,000 and in Regulation S format. The issued bonds will be redeemed in installments of USD 5,625,000 every six months starting from the third year, with the remaining USD 71,875,000 to be redeemed at maturity. The bonds will be listed on the Irish Stock Exchange (Euronext Dublin). The amounts related to the sale of these bonds were transferred to the Company’s accounts on March 6, 2025.

Regarding the sale of all our shares in the capital of Dorad Energy Ltd, in which we are direct partners in Israel

Based on the material event disclosure dated March 6, 2025, it was decided to sign Share Purchase Agreement with the Phoenix Group, domiciled in Israel, for the sale of our entire 25% shares in Dorad Energy Ltd. (“Dorad”), which is also domiciled in Israel. The planned share transfer is subject to the approval of Dorad’s Board of Directors and will be executed with contractual price adjustments upon obtaining the necessary legal approvals and fulfilling the contractual conditions. Once the transaction is completed, the Company will no Longer hold any shares in Dorad. Under Dorad’s Shareholders’ Agreement, other shareholders have the right of first refusal over 15% of our 25% shares. If this right of first refusal is not exercised, the Company’s entire 25% shares will be transferred to Phoenix Group under the same conditions.

APPENDIX

FOCUSING ON THE
ENERGY OF THE
FUTURE IN ALL OUR
ACTIVITIES WITH DEEP-
ROOTED EXPERTISE

Since day one, we have been investing in the energy of the future through all our practices and processes to build a sustainable tomorrow.

414	Installed Capacity of Zorlu Enerji in Türkiye
415	Licenses, Pre-licenses and Permits
416	Memberships to Domestic and International Organizations
417	Number of Species Listed in the IUCN (International Union for Conservation of Nature) Red List
418	Financial Performance Indicators
419	Performance Indicators Related to Operations and Productions
420	Environmental Performance Indicators
423	Social Performance Indicators
433	GRI Content Index
438	Communication on Progress with regard to the United Nations Global Compact (UNGC)
438	Communication on Progress regarding Women's Empowerment Principles (WEPs)
439	TNFD
440	Statement of Compliance with Sustainability Principles
451	Glossary of Technical Terms

INSTALLED CAPACITY OF ZORLU ENERJI IN TÜRKİYE

Power Plant	Company	Location	Type	Electricity Generation Capacity (MW)	Steam Production Capacity (Tons/Hour)	Direct and Indirect Equity Share (%)
Natural Gas				49.53	98.00	
Lüleburgaz	Zorlu Enerji Elektrik Üretim AŞ	Lüleburgaz, Kırklareli	Cogeneration Natural Gas	49.53	98.00	100
Wind				135.00	-	
Gökçedağ (Rotor)	Rotor Elektrik Üretim AŞ	Osmaniye	Wind	135.00	-	100
Hydroelectricity				118.94	-	
Terzan	Zorlu Doğal Elektrik	Erzincan	Hydroelectricity (with Reservoir)	15.00	-	100
Kuzgun	Zorlu Doğal Elektrik Üretimi AŞ	Erzurum	Hydroelectricity (with Reservoir)	20.90	-	100
Ataköy	Zorlu Doğal Elektrik	Tokat	Hydroelectricity (with Reservoir)	5.50	-	100
Mercan	Zorlu Doğal Elektrik Üretimi AŞ	Tunceli	Hydroelectricity (Run-of-the-River)	20.40	-	100
Çıldır	Zorlu Doğal Elektrik Üretimi AŞ	Kars	Hydroelectricity (with Reservoir)	15.40	-	100
İkizdere	Zorlu Doğal Elektrik Üretimi AŞ	Rize	Hydroelectricity (Run-of-the-River)	24.94	-	100
Beyköy	Zorlu Doğal Elektrik Üretimi AŞ	Eskişehir	Hydroelectricity (Run-of-the-River)	16.80	-	100
Geothermal				305.00	-	
Kızıldere 1	Zorlu Doğal Elektrik Üretimi AŞ	Denizli	Geothermal	15.0	-	100
Kızıldere 2	Zorlu Doğal Elektrik Üretimi AŞ	Denizli	Geothermal	80.00	-	100
Kızıldere 3	Zorlu Doğal Elektrik Üretimi AŞ	Denizli-Aydın	Geothermal	165.00	-	100
Alaşehir 1	Zorlu Doğal Elektrik Üretimi AŞ	Manisa	Geothermal	45.0	-	100
TOTAL				608.47	98.00	

INSTALLED CAPACITY ABROAD

Power Plant	Company	Location	Type	Electricity Generation Capacity (MW)	Steam Generation Capacity (Tons/Hour)	Direct and Indirect Equity Share (%)
Natural Gas				215		
Dorad*	Dorad Energy Ltd.	Israel	Combined Cycle Natural Gas	215	-	25
Wind				56.4		
Jhimpir	Zorlu Enerji Pakistan Ltd.	Pakistan	Wing	56.4		100
Solar				1.5		
Dead Sea*	ZJ Strong Energy For Renewable Energy Ltd.	Palestine	Solar	1.5		75
TOTAL				272.9	-	

*The installed capacity of the power plants is presented on the basis of equity share.

LICENSES, PRE-LICENSES AND PERMITS

Our domestic licenses, pre-licenses and permits are as follows:

Company	Power Plant	Type	Location	Electricity Generation Capacity** (MWp/MWe)
Generation Licenses				
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Alaşehir JES	Geothermal	Manisa	45
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Alaşehir Hibrit Faz 1	Solar	Manisa	3.7543
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Alkan Jeotermal*	Geothermal	Manisa	18.6
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Alkan Jeotermal Hibrit	Solar	Manisa	0.21746
Zorlu Doğal Elektrik Üretimi AŞ	Kızıldere 1 JES	Geothermal	Denizli	15
Zorlu Doğal Elektrik Üretimi AŞ	Kızıldere 1 Hibrit	Solar	Denizli	0.99
Zorlu Doğal Elektrik Üretimi AŞ	Kızıldere 2 JES	Geothermal	Denizli	80
Zorlu Doğal Elektrik Üretimi AŞ	Kızıldere 2 Hibrit	Solar	Denizli	11.9947
Zorlu Doğal Elektrik Üretimi AŞ	Kızıldere 3 JES	Geothermal	Aydın	165
Zorlu Doğal Elektrik Üretimi AŞ	Kızıldere 3 Hibrit Faz 1	Solar	Aydın	24.7498
Zorlu Doğal Elektrik Üretimi AŞ	Kızıldere 3 Hibrit Faz 2	Solar	Aydın	32.6012
Rotor Elektrik Üretim AŞ	Gökçedağ RES	Wind	Osmaniye	135
Rotor Elektrik Üretim AŞ	Gökçedağ RES Ek Kapasite***	Wind	Osmaniye	46.6
Rotor Elektrik Üretim AŞ	Gökçedağ Hibrit Faz 1	Solar	Osmaniye	9.6088
Pre-Licenses				
Zorlu Doğal Elektrik Üretimi AŞ	Tekkehamam 2	Geothermal	Denizli	35
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Alkan 2	Geothermal	Manisa	10
Zorlu Elektrik İthalat İhracat Toptan Satış AŞ	Yeniçiftlik	Wind Power Storage Plant	Tekirdağ	250
Zorlu Elektrik İthalat İhracat Toptan Satış AŞ	Hamitabat	Wind Power Storage Plant	Kırklareli	125
Operating Licenses				
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Alaşehir 193 No'lu	Geothermal	Manisa	
Zorlu Doğal Elektrik Üretimi AŞ	Kızıldere 48 No'lu	Geothermal	Denizli	
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Simav-Yeniköy	Geothermal	Kütahya	-
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Nazilli Dıraçak	Geothermal	Aydın	-
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Kuyucak	Geothermal	Aydın	-
Nemrut Jeotermal Elektrik Üretimi AŞ	Nemrut 004 No'lu	Geothermal	Bitlis	-
Nemrut Jeotermal Elektrik Üretimi AŞ	Nemrut 09 No'lu	Geothermal	Bitlis	-
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Gedik 14 No'lu	Geothermal	Ağrı	-
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Mutlu 15 No'lu	Geothermal	Ağrı	-

* The name of Alaşehir 2 GPP Project has been changed to Alkan GPP
** Electricity generation capacity is given as MWp for solar power plants and MWe for other power plants.

Our abroad licenses, pre-licenses and permits are as follows:

Company	Power Plant	Type	Location	Electricity Generation Capacity** (MWp/MWe)
Generation Licenses				
Zorlu Sun Power (Private) Limited ("Zorlu Sun Power Pakistan")	Solar Fotovoltaik	Solar	QASP, Bahawalpur,	100 MWp (DC)
Zorlu Sun Power (Private) Limited ("Zorlu Sun Power Pakistan")	Pakistan	100 MWp (DC)	QASP, Bahawalpur, Pakistan	100 MWp (DC)
Zorlu Sun Power (Private) Limited ("Zorlu Sun Power Pakistan")	Solar Fotovoltaik	Solar	QASP, Bahawalpur,	100 MWp (DC)

MEMBERSHIPS TO DOMESTIC AND INTERNATIONAL ORGANIZATIONS

Domestic and international organizations that have been involved in an important role are as follows:

- DEİK (Foreign Economic Relations Board of Türkiye)
- DEİK Energy Business Council
- DEİK Türkiye - U.S. Business Council
- DEİK Outbound Investments Business Council
- TESAB (Association of Turkish Electricity Industry)
- CIGRE Türkiye National Committee (International Council on Large Electrical Systems)
- ENVER (Energy Efficiency Association)
- ETD (Energy Traders Association)
- EÜD (Electricity Producers Association)
- GÜYAD (Energy Investors Association)
- ÇATIDER (Association of Roofing Industrialists and Businesspeople)
- INTES (Turkish Employers’ Association of Construction Industries)
- DEK (World Energy Council Turkish National Committee)
- United Nations Global Compact Türkiye
- SMI (Sustainable Mobility Initiative)
- IICEC (Sabancı University Istanbul International Center for Energy and Climate)
- Union of Chambers and Commodity Exchanges of Türkiye Energy Council
- E-MOD (E-Mobility Operators Association)
- H2DER (Green Hydrogen Producers Association)
- GENSED (Solar Energy Industrialists and Industry Association)
- ELDER (Association of Electricity Distribution System Operators)
- TÜSİAD (Turkish Industry and Business Association)
- German-Turkish Chamber of Industry and Commerce
- TÜREB (Turkish Wind Energy Association)
- JED (Geothermal Energy Association)
- National Hydrogen Association
- TÜRKOTED (Turkish Cogeneration and Clean Energy Technologies Association)
- ERTA (Integrated Reporting Türkiye Network)
- DEİK Türkiye - Pakistan Business Council
- GÜNDER (International Solar Energy Society Türkiye Section)
- KİD (Corporate Communication Association)
- ÖSGD (Corporate Volunteers Association)
- SKD Türkiye (Business Council for Sustainable Development Türkiye)
- TÜHİD (Public Relations Association of Türkiye)
- TSKD (Corporate Social Responsibility Association of Türkiye)
- TRAI (Türkiye Artificial Intelligence Initiative)
- KalDer (Turkish Quality Association)
- Environment and Climate Change Working Group of Turkish Industry and Business Association
- YEYKAD (Green Collar Women Association)
- Energy Storage Industries Association

NUMBER OF SPECIES LISTED IN THE IUCN RED LIST

Indicator	Unit	Critically Endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threat (NT)	Least Concern (LC)
Total Red-List Species	Number of Total Species	2	18	5	0	1
Plants	Number of Total Species	0	0	2	1	9
Amphibians	Number of Total Species	0	0	11	1	25
Reptiles	Number of Total Species	0	2	0	8	13
Mammals	Number of Total Species	0	15	9	5	103
Birds	Number of Total Species	0	7	6	7	89
Fish	Number of Total Species	2	18	5	0	1
Zorlu Doğal Red-List Species		Critically Endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threat (NT)	Least Concern (LC)
Plants	Number of Total Species	2	18	5	0	1
Amphibians	Number of Total Species	0	0	2	1	9
Reptiles	Number of Total Species	0	0	9	1	23
Mammals	Number of Total Species	0	2	0	6	11
Birds	Number of Total Species	0	13	7	4	77
Fish	Number of Total Species	0	7	6	7	81
Zorlu Jeothermal Red-List Species		Critically Endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threat (NT)	Least Concern (LC)
Plants	Number of Total Species	0	0	0	0	0
Amphibians	Number of Total Species	0	0	0	0	0
Reptiles	Number of Total Species	0	0	1	0	1
Mammals	Number of Total Species	0	0	0	0	0
Birds	Number of Total Species	0	0	0	0	0
Fish	Number of Total Species	0	0	0	0	8
Rotor Red-List Species		Critically Endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threat (NT)	Least Concern (LC)
Plants	Number of Total Species	0	0	0	0	0
Amphibians	Number of Total Species	0	0	0	0	0
Reptiles	Number of Total Species	0	0	1	0	1
Mammals	Number of Total Species	0	0	0	2	2
Birds	Number of Total Species	0	2	2	1	26
Fish	Number of Total Species	0	0	0	0	0

FINANCIAL PERFORMANCE INDICATORS

Summary Balance Sheet (TRY thousand)	2022*	2023*	2024
Current Assets	32,616,231	28,626,187	13,410,051
Non-Current Assets	137,382,141	113,602,970	105,374,674
Total Assets	169,998,372	142,229,157	118,784,725
Current Liabilities	54,200,458	45,564,675	20,137,621
Non-current Liabilities	65,957,515	41,118,894	39,999,541
Shareholders' Equity	49,840,399	55,545,588	58,647,563
Total Liabilities	169,998,372	142,229,157	118,784,725
Gross Financial Debt	81,765,631	61,352,794	45,729,077
Net Financial Debt	74,714,582	57,984,680	44,187,159

* It is expressed in the purchasing power of 31 December 2024.
** In Net Financial Liabilities, other receivables from related parties are not included in the calculation in order to be in line with the 31.12.2024 CMB report, 2023 and 2022 amounts have been adjusted.

Summary Income Statement (TRY thousand)	2022*	2023*	2024
Revenue	56,027,859	39,389,311	29,657,596
Gross Profit	8,169,302	5,431,995	3,710,045
Operating Profit / (Loss)	7,168,816	4,726,298	1,934,896
Share of Investments Accounted through Equity Method	221,665	196,693	800,581
Operating Profit / (Loss) Before Financial Expenses	7,399,470	10,912,483	7,561,033
EBITDA**	17,868,744	16,439,710	12,191,756
Net Financial Expenses	14,037,461	16,870,679	17,372,235
Net Profit / (Loss) for the Period ***	13,728,618	15,861,441	(2,364,560)
Gross Profit Margin	15%	14%	13%
EBITDA Margin	32%	42%	41%

* It is expressed in the purchasing power of 31 December 2024.
** EBITDA calculation includes the interest income related to the revenue cap arising from the electricity and natural gas distribution activities and the fair value difference related to the service concession arrangements while excluding the depreciation expense reported under the operating expenses.
*** Net income/(loss) represents the income/(loss) attributable to the owners of the parent company.

Lawsuit Costs (TRY)	2023	2024
Payments for lawyer fees or lawsuit settlements	149,832	1,125,700
Losses as a result of lawsuit settlements	573,841	594,595
Total	723,673	1,720,295

R&D and Innovation Budget (TRY)	2022	2023	2024
	36,588,848	26,020,647	54,099,382

Budget for Development of Low Carbon Products and Services (TRY)	2022	2023	2024
	16,088,188	8,173,575	4,000,000

Number of Patent Applications	2022	2023	2024
	0	1	1

PERFORMANCE INDICATORS RELATED TO OPERATIONS AND PRODUCTIONS

Generation Data	Unit	2022	2023	2024
Electricity*	kWh	2,660,930,111	2,688,413,880	2,704,212,190
Steam	tons	339,421	270,870	267,751

* Gross values were used.

Sales/Distribution Data	Unit	2022	2023	2024
Electricity (Production)	kWh	2,397,033,972	2,364,115,667	2,374,177,832
Electricity (Commercial)	kWh	6,686,790,194	6,347,298,089	6,984,058,988
Steam	tons	339,421	270,870	267,751
Domestic and Cooling Water	m³	30,432	36,289	44,992
Carbon Dioxide Gas	m³	56,939	161,797	113,769
Net Electricity Distributed	kWh	6,809,632,533	6,731,765,971	7,242,972,000
Natural Gas (Sales)	Sm³	1,431,103,605	1,347,352,655	0
Natural Gas (Including Transported, Distributed)	Sm³	2,086,617,550	1,965,911,928	0

Line Length Comparable by Years (OEDAŞ)	Unit	2022	2023	2024
Energy Transmission Line	km	21,973	22,115	22,480
Village Grids	km	12,364	12,601	12,790
Urban Grids (Overhead Line Facilities)	km	9,141	9,074	9,087
Urban Grids (Underground Line Facilities)	km	9,728	9,774	9,659
Total	km	53,207	53,564	54,017

PROVINCE	OEDAŞ Current Transformer Capacity (Installed Power MVA)			
	INSTITUTION		PRIVATE	
	LF	MV	LV	MV
AFYONKARAHİSAR	648.19	10.00	2,148.99	40.00
BİLECİK	202.92	0.00	860.22	124.85
ESKİŞEHİR	790.75	230.00	1,799.29	101.60
KÜTAHYA	470.23	50.00	815.00	48.91
UŞAK	387.37	10.00	612.32	0.00

PROVINCE	OEDAŞ Existing Line Length (Km)							
	INSTITUTION				PRIVATE			
	LV		MV		LV		MV	
	Overhead	Underground	Overhead	Underground	Overhead	Underground	Overhead	Underground
AFYONKARAHİSAR	6,025.73	1,482.83	5,117.00	553.32	63.47	34.00	3,221.49	197.34
BİLECİK	1,266.57	753.72	1,588.39	247.78	56.30	3.66	645.17	113.72
ESKİŞEHİR	3,646.81	1,681.44	3,910.33	832.13	17.52	200.46	3,831.08	263.58
KÜTAHYA	4,095.04	1,137.61	3,535.00	374.60	81.96	16.09	827.94	134.96
UŞAK	3,207.07	1,117.71	2,307.09	411.66	88.96	23.83	668.00	78.98

Net Generation Breakdown by Resource in Türkiye, Palestine and Pakistan	Unit	2022	2023	2024
Geothermal	kWh	1,611,787,740	1,552,000,000	1,558,177,000
Wind	kWh	436,812,230	444,354,068	412,150,000
Hydroelectricity	kWh	303,174,551	329,000,000	335,590,000
Solar	kWh	3,181,709	2,917,017	1,977,456

ENVIRONMENTAL PERFORMANCE INDICATORS

Energy Consumption	Unit	2022*	2023*	2024**
Direct Energy Consumption (Natural Gas, Diesel, Gasoline, LPG, Coal)	GJ	3,391,562.63	2,222,379.15	2,153,500.71
Indirect Energy Consumption (Electricity, Heating, Cooling, Steam)	GJ	132,242	144,511.35	91,335.50
Energy Intensity (Total Energy Consumed/Total Produced Energy)	(MWh/MWh) %	0,47	0,24	0,23

* OEDAŞ consumption figures are included, steam generation is excluded.
** Zes Türkiye consumption included.

Energy Consumption	Unit	2022	2023	2024
Electricity*	kWh	37,018,556.91	40,266,646.71	25,370,973.60
Natural Gas	m³	1,976,530.87	2,044,383.47	260,894.30
Diesel	liters	1,668,005.43	1,946,589.46	1,066,000.05
Gasoline	liters	291,807.80	72,928.44	248,682.9
LPG	kg	1,362.00	1,614.00	480.00
Coal	tons	128,523.60	80,907.34	81,427.66

Amount of Water Withdrawn	Unit	2022	2023	2024
Mains Water	tons	7,879	35,956	23,685
Clean Surface Water (Rainwater, Wetlands, Rivers, Lakes)	tons	875	1,368	141
Brackish Surface Water / Sea Water	tons	-	3,000	454
Underground Water (Renewable)	tons	95,269,098	95,136,041	92,495,187
Underground Water (Non-Renewable)	tons	348,293	395,256	454,569
Recycled Water (Condensate Water, Water Recovered from Wastewater, etc.)	tons	6,963,136	82,223	200,441
Amount of Water Withdrawn from Dam Lake, Stream and Canal for HEPPs	tons	1,877,500,871	2,138,755,398	2,031,155,475
Total	tons	1,980,090,152	2,234,409,243	2,124,329,952

Amount of Discharged Water	Unit	2022	2023	2024
Discharge to Surface Water (Canal, Stream, Lake, River, etc.)	tons	1,783,629,505	2,031,826,136	1,929,600,387
Discharge to Brackish Surface Water / Seawater	tons	-	-	-
Re-injection into Groundwater (For Geothermal Plants)	tons	86,827,767	83,376,766	83,895,100
Third Party Discharge (Municipality/OIZ Treatment Plant, Sewerage, Septic Tank, etc.)	tons	153,802	193,421	189,892,240
Total	tons	1,870,611,074	2,115,396,324	2,013,684,964

Net Water Consumption	Unit	2022	2023	2024
	tons	109,479,077.75	119,012,919.04	110,644,987

Water Use Intensity	Unit	2022	2023	2024
Water Intensity - Withdrawal	m³/MWh	0.13	0.16	0.18
Water Intensity - Consumption	m³/MWh	0.07	0.09	0.11

*Mains, non-renewable groundwater and surface water use are taken into account.

Greenhouse Gas Emissions	Birim	2022	2023	2024
Scope 1	tCO ₂ e	1,063,477.93	756,843.22	714,385
Scope 2	tCO ₂ e	232,456.77	234,905.91	252,576
Scope 3	tCO ₂ e	6,108,347.85	6,001,865.26	2,476,938
Total	tCO ₂ e	7,404,283	6,993,614.39	3,443,899

Scope 3 Category Breakdowns	Unit	2023	2024
3.1 Purchased Goods and Services	tCO ₂ e	28,321	35,123
3.2 Capital Goods	tCO ₂ e	296	3,044
3.3 Fuel and Energy Related Activities	tCO ₂ e	2,835,264	2,420,733
3.4 Upstream Transportation and Distribution	tCO ₂ e	2,685	93
3.5 Waste Generated in Operations	tCO ₂ e	74,305	14
3.6 Business Travel	tCO ₂ e	470	863
3.7 Employee Commuting	tCO ₂ e	30,180	4,731
3.8 Upstream Leased Assets	tCO ₂ e	0	0
3.9 Downstream Transportation and Distribution	tCO ₂ e	0	0
3.10 Processing of Sold Goods	tCO ₂ e	0	0
3.11 Use of Sold Goods	tCO ₂ e	2,577,772	10,431
3.12 End-of-Life Treatment of Sold Goods	tCO ₂ e	0	0
3.13 Downstream Leased Assets	tCO ₂ e	0	0
3.14 Franchises	tCO ₂ e	0	0
3.15 Investments	tCO ₂ e	452,570	1,906

Air Emissions	Unit	2022	2023	2024
NO _x	tons/year	367.76	186	228
SO _x	tons/year	1,335	729	617
Dust	tons/year	9.89	8.3	4.62
CO	tons/year	54	48	53
Mercury	Mg/kg	-*	-*	0.33
PM ₁₀	mg/nm³	0	0	0
H ₂ S	kg/hr	41**	0	0
SF ₆	tons/year	0	0	0.00065

* There is mercury emission in the Lüleburgaz Power Plant, however its thermal energy is low. There is no obligation to report and measure. Therefore, mercury emissions were not measured.
** It is the total of the annual average values determined by Continuous Emission Measurement Systems CEMS over Geothermal power plants.
*** There is no consumption of Ozone Depleting Substance (ODS).
**** There is no consumption of Volatile Organic Compounds (VOC).

ENVIRONMENTAL PERFORMANCE INDICATORS

Hazardous Waste (Tons)	2022	2023	2024
Total Wastes Recycled/Reused	961	1,869	746
Total Wastes Disposed of	112	95	18
Total Wastes Stored	1	5	9
Wastes Recycled for Energy Generation	0	0	0.2
Amount Incinerated (Not for Energy Production):	0	0	0
Other Wastes Disposed of	0	90	8.8
Wastes with Unknown Disposal Method	111	0	0
Total	1,073	1,964	764

Non-Hazardous Wastes (Tons)	2022	2023	2024
Total Wastes Recycled/Reused	15,361	35,208	33,026
Total Wastes Disposed of	25,032	1,579	13
Total Wastes Stored	25,031	1,517	8
Wastes Recycled for Energy Generation	0	0.03	5
Amount Incinerated (Not for Energy Production):	0	0	0.6
Other Wastes Disposed of	0	62	0.4
Wastes with Unknown Disposal Method	1	0	0
Total	40,393	36,787	33,039

Ash Waste* (Tons)	2022	2023	2024
	29,200	26,162	32,947

*Ash waste is reported in the recycled/reused non-hazardous waste category.

Other Waste Types (Tons)	2023	2024
Electronic Wastes	1,845.60	0.1

SOCIAL PERFORMANCE INDICATORS

Zorlu Enerji Employees by Gender *	2022	2023	2024
Female	450	523	418
Male	2,286	2,278	1,630
Total	2,736	2,801	2,048
Female Employees / Total Employees	16%	19%	20%
Male Employees / Total Employees	84%	81%	80%

*Refers to the number of employees as of 31.12.2024.

Number of Disabled Employees	2022	2023	2024
Female	9	10	8
Male	44	43	38
Total	52	53	46
Percentage of Disabled Employees	1.9%	1.9%	2.3%

Employees by Category and Employment Status	2022	2023	2024
Full Time White Collar	1,951	1,297	871
Part Time White Collar	0	0	0
Full Time Blue Collar	785	1,504	1,177
Part Time Blue Collar	0	0	0

Employee Rates by Category	2022	2023	2024
White Collar	71%	46%	43%
Blue Collar	29%	54%	57%

Employees by Category and Gender	2022	2023	2024
White Collar Women	434	491	342
White Collar Men	1,517	806	529
Total White Collar	1,951	1,297	871
Blue Collar Women	16	32	76
Blue Collar Men	769	1,472	1,101
Total Blue Collar	785	1,504	1,177
Ratio of White-Collar Female Employees	22%	38%	39%

Employees by Age	2022	2023	2024
Women Under 30 years of age	110	142	129
Men Under 30 years of age	448	452	253
Total Employees Under 30 years of age	558	594	382
Women between 30-50 years of age	327	369	277
Men between 30-50 years of age	1,727	1,732	1,268
Total Employees between 30-50 years of age	2,054	2,101	1,545
Women Above 50 years of age	13	12	12
Men Above 50 years of age	111	94	109
Total Employees Above 40 years of age	124	106	121

SOCIAL PERFORMANCE INDICATORS

Employees by Tenure	2022	2023	2024
Women between 0-5 years of Tenure	183	270	224
Men between 0-5 years of Tenure	707	807	448
Total employees between 0-5 years of Tenure	890	1,077	672
Women between 5-10 years of Tenure	119	121	53
Men between 5-10 years of Tenure	629	606	373
Total employees between 5-10 years of Tenure	748	727	426
Women with above 10 years of Tenure	148	132	141
Men with above 10 years of Tenure	950	865	809
Employees with above 10 years of Tenure	1,098	997	950

Leaving Employee by Age	2022	2023	2024
Leaving Women Under 30 years of age	12	8	41
Leaving Men Under 30 years of age	34	87	80
Total Leaving Employees Under 30 years of age	46	95	121
Leaving Women between 30-50 years of age	23	30	36
Leaving Men between 30-50 years of age	69	93	147
Total Leaving Employees between 30-50 years of age	92	123	183
Leaving Women Above 50 years of age	4	1	4
Leaving Men Above 50 years of age	13	11	34
Total Leaving Employees Above 50 years of age	17	12	38

Voluntarily Leaving Employees by Gender	2022	2023	2024
Voluntarily Leaving Women	24	32	68
Voluntarily Leaving Men	72	152	195
Total Voluntarily Leaving Employees	96	173	263

Leaving Employees by Gender	2022	2023	2024
Leaving Women	39	39	81
Leaving Men	116	191	261
Total Leaving Employees	155	230	342

Employee Turnover Rate	2022	2023	2024
Leaving Employee Turnover Rate	6%	8%	17%
Voluntary Employee Turnover Rate	4%	7%	13%

Opened Positions	2023	2024
All Opened Positions	420	282
Positions Filled with Internal Female Candidates	1	1
Positions Filled with Internal Male Candidates	2	2
Positions Filled with Internal Candidates	3	3

New Recruitment	2022	2023	2024
Newly Hired Woman	64	93	103
Newly Hired Men	244	245	103
Total New Hires	308	338	206
Internally Promoted Executive	63	13	9
Rotation Rate	-	0.12%	4%
Rotation Transition	-	3	12

New Recruitment	2023	2024
Newly Hired Woman	28%	50%
Newly Hired Men	72%	50%

Total Number of New Recruits	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Under 30 years of age	49	284	47	136	70	64
Under 30-50 years of age	36	99	44	104	33	38
Above 50 years of age	1	6	2	5	0	1

Working Hours	2022	2023	2024
Total Working Hours	6,046,560	6,246,360	6,348,594
Total Days Worked	711,360	730,000	618,247

Number of Employees in Governance Bodies by Age Group and Gender	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Under 30 years of age	0	0	0	0	0	0
Between 30-50 years of age	3	4	5	7	2	3
Above 50 years of age	1	8	1	10	2	14

**Based on executives and board members reporting directly to the CEO.*

Number of Blue-Collar Employees by Age Group and Gender	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Under 30 years of age	1	34	11	320	46	183
Between 30-50 years of age	11	705	17	1109	28	857
Above 50 years of age	4	30	4	43	2	61

Number of White-Collar Employees by Age Group and Gender	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Under 30 years of age	109	414	131	132	83	70
Between 30-50 years of age	316	1022	350	610	249	411
Below 50 years of age	9	81	10	64	10	48

Women Executives by Gender and Age	2022	2023	2024
Women Under 30 years of age	4	5	3
Women between 30-50 years of age	94	79	88
Women Above 50 years of age	5	2	8

SOCIAL PERFORMANCE INDICATORS

Men Executives by Gender and Age	2022	2023	2024
Men Under 30 years of age	8	3	4
Men between 30-50 years of age	228	185	180
Men Above 50 years of age	30	27	29

Total Employees with Senior Executive Roles	2022	2023*	2024
Female	6	6	2
Male	20	18	12
Total	26	24	14

*Revised.

Executives in Revenue-Generating Functions	2022	2023	2024
Female	43	56	33
Male	215	183	148
Total	258	239	181

Executives by Gender and Age	2022	2023	2024
Number of Women Senior Executives	6	6	2
Number of Men Senior Executives	20	18	12
Number of Women Working in Revenue Generating Functions	331	433	283
Number of Men Working in Revenue Generating Functions	2,086	2,064	1,435
Number of Women Executives Working in Revenue Generating Functions	215	183	148
Number of Men Executives Working in Revenue Generating Functions	43	56	34
Number of Women in Working in STEM Positions	99	110	75
Number of Men in Working in STEM Positions	355	426	242

Number of Members on the Board of Directors	2022	2023	2024
Female	2	2	2
Male	7	5	5

Number of Women Members on the Board of Directors	2022	2023	2024
Women Under 30 years of age	0	0	0
Women between 30-50 years of age	1	1	1
Women Above 50 years of age	1	1	1
Total Women Members	2	2	2

Number of Men Members on the Board of Directors	2022	2023	2024
Men Under 30 years of age	0	0	0
Men between 30-50 years of age	1	0	0
Men Above 50 years of age	6	5	5
Total Men Members	7	5	5

Board of Directors by Gender and Age	2022	2023	2024
Female Members of the Audit Committee	0	0	0
Male Members of the Audit Committee	2	2	2
Total Members of the Audit Committee	2	2	2
Female Members of the Executive Committee	0	0	0
Male Members of the Executive Committee	0	0	0
Total Members of the Executive Committee	0	0	0

Other Metrics for the Board of Directors	2024
Average Tenure of the Board of Directors (other members) - Years	11
Average Tenure of the Board of Directors (independent members) - Years	1.6
Average tenure of the board of directors	7
Number of Board members without a bachelor's degree	1
Number of Board members with a bachelor's degree	3
Number of Board members with a post graduate degree	3
Number of Board members Serving in Committees (members)	3
Number of Board members Serving in Committees (not members)	4

Other Metrics for the Senior Executives	2024
Average tenure and work experience of Senior Executives (Years)	27
Number of Senior Executives with a bachelor's degree	9
Number of Senior Executives with a post graduate degree	5
Number of Senior Executive members serving in the Committees	1

Ratio of Returning to Work and Continuing to Work after Maternity Leave by Gender	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Number of Employees Entitled to Maternity Leave	26	83	10	45	15	3
Number of Employees Accepting Maternity Leave	26	83	10	45	15	3
Number of Who Returned to Work after Maternity Leave	10	83	8	45	14	3
Total Number of Employees Who Returned to Work after Maternity Leave and Are Still at Work After Twelve Months from Returning to Work	10	82	8	45	3	5
The Ratio of Employees Returning to Work and Continuing to Work after Maternity Leave	38%	99%	80%	100%	93%	100%

Employees Passing Performance Assessment Criteria	2022	2023	2024
Senior Executive Assessment	596	479	783
Senior Executive Assessment	22%	17%	40%

Employees Subject to Periodic Performance Assessment and Career Development Plan	2023	2024
Blue Collar Women	22	68
Blue Collar Men	726	434
White Collar Women	447	323
White Collar Men	754	492
Women Executives	6	2
Men Executives	8	8

SOCIAL PERFORMANCE INDICATORS

Training Hours	2022	2023	2024
Total Training Hours	14,625	19,104	20,272
Average Training Hours per Employee	5.35	6.82	9.9
Budget Allocated to Trainings (TRY)*	-	2,544,843	2,417,698
Training Budget Realization Rate	-	100%	47%

*Training budget was first planned for 2023.

Training Hours per Employee Categories	2023	2024
White Collar Women	9	2
White Collar Men	7	2
Blue Collar Women	2	9
Blue Collar Men	5	4

Employees Passing Performance Assessment Criteria	Unit	2024
Training for employees under 30 years of age	Person x hour	6,702
Training for employees under the age of 30-50	Person x hour	21,942
Training for employees over 50 years of age	Person x hour	1,697
Amount spent on training and development for employees under 30 years of age	TL	254,846
Amount spent on training and development for employees aged 30-50 years	TL	2,141,090
Amount spent on training and development for employees over 50 years of age	TL	21,762

Risk and Ethical Principles Trainings	2022	2023	2024
Ethical Principles Training Hours (person x hours)	482	703	168
Number of Employees Attending Ethical Principles Training	508	547	145
Number of White-Collar Employees Attending Ethical Principles Training	336	394	109
Number of Blue-Collar Employees Attending Ethical Principles Training	172	153	36
Risk Training Hours (person x hours)	196	0	0
Number of Employees Attending Risk Training	59	0	0
Risk Training Executive Hours (person x hours)	10	0	0

Average Training Hours Provided to Employees	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Blue Collar	0.44	5.80	2	5	9	4
White Collar	11.47	14.76	9	7	2	2
Senior Executives	3.49	17.29	9	6	1.8	2.6

Employee Trainings by Category	Unit	2024
Training for Employees Below Managers	Person x hour	24,535
Amount Spent on Training and Development for Employees Below Managers	TL	1,359,400
Training for Group Manager/Managers/Administrators	Person x hour	5,754
Amount Spent on Training and Development for Group Manager/Managers/Executives	TRY	964,597
Training for Employees at General Manager/Assistant General Manager/Director Level	Person x hour	63
Amount Spent on Training and Development for Employees at General Manager/Assistant General Manager/Director Level	TRY	93,701

Volunteering Projects	2022	2023	2024
Number of Volunteering Employees	79	85	128
Total Hours in Volunteering Projects	14,251	248	377
Number of Volunteering Executives (Manager and Higher Titles)	9	11	23
Number of Employees Participating in Corporate Volunteering Programs	79	85	128

Number of Employees Subject to Periodic Performance Assessment and Career Development Plan by Gender and Employment Status	2024	
	Female	Male
Blue Collar	68	434
White Collar	323	492
Senior Executives	2	8

Rate of Employees Subject to Periodic Performance Assessment and Career Development Plan by Gender and Employment Status	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Blue Collar	100%	98%	69%	49.3%	89%	41%
White Collar	94%	95%	91%	94%	95%	98%
Senior Executives	100%	100%	100%	100%	100%	67%

Employee Loyalty and Employee Satisfaction Survey	2024
Number of Employees Participating in Employee Loyalty and Employee Satisfaction Surveys	1,987
Percentage of Employees Participating	%77
Number of GM/AGM/Directors (female)	3
Number of GM/AGM/Directors (male)	12
Number of Group Manager/Managers/Administrators (female)	90
Number of Group Manager/Managers/Administrators (male)	196
Number of Female Employees Below Managers	296
Number of Male Employees Below Managers	1,390

Gender Wage Gap Criteria (%)	2024
Average wage gap rate	GAP for the female employee: % + 8.1
	GAP for the male employee: % - 2.2
Median wage gap rate	GAP for the female employee: % - 15.3
	GAP for the male employee % + 4.1
Average bonus difference	GAP for the female employee: % - 19.0
	GAP for the male employee % + 7.8
Median bonus difference	GAP for the female employee: % + 1.4
	GAP for the male employee % -0.6

Payments to Suppliers (TRY)	2022	2023	2024
Payments to Local Suppliers	52,757,129	24,814,415,793	26,613,191,807
Total Payments	6,886,480,747.23	25,530,544,255	27,424,684,476

SOCIAL PERFORMANCE INDICATORS

Supplier Audits	2022	2023	2024
Total Number of Suppliers Assessed*	13	16	9
Number of suppliers assessed to have significant or potential adverse impacts	0	0	9
Percentage of suppliers with potential adverse impacts and an agreed corrective action/improvement plan	0	0	0
Number of suppliers with significant or potential adverse impacts and with terminated contracts	0	0	0
Total number of suppliers supported with corrective action plans	13	16	9
Total number of suppliers in capacity building programs	13	16	14

*Number of suppliers ESG assessed via desk assessment

Suppliers	2022	2023	2024
Total Number of Suppliers	1,744	1,858	1,464
Total Number of Local Suppliers	435	687	1,414

Critical Suppliers	2022	2023	2024
Number of Critical Suppliers	57	44	12
Number of Suppliers Subjected to Environmental and Social Audits	13	12	4

Supplier Audit Rates*	Ratio of Audited Suppliers	Ratio of Suppliers Audited According to Environmental Audit Criteria	Ratio of Suppliers Audited According to Social Audit Criteria
	17%	17%	58%

*Calculated over critical suppliers.

H&S Performance Metrics by Gender for All Contractors Controlled by Zorlu Enerji	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Total Recordable Incident Rate	0	2.23	0	7.50	1.88	8.5
Total Accident Frequency Rate (AFR)	0	2.23	0	7.50	1.88	8.5
Total Accident Severity Rate (ASR)	0	39.57	0	49.30	0	110.16
Lost Time Accident Frequency Rate	0	2.23	0	3.90	0	2.62
Occupational Disease Incidence Rate	0	0	0	0	0	0
Number of Work Accidents with Man-Days Lost	0	8	0	8	0	4
Total Number of Work Accidents	0	8	0	17	1	13
Total Number of Workdays Lost	0	142	0	111	0	17
Total Number of Fatal Work Accidents	0	0	0	1	0	0
Total Number of Occupational Disease Cases	0	0	0	0	0	0

H&S Performance Metrics by Gender for All Contractors Controlled by Zorlu Enerji	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Total Recordable Incident Rate	0	2.05	0	2.12	0	0
Total Accident Frequency Rate (AFR)	0	2.05	0	1.41	0	0
Total Accident Severity Rate (ASR)	0	3.76	0	70.00	0	0
Lost Time Accident Frequency Rate	0	2.05	0	1.40	0	0
Occupational Disease Incidence Rate	0	0	0	0	0	0
Number of Work Accidents with Man-Days Lost	0	3	0	2	0	0
Total Number of Work Accidents	0	3	0	4	0	0
Total Number of Workdays Lost	0	5.5	0	99	0	0
Total Number of Fatal Work Accidents	0	0	0	1	0	0
Total Number of Occupational Disease Cases	0	0	0	0	0	0

H&S Performance Metrics by Gender for the Total Workforce of OEDAŞ	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Total Recordable Incident Rate	0	6.65	0	7.50	4	13.41
Total Accident Frequency Rate (AFR)	0	6.65	0	7.50	4	13.41
Total Accident Severity Rate (ASR)	0	0.01	0	63.98	0	11.96
Lost Time Accident Frequency Rate	0	1.56	0	1.07	0	1.81
Occupational Disease Incidence Rate	0	0	0	0	0	0
Number of Work Accidents with Man-Days Lost	0	4	0	3	0	7
Total Number of Work Accidents	0	17	0	21	2	32
Total Number of Workdays Lost	0	38	0	179	0	32
Total Number of Fatal Work Accidents	0	0	0	0	0	0
Total Number of Occupational Disease Cases	0	0	0	0	0	0

H&S Performance Metrics by Gender for All Contractors Controlled by OEDAŞ*	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Total Recordable Incident Rate	22.28	32.44	0	41.75	0	59.41
Total Accident Frequency Rate (AFR)	22.28	32.44	0	41.75	0	59.41
Total Accident Severity Rate (ASR)	0	0.39	0	378.89	0	329.63
Lost Time Accident Frequency Rate	0	11.89	0	11.05	0	12.02
Occupational Disease Incidence Rate	0	0	0	0	0	0
Number of Work Accidents with Man-Days Lost	0	22	0	18	0	17
Total Number of Work Accidents	1	60	0	68	0	84
Total Number of Workdays Lost	0	729	0	627	0	478
Total Number of Fatal Work Accidents	0	0	0	0	0	0
Total Number of Occupational Disease Cases	0	0	0	0	0	0

- Total Recordable Incident Frequency: (Number of Fatal Work Accidents + Number of Work Accidents with Lost Time + Number of Work Accidents without Lost Time) * 10^6 / (Total operating time)
- Total Accident Frequency Rate (AFR): (Number of Work Accidents with Lost Time + Number of Work Accidents without Lost Time) * 10^6 / (Total working time)
- Total Accident Severity Rate (ASR): Days lost due to lost time work accident * 10^6 / (Total working time)
- Lost time Accident Frequency Rate: (Number of Lost Time Accidents) * 10^6 / (Total working hours)
- Occupational Disease Frequency Rate: (Number of Occupational Accidents) * 10^6 / (Total working hours)

SOCIAL PERFORMANCE INDICATORS

H&S Performance Metrics by Gender (Hard Labor + Contractor)	2022*			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total Recordable Incident Rate	1.34	14.53	13.08	0	17,78	9,47	2,76	22,70	19,50
Total Accident Frequency Rate (AFR)	1.34	14.53	13.08	0	17.78	9.47	2.76	22.70	19.50
Total Accident Severity Rate (ASR)	0	0	0	0	0	0	0.00	117.12	98.31
Lost Time Accident Frequency Rate	0	6.11	5.44	0	5.15	2.74	0.00	4.93	4.14
Occupational Disease Incidence Rate	0	0	0	0	0	0	0.00	0.00	0.00
Number of Work Accidents with Man-Days Lost	0	37	37	0	31	31	0	28	28
Total Number of Work Accidents	1	88	88	0	107	107	3	129	132
Total Number of Workdays Lost	0	915	915	0	1,008	10,008	0	684	684
Total Number of Fatal Work Accidents	0	0	0	0	0	0	0	0	0

H&S Trainings	2022		2023		2024	
	Employees	Subcontractor	Employees	Subcontractor	Employees	Subcontractor
Number of Participants	1,831	260	16,508	1,686	8,631	7,800
Training Hours	11,375	3,578	4,927	37,576	42,335	21,834

Donations and Aids	2022	2023	2024
Aids for political parties and candidates	0	0	0
Lobbying, sponsorships and community outreach	14,591,546	33,359,195*	62,570,481

*It is the amount announced on 27 May 2024 at the Ordinary General Assembly Meeting.

Highest Aid (2024)	Details	Amount (TRY)
Mehmet Zorlu Foundation Donations	Includes annual scholarship amounts, institutional aid and training.	60,919,800
Ders Destek Project (School Support Association Aid)	The cost of the project carried out within the scope of providing online Mathematics and Science trainings for secondary school students.	900,000
Study Abroad Support Aid	Includes furnishing and educational support for primary schools and their students.	265,641

GRI CONTENT INDEX



DECLARATION OF USE	Zorlu Enerji reported in accordance with GRI Standards for the period between 01.01.2024-31.12.2024.
APPLIED GRI 1	GRI 1: Foundation 2021
GRI SECTOR STANDARD	-

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

It was carried out through the Turkish version of the report.

GRI STANDARD	DISCLOSURES	LOCATION	DISCLOSURE OF THE INFORMATION NOT PROVIDED
GENERAL DISCLOSURES			
GRI 1: General Disclosures 2021	2-1 Organization details	About Zorlu Enerji	
	2-2 Entities included in the organization's sustainability reporting	About the Report	
	2-3 Reporting period, frequency and contact point	About the Report	
	2-4 Restatements of information	About the Report	
	2-5 External assurance		Independent Assurance Audit has not been completed. Audit process is ongoing.
	2-6 Activities, value chain and other business relationships	Zorlu Enerji's Areas of Activity and Interaction	
	2-7 Employees	Social Performance Indicators	
	2-8 Workers who are not employees	Social Performance Indicators	
	2-9 Governance structure	Zorlu Enerji Board of Directors and Senior Management	
	2-10 Nomination and selection of the highest governance body	Zorlu Enerji Board of Directors and Senior Management	
	2-11 Chair of the highest governance body	Zorlu Enerji Board of Directors and Senior Management	
	2-12 Role of the highest governance body in overseeing the management of impacts	Zorlu Enerji Board of Directors and Senior Management	
	2-13 Delegation of responsibility for managing impacts	Corporate Risks and Risk Management Approach	
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance Structure	
	2-15 Conflicts of interest	Governance Principles at Zorlu Enerji	
	2-16 Communication of critical concerns	Corporate Risks and Risk Management Approach	
	2-17 Collective knowledge of the highest governance body	Zorlu Enerji Board of Directors and Senior Management	
	2-18 Evaluation of the performance of the highest governance body	Zorlu Enerji Board of Directors and Senior Management	
	2-19 Remuneration policies	Employee Rights	
	2-20 Process to determine remuneration	Employee Rights	

GRI STANDARD	DISCLOSURES	LOCATION	DISCLOSURE OF THE INFORMATION NOT PROVIDED
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio		Confidentiality Restrictions The total annual fee rate cannot be shared due to confidentiality obligations
	2-22 Statement on sustainable development strategy	Sustainability Strategy	
	2-23 Policy commitments	Policies and Commitments	
	2-24 Embedding policy commitments	Policies and Commitments	
	2-25 Processes to remediate negative impacts	Corporate Risks and Risk Management Approach Sustainability and Climate Related Risks and Opportunities	
	2-26 Mechanisms for seeking advice and raising concerns	Governance Principles at Zorlu Enerji	
	2-27 Compliance with laws and regulations	Governance Principles at Zorlu Enerji	
	2-28 Membership associations	Memberships, Collaborations and Initiatives	
	2-29 Approach to stakeholder engagement	Stakeholder Interaction and Social Dialogue	
	2-30 Collective bargaining agreements	Employee Rights	

MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis	
	3-2 List of material topics	Materiality Analysis	
ESRS E1: CLIMATE CHANGE			
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Analysis ESRS E1: Climate Change	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Performance Indicators	
	302-2 Energy consumption outside of the organization	Environmental Performance Indicators	
	302-3 Energy intensity	Environmental Performance Indicators	
	302-4 Reduction of energy consumption	Energy Management Environmental Performance Indicators	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Decarbonization of Our Value Chain Environmental Performance Indicators	
	305-2 Energy indirect (Scope 2) GHG emissions	Decarbonization of Our Value Chain Environmental Performance Indicators	
	305-3 Other indirect (Scope 3) GHG emissions	Decarbonization of Our Value Chain Environmental Performance Indicators	
	305-4 GHG emissions intensity	Decarbonization of Our Value Chain Environmental Performance Indicators	
	305-5 Reduction of GHG emissions	Decarbonization of Our Value Chain Environmental Performance Indicators	

GRI STANDARD	DISCLOSURES	LOCATION	DISCLOSURE OF THE INFORMATION NOT PROVIDED
MATERIAL TOPICS			
ESRS E2: POLLUTION			
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Analysis ESRS E2: Pollution	
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	Air Pollution Environmental Performance Indicators	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Pollution Environmental Performance Indicators	
ESRS E4: BIODIVERSITY AND ECOSYSTEMS			
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Analysis ESRS E4: Biodiversity and Ecosystems	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Dependency on Ecosystem Services	
	303-2 Management of water discharge related impacts	Dependency on Ecosystem Services	
	303-3 Water withdrawal	Dependency on Ecosystem Services Environmental Performance Indicators	
	303-4 Water discharge	Dependency on Ecosystem Services Environmental Performance Indicators	
	303-5 Water consumption	Dependency on Ecosystem Services Environmental Performance Indicators	
GRI 304: Biodiversity 2016	304-1 Activity areas with high biodiversity value	Biodiversity Loss	
	304-2 Significant impacts of activities, products and services on biodiversity	Status of Species	
	304-3 Habitats protected or restored	Biodiversity Loss	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Status of Species Number of Species in IUCN Red List Category	
ESRS E5: CIRCULAR ECONOMY			
GRI 3: Material Topics 2021	3-3 Waste generation and significant waste-related impacts	Double Materiality Analysis ESRS E5: Circular Economy	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Resource Management	
	306-2 Management of significant waste related impacts	Natural Resource Management	
	306-3 Waste generated	Natural Resource Management Environmental Performance Indicators	
	306-4 Waste diverted from disposal	Natural Resource Management Environmental Performance Indicators	
	306-5 Waste directed to disposal	Natural Resource Management Environmental Performance Indicators	
ESRS S1: WORKFORCE			
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Analysis ESRS S1: Workforce	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Performance Indicators	
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	Employee Rights	
	401-3 Parental Leave	Employee Rights Social Performance Indicators	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURES	LOCATION	DISCLOSURE OF THE INFORMATION NOT PROVIDED
MATERIAL TOPICS			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Working Conditions	
	403-2 Hazard identification, risk assessment, and incident investigation	Social Performance Indicators	
	403-3 Occupational health services	Working Conditions	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Working Conditions	
	403-5 Worker training on occupational health and safety	Working Conditions	
	403-6 Promotion of worker health	Working Conditions	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Working Conditions	
	403-8 Workers covered by an occupational health and safety management system	Working Conditions	
	403-9 Work-related injuries	Social Performance Indicators	
	403-10 Work-related ill health	Social Performance Indicators	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Training and Development Social Performance Indicators	
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training and Development	
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Training and Development Social Performance Indicators	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Equity, Diversity and Inclusion Social Performance Indicators	
	405-2 Ratio of basic salary and remuneration of women to men	Social Performance Indicators	
ESRS S2: SUPPLY CHAIN WORKERS			
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Analysis ESRS S2: Workers in the Supply Chain ESRS G1: Business Conduct	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social Performance Indicators	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Ethical Practices	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Ethical Practices	
GRI 409: Forced or Compulsory	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Ethical Practices	
ESRS S3: AFFECTED COMMUNITIES			
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Analysis ESRS G1: Business Conduct	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Ethical Practices	

GRI STANDARD	DISCLOSURES	LOCATION	DISCLOSURE OF THE INFORMATION NOT PROVIDED
MATERIAL TOPICS			
ESRS G1: BUSINESS CONDUCT			
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Analysis EESRS G1: Business Conduct	
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Ethical Practices	
	205-2 Communication and training about anti-corruption policies and procedures	Social Performance Indicators	
	205-3 Confirmed incidents of corruption and actions taken	Ethical Practices	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Ethical Practices	
INNOVATION AND TECHNOLOGY			
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Analysis Innovation and Technology	
SUSTAINABLE GROWTH			
GRI 3: Material Topics 2021	3-3 Management of material topics	Double Materiality Analysis Sustainability and Climate Risks and Opportunities Sustainable Growth ESRS G1: Business Conduct	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Performance Indicators	
	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability and Climate Risks and Opportunities	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Responsible Investments	
	203-2 Significant indirect economic impacts	Responsible Investments	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ethical Practices	

COMMUNICATION ON PROGRESS WITH REGARD TO THE UNITED NATIONS GLOBAL COMPACT (UNGC)

Zorlu Enerji is a member of the United Nations Global Compact. The UN Global Compact offers an innovative approach to corporate responsibility that encourages companies to cooperate in line with universal principles that benefit the world, people, communities and markets to create a sustainable and inclusive global economy. UN Global Compact Member Companies align their strategies and activities with the 10 Principles on human rights, labor standards, environment and anti-corruption.

Principles	Reference
Human Rights	
Principle 1: Businesses should support declared international human rights principles and respect the protection of these rights.	People and Culture
Principle 2: Businesses should take all necessary precautions to avoid being complicit in human rights violations.	People and Culture
Labor Standards	
Principle 3: Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining	People and Culture Human Rights
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.	People and Culture Human Rights
Principle 5: Businesses should uphold the effective abolition of child labor.	People and Culture Human Rights Employees in the Supply Chain
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	People and Culture Inclusion, Equality and Diversity
Environment	
Principle 7: Businesses should support precautionary approaches to environmental challenges.	Nature Stewardship and Value Chain
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	Nature Stewardship and Value Chain
Principle 9: Businesses should encourage the development and dissemination of environmentally friendly technologies	Nature Stewardship and Value Chain Innovation and Technology
Anti-Corruption	
Principle 10: Businesses must work against all forms of corruption, including bribery and extortion.	Corporate Governance

COMMUNICATION ON PROGRESS REGARDING WOMEN’S EMPOWERMENT PRINCIPLES (WEPS)

	Communication of Progress statement regarding UN Women’s Empowerment Principles (WEPs)	Reference
Principle 1	Establish high-level corporate leadership for gender equality	Integrated Thinking and Sustainability Approach People and Culture
Principle 2	Treat all women and men fairly at work – respect and support human rights and nondiscrimination	Human Rights Inclusion, Equality and Diversity
Principle 3	Ensure the health, safety and well-being of all female and male workers	Occupational Health, Safety and Process Safety Employee Rights and Well-being
Principle 4	Promote education, training and professional development for women	Employee Training and Development
Principle 5	Implement enterprise development, supply chain and marketing practices that empower women	People and Culture
Principle 6	Promote equality through community initiatives and advocacy	Inclusion, Equality and Diversity Corporate Social Responsibility
Principle 7	Measure and publicly report on progress in the achievement of gender equality	People and Culture Social Performance Indicators

TNFD

Governance	Strategy	Risk & Impact Management	Metrics & Goals
Disclose the organization’s governance of nature-related dependencies, impacts, risks and opportunities.	Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organization’s business model, strategy and financial planning, where such information is material.	Describe the processes used by the organization to identify, assess, prioritize and monitor nature-related dependencies, impacts, risks and opportunities.	Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.
Suggested disclosures	Suggested disclosures	Suggested disclosures	Suggested disclosures
A. Describe the board’s oversight of nature-related dependencies, impacts, risks and opportunities. (Corporate Governance) B. Describe management’s role in assessing and managing nature-related dependencies, impacts, risks and opportunities. (Corporate Governance) C. Describe the organisation’s human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation’s assessment of, and response to, nature-related dependencies, impacts, risks and opportunities. (Biodiversity and Ecosystems)	A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term. (Biodiversity and Ecosystems) B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation’s business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place. (Biodiversity and Ecosystems) C. Describe the resilience of the organization’s strategy to nature-related risks and opportunities, taking into consideration different scenarios. (Biodiversity and Ecosystems) D. Disclose the locations of assets and/or activities in the organisation’s direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations. (Biodiversity and Ecosystems)	A(i) Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations. A(ii) Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s). (Biodiversity and Ecosystems, Double Materiality Analysis Results) B. Describe the organization’s processes for managing nature-related dependencies, impacts, risks and opportunities. (Biodiversity and Ecosystems) C. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation’s overall risk management processes. (Biodiversity and Ecosystems, Integrated Risk Management)	A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process. (Biodiversity and Ecosystems) B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature. (Biodiversity and Ecosystems) C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these. (Biodiversity and Ecosystems)

STATEMENT OF COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

		COMPLIANCE STATUS				DESCRIPTION	REPORT /LINK ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER, RELEVANT TAB IN THE WEB PAGE)
		YES	NO	PARTLY	NOT RELEVANT		
A. GENERAL PRINCIPLES							
A1. Strategy, Policy and Targets							
A1.1	The Board of Directors determines the environmental, social and governance (ESG) material issues, risks and opportunities.	X				In 2021, Zorlu Holding executed a Materiality Analysis to identify its material issues in parallel with Zorlu Holding's Smart Life 2030 vision and the areas of value to focus on in Zorlu Enerji's long-term value creation journey were identified. In line with the road map prepared within Zorlu Holding in 2020, Zorlu Enerji's Sustainability Strategy, which adopts an environmentally and socially sensitive approach, was also renewed. The SWOT analysis conducted in this process allowed to evaluate the company's strengths, weaknesses, risks and opportunities. A comprehensive Sustainability Policy has been constituted on the basis of these works. Detailed information about Zorlu Enerji's Sustainability Strategy, Policy and Goals is available through the relevant section of the company's website and in the Integrated Annual Report.	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-policy-and-our-commitments https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/our-sustainability-strategy Integrated Thinking and Sustainability Approach
A1.1	Board of Directors developed the ESG Policies (e.g., Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) and declared to the public.	X				Zorlu Enerji has developed its Environment, Social and Governance (ESG) policies in accordance with its Sustainability Strategy. These policies and related details can be accessed via the appropriate tabs on the company's corporate website and through the Integrated Annual Report.	https://www.zorluenerji.com.tr/en/sustainability/sustainability-policy-and-our-commitments https://www.zorluenerji.com.tr/en/career/human-r-policy Zorlu Enerji Governance Policy and Commitments
A1.2	ESG Policies Short- and Long-term goals set under the ESG policy are disclosed to the public.	X				Zorlu Enerji has determined its goals in line with its own Sustainability Strategy and Zorlu Holding's "Smart Life 2030" strategy. These goals were disclosed through the company's website and the Integrated Annual Report through which it communicates with the public.	https://www.zorluenerji.com.tr/tr/surdurulebilirlik/surdurulebilirlik-yonetim-surdurulebilirlik-stratejimiz-yoneti-sim-yapimiz https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-performance Sustainability Goals
A2. Implementation/Monitoring							
A2.1	The committees and/or units responsible for the implementation of ESG policies as well as the highest-level person in charge of ESG issues and their duties are determined and publicly disclosed.	X				Sustainability Committee ("Committee") of Zorlu Enerji play an important role in monitoring and developing the targets and actions in the sustainability strategy, and in identifying and managing material sustainability issues. The Committee is also responsible for developing tools and communication channels that will enable employees to contribute to sustainability activities and identifying and assessing risks and opportunities. Zorlu Enerji Sustainability Committee convenes periodically under the presidency of the CEO of Zorlu Enerji Group, with the participation of relevant units, and reports its activities to the Corporate Governance Committee affiliated to the Board of Directors. Detailed information is available in the relevant section of Zorlu Enerji's corporate website and Integrated Annual Report.	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/our-sustainability-strategy Sustainability Governance Structure

		COMPLIANCE STATUS				DESCRIPTION	REPORT /LINK ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER, RELEVANT TAB IN THE WEB PAGE)
		YES	NO	PARTLY	NOT RELEVANT		
A. GENERAL PRINCIPLES							
A2.1	The responsible committee / unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year.	X				The Sustainability Committee reported directly to the Board of Directors regarding the ESG projects executed in 2024.	Corporate Governance
A2.2	Implementation and action plans in line with the ESG targets are formed and declared to the public.	X				Implementation and action plans have been developed in line with ESG targets and in-house assignments have been made. Relevant actual works are disclosed in the relevant sections of the Integrated Annual Report.	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports Integrated Thinking and Sustainability Approach
A2.3	The scope of ESG Key Performance Indicators (KPI) and relevant indicators are announced to public on a yearly basis.	X				Progress towards ESG targets have been disclosed annually in the 2024 Integrated Annual Report.	Sustainability Goals
A2.4	Activities that improve sustainability performance in business processes, products, and services have been disclosed to the public.	X				Activities to improve the sustainability performance of business processes or products and services have been disclosed to the public through the 2024 Integrated Annual Report.	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports
A3. Reporting							
A3.1	Information regarding the performance of the Group in terms of sustainability performance, targets and activities are included correctly and adequately in the annual report.	X				Until the end of 2019, Zorlu Enerji disclosed its Environmental, Social and Governance (ESG) performance to the public through sustainability reports every two years. As of 2020, this report has been prepared annually. The company determines Key Performance Indicators (KPIs) in the field of ESG and provides comparative information on an annual basis through these indicators.	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports
A3.2	Information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to has been disclosed to the public by the Group.	X				Sustainability reports provide information about how company operations are linked to the United Nations (UN) 2030 Sustainable Development Goals.	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports
A3.3	Information about the important lawsuits filed and/ or concluded in ESG issues, which are important in terms of ESG policies and/ or will significantly affect activities, have been disclosed to the public.	X				Zorlu Enerji monitors its progress in this field by following the United Nations' Women's Empowerment Principles (WEPs) indicators and discloses information with the public about the lawsuits filed and/ or concluded against it in the fields of environmental, social and corporate governance	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports
A4. Verification							
A4.1	ESG Key Performance metrics of the Group have been verified and publicly disclosed by an independent third party organization.	X				The information presented in the 2023 Integrated Annual Report has further been independently audited, and ISEA3000 audit processes will be carried out for the 2024 studies (Integrated Annual Report)	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/awards

STATEMENT OF COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

		COMPLIANCE STATUS				DESCRIPTION	REPORT /LINK ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER, RELEVANT TAB IN THE WEB PAGE)
		YES	NO	PARTLY	NOT RELEVANT		
B. ENVIRONMENTAL PRINCIPLES							
B1	The Group has disclosed its policies and practices in the field of environmental management, action plans, environmental management systems (known with ISO 14001 standard), and programs to the public.	X				Zorlu Enerji has an Integrated Management System that meets ISO 14001 Environmental Management System standards. It meticulously selects appropriate materials and technologies within the framework of its Environmental Policy and in line with the aim of reducing the environmental impacts of its activities. Utmost importance is given to the efficient use of energy and other resources. Waste and emissions are monitored regularly and evaluations are made to make improvements in these issues. The environmental impacts of its operations are transparently disclosed to all relevant parties.	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/quality-management-systems Integrated Management Systems Nature Stewardship and Value Chain
B2	The scope of the report, the reporting period, the reporting date, and the limitations regarding the reporting conditions were disclosed to the public regarding the environmental reports prepared to provide information on environmental management.	X				Data within the scope of the Sustainability Principles are published in the sustainability reports published by Zorlu Enerji before 2022 and in the integrated annual reports for 2022 and 2023. Detailed information about the report's framework, scope, reporting period, date, data collection process and reporting conditions are disclosed in the relevant section of the integrated annual report.	About the Report
B3. Presented in A2.1							
B4	Environmental targets included in the rewarding criteria within the scope of performance incentive systems based on stakeholders (such as members of the Board of Directors, managers and employees) have been disclosed to the public.	X				Performance indicators regarding energy efficiency and emission reduction are included in the performance targets of Zorlu Enerji Industry Leader (CEO) and Occupational Health, Safety and Environment Manager. Details of the relevant incentives are available in the CDP Climate Change reports.	https://www.zorluenerji.com.tr/fileuploads/ZORLU%20ENERJI%CC%87%20ELEKTRI%CC%87K%20U%CC%88RET%CC%87M%20A.S%CC%A7.-30-09-2024-FINAL.pdf
B5	How material environmental issues are integrated into business targets and strategies has been disclosed to the public.	X				All environmental impacts of Zorlu Enerji are managed within the scope of the Integrated Management System and assessed in targets and strategies in accordance with the Environmental Policy. Thanks to the results of the activities to identify material issues in 2021, material issues were evaluated with a holistic approach and a sustainability strategy was developed in parallel with Zorlu Holding Smart Life 2030 vision. In line with its Sustainability Strategy, Zorlu Enerji has set the sustainability goals it will focus on along its long-term value creation journey. Detailed information of this strategy along with relevant Sustainability Goals are disclosed in the relevant sections of the integrated annual report.	Integrated Thinking and Sustainability Approach Nature Stewardship and Value Chain

		COMPLIANCE STATUS				DESCRIPTION	REPORT /LINK ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER, RELEVANT TAB IN THE WEB PAGE)
		YES	NO	PARTLY	NOT RELEVANT		
B6. Presented in A2.4.							
B7	It was disclosed to the public how environmental issues are managed and integrated into business objectives and strategies so as to cover suppliers and customers along the company's value chain including the operational process.	X				Zorlu Enerji assumes a key role in reducing the impacts of the climate change and environmental impacts throughout its value chain by supplying sustainable energy to all its customers via the electricity it generates from renewable energy sources. In addition to its electricity generation, sales and distribution, natural gas distribution and trade operations, the Company also offers sustainable solutions in different segments of the value chain through Electrip, the electric vehicle sharing platform, and Zes, which provides charging services for electric vehicle users all around Türkiye. It further offers services for the sale, production and installation of photovoltaic (PV) panels under Zes brand for solar power generation in Türkiye and abroad. Sustainability criteria is also taken into account in supplier assessment and selection processes, and the company acts in line with the "Sustainable Supply Chain Policy." Zorlu Enerji prioritizes collaborating with suppliers that have high environmental and social responsibility awareness and respect public rights. Detailed information on sustainability in the value chain is available in the relevant sections of Zorlu Enerji's integrated annual report and on its website.	https://www.zorluenerji.com.tr/fileuploads/Su%CC%88rdu%CC%88nu%C-C%88lebilir%20Tedarik%20Zinciri%20Politikas%C4%B1_EN.pdf https://zes.net/ Sustainable Supply Chain
B8	Whether the environment organizations and non-governmental organizations are involved in the policymaking processes or not, and the collaborations with these institutions and organizations have been disclosed to the public.	X				Zorlu Enerji is an active member of many associations, institutions and working groups operating in different fields and is involved in policy-making processes on environmental issues. The full list of the company's memberships can be found in the Integrated Annual Report.	Memberships, Collaborations and Initiatives
B9	Comparable information on its environmental impacts are periodically disclosed to the public in the light of environmental indicators (greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Indirect energy), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)).	X				All environmental indicators of Zorlu Enerji, including 2024 data, are reported in sustainability reports in a way that is comparable to previous years. All environmental indicators for 2024 can be reviewed in the relevant section of the integrated annual report. All performance indicators related to the climate change and water security are also publicly reported on the CDP platform on an annual basis.	https://www.zorluenerji.com.tr/tr/surdurulebilirlik/ https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports Nature Stewardship and Value Chain
B10	Standards, protocols, methodologies and reference year details used to collect and calculate data are disclosed to the public.	X				Full details on environmental indicators can be found in the Integrated Annual Report and CDP reports. Greenhouse gas emissions are measured according to the ISO 14064 Standard. Water footprint is also measured according to the ISO 14046 Standard and is then subjected to an independent audit.	https://www.zorluenerji.com.tr/fileuploads/ZORLU%20ENERJI%CC%87%20ELEKTRIK%CC%87K%20U%CC%88RET%CC%87M%20A.S%CC%A7.-30-09-2024-FINAL.pdf Nature Stewardship and Value Chain

STATEMENT OF COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

		COMPLIANCE STATUS				DESCRIPTION	REPORT /LINK ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER, RELEVANT TAB IN THE WEB PAGE)
		YES	NO	PARTLY	NOT RELEVANT		
B11	The status of the environmental indicators for the reporting year (increase or decrease) in comparison with previous years has been described to the public.	X				All environmental indicators of Zorlu Enerji, including 2024 data, are reported in sustainability reports in a way that is comparable to previous years. Environmental indicators of 2024 can be found in the relevant section of Integrated Annual Report and CDP reports.	https://www.zorluenerji.com.tr/fileuploads/ZORLU%20ENERJI%CC%87%20ELEKTRI%CC%87K%20U%CC%88RET%CC%87M%20A.S%C%AZ.-30-09-2024-FINAL.pdf Nature Stewardship and Value Chain
B12	Short and long-term targets to mitigate environmental impact are set and these targets are announced together with the information on their progress in relation to the goals set in the past years.	X				Zorlu Enerji has updated its direct reduction and specific emission reduction targets regarding climate change within the scope of the Science-Based Targets Initiative. Details about Zorlu Enerji's current Goals and its progress towards these goals is available in the relevant section of Zorlu Enerji Integrated Annual Report and CDP Climate Change reports.	https://www.zorluenerji.com.tr/fileuploads/ZORLU%20ENERJI%CC%87%20ELEKTRI%CC%87K%20U%CC%88RET%CC%87M%20A.S%C%AZ.-30-09-2024-FINAL.pdf Nature Stewardship and Value Chain
B13	The strategy and actions to combat the climate crisis are disclosed to the public.	X				Zorlu Enerji transparently discloses its strategy to fight against the climate crisis with all relevant parties, with efforts such as emission reduction, renewable energy production, sustainable practices in the value chain and expanding the use of renewable energy resources. This information is included in the "Combating the Climate Crisis" section of the company's Integrated Annual Report and the CDP Climate Change Report.	https://www.zorluenerji.com.tr/fileuploads/ZORLU%20ENERJI%CC%87%20ELEKTRI%CC%87K%20U%CC%88RET%CC%87M%20A.S%C%AZ.-30-09-2024-FINAL.pdf Combating the Climate Crisis
B14	In order to prevent or minimize the potential negative impact of products and/or services on the environment, programs or procedures have been established and disclosed to the public.	X				Zorlu Enerji assumes a key role in reducing the impacts of the climate change and environmental impacts throughout its value chain by supplying sustainable energy to all its customers via the electricity it generates from renewable energy sources. The Company's wind power plants develop projects that will contribute to emission reduction in accordance with the Clean Development Mechanism (UNFCCC CDM) methodology of the United Nations Framework Convention on Climate Change. In 2023, our energy generation operations from renewable resources were awarded a Voluntary Emission Reduction (VER) Gold Standard certificate	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports Nature Stewardship and Value Chain
B14	Actions for reducing greenhouse gas emissions of third parties (e.g., Suppliers, sub-contractors, dealers etc.) are taken and these actions have been disclosed to the public.	X				Zorlu Enerji offers a variety of sustainable energy solutions in addition to electricity generation, sales and distribution, as well as natural gas distribution and trade. These solutions include the Electrip branded electric vehicle sharing platform, Zes, which provides electric vehicle charging services throughout Türkiye and Zorlu Solar, which provides consultancy services on the production, sales, export and installation of solar energy panels both domestically and abroad. Through these initiatives, Zorlu Enerji supports its customers in reducing their carbon footprint by developing sustainable solutions at various stages of the value chain.	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports Nature Stewardship and Value Chain
B15	The environmental benefits / profits and cost savings provided by projects and initiatives aimed to reduce environmental impacts are disclosed to the public.	X				Zorlu Enerji's efforts to reduce its environmental impacts are explained in detail in the Integrated Annual Report and CDP Climate Change reports.	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports https://www.zorluenerji.com.tr/fileuploads/ZORLU%20ENERJI%CC%87%20ELEKTRI%CC%87K%20U%CC%88RET%CC%87M%20A.S%C%AZ.-30-09-2024-FINAL.pdf

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		YES	NO	PARTLY	NOT RELEVANT		
B16	The total energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling) data are disclosed to the public as Scope-1 and Scope-2.	X				All details regarding the performance on environmental indicators are disclosed in the Integrated Annual Report and CDP reporting.	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports https://www.zorluenerji.com.tr/fileuploads/ZORLU%20ENERJI%CC%87%20ELEKTRI%CC%87K%20U%CC%88RET%CC%87M%20A.S%C%AZ.-30-09-2024-FINAL.pdf
B17	Information on electricity, heat, steam and cooling generated in the reporting year is disclosed to the public	X				All details regarding the performance on environmental indicators are disclosed in the Integrated Annual Report and CDP reporting.	https://www.zorluenerji.com.tr/tr/surdurulebilirlik/surdurulebilirlik-yonetimi/surdurulebilirlik-raporlari https://www.zorluenerji.com.tr/fileuploads/ZORLU%20ENERJI%CC%87%20ELEKTRI%CC%87K%20U%CC%88RET%CC%87M%20A.S%C%AZ.-30-09-2024-FINAL.pdf
B18	Efforts undertaken to increase the use of renewable energy and transition to zero or low carbon electricity have been disclosed to the public.	X				Zorlu Enerji makes a significant contribution to the fight against climate change and reducing the environmental impacts by providing sustainable energy to its customers with electricity generated from renewable sources. Zorlu Enerji further offers sustainable energy solutions with consultancy services in addition to electricity production, sales and distribution and natural gas distribution and trading activities, the electric vehicle sharing platform Electrip, electric vehicle charging stations offered by Zes throughout Türkiye and solar panel production, sales, export and installation for domestic and foreign markets provided by Zorlu Solar. These initiatives help customers reduce greenhouse gas emissions.	Adaptation and Combating climate Change
B19	The renewable energy generation and consumption data are disclosed to the public.	X				Zorlu Enerji Renewable energy production and usage data are disclosed in detail on an annual basis in the Integrated Annual Report and CDP Climate Change reports.	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports https://www.zorluenerji.com.tr/fileuploads/ZORLU%20ENERJI%CC%87%20ELEKTRI%CC%87K%20U%CC%88RET%CC%87M%20A.S%C%AZ.-30-09-2024-FINAL.pdf Nature Stewardship and Value Chain
B20	Energy efficiency projects were carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects was disclosed to the public.	X				Providing safe, sustainable energy and producing energy from renewable sources are among the materiality goals of Zorlu Enerji for both itself and stakeholders. Understanding the importance of sustainable and uninterrupted energy that contributes to various industries, the Company focuses on preserving energy resources, increasing energy efficiency in its operations and raising awareness about responsible energy use.	Nature Stewardship and Value Chain

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		COMPLIANCE STATUS				DESCRIPTION	REPORT /LINK ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER, RELEVANT TAB IN THE WEB PAGE)
		YES	NO	PARTLY	NOT RELEVANT		
B21	Water consumption, the amount of water withdrawn from underground or above ground, if any, recycled and discharged, sources and procedures have been publicly disclosed.	X				Zorlu Enerji monitors in detail the amount and sources of water used in its operations, including water withdrawn from underground and ground sources, reused, recycled and discharged, and discloses this data with the public every year in the Integrated Annual Report and CDP Water Safety reports. The company measures and reports its water footprint within the framework of the ISO 14046 standards.	CDP Reports https://www.zorluenerji.com.tr/fileuploads/ZORLU%20ENERJI%CC%87%20ELEKTRIK%CC%87K%20U%CC%88RETIC%CC%87M%20A.S%CC%87A7.-30-09-2024-FINAL.pdf Nature Stewardship and Value Chain
B22	The Company disclosed whether its operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).		X			Zorlu Enerji's operations are not included in any carbon pricing system.	
B23	The carbon credit information accumulated or purchased during the reporting period is disclosed to the public.	X				Voluntary Emission Reduction (VER) Gold Standard certificates granted to Zorlu Enerji for the electricity produced with renewable energy sources in 2024 are presented in tons CO ₂ e in the report.	Adaptation and Combating climate Change
B24	If carbon pricing is applied within the Group, the details are disclosed to the public.	x				Zorlu Enerji is making preparations for the implementation of in-house carbon pricing for its Scope 1 emissions. In this context, infrastructure investments are still in progress.	https://www.zorluenerji.com.tr/fileuploads/ZORLU%20ENERJI%CC%87%20ELEKTRIK%CC%87K%20U%CC%88RETIC%CC%87M%20A.S%CC%87A7.-30-09-2024-FINAL.pdf Adaptation and Combating climate Change
B25	Platforms where the Group discloses its environmental information have been publicly disclosed.	X				Zorlu Enerji voluntarily discloses its environmental performance on public platforms through sustainability and CDP reports. As a member of the United Nations Global Compact (UNGC), Zorlu Enerji annually publishes its own Communication of Progress with regard to the United Nations Global Compact.	Nature Stewardship and Value Chain Communication on Progress with regard to the United Nations Global Compact (UNGC)
C. SOCIAL PRINCIPLES							
C1. Human Rights and Employee Rights							
C1.1	Corporate Human Rights and Employee Rights Policy has been established to cover the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation, the responsible persons for the implementation of the policy have been determined and the policy and responsible persons have been disclosed to the public.	X				Zorlu Enerji acts in accordance with the Universal Declaration of Human Rights, the International Labor Organization (ILO) Conventions that Türkiye has ratified, and the legal regulations governing Türkiye's human rights and working life; it has signed the Corporate Restructuring & Human Rights Commitment, which undertakes full compliance in this context which was published on its website in 2021.	https://www.zorluenerji.com.tr/fileuploads/Su%CC%88rdu%CC%88ru%C%88lebilir%20Tedarik%20Zinciri%20Politikas%C4%B1_EN.pdf

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		YES	NO	PARTLY	NOT RELEVANT		
C1.2	Considering the supply and value chain impacts, fair labor, improvement of labor standards, women's employment and inclusion issues (such as non-discrimination on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc.) have been included in the policy on employee rights.	X				Zorlu Enerji adopts the principle of equality in all areas and offers equal opportunities to all its employees regardless of gender, religion, language or race. The Company implements policies aiming to prevent discrimination and prevent child labor and forced labor in compliance with the International Labor Organization (ILO), Turkish Labor Law No. 4857 and other relevant legislation. These principles are taken into consideration primarily in all Zorlu Enerji's activities and supply chain, thus ensuring responsible supply chain management. Zorlu Enerji's Sustainable Supply Chain Policy is publicly available on the company's website.	https://www.zorluenerji.com.tr/fileuploads/Su%CC%88rdu%CC%88ru%C%88lebilir%20Tedarik%20Zinciri%20Politikas%C4%B1_EN.pdf https://www.zorluenerji.com.tr/en/career/human-resources-a/diversity-equality-inclusio https://www.zorluenerji.com.tr/fileuploads/Corporate%20Restructuring%20and%20Human%20Rights%20Commitment.pdf People and Culture
						Zorlu Enerji attaches utmost importance to gender equality and follows policies that support the empowerment of women in all areas. Through the "An Equal Life (Eşit Bi' Hayat)" program, the Company focuses on gender equality in its discourse, business environment and collaborations. The company supports and develops projects aimed at increasing the rate of women's employment in the energy industry, thereby regularly analyzes the results of these projects through human resources data such as the rate of women employees, recruitment, promotion and succession rates. Detailed information about Zorlu Enerji's Human Resources Management is available through the relevant section of the company's corporate website	
C1.3	Measures taken throughout the value chain to protect the rights/equal opportunities of segments sensitive to certain economic, environmental, social factors (low-income segments, women, etc.) or minority rights/equal opportunities have been disclosed to the public.	X				By complying with international commitments, creditor expectations and national legal requirements, Zorlu Enerji protects human rights throughout the company's entire value chain (including employees, suppliers and contractors) and integrates these principles into contracts. Human rights principles are considered as part of risk assessments in all operations and investments of the company. Within the framework of compliance and adherence to international commitments, internal and independent audits, social impact analyzes and training are carried out at every stage of the value chain, and the findings are disclosed in public areas such as sustainability reports, integrated annual reports and United Nations Global Compact (UNGC) notifications.	https://www.zorluenerji.com.tr/fileuploads/Su%CC%88rdu%CC%88ru%C%88lebilir%20Tedarik%20Zinciri%20Politikas%C4%B1_EN.pdf
						The company is committed to taking measures and collaborating at all levels of the value chain in order to protect vulnerable groups and ensure equal opportunities. In this context, stakeholders are expected to comply with Zorlu Enerji's Responsible Supply Chain Policy along with Zorlu Holding Procurement Principles which are prepared in accordance with International Labor Organization (ILO) and United Nations (UN) agreements, determines the codes of conduct expected from suppliers and covers all purchasing and operations of Zorlu Group companies.	

STATEMENT OF COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

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		YES	NO	PARTLY	NOT RELEVANT		
C1.4	Developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced labor and child labor have been disclosed to the public.	X				Zorlu Enerji protects the human rights of its employees in its operations and acts in accordance with the International Labor Organization (ILO) norms and the Turkish Labor Law No. 4857. In this context, it attaches importance to issues such as preventing child labor and forced labor.	https://www.zorluenerji.com.tr/en/corporate/our-policy https://www.zorluenerji.com.tr/fileuploads/Corporate%20Restructing%20and%20Human%20Rights%20Commitment.pdf People and Culture
C1.5	Investments in employees (training, development policies), compensation, fringe benefits, right to form labor unions, work/life balance solutions and talent management issues have been included in the policy on employee rights.	X				Zorlu Enerji's human resources management represents a people-oriented approach that is shared transparently with all stakeholders through the company's corporate website. The company aims to attract qualified employees, adopt a high performance culture and improve employee engagement in all companies within its structure. Recruitment processes are carried out fairly and in a way that gives equal chances to each candidate, and individuals with appropriate competencies are recruited. Zorlu Enerji attaches utmost importance to gender equality and does not discriminate between male and female employees in terms of wages and benefits. Professional and personal development of employees is supported, training is provided and performance assessments are performed annually. These assessments form the basis of employees' wages, career and development opportunities. The company also aims to train its managers internally, accordingly forward-looking action plans are prepared for the nominated managers of the future.	People and Culture
C1.5	Mechanisms for resolving employee complaints and disputes have been established and dispute resolution processes have been determined.	X				Zorlu Enerji is aware that employee satisfaction and engagement is critical for the success of the company and attaches great importance to this issue. With the "Employee Engagement and Satisfaction Survey" administered by an independent company every two years, employees' opinions about many different aspects of the company are collected and analyzed. These aspects cover many issues, from working environment to management approaches, from performance assessment systems to corporate communication and wages/benefits. Within the framework of the SA8000 standard, employees' opinions and complaints are regularly collected and evaluated. All performance data regarding Zorlu Enerji's human resources are publicly disclosed in the Integrated Annual Report.	People and Culture
C1.5	Activities carried out during the reporting period to ensure employee satisfaction have been disclosed to the public.	X				Zorlu Enerji is aware that employee satisfaction and engagement is critical for the success of the company and attaches great importance to this issue. With the "Employee Engagement and Satisfaction Survey" administered by an independent company every two years, employees' opinions about many different aspects of the company are collected and analyzed. These aspects cover many issues, from working environment to management approaches, from performance assessment systems to corporate communication and wages/benefits. Performance data regarding all human resources practices of Zorlu Enerji are published in the integrated annual report on an annual basis.	People and Culture

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		YES	NO	PARTLY	NOT RELEVANT		
C1.6	Occupational health and safety policies are established and disclosed to public.	X				Zorlu Enerji Health and Safety Policy is published on the corporate website.	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/quality-management-systems https://www.zorluenerji.com.tr/fileuploads/1%CC%87s%CC%A7%20Sag%CC%86i%C4%B1g%C-C%86%C4%B1%20ve%20Gu%C-C%88venlig%CC%86i%20Politik%C4%B1.EN.pdf
C1.6	Measures taken to prevent occupational accidents and to protect health as well as accident statistics have been disclosed to the public.	X				All practices regarding H&S performance and accident statistics are published in the integrated annual report on an annual basis.	Health, Safety and Process Safety
C1.7	Personal data protection and data security policies have been established and disclosed to the public.	X				The Privacy Policy of Zorlu Holding and Zorlu Enerji is published on the corporate website of the Company.	https://www.zorluenerji.com.tr/en/career/privacy-policy https://www.zorluenerji.com.tr/en/privacy-statement
C1.8	Ethics policy has been established and disclosed to the public.	X				As an affiliate of Zorlu Holding, Zorlu Enerji implements Zorlu Holding Code of Ethics. Zorlu Holding Code of Ethics is available on the website of Zorlu Enerji.	https://www.zorluenerji.com.tr/fileuploads/271023/Kariyer/Etik%20Haklar%C4%B1.pdf
C1.9	The company discloses its work within the scope of social investment, social responsibility, financial inclusion and access to finance.	X				Zorlu Enerji's sustainability reports published before 2022 and the integrated annual report for 2023 and 2024 include information under the relevant sections.	People and Culture
C1.10	Informative meetings and training programs were held for the employees on ESG policies and practices.	X				Zorlu Enerji organizes meetings and training programs to inform its employees about Environmental, Social and Governance (ESG) policies and practices. The company provides regular training for its employees regarding ESG policies and organizes periodic workshops to determine material issues regarding sustainability.	People and Culture
C2. Stakeholders, International Standards and Initiatives							
C2.1	A customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public.	X				It is of utmost importance for Zorlu Enerji to keep customer satisfaction at the highest level. The company has published its Customer Relations Manifesto on its website. Customer satisfaction performances are disclosed in the relevant sections of the Integrated Annual Report.	https://www.zorluenerji.com.tr/en/corporate/our-policy Customer Satisfaction
C2.2	Information on communication with stakeholders (which stakeholder, subject and frequency) has been disclosed to the public.	X				The methodology of communication with stakeholders is disclosed in the relevant section of the Integrated Annual Report.	Stakeholder Interaction Dynamics
C2.3	International reporting standards adopted in the reporting processes have been explained.	X				Zorlu Enerji's sustainability and integrated annual reports, which are available on the company's official website, are prepared in accordance with GRI Sustainability Reporting Standards. Internationally accepted guidelines and standards are taken as a basis while preparing Sustainability and Environmental, Social and Governance (ESG) reports	https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports

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C2.4	Principles adopted in relation to sustainability, international organizations, committees and principles of which the Company is a signatory or member have been disclosed to the public.	X				Zorlu Enerji is a signatory of the UN Global Compact and UN Women's Empowerment Principles (WEPs). The company reports to the CDP Climate Change and Water Security Programs on an annual basis and has just started to report to the CDP Deforestation Program as of 2023. The memberships and collaborations are disclosed in the relevant section of the Integrated Annual Report	Memberships, Collaborations and Initiatives
C2.5	Developments have been made, and studies have been carried out to be included in the sustainability indices of Borsa Istanbul and/or international index providers.	X				Zorlu Enerji has been included in Moody's and BIST Sustainability Indices to improve its performance in sustainability. The Company has taken the necessary steps to be included in the S&P Global Dow Jones Sustainability Index (SJD) in 2024.	Zorlu Enerji in Figures
D. CORPORATE GOVERNANCE PRINCIPLES							
D1	Beneficiaries' opinions have been consulted in determining the measures and strategies in the field of sustainability.	X				Zorlu Enerji acts by putting sustainability at the center of its business model. The Company undertakes all its investments with the principle of using renewable energy and implements these investments with a sustainable approach that evaluates the axes such as security of energy supply, competition and environmental protection. Thereby it supports the transition of Türkiye to a self-sufficient economy with low carbon emissions. Environmental and Social Governance Principles Commitment of Zorlu Enerji is published on the company's website.	https://www.zorluenerji.com.tr/fileuploads/SUSTAN%20POLICY/Environmental%2C%20Social%20and%20Governance%20Principals%20Commitment.pdf
D2	Social responsibility projects, awareness raising events and trainings were carried out to raise awareness about sustainability and its importance.	X				Zorlu Enerji contributes more to social development and thus continues to improve people's quality of life every year through the social responsibility projects it carries out by taking into account the needs of the local communities in the regions where it operates. The company's comprehensive solutions that address the needs of society include various social investments in areas such as the development of common areas, protection of natural life as well as environmental and social needs, elimination of social inequalities and providing scholarship with technology. The activities carried out by Zorlu Enerji in this context are disclosed in the relevant section of the Integrated Annual Report.	People and Culture

GLOSSARY OF TECHNICAL TERMS

- Agrivoltaic Agriculture: A system in which electricity is generated by solar panels on agricultural land and agriculture is practiced in this manner.
- AI: Artificial Intelligence
- ASD: Association for Sustainable Development
- CBA: Collective Bargaining Agreement
- CCASAP: Climate Change Adaptation Strategy and Action Plan
- CCMSAP: Climate Change Mitigation Strategy and Action Plan
- CCS: Carbon Capture and Storage
- CDP: Carbon Disclosure Project
- CEMS: Continuous Emission Measurement Systems
- CMB: Capital Markets Board
- CO₂ : Carbone Dioxide
- COSO: Committee of Sponsoring Organizations of the Treadway Commission
- CRM: Customer Relationship Management
- CSRD: Corporate Sustainability Reporting Directive
- DC: Direct current
- DEIK: Foreign Economic Relations Board
- DJSI: Global Dow Jones Sustainability Index
- DLP: Data Leak Prevention
- EBITDA: Earnings Before Interest and Taxes
- EBRD: European Bank for Reconstruction and Development
- EFQM: European Foundation for Quality Management
- EFRAG European Financial Reporting Advisory Group
- EIA: Environmental Impact Assessment
- ELDER: Association of Electricity Distribution System
- EMRA: Energy Market Regulatory Authority
- EPC: Engineering, Procurement and Construction
- ERTA: Integrated Reporting Network Türkiye
- ESG: Environmental, Social and Corporate Governance
- ESP: Electrical Submersible Pump
- ESRS: European Sustainability Reporting Standards
- ETS: Emissions Trading System
- EÜAŞ: Elektrik Üretim AŞ
- GAZDAŞ: Gaziantep Doğal Gaz Dağıtım AŞ ve Trakya Bölgesi Doğal Gaz Dağıtım AŞ
- GEEO: Geothermal Emission Control
- GHG: Greenhouse Gases
- Gold Standard Certification: The most rigorous and reputable certification program for carbon offset projects globally
- GPP: Geothermal Power Plant
- GRI: Global Reporting Initiative
- GWh: Energy production/consumption in one hour is 10⁹ times the Wh
- HPP: Hydroelectric Power Plant
- HSE: Health, Safety and Environment
- ICMA: International Capital Market Association
- IEA: International Energy Agency
- IFC: International Finance Corporation
- IFRS: International Financial Reporting Standards
- IIRC: International Integrated Reporting Council
- ILO: International Labour Organization
- Installed Capacity: The maximum capacity that a power plant can meet, an installation system can handle, and an electricity grid can carry
- Inverter: Electronic device that converts direct current from solar panels or wind turbines into alternating current used in city grids
- IoT: Internet of Technology
- I-REC: International Renewable Energy Certificate
- ISO: International Standards Organization
- ISSB: International Sustainability Standards Board
- KPI: Key Performance Indicators
- LSEG London Stock Exchange Group
- Megawatt Electricity (MWe): One million watts of electricity capacity
- Megawatt Peak (MWp): 1 million times the Watt-Peak
- Megawatts (MW): One million times the international standard power unit Watt
- MWh: Megawatt/hour
- NEPRA: Pakistan National Electric Power Regulatory Authority
- NZE: Net Zero Emissio
- OEDAŞ: Osmangazi Elektrik Dağıtım AŞ
- OEPSAŞ: Osmangazi Elektrik Perakende Satış AŞ

GLOSSARY OF TECHNICAL TERMS

- OIZ: Organized Industrial Zone
- PMO: Project Management Office
- PPA: Power Purchase Agreement
- Prosumer: Producing consumer
- PV (photovoltaic): Panels that provide natural electricity generation with radiation from the sun, solar panel
- QDMS: Quality Document Management System
- R&D: Research and Development
- RO: Reverse osmosis
- SAIDI: System Average Interruption Duration Index
- SAIFI: System Average Interruption Frequency Index
- SASB: Sustainability Accounting Standards Board
- SBTi: Science Based Targets Initiative
- SCADA: Supervisory Control and Data Acquisition System
- SDGs: Sustainable Development Goal
- SEVESO: A set of regulations established in the European Union to manage the risk of hazardous substances causing major accidents.
- SLB: Sustainability Linked Bond
- SPP: Solar Power Plant
- TCFD: Task Force on Climate-Related Financial Disclosures
- TEDAŞ: Türkiye Elektrik Dağıtım AŞ
- Thermal Power Plant: Power plant generating electricity from heat generated by fuel
- Trakya: Trakya Bölgesi Doğal Gaz Dağıtım AŞ
- TSRS: Turkish Sustainability Reporting Standards
- TÜSİAD: Turkish Industry and Business Association
- UNGC: UN Global Compact
- UN SDGs: United Nations Sustainable Development Goals
- UN Women: UN Women
- UNFCC CDM: United Nations Framework Convention on Climate Change Clean Development Mechanism
- UNGC: United Nations Global Compact
- VER: Voluntary/Verified Emission Reduction
- Watt-Peak (Wp): A power unit used in photovoltaic systems that measures the energy conversion rate
- WEPs: Women's Empowerment Principles
- WPP: Wind Power Plant
- WRI: World Resources Institute
- YEKA: Renewable Energy Resource Areas
- YEKDEM: Renewable Energy Resources Support Mechanism
- YEK-G: Renewable Energy Resource Guarantee Certificate
- YETA: Renewable Tarif
- Zes: Zorlu Energy Solution

2024 REPORTING GUIDELINES

Energy Data	
Total Energy Consumption (GJ) Electricity Consumption (kWh)	• The total energy consumption calculations include electricity, natural gas, diesel, gasoline, coal, and LPG consumption. • Electricity consumption is obtained in kWh and then converted into GJ using the conversion factor of 1 kWh = 0.0036 GJ. • For natural gas, annual consumption at the power plants is calculated in cubic meters; for coal, in tons; for diesel and gasoline, in liters; and for LPG, in kilograms. These values are then converted into GJ using conversion factors provided by DEFRA. • The reporting boundaries cover Zorlu Enerji's operations in Turkey, Palestine, Pakistan, and ZES Turkey.
GHG Data	
Scope 1 (ton CO ₂ e) Scope 2 (ton CO ₂ e) Scope 3 (ton CO ₂ e)	• Greenhouse gas emissions during the reporting period include carbon emissions resulting from energy consumption and refrigerant gases. Zorlu Enerji's greenhouse gas emissions have been calculated in accordance with the Greenhouse Gas Protocol: A Revised Corporate Accounting and Reporting Standard. • Greenhouse gas emissions are calculated under Scope 1 (Direct Greenhouse Gas Emissions) and Scope 2 (Indirect Greenhouse Gas Emissions). • For emission factors, those provided in the "Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines for National Greenhouse Gas Inventories" have been used. • The Grid Emission Factor has been calculated based on data provided in the "International Energy Agency - CO₂ Emissions From Fuel Combustion Highlights." • In the calculation of greenhouse gas emissions, the following carbon-emitting sources were taken into account: • Scope 1 emissions: Natural gas and coal consumption for heating, fuel consumption of company vehicles (diesel, gasoline), and refrigerant gases (including leakages reported during installation and maintenance phases). • Scope 2 emissions: Electricity consumption and electricity transmission and distribution losses. • Scope 3 emissions: Emission categories defined under 15 subcategories of the GHG Protocol have been considered. Calculations were conducted in accordance with the GHG Protocol. The included categories are as follows: • 3.1 Purchased Goods and Services • 3.2 Capital Goods • 3.3 Fuel- and Energy-Related Activities (Not Included in Scope 1 or 2) • 3.4 Upstream Transportation and Distribution • 3.5 Waste Generated in Operations • 3.6 Business Travel • 3.7 Employee Commuting • 3.8 Upstream Leased Assets • 3.9 Downstream Transportation and Distribution • 3.10 Processing of Sold Products • 3.11 Use of Sold Products • 3.12 End-of-Life Treatment of Sold Products • 3.13 Downstream Leased Assets • 3.14 Franchises • 3.15 Investments • The reporting boundaries cover Zorlu Enerji operations in Turkey, Palestine, Pakistan, ZES, Electrip, and ZES Solar. The effects of remote work on resource consumption and emission calculations have not been included in the reporting period.
Science Based Target (SBTi)	
Target 1 Target 2 Target 3 Target 4	• Target 1: Scope 1 Greenhouse Gas Emission Intensity from Electricity and Heat Generation, tCO₂e/MWh (generated electricity) It is calculated by dividing the total Scope 1 emissions (tCO₂e) by the total amount of electricity generated (MWh). • Target 2: Emissions from Electricity Consumption (Scope 2) Refers to the total absolute Scope 2 emissions. • Target 3: Scope 1 and Scope 3 Greenhouse Gas Emission Intensity from Fuel- and Energy-Related Activities, tCO₂e/MWh (sold electricity) It is calculated by dividing the total Scope 1 and Scope 3 emissions by the amount of electricity sold (MWh). • Target 4: All Other Absolute Scope 3 GHG Emissions, tCO₂e (excluding 3.3, calculated across 14 categories) Refers to all Scope 3 emissions except for category 3.3.

2024 REPORTING GUIDELINES

Air Emissions	
Nox emissions Sox emissions Mercury emissions Dust emissions SF ₆ emissions	• NO_x, SO_x, mercury, and dust emissions are air emissions resulting from coal usage at the Lüleburgaz Thermal Power Plant. • SF₆ emissions occur during transformer maintenance, replacement, or emergency use as a circuit breaker gas in electricity distribution.
Water Data	
Total water consumption (m ³) Water Consumption in Water-Stressed Areas (m ³)	• Water consumption has been assessed under three separate categories: surface water, groundwater, and municipal water. Water obtained from municipalities or other suppliers such as İSKİ is included under municipal water. The entire volume of water purchased and consumed as municipal water is considered as total municipal water consumption. For municipal water use, supplier meter readings based on location-specific consumption amounts have been taken into account. The reporting boundaries cover Zorlu Enerji's operations in Turkey, Palestine, and Pakistan. • Water consumption in water-stressed areas has been calculated based on regions identified as having high or extremely high water stress, according to data from the World Resources Institute (WRI).
Waste Data	
Amount (tons) and Type of Hazardous Waste by Disposal Method Amount (tons) and Type of Non-Hazardous Waste by Disposal Method Ash Waste	• Waste amounts are presented by disposal management type, including amounts sent to landfill, recovered for energy production, incinerated (not for energy production), other disposed waste, and waste with unknown disposal methods. Additionally, plastic, metal, and glass wastes are considered recycled non-hazardous waste. Disposed hazardous wastes include batteries, fluorescent lamps, car batteries, and toner cartridges. Receipts from authorized recycling companies and entries in MoTAT have been used to calculate the amounts of disposed waste. • Ash waste originates from the Lüleburgaz Thermal Power Plant due to coal usage.
H&S Data on the Basis of Employees	
Fatalities (Contractors + Employees)	• Number of Fatal Work Accidents During the Year
Lost Time Injury Frequency Rate (LTIFR) – Employees	• The ratio of lost days due to work accidents to the total working hours during the year has been calculated. In this context, the formula used is: Lost days due to lost-time work accidents * 10⁶ / (Total working hours)
Lost Time Injury Frequency Rate (LTIFR) – Contractors	• The lost time injury frequency rate is calculated by dividing the number of lost days due to work accidents by the total working hours. The formula used is: (Lost Time Injury Count) * 10⁶ / (Total Working Hours). • The total number of lost days in the formula is based on absenteeism data caused by accidents.
Human Resources Data	
Gender Pay Gap Ratio	• It represents the ratio of the average wage difference between women and men.
Supplier Data	
Total number of suppliers	• It refers to all suppliers of Zorlu Enerji.
Number of critical suppliers	• Critical suppliers are those that provide main equipment for Zorlu Enerji Group's domestic and/or international projects and operations, and firms supplying materials or services that affect the company's production and business processes or involve hazardous conditions. It also refers to the number of suppliers purchased from with justification.
Number of suppliers assessed for ESG	• The number of suppliers assessed for ESG.
Number of suppliers included in capacity development	• Suppliers included in the capacity development program (suppliers assessed for ESG through the online platform and with an action plan developed, or suppliers who participated in supplier training in 2024).
Stakeholder Engagement and Double Materiality Analysis	
Stakeholder Engagement	• Stakeholder engagement is the ongoing process of dialogue and interaction between the company and its employees, investors, customers, and other relevant parties. Within this process, stakeholders' expectations and feedback are regularly evaluated and integrated into the company's strategies, policies, and practices. This ensures transparency and inclusivity in decision-making, supporting sustainable value creation.
Double Materiality Analysis	• This analysis addresses sustainability topics from both their environmental and social impacts (external) and financial impacts (internal), ensuring that our strategic decisions align with our environmental and social responsibilities. • The assessment process has been carried out based on international guidelines such as the EFRAG Double Materiality Implementation Guidance and ESRS. The analysis results shape the sustainability strategy and sustainability targets.

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