

# ZORLUENERJİ

## 2023 INTEGRATED ANNUAL REPORT





**ZORLUENERJİ**

**2023**  
**INTEGRATED**  
**ANNUAL REPORT**



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# ABOUT THE REPORT



## QUALIFICATIONS, PERIOD AND SCOPE OF THE REPORT

As Zorlu Enerji Elektrik Üretim A.Ş. (Zorlu Enerji or the Company) and its subsidiaries, we are pleased to present the Integrated Annual Report for 2023, which includes the financial, environmental, social impact and governance data of our domestic and international subsidiaries and affiliates covering the 12-month period between January 1st and December 31st, 2023.

“Due to integrated reporting approach, the financial and sustainability report covers all Zorlu Enerji subsidiaries. The Sustainability Report includes environmental and social data covering all domestic operations specified in the Company’s corporate profile along with the facilities operating abroad and operationally under the control of Zorlu Enerji. Zorlu Enerji Elektrik Üretim Anonim Şirketi (“Zorlu Enerji” or “Company”), its subsidiaries and affiliates (together referred to as the “Group”) operate in the fields of electricity and steam production and sales, electricity trade, electricity distribution and retail sales, natural gas trade, sales and distribution, solar panel trade, sales and installation, electric vehicle rental, electric vehicle charging station sales, installation and management. Subsidiaries are included within the scope of financial reporting.”

The Integrated Annual Report, prepared to present Zorlu Enerji’s economic, environmental and social performance for 2023 to its stakeholders, further includes the sustainability report and the Board of Directors’ Activity Report. The report is published annually and is available online via the Public Disclosure Platform (KAP) and the Company’s website at [www.zorluenerji.com.tr](http://www.zorluenerji.com.tr). The report, which was prepared in an environmentally sensitive manner, includes environmental and social data covering all domestic operations specified in the Company’s corporate profile along with the facilities operating abroad and operationally under the control of Zorlu Enerji.”



## CAPITALS APPROACH AND VALUE CREATION MODEL

The report analyses and discusses current operations, future plans and sustainable value creation model of Zorlu Enerji in an integrated manner according to the capital classification recommended by the International Integrated Reporting Council (IIRC). The report not only provides the stakeholders a transparent and clear overview of the Company’s activities but also includes information on significant issues affecting stakeholders, the interaction between the Company’s strategy and business model, the management of relevant risks and opportunities and the ability to create value in the long term. This report has been written in accordance with the International Integrated Reporting Framework recommended by the IIRC and the GRI Standards published by the Global Reporting Initiative (GRI).



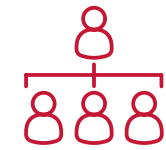
## COMPLIANCE WITH THE LEGISLATION AND REGULATORY FRAMEWORK

Zorlu Enerji 2023 Integrated Annual Report is prepared in full compliance with the materiality principle defined in the Global Reporting Initiative (GRI) Standards, according to Integrated Reporting <IR> principles and in compliance with IFRS S1 and S2 standards. As a supporter of the Task Force on Climate-related Financial Disclosures (TCFD), comprehensive risk and opportunity analysis has been presented in line with the CDP and TCFD frameworks. The report, in which the company’s performance is presented primarily through GRI disclosures, takes into account the Sustainability Principles Compliance Framework of the Turkish Capital Markets Board (CMB), Communication on Progress of United Nations Global Compact (UNGC), to which Zorlu Enerji is a signatory, and the Women’s Empowerment Principles (WEPs). The report meets the minimum requirements for annual reporting under the Capital Markets Law and provides a detailed insight into the Company’s sustainability strategy, economic, environmental and social performance along with its contribution to the United Nations Sustainable Development Goals.



## AUDIT

Zorlu Enerji was audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (KPMG) in accordance with ISAE3000 (International Standard on Assurance Engagements) standards. The Independent Auditor’s Report, which refers to the list and scope of the assured indicators, is available on pages 236-241.



## STATEMENT OF SENIOR MANAGEMENT

According to Zorlu Enerji’s senior management, this Integrated Annual Report addresses all issues and developments in terms of Zorlu Enerji’s ability to create value for its stakeholders and presents its integrated performance and future targets for the period between 1 January 2023 - 31 December 2023. The Statement of Responsibility for the Board of Directors’ Annual Report can be found on page 232 of the report.

## REPORT CONTACT INFORMATION

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# GLOSSARY OF TECHNICAL TERMS

- **R&D:** Research and Development
- **UNGC-UN Global Compact:** United Nations Global Compact
- **CDP:** Carbon Disclosure Project
- **CEMS:** Continuous Emission Measurement Systems
- **CNG:** Compressed Natural Gas
- **COSO:** Committee of Sponsoring Organizations of the Treadway Commission
- **CO<sub>2</sub>:** Carbone Dioxide
- **CRM:** Customer Relationship Management
- **EIA:** Environmental Impact Assessment
- **ESG:** Environmental, Social and Corporate Governance
- **DC Network:** A type of direct current network produced by solar panels
- **Natural Gas Cogeneration Power Plant:** Power plant that generates both heat and power simultaneously from natural gas
- **Natural Gas Combined Cycle Power Plant:** A group of heat engines generating mechanical energy with natural gas
- **EBRD:** European Bank for Reconstruction and Development
- **EFQM:** European Foundation for Quality Management
- **ELDER:** Association of Electricity Distribution System
- **EMRA:** Energy Market Regulatory Authority
- **EPIAŞ:** Enerji Piyasaları İşletme AŞ
- **EÜAŞ:** Elektrik Üretim AŞ
- **GAZDAŞ:** Gaziantep Doğal Gaz Dağıtım AŞ and Trakya Bölgesi Doğal Gaz Dağıtım AŞ
- **SPP:** Solar Power Plant
- **GHG:** Greenhouse Gases
- **Gold Standard Certification:** The most rigorous and reputable certification program for carbon offset projects globally
- **GRI:** Global Reporting Initiative
- **GWh:** The gigawatt hour (GWh) is a unit used to express the quantity of energy produced or consumed by a piece of equipment with power of one gigawatt for one hour. 1 GWh corresponds to 1.109 watt-hours (Wh)
- **HEPP:** Hydroelectric Power Plant
- **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
- **IOT:** Internet of Things

- **IRENEC:** International 100% Renewable Energy Conference
- **I-REC:** International Renewable Energy Certificate
- **IRENA:** International Renewable Energy Agency
- **ISO:** International Standards Organization
- **Inverter:** Electronic device that converts direct current from solar panels or wind turbines into alternating current used in city grids
- **OHS:** Occupational Health and Safety
- **GPP:** Geothermal Power Plant
- **PDP:** Public Disclosure Platform
- **Compensation:** The process of keeping the shift between the voltage and current signal close to zero to reduce loss in electrical transmission
- **KPIs:** Key Performance Indicators
- **Installed Capacity:** The maximum capacity that a power plant can meet, an installation system can handle and an electricity grid can carry
- **LNG:** Liquefied Natural Gas
- **Megawatts (MW):** One million times the international standard power unit Watt
- **Megawatt Electricity (MWe):** One million watts of electricity capacity
- **Megawatt Peak (MWp):** 1 million times the Watt-Peak MWh: Megawatt/hour
- **NASA:** National Aeronautics and Space Administration
- **NZE:** Net Zero Emission
- **OEDAŞ:** Osmangazi Elektrik Dağıtım AŞ
- **OEPSAŞ:** Osmangazi Elektrik Perakende Satış AŞ
- **OIZ:** Organized Industrial Zone
- **PPA:** Power Purchase Agreement
- **PV (Photovoltaic):** Panels that provide natural electricity generation with radiation from the sun, solar panel
- **QDMS:** Quality Document Management System
- **WPP:** Wind Power Plant
- **RO:** Reverse Osmosis
- **SAIDI:** System Average Interruption Duration Index
- **SAIFI:** System Average Interruption Frequency Index
- **SEVESO:** A set of regulations established in the European Union to manage the risk of hazardous substances causing major accidents.
- **SDGs:** Sustainable Development Goal (SDGs: Sustainable Development Goals)
- **ASD:** Association for Sustainable Development LRST: Last Resort Supply Tariff
- **CMB:** Capital Markets Board

- **STEPS:** Stated Policies Scenario
- **TCFD:** Task Force on Climate-Related Financial Disclosures
- **TEDAŞ:** Türkiye Elektrik Dağıtım AŞ
- **TEİAŞ:** Türkiye Elektrik İletim AŞ
- **Thermal Power Plant:** Power plant generating electricity from heat generated by fuel
- **CBA:** Collective Bargaining Agreement
- **TNFD:** Taskforce on Nature-related Financial Disclosures
- **Trakya:** Trakya Bölgesi Doğal Gaz Dağıtım AŞ
- **TWRE:** Turkish Women in Renewables and Energy
- **UN Women:** UN Women
- **UNDP:** United Nations Development Programme
- **UNECE:** United Nations Economic Commission for Europe
- **UNFCC CDM:** United Nations Framework Convention on Climate Change Clean Development Mechanism
- **UNGC:** United Nations Global Compact
- **UN SDGs:** United Nations Sustainable Development Goals
- **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
- **WEO:** World Energy Outlook
- **WRI:** World Resources Institute
- **YEKA:** Renewable Energy Resource Areas
- **YEKDEM:** Renewable Energy Resources Support Mechanism
- **YEK-G:** Renewable Energy Resource Guarantee Certificate
- **YETA:** Renewable Tariff
- **ZES:** Zorlu Energy Solutions



MESSAGE FROM  
THE CHAIRMAN**AHMET NAZİF ZORLU**  
CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Stakeholders,

At the beginning of 2023, our country was shaken by the devastating earthquake centered in Kahramanmaraş, which claimed the lives of tens of thousands of people. This disaster affected 11 provinces, and we once again extend our heartfelt condolences and prayers to the families and loved ones of those who lost their lives.

Following the earthquake disaster, the interruption of natural gas supply in Gaziantep, our operating province, prompted us at Zorlu Enerji to provide rapid support. With a team of 300 personnel and 170 vehicles, we successfully reinstated the 4,000 km pipeline and ensured uninterrupted natural gas supply to residential areas with swift safety measures. Simultaneously, our electricity distribution teams worked tirelessly day and night to restore and stabilize the network infrastructure in Adıyaman. Together, we will continue to minimize the impacts of this disaster, rebuild, and support one another. Let us remember that coming together in difficult times is the most important step toward becoming stronger.

**We are experiencing a historic transformation globally and particularly in our energy sector.**

The year 2023 has been marked by numerous challenges worldwide. We have faced serious issues such as earthquakes, wars, and the climate crisis.

Geopolitical tensions and diverging monetary policies at the global level caused economic activities to differentiate at the country level. The Russia-Ukraine war caused significant increases in commodity prices, in particular global energy and food prices, and put pressure on the country's economies. Supply problems and the resulting increase in energy prices which returned from peak levels and the recovery in the Chinese economy,

in particular, brought about a rather moderate economic activity, although limited compared to expectations. We have further observed that economic activities remained stagnant and were not balanced among countries due to the tight monetary policies implemented within the scope of the fight against persistent inflation on a global scale.

Pursuant to the report published by the Organization for Economic Co-operation and Development (OECD) global economic growth, which was 3.1 percent in 2023, will decrease to 2.9 percent this year and rise again to 3 percent in 2025, whereas the growth in the Turkish economy will be 2.9 percent this year and is estimated to be 3.1 percent in 2025.

The energy industry is one of the most affected by these developments. The impact of war and geopolitical tensions on the energy industry prevailed in 2023. While energy security comes to the fore when it comes to competition, the significance of renewable energy investments is also increasing, bringing significant progress towards net zero targets worldwide. The International Energy Agency (IEA) World Energy Outlook Report 2023 states that investments in clean energy have increased by 40 percent since 2020 and that this increase is due not only to efforts aiming to reduce emissions but also to economic reasons and that clean energy investments have increased by more than 2 trillion dollars reaching out to 3 trillion dollars over the last three years. At this point, the need for clean energy and the determination of countries to quickly implement these investments are remarkable. The development of clean energy technologies, energy conversion and digitalization are also among the driving forces of the transition.

**Energy transformation further opens the door to significant changes in the industry and improves the emphasis on sustainable energy sources.**







We are witnessing a process involving a major transformation towards renewable energy sources and a clearly experienced transition to a low-carbon economy in the global energy market.

Energy transformation further opens the door to significant changes in the industry and improves the emphasis on sustainable energy sources. In this context, 2023 stands out as a year that is at the heart of future vision and sustainability efforts in the energy industry.

Same IEA report, prepared based on current energy policies, emphasizes that the energy world will change significantly by 2030 and stronger measures will be required to maintain the 1.5°C target. The report further estimates that clean energy technologies will develop rapidly by 2030 and particularly electric cars and renewable energy sources will significantly become prevalent.

As Türkiye, we also have the potential to be one of the pioneers of this transformation with the steps we take to rapidly implement energy policies, improve our renewable energy resource capacity and reduce our energy costs. The approval of the Paris Climate Agreement by the Grand National Assembly of Türkiye in October 2021 has been a significant milestone for our country. In this context, net zero emission targets for 2053 reveal our country's determined stance on emission reduction policies. I believe this transformation will bring with new opportunities and development facilities for our country.

**We have set our sustainability goals with great determination.**

As Zorlu Holding, we move forward within the framework of a vision equipped with the principles of sustainability and responsibility. In parallel with our Smart Life 2030 strategy, we have adopted

a solution-oriented approach to global challenges and changes in our energy business unit. We focus on sustainability by investing only in renewable resources and technologies, thereby we aim to create the highest value in environmental, social and governance (ESG) areas.

In line with our sustainability vision, our works to reinforce our leadership in the energy industry and to assume a more effective role in the fight against climate change in full swing. We have once again confirmed our company's deep commitment to the principle of sustainability by being included in the BIST Sustainability Index for 7 successive time. Within the context of the 2023 assessment, the international sustainability rating agency Refinitiv Information Limited (Refinitiv) increased Zorlu Enerji's score from 68 points to 74 points. Preparing for the future with its ESG-based regenerative business model approach, I believe Zorlu Enerji will take this rating score to much higher levels and will be more strongly prepared against economic vulnerabilities and climate risks.

Our progress in the social field is also among the outstanding achievements of 2023. We have made significant progress by increasing our female employee rate from 16.4% to 19% in the energy industry, where male employees predominate. In line with the goals set for 2022, we have completed our preparation to participate in the Bloomberg Gender Equality Index and we are waiting for the index results. We also prioritize social compliance in our supply chain. With the ESG assessments that we carry out on the Synesgy platform within the framework of our cooperation with CRIF, we contribute to the sustainable development of our suppliers and support them in areas that need improvement.

We are also very happy and proud to celebrate the 70th anniversary of our Holding and the 30th anniversary of our energy business line simultaneously with the 100th anniversary of our Republic. We are pleased to contribute to the sustainable development vision of Türkiye in such an exclusive year and we are excited to look forward to many more years of unity and solidarity.

Once again, I would like to extend my heartfelt thanks to the Zorlu Enerji Family, our shareholders, business partners, and all our stakeholders for bringing clean energy to our country in 2023. I sincerely hope that 2024 brings peace and prosperity to our nation and the entire world.

Regards,

**Ahmet Nazif ZORLU**

Chairman of the Board of Directors





## ZORLU ENERJİ BOARD OF DIRECTORS

Zorlu Enerji Board of Directors has been steered by an experienced team committed to a rapid alignment to fluctuations in the industry, innovation and sustainability. This diversity allows Zorlu Enerji to quickly align with the dynamics in the energy industry and to achieve significant success. Our Board of Directors regularly reviews its strategic directions in the light of current developments in the industry and takes effective resolutions in line with the company's long-term goals.

Our Board of Directors adopts a leadership approach that focuses on transparency in operations, commitment to ethical values and stakeholder value and in this regard assumes a leading role in sustainability, technological innovation and social responsibility.



**AHMET NAZİF ZORLU**  
CHAIRMAN OF THE BOARD OF DIRECTORS

Ahmet Zorlu began his professional career at an early age in the family-owned textile business. Opening his first store in Trabzon, Ahmet Zorlu engaged in textile trade in the early years of his business life and thereafter moved the company's headquarters to İstanbul in 1970 and laid the foundations of Zorlu Holding. He incorporated his first company, Korteks, in 1976 and then gathered all group companies under the umbrella of Zorlu Holding in 1990. Acquiring Vestel in 1994, Zorlu paved the way to new lines of business for Zorlu Holding. Zorlu's entrepreneurship began with the textile industry and progressed with further companies operating in a wide range of industries such as household appliances, consumer electronics, real estate, energy, metallurgy, defense and e-mobility. In addition to his role as the Chairman of the Board of Directors at Zorlu Holding, Ahmet Zorlu also serves as the Chairman for numerous Zorlu Group companies operating in different industries. Zorlu, who is in close contact with non-governmental organizations, is a Board Member at DEİK (Foreign Economic Relations Board) and is a member of TÜSİAD (Turkish Industry and Business Association), DENBİR (Education and Culture Foundation of People of Denizli), BASİAD (Industrialists' and Businessmen's Association of Babadağ) and TETSİAD (Turkish Home Textile Association).



**BEKİR AĞIRDİR**  
VICE CHAIRMAN OF THE BOARD OF DIRECTORS

After graduating from the Department of Business Administration at Middle East Technical University in 1979, Bekir Ağirdir served as a Sales Manager and then as a Deputy General Manager at Bilsan Bilgisayar Malzemeleri A.Ş. (1980-1984), as a sales coordinator at Meteksan Ltd. (1984-1986), as a General Manager at Pirintaş Bilgisayar Malzemeleri ve Basım Sanayi A.Ş. (1986-1996), as a Deputy General Manager at Atılım Kâğıt ve Defter Sanayi A.Ş. (1996-1999) and as a General Manager and Board Member at PMB Akıllı Kart ve Bilgi Teknolojileri A.Ş. (1999-2003). Between 2003-2005, he worked as a Coordinator and then as the General Manager at Tarih Vakfı (History Foundation of Türkiye). Ağirdir, who has served as General Manager and a Member of the Board of Directors at KONDA Araştırma ve Danışmanlık Limited Şirketi since 2005, resigned from his position as General Manager in June 2022. In addition to his position as the Vice Chairman of the Board at Zorlu Enerji, Ağirdir serves as a Board Member of Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. and Vestel Elektronik Sanayi ve Ticaret A.Ş., two other Zorlu Group companies, as well as Anadolu Efes Biracılık ve Malt Sanayii A.Ş. and Migros Ticaret A.Ş. Bekir Ağirdir is the Board Member of Turkish Economic and Social Studies Foundation (TESEV) and Hrant Dink Foundation, a founding member of Yanındayız Association, Democratic Republic Program and Eymir Culture Foundation (EKV), a member of METU Alumni Association and a commentator at T24 Internet Newspaper and GAIN Internet Media.



**SELEN ZORLU MELİK**  
MEMBER OF THE BOARD OF DIRECTORS

Selen Zorlu Melik graduated from the Faculty of Economics and Administrative Sciences at Uludağ University. She began her professional career at Denizbank in 1998 and joined the Management Trainee Program of the bank in 1999. Upon assuming several roles at Denizbank's Head Office, she attended a Marketing Certificate Program at the University of California, Berkeley, USA in 2001. Selen Zorlu Melik, who started working at Korteks Yarn Factory in 2002, has been serving as a Member of the Board of Directors of Zorlu Holding and Zorlu Enerji. She also serves as an Advisory Board Member at the YenidenBiz Association.



**ÖMER YÜNGÜL**  
MEMBER OF THE BOARD OF DIRECTORS

Ömer Yüngül graduated from Boğaziçi University, Department of Mechanical Engineering in 1978. He started his career at Tekfen İnşaat, then assumed several managerial roles at Metaş, Faz Elektrik and Merloni Elettrodomestici. Ömer Yüngül, who joined Zorlu Holding as the General Manager of Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. in 1997, became the Chief Executive Officer of Vestel Group of Companies in 2000. Upon serving as the CEO of Vestel for 15 years, Ömer Yüngül was appointed as the CEO of Zorlu Holding in 2013. In addition to his role as the Chairman of the Sustainability Committee, Yüngül serves as a Board Member at Zorlu Holding as of 2022. Ömer Yüngül is a member of Yanındayız Association and 30 Percent Club Türkiye.



**BEKİR CEM KÖKSAL**  
MEMBER OF THE BOARD OF DIRECTORS

Cem Köksal graduated from the Department of Mechanical Engineering at Boğaziçi University in 1988 and thereafter received his Master's Degree at Bilkent University in 1990. He worked in the banking sector between 1990 and 2001. He started working as the Deputy General Manager at Denizbank in 1997 and thereafter joined Vestel in 2002 as the Head of Finance. Köksal serves as an Executive Board Member and Board Member at Vestel Group of Companies and has been a Board Member of Zorlu Enerji since 2002. Cem Köksal, who has been serving as a Board Member at Zorlu Holding A.Ş. since 2022, worked as the Chief Financial Officer of Zorlu Holding between 2012-2023. Köksal is also a Board Member at TOGG (Türkiye's Automobile Joint Venture Group).

\* Cem Köksal, who has been serving as the Deputy CEO of Zorlu Holding as of March 2024, will take over the role as the CEO of Zorlu Holding in June 2024.





## ZORLU ENERJİ BOARD OF DIRECTORS

**AYŞEGÜL İLDENİZ**

MEMBER OF THE BOARD OF DIRECTORS

Ayşegül İldeniz is a pioneer in innovation, technology and future vision in Silicon Valley and Istanbul. She graduated from Boğaziçi University, Department of Business Administration and received her master's degree in Digital Communication at the University of San Francisco. Upon joining the global microprocessor giant Intel in 1998, she served as the General Manager of Intel Türkiye, Head of Türkiye, Middle East and Africa Region which includes 67 countries, the Member of the European Board and Vice President for New Devices Group at Intel Headquarters in Silicon Valley. She joined Silver Spring Networks, a company which is being traded on the New York Stock Exchange and controls half of the American smart energy market with 26 million users, as COO in 2016 and implemented programs on smart cities in cities such as Chicago, Singapore, Paris, Copenhagen and Dubai. Ayşegül İldeniz was recognized as one of "The World's Top 100 Most Creative People" in 2015 by Fast Company, one of the most prestigious publications in the USA and as the "3rd Most Influential Turkish-American Woman" by TOA (Turks of America), and in Türkiye she was further recognized as the "IT Woman of the Year" in 2004 and the "Woman Executive of the Year" in 2006 by Dünya Newspaper. She is currently the President of TÜSİAD Silicon Valley Network and a Board Member of the American Turkish Society and Turkish Philanthropy Funds. Ayşegül İldeniz has been serving as a Board Member at Vestel Elektronik Sanayi ve Ticaret A.Ş., Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş., Doğan Şirketler Grubu Holding A.Ş. and Pegasus Hava Taşımacılığı A.Ş.

**CEM MENGİ**

MEMBER OF THE BOARD OF DIRECTORS

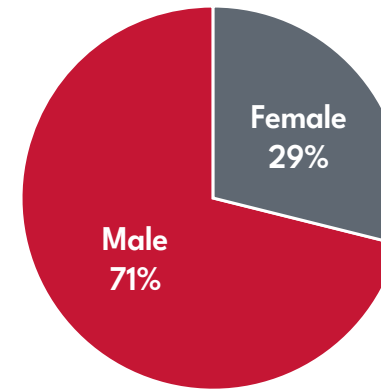
Cem Mengi attended the "A-Level Programme" in the UK on Mathematics and Physics in 1984 and completed his academic education on Information Management Systems at International University Faculty of Business and Management in 1988. Same year, he started his banking career at Finansbank and assumed Deputy General Manager and Chief Deputy General Manager roles in various departments at Interbank, Körfezbank, Rabobank International NV and ING Bank, respectively. Most recently, he served as the Chairman of the Loans Committee and Executive Board Member Responsible for Loans and Investments at Akbank T.A.Ş. Mengi, who formerly served as a Committee Member in organizations such as TÜSİAD, DEİK, YASED (International Investors' Association) and GYİAD (Association Of Young Executives And Business People), has currently been working as the Founding Chairman of CM Capital Management.

## ZORLU ENERJİ BOARD OF DIRECTORS

## Age Breakdown



## Gender Breakdown



## Educational Backgrounds



## Experience (in years)



## Term of Office of Independent Members (in years)



## Term of Office of Other Members (in years)



## Zorlu Enerji Board Members (Independent and Other Members)



## Board of Directors Competency Matrix

Competencies and Expertise	AHMET NAZİF ZORLU	BEKİR AĞIRDIR	SELEN ZORLU MELİK	ÖMER YÜNGÜL	BEKİR CEM KÖKSAL	AYŞEGÜL İLDENİZ	CEM MENGİ
Sustainability and Environmental Management			✓		✓		✓
Sectoral Experience - Energy and Energy Technologies	✓	✓		✓			
Financial Expertise					✓		✓
Corporate Governance in Global Organizations						✓	
Research & Development and Innovation				✓		✓	
Digitalization and Information Technologies		✓				✓	
Market Analysis, Risk Management, and Strategic Planning	✓	✓		✓	✓		
Human Resources and Talent Development			✓				
Operations and Supply Chain Management	✓		✓				
Marketing and Sales	✓	✓	✓	✓			
Sustainable Finance and Investment					✓		✓





# MESSAGE FROM THE SECTOR PRESIDENT

## İ. SİNAN AK SECTOR PRESIDENT



Esteemed Stakeholders,

Year 2023, in which we celebrated the 100th anniversary of our Republic with great enthusiasm but still felt the effects of uncertainties and natural disasters, was a productive year for our Company. We have been progressing abroad with our know-how and experience, on our journey that we have set off with our new brand.

We worked with all our strength to heal the wounds of the earthquake disaster that occurred in our country at the beginning of the year. In Gaziantep and Kilis, our gas distribution region, we mobilized all our teams and worked 24/7 to ensure that the region was quickly supplied with natural gas. From the very first day, we tried to support the people of the region with all our resources in order to quickly heal the wounds in the entire earthquake region, particularly in Osmaniye, where our Gökçedağ Wind Power Plant is located, and in Adyaman, our Call Center operation city. We have stood and will further stand by our citizens in these difficult days. On this occasion, I once again would like to wish God's mercy to our citizens who lost their lives, and I wish patience and condolences to their relatives.

We hereby present you our third integrated annual report, featuring the theme "The Story of Different Views", which includes our financial and non-financial results for 2023 and leads our industry in this respect. With this theme, we not only explain our sustainable success with the story of different views but also narrate that we look at what we do through the eyes of nature and shape our operations by taking into account all living things, from insects to birds, while considering the opinions and ideas of all our stakeholders, from children to young people and from our investors to our customers. We believe that the transparent reporting that we have adopted will provide a better future for all our stakeholders and future generations.

In particular global geopolitical uncertainties and wars besides the climate crisis and subsequent natural disasters bring about many negativities, from the

increase in energy prices and commodity prices, high inflation, high interest rates, increased costs of doing business and further cause us to face a slow down in economic growth.

IMF published its January 2024 World Economic Outlook (WEO) Update entitled "Moderating Inflation and Steady Growth Open Path to Soft Landing". Global growth was forecasted at 3 percent in the October 2023 World Economic Outlook (WEO) and was revised from 3 percent to 2.9 percent for 2024. In this update, global growth expectation was increased to 3.1 percent for 2023 and 2024, while the estimate was maintained at 3.2 percent for 2025. Increases in commodity prices resulting from geopolitical developments along with the inflationary effect of supply disruptions and the tight monetary policy are also considered as additional risks. We strive to take firm steps towards our goals on a global scale in an environment where so many variables coexist.

### **Our 2023 net profit was realized as TRY 11 billion and our turnover was realized as TRY 27.3 billion.**

As Zorlu Enerji, we achieved a strong growth figure and profitability in 2023. We recorded a consolidated turnover of TRY 27.3 billion in 2023. While EBITDA of the period was realized as TRY 11.4 billion, Net Financial Debt/EBITDA ratio decreased to 3.5x. Net profit for 2023 was realized as approximately TRY 11 billion.

### **Ensuring renewable energy supply and studies on electrification are the cornerstones of the energy transition.**

The climate crisis, which causes extreme weather events, drought, floods, fires and hurricanes worldwide, endangers ecosystems, food and water security. Therefore, it is vital for countries to cooperate and develop common solutions. International platforms such as COP 28 come to the fore in this context. At the summit, a commitment was made to move away from fossil fuels and increase the use of renewable energy sources. Furthermore, certain significant steps have been taken, such as the launch of a fund to deal with the damage and losses caused by climate change.







Recent political and economic developments around the world have significantly affected the energy industry. In particular, the events triggered by the Russia-Ukraine war and the imbalance in the Middle East negatively affected global energy markets, causing oil and natural gas prices to soar. This situation hits the economic balances hard and adversely affects the production industry in particular. For this reason, we are working hard to cope with high energy costs in this industry. It should be one of our priority goals to overcome these challenges by diversifying our country's energy resources portfolio and reducing our dependence on foreign sources. Conversion of Energy plays a vital role in this process.

Ensuring renewable energy supply as well as studies on digitalization, electrification and battery technologies are the cornerstones of energy conversion. This transformation is of critical importance not only in the fight against climate change, but also in ensuring our energy independence. As Türkiye, we are taking firm steps towards energy transformation. This transformation is expected to accelerate with the recent increase in renewable energy projects and electric vehicle investments.

Yenilenebilir enerji arzının sağlanması, dijitalizasyon, elektrifikasyon, pil teknolojileri konusundaki çalışmalar, enerji dönüşümünün temel taşlarıdır. Bu dönüşüm, sadece iklim değişikliğiyle mücadelede değil, aynı zamanda enerji bağımsızlığımızı sağlamada da kritik bir öneme sahip. Türkiye olarak enerji dönüşümünde emin adımlarla ilerliyoruz. Geçtiğimiz yıl, yenilenebilir enerji projelerindeki artış ve elektrikli araç yatırımları ile bu dönüşümün hızlanması bekleniyor.

#### **We strive to improve our resource diversity.**

We keep working within a wide energy portfolio, with a vision focused on sustainability and innovation. By operating in a wide range of fields ranging from geothermal energy to solar energy, from wind energy to electric vehicle charging stations, we focus on decarbonization and future technologies and strive to improve our resource diversity.

With our investments in smart systems and electric vehicle charging stations, we offer solutions within a wide perspective, from energy generation to energy consumption.

We are expanding our electric charging station network by increasing our electrification-focused investments. We have been growing healthily in Türkiye with ZES and abroad with Electrip brand. We aim to maintain the progress that we have achieved with ZES and further expand the Electrip brand with our investments in Southern and Eastern Europe. We make a significant contribution to the mobility of the future with our investments and roaming agreements, and we further fulfill our responsibility to reduce our environmental impacts.

We produce solar panels, and in this context, we maintain our collaborations with leading manufacturers around the world. We started to produce ZES branded upper segment solar panels for the first time. These upper-level panels, in terms of both quality and performance, improve our contribution to sustainable energy solutions. We have further strengthened our collaborations with globally recognized giants such as Huawei, Enphase and Solis.

We aimed to make a difference in energy management and in line with this vision, we have realized significant investments in our software and digital technology infrastructure.

We unilaterally produce nearly 20 percent of the installed geothermal energy capacity of our country, which particularly requires high technology, know-how and experience, and we lead the industry with the steps we take in this regard. We blazed a trail in Türkiye with our hybrid power plant, which we developed by combining our Alaşehir Geothermal Power Plant in Manisa with solar energy. Thus, with the support of solar energy, we have achieved a capacity increase of 3.75 MWe in our geothermal power plant with an existing capacity of 45 MWe. We will contribute TRY 4.5 million annually to the country's economy with our Hybrid Combined Renewable Electricity Generation Facility, which will produce 6 million kWh of energy annually. This innovative approach in terms of the technology used in our combined power plant is a pioneer in its field. We aim to increase the number of our hybrid power plants by further transforming our Kızıldere 2 and 3 GPPs into Combined Renewable Electricity Generation Facilities.

On the other hand, we are focusing our projects on storing energy. We offer sustainable and efficient solutions to the energy industry with our investments in wind turbines with battery storage systems. We are adding the first electricity generation facilities with storage systems to our portfolio with our WPP projects to be constructed in Hamitabat, Kırklareli and Yeniçiftlik, Tekirdağ.

These projects, together with the preliminary licenses granted by EMRA, will enable us to have a total of 375 MWe capacity of stored wind power.

We are well aware of the significance of energy sources and battery technologies, such as nuclear energy and hydrogen energy, which occupy the world's agenda, in shaping future energy strategies. We keep a close watch on these issues, in line with our efforts to diversify our company's energy portfolio and achieve our sustainability goals.

#### **We have been multiplying our sustainability achievements.**

We assume a leading role as the first energy company to sign the Scientific Based Targets Initiative (SBTi), which aims to base companies' carbon emissions reduction targets on scientific foundations. In 2023, we have applied for SBTi by aligning our current targets with the Scientific Based Targets Initiative. This step will enable us to further strengthen our commitments to reduce our carbon footprint and to act in line with international standards.

We have been multiplying our sustainability achievements. We broke new ground in the industry by publishing the CDP Deforestation and TCFD reports. This represents a pioneering step in the industry in terms of transparency and accountability and further allows us to disseminate our sustainability performance in a broader perspective. We have proudly managed to increase our CDP score in the climate change category from B to A- in 2023. 74 points that we achieved in Refinitiv (Borsa İstanbul) further reflect our achievements in the field of sustainability as well as our financial performance.

Being included in the BIST Sustainability Index for the 7th time consequently is an indication of the continuity of our sustainability-focused strategy and achievements. Being included in the index emphasizes our long-term and sustainable performance in environmental, social and governance.

#### **In recognition of our efforts in 2023, we were honored with several awards**

While focusing on our sustainability goals with the Smart Life 2030 vision, we keep on leading the transformation of the energy industry with both our investments and R&D projects. In 2023, we were deemed worthy of a total of six awards, three of which are one of the most prestigious business awards in the world. We were nominated as the most reputable brand in the energy production industry in the Türkiye Reputation Index Survey conducted by the Turkish Statistical Institute with the participation of approximately 15 thousand people in 26 regions and 72 provinces.

All these developments demonstrate our company's innovative approach and leadership in the industry and confirm our commitment to sustainability and clean energy.

We acknowledge that carrying our company into the future will be possible by achieving financial success as well as fulfilling our environmental and social responsibilities. I would like to express my gratitude to all our shareholders and business partners, whose support we always feel with us as we progress on this path, along with all our colleagues who work with endless dedication under all circumstances.

With my warm regards,

**İ. Sinan AK**  
CEO





## ZORLU ENERJİ SENIOR MANAGEMENT

In line with the mission of aligning with the changing conditions in the energy industry and focusing on our strategic goals, Zorlu Energy Senior Management consists of a team that brings together their experience in the industry, expertise and know-how. Each member of our senior executives team supports the integrated activities of our company in areas in which they have extensive experience.

Senior Management undertakes its operations by adhering to our principles of transparency, commitment to ethical values and focus on stakeholder value. Senior Executives of Zorlu Enerji draw attention not only with their achievements in the industry but also with their commitment to fulfilling the company's social responsibilities. This leadership and vision constitute an important basis for Zorlu Enerji's future achievements.



**İ. SİNAN AK**  
SECTOR PRESIDENT

İ. Sinan Ak graduated from the Department of Management Engineering at İstanbul Technical University (İTÜ). He started his career as an investment manager at Evgin Yatırım Menkul Değerler. He received his MBA degree from Old Dominion University in the U.S. After working as a Finance Chief at Vestel Komünikasyon between 2000 and 2002 and as the Finance Manager at Vestel Beyaz Eşya between 2002 and 2006, Sinan Ak joined Zorlu Enerji Group in 2006. He served as the Deputy Chief Finance Officer until 2012 and was appointed as the CEO of Zorlu Enerji in January 2012. Ak has served as the CEO of Zorlu Energy Group, of which Zorlu Enerji Elektrik Üretim AŞ is a member, since December 1, 2016. Ak is also the CEO of Electrip Global Limited, a joint venture between Zorlu Enerji and Wren House Infrastructure LP (WHI), which provides electric vehicle charging operator services.

İ. Sinan Ak is a member of the Energy Business Council, Foreign Investments Business Council and Türkiye-USD Business Council which operate affiliated to the Foreign Economic Relations Board (DEİK). He is a Board Member at the Association of Electricity Distribution System Operators (ELDER) and Vice Chairman of the E-Mobility Operators' Association (E-MOD). He is also a member to the Association of Turkish Electricity Industry (TESAB), CIGRE (International Council on Large Electric Systems) Turkish National Committee, Energy Efficiency Association (ENVER), Energy Traders' Association (ETD), the Electricity Producers Association (EÜD), Energy Investors Association (GÜYAD), The Turkish Employers' Association of Construction Industries (INTES), World Energy Council Turkish National Committee (DEK), United Nations Global Compact Türkiye, Sustainable Mobility Initiative (SMI), Energy Council of the Union of Chambers and Commodity Exchanges of Türkiye, Green Hydrogen Producers' Association (H2DER), Energy Working Group of the Turkish Industrialists' and Businessmen's Association and Turkish-German Chamber of Commerce and Industry. He closely follows the studies in the industry and actively participates in the projects of Sabancı University İstanbul International Center for Energy and Climate (IICEC).



**ALİ KINDAP**  
GENERAL MANAGER RESPONSIBLE FOR  
INVESTMENTS, OPERATIONS AND  
MAINTENANCE

Ali Kindap graduated from the Department of Mechanical Engineering at Middle East Technical University in 1990. He started his career at Gama Group and thereafter worked at Gürış Mühendislik ve İnşaat A.Ş. for energy and infrastructure projects. Kindap joined Zorlu Enerji Group in 2008 and served as the Deputy General Manager Responsible for Thermal Power Plant Investments between 2011 and 2016. He has been serving as the General Manager Responsible for Investments, Operations and Maintenance as of January 1, 2017.

Ali Kindap is the Chairman of the Board of the Geothermal Energy Association (JED) and also serves as a Board Member at the Turkey Cogeneration Association Kindap is also a member of Turkish Wind Energy Association (TÜREB), Hydrogen Technologies Association and Energy Industrialists and Business People Association (ENSİA).



**AYDIN AKAT**  
GENERAL MANAGER RESPONSIBLE FOR  
INDUSTRIAL PROJECTS AND APPLICATIONS

Aydın Akat received an associate degree in civil engineering from Middle East Technical University in 1990 and thereafter graduated from the Department of Civil Engineering at İstanbul University in 1996. He began his career at Cevahirler İnşaat in 1990 and worked in various construction projects at Tekfen İnşaat between 1996-2005. He joined Zorlu Enerji Group in 2005 and served as a Project Manager at Zorlu Endüstriyel ve Enerji Tesisleri İnşaat Ticaret A.Ş. Akat served as a Senior Engineer at Zorlu Endüstriyel ve Enerji Tesisleri İnşaat Ticaret A.Ş. between 2008 to 2011. He was appointed as the Deputy General Manager Responsible for Projects at Zorlu Enerji Elektrik Üretim A.Ş. in October 2011. He has been serving as the General Manager Responsible for Industrial Projects and Applications since January 1, 2017.



**ELİF YENER**  
CHIEF FINANCIAL OFFICER

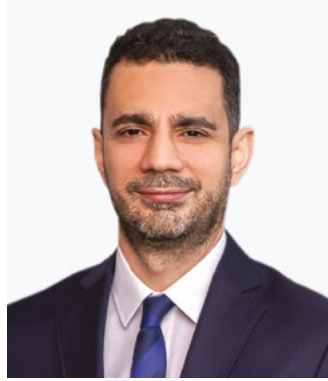
Elif Yener graduated from Boğaziçi University, Department of Industrial Engineering in 2004. After working in the Project Finance Department at Denizbank between 2004-2010, she received her Masters Degree in 2011 from the MBA program at Columbia University. Same year, she joined Zorlu Holding and was appointed as the Strategy and Business Development Manager in 2012. Yener joined Zorlu Enerji Group in 2014 and served respectively as Group Financial Affairs Manager and Financial Affairs Director. She has been serving as the CFO since July 1, 2019. Yener is a member of the Integrated Reporting Turkey Network (ERTA) and a signatory of the CFO Principles for Integrated SDG Investments and Financing published by the CFO Coalition of the UN Global Compact.



**FUAT CELEPCİ**  
GENERAL MANAGER RESPONSIBLE  
FOR ELECTRICITY AND GAS  
DISTRIBUTION OPERATIONS

Fuat Celepci graduated from the Civil Engineering Department of the Middle East Technical University in 1982 and received his master's degree in 2011 at the Faculty of Law at Bilkent University. He began his career as a Civil Engineer at the Turkish Electricity Corporation (TEK) in 1982. In 1984, Celepci joined BOTAŞ where he served as the Deputy General Manager and a Board Member between 1999 and 2005. He then retired from his role while working as an advisor to the BOTAŞ General Manager in 2012. Celepci joined Zorlu Enerji Group in 2012 and was appointed as the General Manager of GAZDAŞ Gaziantep Doğal Gaz Dağıtım A.Ş. and Trakya Bölgesi Doğal Gaz Dağıtım A.Ş. Celepci who assumed the responsibility for Zorlu Enerji Group Electricity Distribution Operations, acting as the General Manager, as of 1 January 2017, continued to serve as the General Manager of Gazdaş Gaziantep Doğal Gaz Dağıtım A.Ş. and Trakya Bölgesi Doğal Gaz Dağıtım A.Ş. and as a Board Member of the Turkish Natural Gas Distributors' Association (GAZBİR) until both companies were sold. Celepci has currently been serving as the General Manager Responsibility for Zorlu Enerji Group Electricity Distribution Operations.





**İNANÇ SALMAN**  
GENERAL MANAGER RESPONSIBLE  
FOR TRADE

İnanç Salman graduated from the Department of Industrial Engineering at İstanbul Technical University (İTÜ). Following his bachelor's degree, he received his master's degree in Industrial Engineering from İstanbul Technical University in 2006. Salman joined Zorlu Group in 2004 and served at Zorlu Holding Human Resources Department between 2004 to 2007. In 2007, he joined Zorlu Enerji Group where he served respectively as Project Engineer, Organizational Development Manager and Head of Organizational Development. Salman worked as the Deputy General Manager Responsible for Energy, Trade and Planning between 2013-2017. After serving as the Director of Trade as of 2017, İnanç Salman was appointed as the General Manager Responsible for Trade on 1 September 2020.



**ERSEN ÖZYILMAZ**  
DIRECTOR OF PURCHASING  
AND LOGISTICS

Ersen Özyılmaz graduated from the Department of Electronic Control Systems at Zonguldak Karaelmas University in 1997. He started his career as a Purchasing Officer in the Technical Purchasing department at Gönpa A.Ş. between 1997-1999 and attained expertise in the industry. In 2000, he joined Zorlu Enerji Group where he served respectively as Purchasing Specialist, Purchasing Supervisor and Purchasing Manager. Throughout his term of office, he took part in projects on developing sustainability-oriented purchasing strategies, improving the efficiency in the company's supply chain management and establishing collaborations with suppliers that minimize environmental impacts. He also supported the development of programs that promote diversity and inclusion within the company and the training and development programs for employees. Özyılmaz, who was appointed as the Purchasing and Logistics Director of Zorlu Enerji on 1 September 2020, has been assisting the strategic planning and implementation processes to ensure the company achieve its environmental, social and corporate governance goals.



**EVREN EVCİT**  
DIRECTOR OF ZORLU SOLAR  
AND FOREIGN INVESTMENTS

Evren Evcit graduated from the Department of Mechanical Engineering at İstanbul Technical University and thereafter received his master's degree in the MBA program of Boğaziçi University. Following his graduation, he served as the Chief Operating Officer and as the CEO at Anel Enerji. He started working at First Solar in 2014 and served as Türkiye Managing Director for three years. Evcit, who started working as Zorlu Enerji ZES Solar Director in May 2017, has been serving as ZES Solar and Foreign Investments Director since 1 September 2019. Evren Evcit is a member to the Türkiye-Pakistan Business Council of the Foreign Economic Relations Board (DEİK), International Solar Energy Society Turkey Section (GÜNDER), the Turkish Solar Energy Industry Association (GENSED) and Association of Roofing Industrialists and Businessmen (ÇATIDER).



**FULYA BIÇAK MUŞTU**  
DIRECTOR OF INFORMATION  
TECHNOLOGIES AND BUSINESS  
DEVELOPMENT

Fulya Bıçak Muştu graduated from the Department of Industrial Engineering at Middle East Technical University and thereafter received her master's degree in MBA at Yeditepe University. Muştu started her career at Aselsan and thereafter worked as a senior manager responsible for Information Technologies at Bimsa, Danonesa, British American Tobacco, Çelebi Holding, Evyap Holding, Balparmak and HD Holding. Muştu, who has a total of 22 years of management experience, has served as a senior manager responsible for IT in the companies she served for the last 19 years and as an Executive Board Member in different companies. In addition to IT Management, she has further undertaken roles in structuring different functions of the management discipline in different companies such as Strategy Management, Corporate Process Management, PMO Management. Muştu, who has been working as the Director of Information Technologies and Business Development within Zorlu Enerji Group since 2020, serves as a mentee in the Mentoring Program executed by the Women on Board Association Türkiye (WOB Türkiye) in addition to her senior executive roles. She further assumes roles in various volunteer activities such as KalDer EFQM Award Evaluator, ITSMF Türkiye Board Member and IDC Advisory Board Member as well as social responsibility activities for some young people in need.



**FUNDA KÜÇÜKOSMANOĞLU**  
MARKETING AND CORPORATE  
COMMUNICATIONS DIRECTOR

After graduating from the Department of Physics at Uludağ University, Funda Küçükosmanoğlu completed the English MBA program of Yeditepe University and then successfully graduated from her second academic education at the Cultural Heritage and Tourism Department of İstanbul University. Küçükosmanoğlu, who started her career in 1997 at Turkcell İletişim A.Ş., has undertaken different roles in the field of customer relations management at Turkcell and affiliated companies. After attaining managerial experience in different communication areas at Coca-Cola Turkey Corporate Communications Department, she joined Nestlé Waters Türkiye in 2019 where she served as Corporate Communications Manager. Küçükosmanoğlu, who joined Zorlu Enerji as Group Corporate Communications Manager in January 2021, was then appointed as Marketing and Corporate Communications Director as of July 2022. In addition to her executive roles, she is a member of the Corporate Communication Association (KİD), Business World and Sustainable Development Association (SKD Türkiye), Turkish Corporate Responsibility Association (TKSD), Corporate Volunteers Association (ÖSGD) and Turkish Public Relations Association (TÜHİD).



**SERPİL KÖŞKER**  
DIRECTOR OF HUMAN RESOURCES

Serpil Köşker graduated from the Psychological Counseling and Guidance Department at Middle East Technical University in 1997 and received her master's degree from the same university. After working as a research assistant at the same university, she started her professional career as a Human Resources Specialist at Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. in 2000. She then worked as the Human Resources Manager at Toyota Tsusho, responsible for the establishment of all human resources processes and systems and their integration with the global structure. She joined Hayat Kimya in 2014 and assumed tasks in corporate transformation and structuring of HR processes acting as the Human Resources Manager of Kocaeli and Mersin Factories. After leading the human resources processes and projects at Pirelli Türkiye, where she joined in 2017, she undertook the role of Human Resources Director in the BSH group in 2020. Köşker, who started working as the Director of Human Resources at Zorlu Enerji in October 2021, further serves as a coach and mentor. She is also a member of Peryön and Sales Network.

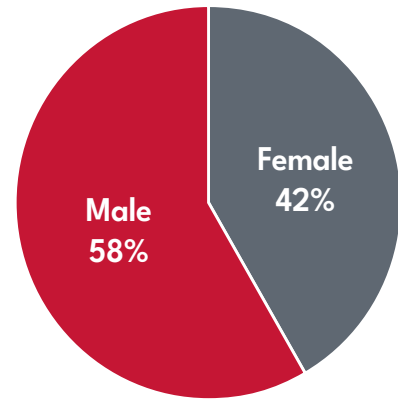


**BAŞAK DALGA**  
INVESTOR RELATIONS MANAGER

Başak Dalga graduated from the Department of Economics at İstanbul University in 2005. Upon receiving her master's degree in Italy, she began her career as an equity analyst at the Research Department of Global Yatırım in 2006. Dalga worked as an equity analyst at Eczacıbaşı Menkul Değerler between 2007-2008 and thereafter joined Zorlu Enerji in 2008 as Senior Investor Relations and Corporate Finance Specialist. She has been serving as the Investor Relations Manager since 2012. Başak Dalga holds the Capital Market Activities Level 3 License and the Corporate Governance Rating License. She has further assumed a company representative role in the Turkish Corporate Governance Association.

## Metrics on the Senior Management

### Gender Breakdown



### Age Breakdown



### Educational Backgrounds



### Experience (in years)



### Term of Office in Zorlu Enerji (in years)



## Senior Management Competency Matrix

Competencies and Qualifications	İBRAHİM SİNAN AK	ALİ KINDAP	AYDIN AKAT	ELİF YENER	FUAT CELEPCİ	İNANÇ SALMAN	ERSEN ÖZYILMAZ	EVREN EVCİT	FULYA BIÇAK MUŞTU	FUNDA KÜÇÜKOSMANOĞLU	SERPİL KÖŞKER	BAŞAK DALGA
Sustainability and Environmental Management	✓											
Experience in the Industry - Energy and Energy Technologies	✓	✓	✓		✓			✓		✓		
Financial Expertise	✓			✓								✓
Corporate Governance in Global Organizations								✓	✓	✓	✓	
R&D and Innovation		✓							✓			
Digitalization and Information Technologies									✓			
Market Analysis, Risk Management and Strategic Planning									✓	✓		
Human Resources and Talent Development						✓					✓	
Operations and Supply Chain Management						✓	✓	✓				
Marketing and Sales			✓					✓		✓		
Sustainable Finance and Investment	✓		✓	✓								

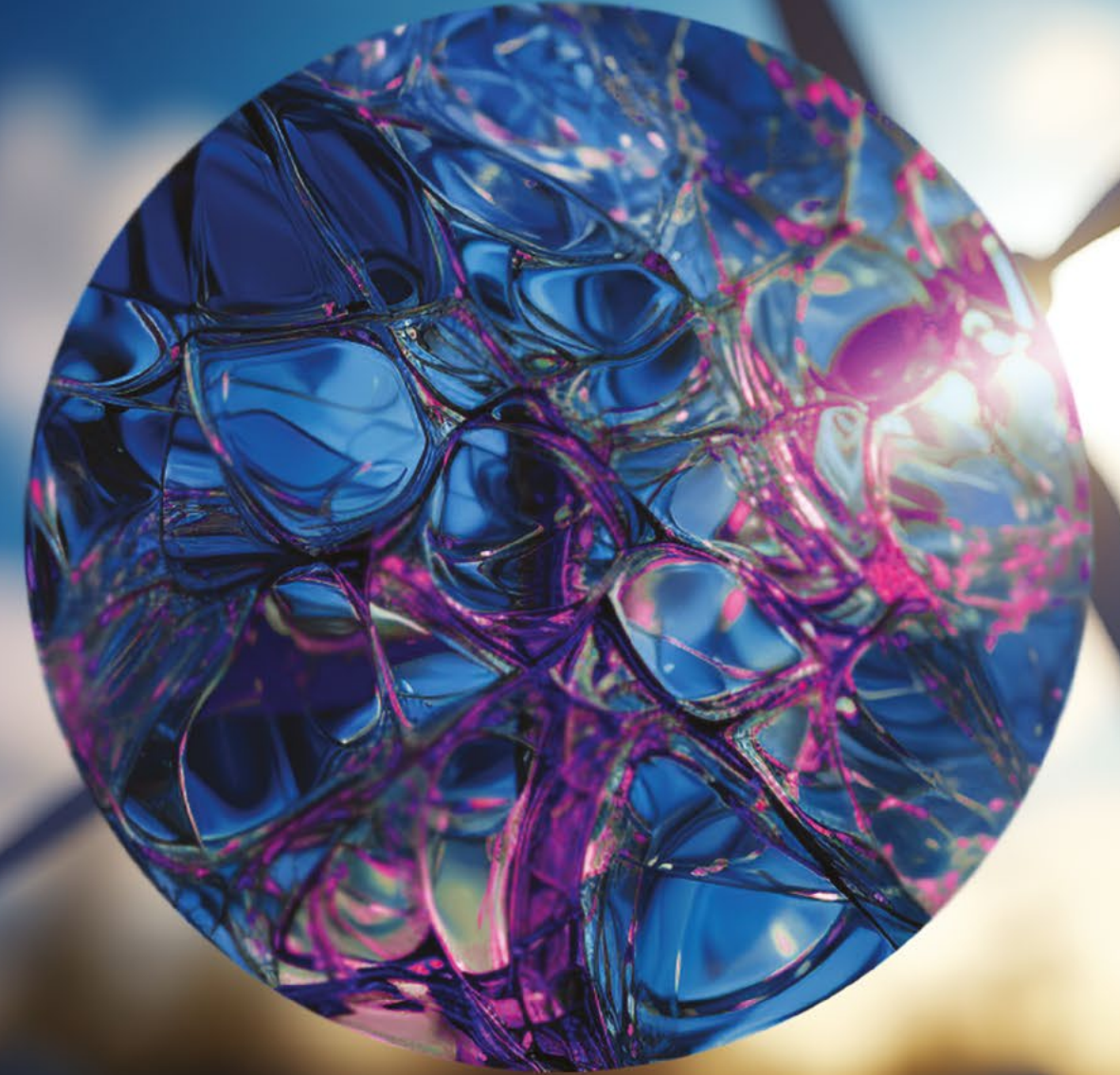


# THE STORY OF DIVERSE PERSPECTIVES

We believe that companies integrating sustainability and digital transformation in the energy sector with corporate culture and stakeholder relations will grow healthily. Our sustainable success stems from our business culture that transforms different perspectives and technology into tangible results with respect, empathy, and tolerance. We synthesize the views and ideas of all our stakeholders, from children to youth, from our investors to customers, from our business partners to employees, in a fair, participatory, and equal opportunity work environment. Additionally, we can view our work from nature's perspective, shaping our activities while considering all living creatures, from birds to insects. By incorporating new perspectives from nature, we empathize with our employees and business partners and contribute to society. As the energy company of the future, we continue our efforts centered around digital transformation, using technology to broaden, deepen, and clarify our horizons.

Inspired by this vision, we present our 2023 Integrated Annual Report, designed by observing nature and technological advancements. In this report, we reinterpret images such as bird's-eye view, insect view, and augmented reality view with an abstract approach, utilizing artificial intelligence.

## [ ZORLU ENERJİ AND THE ENERGY INDUSTRY ]







## 2023, AT A GLANCE

**WEF – Global Risks Report**

The probability of experiencing certain events and conditions that may lead to potential impacts on the economy, population and natural resources around the world has always been a significant source of concern. The Global Risks Report, published every year before the World Economic Forum in order to address these concerns and look at the future with more confidence, offers us a comprehensive view. This report, which will help us understand the risks we may face in 2024, was constituted with the contributions of experts from universities, business world, governments, international community and civil society. Accordingly, Global Risks Report 2024 contributes to our understanding of the evolving global risks, shedding light on our goal of achieving a sustainable and resilient future.

The World Economic Forum (WEF) Global Risks Report 2024 points out that global risks have increased and changed even more compared to 2023. The report states that disinformation and climate change are identified as global priority risks.

**Disinformation**

WEF argues that economic uncertainties, combined with technological developments, negatively affect the global order. The report draws attention to the negative consequences caused by disinformation, such as social polarization, authoritarian tendencies and conflict risks.

**Global Risks Report 2024****Top 10 Ranking Most Severe Risks****2 years**

- 1 Misinformation and Disinformation
- 2 Extreme Weather Events
- 3 Social Polarization
- 4 Cyber insecurity
- 5 Interstate Armed Conflict
- 6 Lack of Economic Opportunities
- 7 Inflation
- 8 Involuntary Migration
- 9 Economic Downturn
- 10 Pollution

**10 years**

- 1 Extreme Weather Events
- 2 Critical Change to Earth Systems
- 3 Biodiversity Loss and Ecosystem Collapse
- 4 Natural Resource Shortages
- 5 Misinformation and Disinformation
- 6 Adverse Outcomes of AI technologies
- 7 Involuntary Migration
- 8 Cyber Insecurity
- 9 Social Polarization
- 10 Pollution

**Risk Categories** | Economic | Environmental | Geopolitical | Social | Technological

**Climate Change**

WEF further argues that extreme weather events lead to severe risks such as the elevation of the sea level and biodiversity loss. The report estimates that climate change will affect the global order even more deeply over the next decade.

**Global Supply Chains and Economic Structures**

Geopolitical developments and climate change negatively affect global supply chains and economic structures. Wars endanger the flow of food and energy resources whilst climate change endangers supply chains. Economic uncertainties and inequalities in income distribution, on the other hand, threaten the future of the economic structure.

**International Collaborations**

The report argues that international collaboration has become increasingly important to deal with global risks. Uncertainties, social polarization and volatile geopolitical conditions complicate this process of collaboration. This finding highlights the need for joint action by nations, companies and civil society.







## Overview

The year 2023 stands out as a significant period marked by frequent discussions of **energy transformation**. It has been a year of notable transition in the global energy market towards renewable energy sources and a shift to a low-carbon economy. This evolutionary transformation plays a decisive role over economic dynamics under the influence of the fight against climate change and political developments.

**Combating Climate Change:** The increase in global temperatures in 2023 clearly reveals the incompatibility with the 1.5°C target of the Paris Agreement. Using NASA data, the global average temperature in September 2023 was recorded as 1.7°C above the temperature of the preindustrial term. This is the first time that a monthly temperature has exceeded Paris Agreement's 1.5°C temperature increase target. It was also reported that the entire year 2023 has been 1.32°C warmer compared to the period between 1850-1900 and this is the highest global temperature anomaly among the recorded 12-month periods. Based on the estimates of Yale University, this temperature increase is expected to surpass 1.5°C by the end of the year and break a record. The energy industry is directly associated with carbon emissions and air pollution problems in this process.

As reported by the UNFCCC (United Nations Framework Convention on Climate Change), global greenhouse gas emissions need to be reduced up to 2030 by 43% compared to the levels of 2019 to limit the temperature increase at 1.5°C in line with the Paris Agreement. However, current emission trends and the inadequacy of national climate action plans make it difficult to achieve this goal. Should current commitments are implemented, emissions are estimated to increase by approximately 8.8% compared to 2010 levels by 2030.

Consequently, the record level temperature increase experienced worldwide in 2023 and the failure to quickly implement the necessary measures to achieve the Paris Agreement targets necessitate an urgent and comprehensive climate action. Measures such as switching to renewable energy sources and improving energy efficiency come to the fore in fighting against the effects of global warming. This requires joint and effective efforts exerted by governments and all stakeholders

**Political developments and their economic effects:** 2022 has been recorded as a year in which significant geopolitical and local developments took place both globally and in Türkiye.

The aftermath of the COVID-19 pandemic persisted the effects of fluctuations in energy demand and prices. The war that Russia declared against Ukraine at the beginning of 2022 has raised questions in the international arena with regard to the security of energy supply. 2023 stand out as a year in which the Russia-Ukraine conflict left deep impacts on global energy markets. After Russia cut off the flow of natural gas to Europe, energy prices in Europe soared to dramatic levels, significantly increasing the energy expenses of European Union countries. For instance, Germany's natural gas import expenses increased by 50% compared to the previous year while similar increases were observed in Italy and France. This increase has caused a further rise in energy-based production costs and an overall increase in consumer prices. The demand for LNG and renewable energy resources soared, causing the energy markets to be restructured particularly allowing the USA and Qatar expand their market shares and necessitating the review of energy security strategies.

It has been understood that expanding the energy supply portfolio and limiting the dependence on imported energy is of critical importance in order to both reduce costs and minimize political risks. In order to ensure the security of energy supply and to reduce their dependence on Russia, European Union countries have turned to renewable energy investments and improving their energy storage capacities. This situation has accelerated new investments and collaborations in the renewable energy sector while increasing the pressure for transformation in fossil fuel-dependent economies.

**Energy transition** is a crucial step towards fighting against climate change and achieving sustainable energy goals. This transition/transformation mainly involves the transition to **renewable energy sources** such as solar energy and wind power in energy supply. In terms of consumption, the focus is on converting energy consumption to electricity and increasing electrification in this context. With this overall transformation process, it is inevitable that our energy system will evolve into a more complex structure, for this purpose **technological and digital transformation** is of vital importance in order to manage this complexity.

The driving force of the energy transition is the fight against climate change and strengthening energy independence. This transformation is of strategic importance, particularly for countries with rich renewable energy resources such as Türkiye.

**References:**  
- NASA (September 2023)  
- UNFCCC  
- IPCC Sixth Assessment Report (AR6)

## Energy Transformation

Today, energy is a critical factor that forms the basis of every field, from our personal lives to industrial production. Energy consumption, which has constantly been increasing on a global scale, brings three main needs to the agenda:

**Security of Energy Supply:** Ensuring security of energy supply to ensure consumers' uninterrupted access to energy,

**Economical Access:** Providing economic access so that consumers can afford energy expenses and countries can take part in global competition,

**Sustainability:** Energy supply processes meeting the sustainability conditions that will minimize negative impacts at both local and global levels.

In order to find solutions to address these needs, transition to renewable energy sources with the support of developing technologies, using energy efficiency at the maximum level and switching to clean energy technologies are key strategies. These strategies are also placed at the heart of the United Nations' Sustainable Development Goals.

Advances in energy and communication technologies require "the constitution of a distributed, digital, low-carbon and democratic energy structure." This structure is a digital, renewable energy-focused system that supports the effective use of local resources, inter-systems connection, flexibility and increased efficiency. Such a radical change has become an important agenda item towards achieving similar goals in various regions around the world.

The world economy, social structure and geopolitical system are under the threat of climate change and an effective solution to this threat lies beneath global energy transformation. Transition from fossil fuels to renewable energy sources further constitutes the basis of the Paris Agreement and the Sustainable Development Goals. However, such a transformation requires serious financing at the global level. It is further estimated that an investment of approximately 1.5 times the current global gross domestic product (GDP) will be required worldwide by 2050 (WIR 2023).

Pursuant to International Energy Agency reports, the transition to renewable energy has been accelerating globally. The increase in installed solar and wind energy capacities shapes the dynamics of the industry. Currently more than \$1 billion per day is being invested in solar energy deployment by 2023 and over 500 gigawatts of renewable energy generation capacity are expected to be added worldwide. While one in every 25 cars sold in 2020 was electric, this rate is expected to reach one in every 5 vehicles by 2023. While electric car sales have increased by 240% since 2020, fixed battery installations have also grown by 200%.

Should the scheduled projects are successful, the production capacities of solar PV and electric vehicle batteries are expected to meet the expected demand by 2030. Installed solar PV capacity increased by 50% and costs decreased by nearly 80%. These developments have the potential to move the energy industry to a more sustainable future and represent a significant step towards achieving the goal of controlling global warming.

## Renewable Energy

Annual World Energy Outlook Report published by the International Energy Agency (IEA) in October 2023 emphasized that the huge increase in solar and wind power production capacities over the last decade has transformed the global renewable energy market. This development has accelerated with factors like political support, reduction in costs and improvement in financing facilities. In particular, the spread of policies supporting solar and wind power around the world and the 90% and 70% decrease in the costs of these energy types between 2010 and 2022 have triggered the growth in the industry as a result of technological innovations and economies of scale.

The World Energy Outlook 2023 Report published by the International Energy Agency (IEA) points to a significant transformation in the energy industry. The report estimates that global demand for coal, oil and gas will peak in this decade and will begin to decline and that renewable energy resources will grow rapidly becoming a significant part of the world energy system. This is the first time this has happened in a WEO scenario (STEPS) based on today's policies. Based solely on current policies, the IEA estimates the following for 2030:

- By 2030, the number of electric cars in the world will increase approximately by 10 times compared to today's figures.
- Solar panels will produce more electricity than the entire U.S. power system currently produces.
- The world's installed solar panel capacity will reach out to 1.2 GW by 2030.
- The share of renewable energy sources in global electricity production will approach 50% by 2030. Today, this rate is approximately 30%.
- Renewable energy sources will account for 80% of new energy production capacity by 2030.

The report further indicates that the significance of fossil fuels will decline. By 2030, heat pumps and other electric heating systems will surpass fossil fuel boilers. Three times more will be invested in new offshore wind projects than in new coal and gas plants. The share of fossil fuels in global energy supply will drop to 73% by 2030.

### References:

#### International Energy Agency (IEA):

- World Energy Outlook 2023
- Renewables 2023
- Global Energy Review 2023
- Energy Efficiency

#### Deloitte:

- Global Renewable Energy Trends 2023

#### Further References:

- The World Economic Forum (WEF): <https://www.weforum.org/>
- Electric Power Research Institute (EPRI): <https://www.epri.com/>
- Chatham House: <https://www.chathamhouse.org/>





## Technological Transformation

Year 2023 stands out as a turning point where energy transformation and technology come together. This year, there have been significant advances in areas such as the integration of renewable energy sources such as solar and wind power into the grid, energy storage systems and electric vehicles. Technologies such as photovoltaic solar panels and wind turbines have pioneered clean energy investments. In particular, the supplements to installed solar energy capacities in 2023, exceeding previous estimates, attracted attention. Considering that these developments shall prevail, global solar PV and electric vehicle battery production capacities are expected to meet the demand by 2030.

**Energy Storage: Battery technologies and hydrogen solutions developed to balance fluctuations** in wind and solar power have come to the fore under energy storage title. The energy storage market has grown, despite high costs.

Lithium-ion and sodium-ion batteries still hold promise for the industry, with their potential to reduce costs. While the costs of these batteries are expected to decrease further in the coming years, it is likely that we will experience a stable growth process with the momentum to be provided by the energy storage market and the increasing use of renewable energy sources, the expansion of the electric vehicle market and the ongoing technological advances in battery technologies.

**Electric Vehicles (EVs) and Charging Infrastructure:** Pursuant to the International Energy Agency's (IEA) World Energy Outlook 2023 Report, electric vehicles (EVs) accounted for 18% of global automobile sales in 2023, compared to the figure of 4% in 2020. EV sales in 2023 are approximately 14 million and the majority of these sales were realized in China and developed economies. By 2030, the US EV charging market is expected to grow tenfold to 35 million charging points, and the number of EVs in the country is expected to increase to 27 million. Fast charging infrastructure has also been developing in countries such as Norway and Germany and the global EV charging infrastructure market is predicted to grow with a CAGR of 28.8% by 2032. Consolidating its leadership in this field, China has maintained its dominance in the electric vehicle market and has already exceeded its 2025 targets. By 2030, almost half of all vehicles sold are expected to be electric vehicles, which estimate stands out as a clear indicator of the radical transformation in the automotive industry and the global trend towards renewable energy. The development of public charging infrastructure, even ahead of the EV industry, is critical to supporting the widespread use of EVs.



**Hydrogen:** Hydrogen energy has attracted attention in the USA in 2023, with serious policy support and various project announcements. The US goal of producing 10 million metric tons of clean hydrogen by 2030 has recently been expanded to 50 MMT by 2050. It was reported by Deloitte and Global Hydrogen Council that green hydrogen has the potential to meet heavy industry demands and hydrogen use in the global market is expected to reach a size of 642 billion dollars by 2030. The cost of producing hydrogen-based energy is expected to decrease from 5.5-6 dollars/kg in 2022 to 2 dollars/kg by 2050 and its impact on the economy is expected to reach 2.5 trillion dollars by 2050. Solar potential of Türkiye is quite suitable for establishing green hydrogen valleys, and global evaluations in this regard are of great strategic importance for Türkiye.

**Nuclear Energy:** IEA estimates that the global capacity of nuclear energy, the world's second largest low-emission energy source after hydropower, is expected to exceed 700 GW in 2050. As part of the negotiations within the scope of COP28, the future role of nuclear energy was emphasized and a declaration was signed to triple the global nuclear energy capacity by 2030.

### References:

- **Solar Energy**
  - SolarPower Europe
  - Solar Energy Industries Association (SEIA)
- **Wind Energy**
  - Global Wind Energy Council (GWEC)
- **Energy Storage, Electric Vehicles and Hydrogen**
  - IEA

## COP 28 and Türkiye

COP28 (Conference of the Parties) has taken firm steps with regard to the fight against climate change. The summit, which addressed issues such as moving away from fossil fuels, renewable energy and efficiency targets, loss and damage fund, the Global Stocktake, methane, nuclear energy and hydrogen was also a significant turning point for Türkiye.

### Moving Away from Fossil Fuels

At COP28, the emphasis was on moving away from fossil fuels and a fair, orderly transition in energy systems. This is considered the beginning of the end of the fossil fuel age. The oil and gas industry has further pledged to reduce their Scope 1 and Scope 2 emissions to net zero by 2050 and significantly reduce their methane emissions by 2030.

### Loss and Damage Fund

At COP28, the Loss and Damage Fund was established to address irreversible losses and damage caused by climate change. The fund's total commitments have reached \$700 million. However, more financial assistance is needed to cover the estimated annual climate damage of up to \$400 billion. Türkiye is also making efforts to benefit from this fund and has applied to access to the Green Climate Fund.

### Methane Pledge

The Global Methane Pledge covers more than 150 countries that have committed to reducing their methane emissions by 30% by 2030. This pledge refers to setting new and ambitious targets for reducing methane emissions, particularly in the energy, food and waste industries.

### Renewable Energy and Efficiency Targets

COP28 further pledged to triple global renewable energy capacity by 2030 and to double the projects towards improving energy efficiency. These targets are vital to achieve net-zero emission energy systems compatible with the Paris Agreement's 1.5°C limit. Türkiye was not among the signatory countries of this commitment. Even though abstention of Türkiye from the issue has been discussed and criticized from various perspectives by different experts, it is noteworthy that certain growth projections are included in Türkiye National Energy Plan that converge with the commitment to renewable energy and efficiency targets.

### The Global Stocktake

The Global Stocktake within the scope of COP28 addressed how far countries have achieved the Paris Agreement goals. The Summit required countries to review their 2030 targets and set more ambitious targets for 2035. It was emphasized that global greenhouse gas emissions should be reduced by 43% below 1990 levels by 2030 and by 60% by 2035.

### Nuclear Energy and Hydrogen

The roles of nuclear energy and hydrogen in fighting against climate change will become more prominent in future energy strategies. The aim is to triple the nuclear energy capacity by 2050. The development of advanced nuclear technologies and small modular reactors (SMRs) will be key to achieving this goal. The recognition of international certification systems and the adoption of the ISO methodology to facilitate the trade of clean hydrogen within the scope of COP28 strengthens the future role of hydrogen and improves the transparency in this regard.

The energy industry of Türkiye has to make a transition from fossil fuels to renewable energy sources. This transition brings with it various challenges and opportunities such as economic impacts and access to climate finance. The issues of adaptation and resilience are particularly important for Türkiye as it is exposed to climate-related risks due to its geographical location. Adopting sustainable practices in agriculture may provide long-term benefits for food security and rural development. The regulations that Türkiye will enact in its energy, environmental and economic policies will be significant in aligning with global climate trends.

### References:

- COP28 Official Website
- UNFCCC COP28 Page





## ENERGY INDUSTRY IN TÜRKİYE

The energy industry of Türkiye has been witnessing a significant evolution towards alignment with global energy trends and sustainability. Pursuant to the 2023 Energy Outlook Report prepared by the Industrial Development Bank of Türkiye (TSKB), this transformation is shaped by integrating macroeconomic factors, legislative and policy developments, sectoral trends and technological innovations. Efforts to reduce fossil fuels and foreign dependence make the need to transition to low-carbon energy sources even more evident.

The Ukraine-Russia war and the natural gas potential in the Eastern Mediterranean strengthen Türkiye's position as a strategic energy crossroad. This location makes the role of Türkiye in both regional and global energy policies

important. Türkiye National Energy Plan outlines that electricity consumption is expected to reach 510.5 TWh level by 2035, and it is therefore aimed to meet increased electricity consumption from various energy sources.

The analysis with regard to the energy portfolio indicates that, as of 2023, hydraulic energy is the leader with a share of 29.9% and natural gas (24.0%), coal (20.6%), wind energy (11%) and solar energy (10.3%) further have significant shares in the energy portfolio. This diversity in Turkish energy industry paves the way for innovative steps towards sustainability and energy independence. In this context, the future development of the industry requires strategies that will be effective at both national and international levels.

## Türkiye National Energy Plan and Hydrogen Strategy

Türkiye has taken significant steps towards a sustainable energy future with the Türkiye National Energy Plan and Hydrogen Technologies Strategy announced in January 2023. These strategies target economic growth by supporting green energy transformation and further estimate that energy consumption will increase by 39.5% by 2035.

The strategies emphasize reducing dependence on thermal energy and increasing the share of renewable energy sources. In this context, it is aimed to provide 80% of the total electricity production from renewable energy sources by 2035.

To achieve this goal, it is necessary to evaluate the potential of renewable energy sources such as wind energy and solar energy and to encourage investments in these areas. Wind energy potential of Türkiye goes beyond the targets stipulated in the National Energy Plan. Considering this potential will play a significant role in Türkiye's green energy transformation.

As a clean and efficient energy source, hydrogen is expected to play an important role in the future of sustainable energy. Türkiye Hydrogen Technologies Strategy and Roadmap published by Ministry of Energy and Natural Resources aims for

Türkiye to become a global player in hydrogen technologies. The strategy aims to reduce the costs of producing green hydrogen below 2.4 USD/kgH by 2035 and further below 1.2 USD/kgH by 2053. The document further includes various policy recommendations to achieve this goal such as reviewing the legislation, the use of domestic spare parts, certification programs for green hydrogen, R&D incentives and international collaborations.

Policy makers further aim to help Turkish industry reduce its carbon footprint by supporting projects such as TÜBİTAK's South Marmara Hydrogen Coast - HYSouthMarmara Valley Project as well as the production of methanol and ammonia besides green hydrogen. All these strategic steps will contribute to improving the country's energy independence and moving towards sustainability.

### References:

- Türkiye National Energy Plan announced by Ministry of Energy and Natural Resources
- 2023 Energy Outlook Report prepared by the Industrial Development Bank of Türkiye (TSKB)







## Renewable Energy Resources Support Mechanism (YEKDEM) and Renewable Energy Resource Areas (YEKA)

Support mechanisms such as YEKDEM and YEKA, implemented to strengthen the renewable energy industry of Türkiye, have achieved significant success. These policies have been effective in the rise of Türkiye to the first place in Europe and to the fourth place in the world regarding solar panel production and being ranked as the fifth largest producer of wind turbine equipments in Europe. This is a significant success in terms of domestic technology development and employment.

YEKDEM is a mechanism that encourages electricity generation from renewable energy sources. Within the scope of this mechanism, power generation facilities based on renewable energy sources can sell electricity at determined tariffs. These tariffs are determined to cover the costs of renewable energy resources. With the implementation of YEKDEM, Türkiye has

recorded significant improvements in electricity generation from renewable energy sources. As of 2023, 45% of the total electricity generated in Türkiye was provided by renewable energy sources. In 2022, this rate was at 40%.

YEKA is a mechanism that focuses on developing renewable energy resource areas. For the purpose of this mechanism, areas with high potential for renewable energy resources to be developed are identified and investments in these areas are encouraged. Türkiye's inaugural offshore wind power plant is being built within the scope of YEKA. This power plant is planned to be commissioned by 2025. This initiative aims to enrich the renewable energy portfolio of Türkiye and improve security of supply.



## Emission Trading System (ETS) and Carbon Border Adjustment Mechanism (CBAM)

The Emissions Trading System (ETS) is a policy and economic tool used to reduce greenhouse gas emissions. This system allocates a cap for their emissions to businesses in a particular industry. Businesses exceeding this limit should purchase extra permits from the market for additional emissions. This cost tag added to emissions encourages businesses to reduce their emissions. ETS makes significant contributions to efforts aiming to reduce greenhouse gases globally. ETS implemented in the European Union reduced greenhouse gas emissions by 21% throughout the period between 2013-2020. ETS, which will be executed in Türkiye by Enerji Piyasaları İşletme A.Ş. (EPİAŞ) will be effective by 2024.

The EU's Carbon Border Adjustment Mechanism (CBAM) is a tool developed within the framework of the Paris Agreement and the European Green Deal to affect foreign trade and is applied as a tax or administrative measure to the imported products with high greenhouse gas emissions. CBAM aims to contribute to importing countries' reducing their greenhouse gas emissions by reducing the emissions of imported products.

Türkiye will inevitably be affected by this regulation. In particular sectors such as iron and steel, cement, fertilizer, electricity, aluminum and hydrogen will be directly affected by this regulation. As Türkiye is among the countries with high export figures to the EU, this regulation will have significant effects on its export performance. Analyzes conducted by SHURA Energy Transition Center indicate that a domestic transition to carbon pricing and focusing on production technologies that will reduce carbon emissions will help minimize the effects of CBAM.

Companies operating in the renewable energy sector, such as Zorlu Enerji, may be indirectly affected by this regulation. Efforts to reduce carbon emissions, particularly in the energy industry, will improve the competitiveness of such companies and reduce the possible negative effects of CBAM.

## Energy Storage Legislation and Other Regulatory Developments

The Energy Market Regulatory Authority's (EMRA) Amendments to the Legislation Regarding Storage Activities in the Electricity Market entered into force after being published in the Official Gazette dated 19 November 2022. Within the scope of the amendments, it has been stated that entities that undertake to integrate electricity storage unit within their electricity generation facility or those that undertake to construct electricity production facilities after obtaining a license as an electricity storage facility will hereinafter be classified as "electricity generation facility with storage".

The amendment to the regulation redefines the integration and classification of electricity generation and storage facilities, creating new opportunities for the development and operation of both existing and new projects. In particular the opportunity granted to storage facilities to increase their wind and solar energy capacities provides the means for the flexibility and expansion of renewable energy projects. The operations of storage units to supply to and

receive energy from the grid are not covered by incentives or purchase guarantees which may impact the company's energy management strategies and compliance with these new regulations may further require some operational changes.

In the first half of 2023, Turkish Energy Market Regulatory Authority (EMRA) granted the first preliminary licenses to 12 large-scale projects integrating energy storage units with wind and solar energy capacities. These licenses, that have a total capacity of 744 MW, are the first examples granted since November when Türkiye enacted its energy storage legislation.

These developments help Türkiye adopt innovative and sustainable approaches in the energy industry. Integration of renewable energy sources and development of storage technologies are of critical importance for the future growth and diversity of Türkiye's energy industry.

## Agrivoltaic Agriculture System (Agrisolar System)

Agrisolar farming system is an innovative approach that integrates agriculture and solar energy generation facility on the same land. This system, which was introduced in 1982, aimed to promote sustainable agriculture and energy production. Solar panels integrated into agricultural lands support both electricity generation and agricultural activities. This approach offers a significant solution at a time when the need for food, clean water and energy is increasing worldwide.

The agrisolar system promises great hope, in particular for countries with limited land resources. Scientific studies reveal that some plants grow more efficiently under solar panels. Owing to the wide agricultural lands and high potential to benefit from solar energy, Türkiye is considered among the countries that can successfully implement this system. Considering the significance of the agricultural sector for Türkiye in terms of economy and employment, the possible contributions of Agrisolar systems to the country's agriculture cannot be ignored.

However, various factors should be taken into consideration for these systems to be successful. Climate, soil properties, environmental conditions, flexibility of the systems, implementation and cooperation opportunities, crop selection and cultivation techniques are among these factors. There is an increasing interest to this field in Türkiye, and Agrisolar projects are implemented thanks to public and industry collaboration.

Inaugural agrivoltaic pilot project of Türkiye has been implemented within the scope of which solar panels mounted on the garden are used to grow vegetables and to generate solar energy at the same time. The project is suitable for vegetables such as spinach and kale as well as perennial plants such as blueberries. The installed capacity of the facility is supported by a 20 kWh photovoltaic unit and a 24 kWh battery. The electricity generated will primarily be used for local needs and will then be connected to the grid with a mini hybrid system.







# ABOUT ZORLU ENERJİ

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

With our strong vision, we have created an effective energy portfolio by expanding in the domestic and foreign markets in line with the goal of becoming the leading energy company of Türkiye. We have an integrated structure that allows us to engage in solar panel trading and installation, electric vehicle charging station sales and electric vehicle rental in addition to our electricity generation, transmission and distribution, natural gas trading and distribution activities and to provide end-to-end services. Our commitment to sustainability and social responsibility contributes to the trust and loyalty in our company.

**As a company committed to sustainability and social responsibility, we play an active role in environmental protection, energy efficiency and social development.**

Commitment of Zorlu Enerji to renewable energy is strongly reflected in the strategic investments made in hydroelectric, wind, geothermal and solar power plants. We aim to increase the share of renewable energy in our production portfolio, particularly geothermal energy and solar energy, and to improve our resource diversity. We pursue our activities with the principle of supporting clean energy supply of Türkiye and improving our production capacity.

**As the first energy company in Türkiye, reporting its greenhouse gas emissions in accordance with the ISO 14064-1 standard, we attach utmost importance to sustainability and transparency.**

As the first in our industry participating in the CDP-Carbon Disclosure Project, we annually report our carbon footprint and strategies for reducing thereof and share we disclose these data to the public and to our investors. In line with the goal of fighting against the climate crisis and to achieve a sustainable future, we have implemented the Zero Carbon Footprint Forests Project. In order to raise awareness about Climate Change, we calculate the carbon footprint of our stand and the visitors of our stand at all fairs and summits we participate in and we undertake afforestation activities in the regions where we operate.

**We are a member of the United Nations Global Compact within the scope of the sustainability-oriented change and transformation movement we have implemented in line with the Smart Life 2030 vision.**

In this context, we have implemented various policies and practices that will promote gender equality and women's empowerment in the workplace. Taking

firm steps to reduce our environmental impact and undertake our activities within the framework of social responsibility awareness, our company has been accepted as a signatory to the "Women's Empowerment Principles" thanks to our efforts in these areas and has emphasized its commitment to gender equality and women's empowerment.

**As a responsible corporate citizen, we wholeheartedly believe in the significance of giving back to the society that we serve.**

In this regard, we support various community development projects focusing on education, health and environmental protection. Owing to these efforts, we aim to make positive contributions to the lives of people in the regions where we operate and to actively contribute to sustainable development.

**Employee safety is a critical element of our sustainability strategy**

We work meticulously to ensure that all our employees have a safe working environment and have access to necessary training programs. Thanks to the security culture we have adopted, we minimize operational risks and commit to maintaining high quality and reliability levels in our services.

» **As Zorlu Enerji, we will keep working to achieve a sustainable future with the responsibility of being a leading brand in Turkish energy industry.**

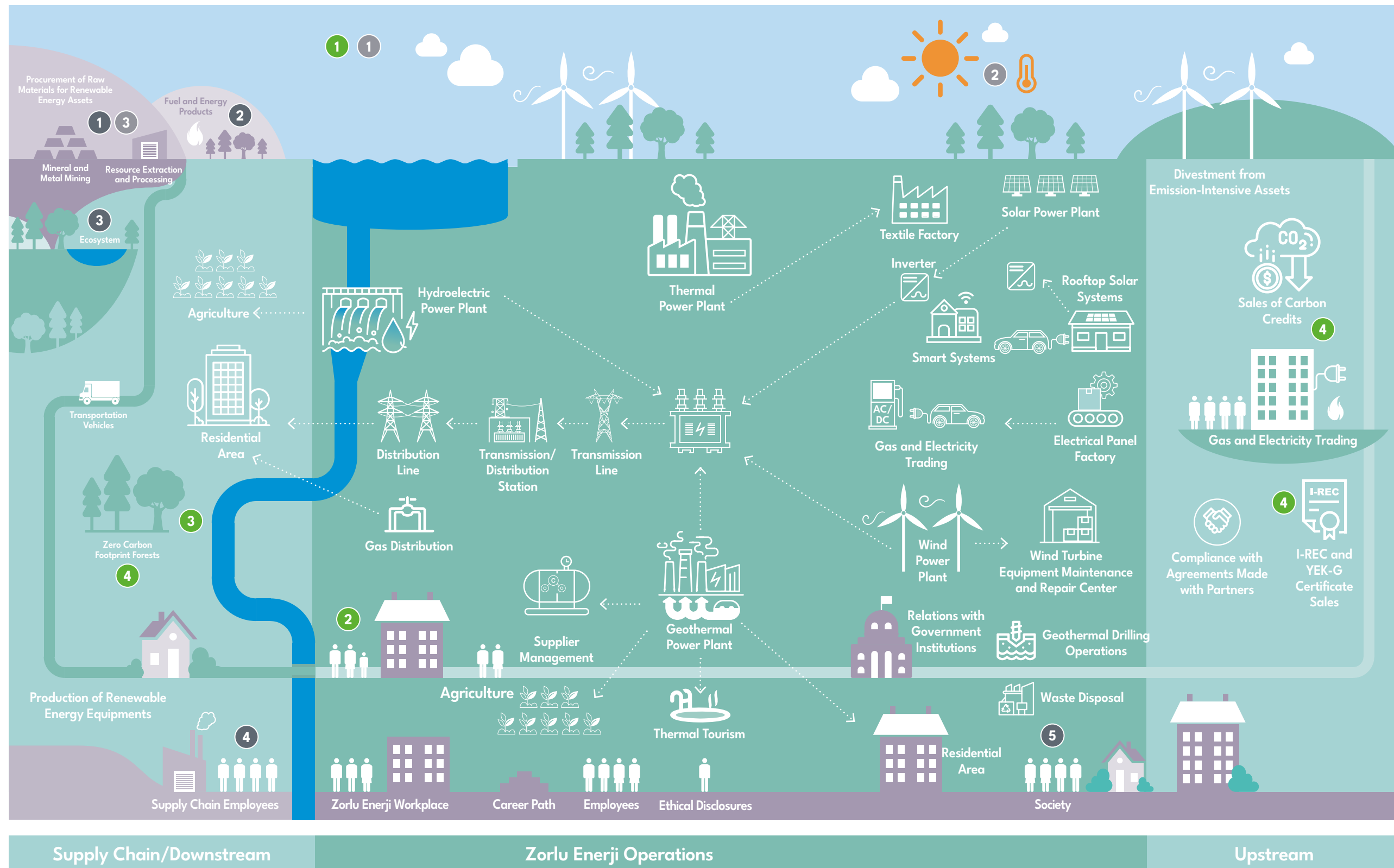






# Zorlu Energy's Areas of Operation and Interaction

An overview of the Value Chain and Sector Map—highlighting the positions of our significant sustainability-related impacts and risks along the value chain.







## Energy Generation

As one of the leading energy companies of Türkiye, we have a total installed power capacity of **996,15 MW** in five main energy sources: geothermal energy, wind energy, solar energy, hydroelectric energy and natural gas.



**With our installed capacity in Türkiye, we provide 100% of our electricity production from renewable energy sources.**

By the end of 2023,

- Our installed capacity in geothermal energy is **305 MW**
- Our installed capacity in solar energy is **1.5 MW**

- Our installed capacity in wind energy is **191 MW**
- Our installed capacity in hydraulic energy is **119 MW**

We provide **87% of our installed power in Türkiye and 62% of our total installed power from renewable sources and we aim sustainable growth in this regard.**

**We meet 18% of the total capacity of Türkiye in geothermal energy generation.** We aim to consolidate our leadership in this segment and increase our current installed capacity of 305 MW to approximately 600 MW by commissioning these fields. We have recently increased the share of renewable energy in our total installed capacity in Türkiye, particularly with our investments in geothermal energy. This rate, which was 34% in 2012, increased to 87% by the end of 2021. While 62% of our total installed power is based on renewable energy sources, we provide almost all of the electricity we produce in Türkiye from renewable energy.

We have been generating electricity with the 7 hydroelectric power plants we added to our portfolio within the scope of privatization. 135 MW Gökçedağ Wind Power Plant, one of the largest wind power plants in Türkiye, is also included in our production facility portfolio. We further aim to increase the share of renewable energy in our production portfolio, particularly geothermal energy and solar energy, and to improve our resource diversity. We pursue our activities with the principle of supporting clean energy supply of Türkiye and improving our production capacity.

**We are the leading geothermal energy producer of Türkiye.**

In order to improve the production efficiency in geothermal energy and to contribute to the country's efficient electricity production, we are popularizing ESP (Electrical Submersible Pump) applications, which is safer and provides a 10-15% increase in efficiency in energy production, in our geothermal fields.

**We are further working to transform our geothermal, wind and hydroelectric power plants into Combined Cycle Renewable Energy Power Plants by installing solar energy.**

We first commissioned the 3.75 MWp solar power plant at Alaşehir Geothermal Power Plant at the beginning of 2023. At the end of the capacity increase in other power plants, we will have installed another 104 MWp solar power plant in total. Within the scope of our preliminary license applications for the Thrace region, which is efficient with wind power, we received

pre-license for the Tekirdağ Yeniçiftlik and Lüleburgaz Hamitabat projects and the wind energy power plant with storage unit of 375 MW in total. Immediately after obtaining the pre-license, we started our engineering work by installing wind measurement poles. Our 240 MWp solar energy pre-license application regarding the installation of solar energy power plants with storage unit is also being evaluated by EMRA. Energy storage systems, which will assume a significant role in the energy industry of the future, will help stabilize supply and demand by storing the excess energy generated during low-demand periods and release it when demand is high. This will further support the most efficient use of renewable resources and help stabilize energy supply demand by providing a more consistent and reliable power supply in the long term.

With the implementation of YEKDEM (Renewable Energy Resources Support Mechanism) for the third time in May 2023, which is described as a significant mechanism in increasing the installed capacity of renewable energy in Türkiye, the term of power purchase guarantee agreements (PPAs) was determined as 15 years for geothermal power plants and 10 years for other renewable energy plants. We believe that this regulation is extremely significant for access to financing facilities for new renewable energy investments in our country and for attracting foreign investors to our country.

Thanks to our production facility portfolio spread across different geographical regions of Türkiye and based on different renewable energy sources, our project investments whose foundations have already been laid today, our balanced financial structure, our digital energy management and engineering skills and our environmental, social and governance-oriented management approach, we think that both domestic and foreign investors will take an interest in the public offering that is planned to be finalized in the first half of 2024. As a new generation energy company, we will continue to operate at every point where technology and energy intersect after the public offering. We will transfer the knowhow and experience we have acquired to preferentially contribute to the sustainable economic development of our country and to achieve our company's growth targets.

### Highlights

**Public Offering:** Zorlu Enerji has started preparations for the public offering of some of the shares of Zorlu Yenilenebilir Enerji Anonim Şirketi (ZORYEN) which represents its renewable energy assets.

**First Power Plant with Storage Unit:** With the Yeniçiftlik WPP that will be established in Tekirdağ and the Hamitabat WPP to be established in Kırklareli, Zorlu Enerji will add electricity generation facilities with storage units to its portfolio for the first time. The company will have a wind power plant with storage unit with a total capacity of 375 MWe based on the investments to be realized with the preliminary licenses it has received.

**First Hybrid Power Plant of Türkiye:** Zorlu Enerji has commissioned the combined renewable electricity generation facility at the Alaşehir Geothermal Power Plant in Manisa, which will produce both geothermal and solar energy at the same time and will be one of the pioneers of this field in Türkiye.

## Electricity and Natural Gas Distribution and Trade

### ELECTRICITY DISTRIBUTION AND RETAIL SALES

As of 2017, we have engaged in the fields of electricity distribution and retail electricity sales by purchasing the outstanding shares of Osmangazi Elektrik Dağıtım A.Ş. (OEDAŞ) and Osmangazi Elektrik Perakende Satış A.Ş. (OEPSAŞ). One of the primary reasons for us to engage in energy distribution was to expand our investments in digitalization. We believe that the more we digitalize the system, the more we will become the company of the future. Currently, we stand out among many distribution companies as a company that rapidly digitalizes and makes investments.

We have already achieved a stable growth in electricity distribution and we further plan to invest 75 million dollars by the end of 2025.

**OEDAŞ**

**SAIDI (System Average Interruption Duration Index) Distribution Network:**  
**17.3** hours

**SAIFI (System Average Interruption Frequency Index):**  
**20.99** hours

**Distribution (% leakage):**  
**6.94%**

## OEDAŞ

OEDAŞ operates in a wide range of fields such as management of electricity distribution, maintenance, repair, renewal operations, network expansion, R&D, power increase and technology investments in the Osmangazi Electricity Distribution Region. The company is responsible for reading and maintaining the power meters of subscribers in the region and thereby ensures the continuity of energy supply in line with demand forecasts and investment plans. OEDAŞ is also obliged to install and operate the lighting and measurement systems of boulevards, avenues, streets, underpasses, overpasses, bridges, squares, intersections, walkways and pedestrian crossings in public areas excluding highways and controlled-access highways. The company further purchases electricity in order to compensate for electricity leaks occurring in the region.

Aiming to continuously improve its supply and service quality, OEDAŞ increased its number of customers and reached approximately 2,035 million subscribers by the end of 2023. In order to further strengthen the electricity distribution network and to eliminate the deficiencies in the Osmangazi region, a total investment of approximately TRY 851 million was realized in 2023. These investments include significant steps towards the modernization and expansion of the region's energy infrastructure. These initiatives reinforce OEDAŞ's commitment to providing uninterrupted and quality electricity to consumers. Our electricity supply reliability has also been verified with externally calculated indicators. In 2023, the average supply interruption was 20.99 hours according to the System Average Interruption Frequency Index (SAIFI), and the average annual unplanned power outage duration was 17.3 hours according to the System Average Interruption Duration Index (SAIDI).

## OEPSAŞ

OEPSAŞ, as the supply company in Osmangazi Electricity Distribution Region, provides electricity to regulated consumers at retail sales tariffs approved by the Energy Market Regulatory Authority (EMRA). In addition, it sells electricity to eligible consumers throughout Türkiye, without regional restrictions.

The customer portfolio of OEPSAŞ consists of two main groups: the customer group using regulated tariffs (K1) and the customer group purchasing energy within the framework of bilateral agreements by exercising free consumer rights (K2). Energy supply for both customer groups is provided from different sources. Energy for the K1 group is mainly purchased through Elektrik Üretim A.Ş. (EÜAŞ) and Enerji Piyasaları İşletme A.Ş. (EPIAŞ), while energy for the K2 group is supplied from other suppliers and EPIAŞ through bilateral agreements.

### Highlights

**Customer Satisfaction:** We achieved 92% customer satisfaction in the call center satisfaction survey conducted for OEPSAŞ.

**Number of Female and Male Employees:** We equalized the number of male and female employees in our company; the rate of female managers was increased to 100% in Afyon and Bilecik and to 50% in other provinces.

**Effective Maintenance:** OEDAŞ first underwent maintenance and then increased the line length by 113% annually, reducing unplanned power outages by 15%.





## NATURAL GAS DISTRIBUTION AND TRADE

In June 2018, we took a concrete step for engaging in the natural gas distribution by acquiring 90% of the shares of Trakya Bölgesi Doğal Gaz Dağıtım A.Ş. and Gazdaş Gaziantep Doğal Gaz Dağıtım A.Ş. With this strategic move, we have moved to a leading position in natural gas distribution.

Trakya Bölgesi Doğal Gaz Dağıtım A.Ş. Was incorporated in 2005. It operates in Edirne, Kırklareli, Tekirdağ and various districts. It has a line length of 5,112 kilometers with a 30-year license. In 2023, 1,249 billion m3 of natural gas was consumed.

Gazdaş Gaziantep Doğal Gaz Dağıtım A.Ş. was incorporated in 2005. It operates in Gaziantep and its surroundings. The company traded 716 million m3 of natural gas in 2023.

Zorlu Doğal Gaz Tedarik Ticaret A.Ş. was incorporated in 2010. It operates in the field of natural gas supply and trade, and in this context it supplies natural gas from domestic and foreign sources. It offers wholesale gas sales and gas distribution services. The company traded 227 million m3 of natural gas in 2023.

As Zorlu Enerji, we are a key player in natural gas distribution and supply. We are determined to maintain our leading position in the industry. We deliver high quality natural gas uninterruptedly and without harming the environment. Together with both our distribution companies and Zorlu Doğal Gaz Tedarik, we contribute to the energy security of Türkiye.

Our vision is to be the leading company of Türkiye in natural gas distribution and supply, to provide the best service to our customers and to maintain our investments for a sustainable future whereas our values are reliability, quality, customer focus, transparency and sustainability.

- We reached 417 thousand\* subscribers in the Thrace Region ("Trakya Doğal Gaz") and;
- 408 thousand subscribers in the Gaziantep Region ("Gaziantep Doğal Gaz").

### Highlights

#### ● Safety and Quality Focused R&D Projects:

- Zorlu Holding invests in human-oriented ecosystems and regenerative business models in line with its Smart Life 2030 vision.

- In 2023, we successfully completed the "Polyethylene (PE) Lines Non-Channel Domestic Gas Cutting Equipment" R&D project, which was approved by the EMRA R&D Commission. This project enables our operators in the field to quickly and safely cut off the gas flow in natural gas pipelines.

- Zorlu Enerji Calibration Center was accredited by TÜRKAK (Turkish Accreditation Agency) for confirming the validity of scientific methods in the Turbine/Rotary Type Industrial Natural Gas Meters.

#### ● Assistance Provided After the Earthquake:

We acted quickly and devotedly after the earthquake in Gaziantep in 2023. In Gaziantep, where natural gas supply was interrupted due to the earthquake, we ran tests on approximately 4 thousand km of pipeline, under the leadership of Zorlu Enerji, with a team of 300 people and 170 vehicles and we restored the natural gas supply to the entire network and buildings following the security measures taken.



**We extend our heartfelt gratitude to all teams and supporting public and private institutions that contributed to the swift completion of meticulous and dedicated work in harmony, covering industrial, public, and residential areas in our operational region affected by the earthquake. Your efforts to heal the region's wounds and build a better future are deeply appreciated.**



**As Zorlu Enerji, we once again express our condolences to our entire nation. We wish Allah's mercy upon all citizens who lost their lives, extend our condolences and patience to their families and loved ones, and wish a swift recovery to the injured.**



\* Number of independent units





## PRODUCTS AND SERVICES

### ELECTRIC VEHICLE CHARGING STATIONS AND SMART SYSTEMS

As Zorlu Enerji, we make significant investments to support the spread of electric vehicles in line with our aim to reduce carbon emissions and contribute to our sustainable development goals. Considering the 20% share of road vehicles in carbon emissions globally, the significance of our work in this field doubles. The IEA's Sustainable Development Scenario estimates that the share of electric vehicles in all vehicle sales will reach out to 41% by 2030 and to 52% by 2050, in line with net zero emissions targets.

In this context, we have been providing fast charging services both in the city and on intercity roads by establishing electric vehicle charging stations throughout Türkiye and abroad under the Zorlu Energy Solutions (ZES) brand which we launched in 2018, thereby we not only aim to facilitate the driving experience of electric vehicle users in Türkiye but also accelerate the electric vehicle revolution. In line with users' demands, we also install charging stations in residential areas and workplaces. ZES further provides services by establishing electric vehicle charging stations in Northern Cyprus and Montenegro.

➤ **In 2023, we opened 1,728 new charging stations at 635 locations.**

**By 2023, we have reached an infrastructure that can simultaneously provide charging services:**

- in 81 provinces
- at 934 charging points across Türkiye
- to 1,605 vehicles.

As Zorlu Enerji, we have further offered a low-carbon emission and environmentally friendly transportation alternative by introducing the first electric vehicle sharing platform of Türkiye: Electrip. In line with our mission to be renown as the green and clean energy company of the future, we will keep on offering innovative solutions for a sustainable world and we will reinforce our leading position.

As ZES, we have been certified with the International Renewable Energy Certificate (I-REC) on the grounds that the electricity provided for the electric vehicles, one of the most important pillars of a sustainable future, is derived from renewable energy sources. With this approach, we have adopted to accelerate industrial transformation and digitalization as our mission.

As Zorlu Enerji, we are progressing towards investing in new generation technologies that will facilitate the driving experiences of electric vehicle owners and will accelerate the electric vehicle revolution. We contribute to the aim of pioneering the digitalization and transformation processes in the industry with our work to develop and expand the electric vehicle ecosystem. In line with this vision, we will keep on taking firm steps towards the future with a sustainability and innovation-oriented approach.

#### Highlights

- **R&D and Innovation** We receive support from EMRA at the national level for our electric vehicle charging stations and energy storage projects while we contribute to innovation internationally by partnering with the echarge4Drivers project executed within the scope of the European Union's Horizon 2020 program.
- \* **Pioneering Role in the Industry:** The electric charging stations we have established in Türkiye under the Zorlu Energy Solutions (ZES) brand contribute to popularizing economical, zero-emission and silent electric vehicles while also guiding the industry. The Electrip platform, established by Zorlu Enerji, is the first electric vehicle sharing platform of Türkiye.
- \* **Strong International Collaborations:** We established a 50 percent partnership with WrenHouse Infrastructure LTD fund within the scope of our ZES operations. The successful work and services we provide on energy systems that will shape the future assume a significant role in many international organizations choosing us as partners.
- \* **International Growth Strategy:** While expanding our electric vehicle charging station network in Türkiye, under the ZES brand, we are pursuing a Europe-focused international growth strategy with the Electrip brand. We have been operating under the Electrip brand in 22 countries including Italy, France, Greece, Bulgaria, Poland, Croatia and Montenegro. Persisting our investments under the umbrella of Electrip Global, we are taking firm steps towards our goal of becoming a global electric vehicle charging station operator.



## SOLAR PANEL TRADE

Zorlu Enerji is one of the leading players in Türkiye in the field of solar energy. The company provides a wide range of services from production to consultancy, from panel rental to export. Since 2016, the company has undertaken the dealership of world-renowned companies such as First Solar, SolarEdge, Jinko Solar, Enphase and Solis in Türkiye.

These strategic collaborations have enabled us to achieve significant success both in Türkiye and surrounding countries by selling over 650 MW of solar panels and over 75 MW of inverters and accessories. We maintain our impact in the industry by serving as a supplier and implementer to global companies in photovoltaic solar energy investments, particularly in the fast moving consumer goods and fuel industry.

We have been the choice of investors with the projects implemented in 2023. The activities and investments of Zorlu Enerji in the field of renewable energy contribute to the global energy transformation.

## EPC, MAINTENANCE AND OPERATIONS

Zorlu Enerji has focused on research and investment activities in the field of solar energy, taking advantage of the increasing energy demand and liberalization processes in the Asian and Middle Eastern markets. The Company installed a wind power plant in Pakistan with 56.4 MW capacity and has further taken steps in solar energy projects and initiated the Bahawalpur Solar Power Plant project in Punjab Province with 100 MW capacity in 2017. A 25-year production license has been obtained for this project and it is planned to be commissioned soon. Zorlu Enerji, one of the pioneers of the renewable energy industry of Türkiye, aims to establish solar energy power plants with a total installed capacity of 100 MW in Palestine within the framework of the "Joint Venture Agreement" concluded with JDECO.

Drawing attention with its innovative steps in wind energy, Zorlu Enerji concluded a strategic partnership with the German technology company Schaeffler and set up the "Zorlu Repair and Replacement Center" in Denizli to undertake the maintenance and revision of major equipment of wind turbines. This center has the capacity to undertake the repair and maintenance of critical components used in wind turbines with domestic resources, thus aims to increase the use of domestic resources and create employment opportunities in the industry. Pioneering wind energy investments in Türkiye, Zorlu Enerji has improved its potential to provide services at an international level in this field with its collaboration with Schaeffler.

#### Highlights

- **Wind Energy Maintenance Services:** We have concluded a strategic partnership agreement with Schaeffler to develop workshop level maintenance services for major equipments of wind turbines and offer innovative solutions in this regard. Within the scope of this partnership, we established the "Zorlu Repair and Replacement Center" in Denizli for providing full repair and maintenance services for wind turbine components.
- **Eskişehir Electrical Panel Plant:** We are proud to make a significant contribution to the ZES Electric Vehicle Ecosystem with our Panel Production Plant which we put into operation in Eskişehir in 2023. The plant was primarily designed to meet the operational requirements of ZES charging stations by producing the specific electrical panels required by electric vehicle charging stations. This plant contributes to the popularization of electric vehicle charging stations and the electric vehicle revolution.



#### Highlights

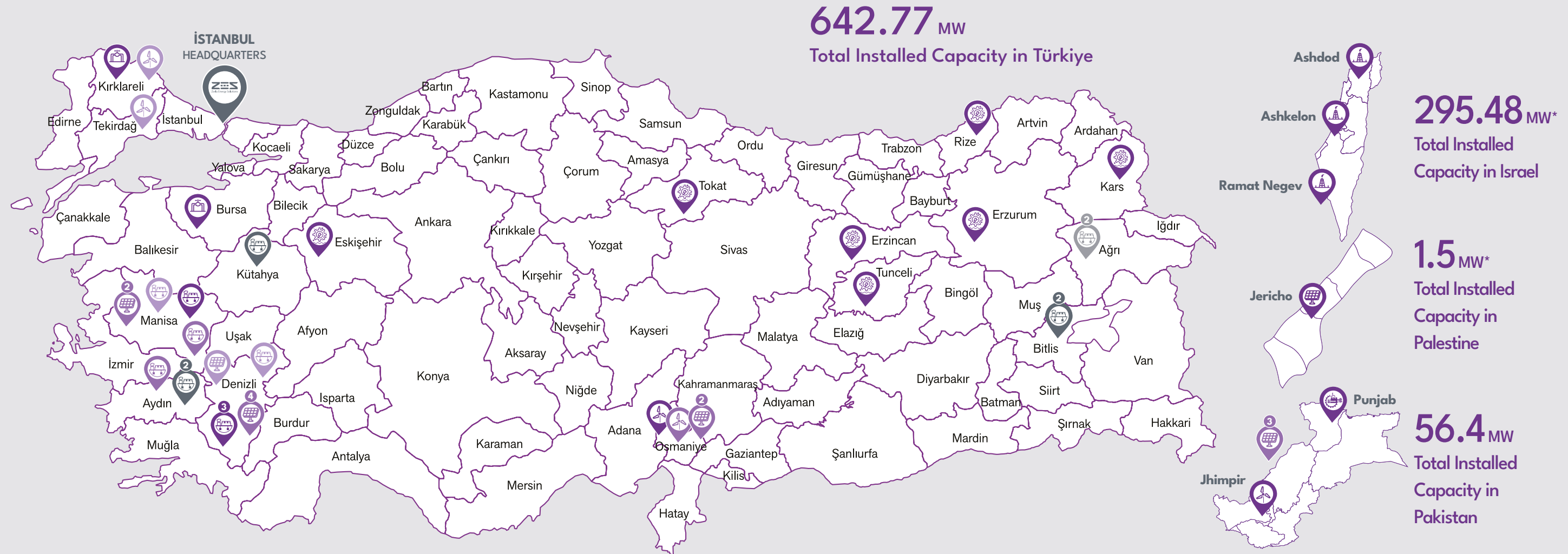
- **Roof-Top SPP Trainings:** We are leading the process of popularizing the use of solar energy for fighting against the climate crisis and reducing carbon emissions. We are contributing to raising interest in solar energy with our Domestic Rooftop SPP trainings that we have initiated in Izmir within the scope of our collaboration with the world-renown energy management technology company Enphase.
- **Investors' Choice:** We have been the choice of investors in 2023. This demonstrates confidence in our expertise and reliability in the field of solar energy.







## INSTALLED CAPACITY AND INVESTMENTS OF ZORLU ENERJİ

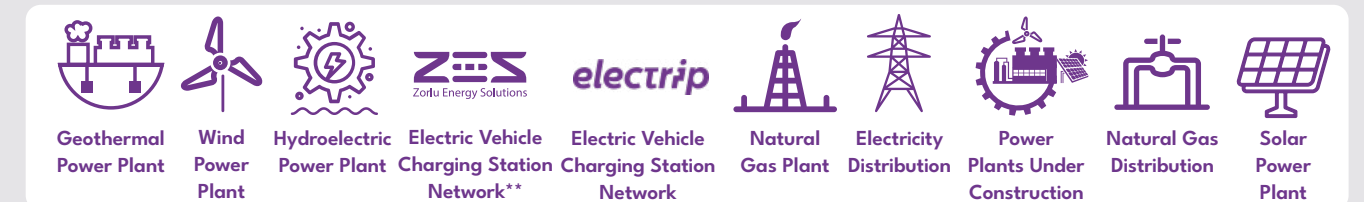


## Installed Capacity in Türkiye

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

## Installed Capacity Abroad

Power Plant	Location	Electricity Generation Capacity (MW)
Natural Gas	Israel	290.48
Wind	Pakistan	56.4
Solar	Palestine	1.5



For detailed information on location-based production capacity, please refer to pages 376-377.

\* By partnership interests

\*\* Throughout Türkiye, by 2023: As of 2023, ZES has reached the infrastructure that can serve 1,605 vehicles simultaneously at 934 points in 81 provinces across Türkiye.

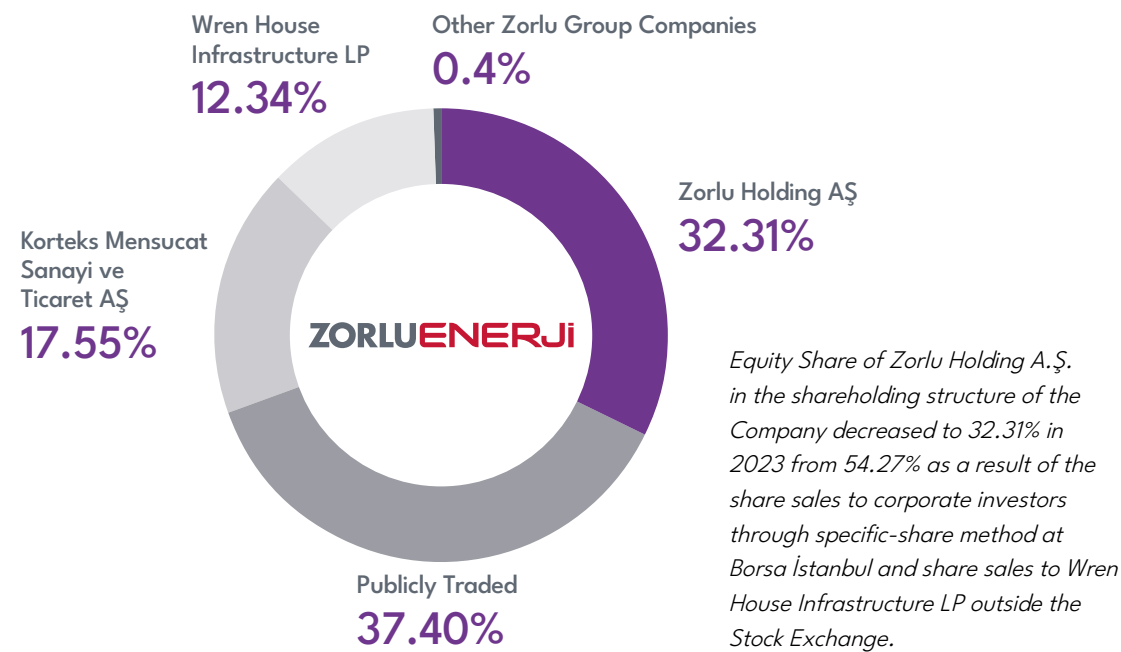




## Zorlu Enerji Shareholding Structure

Shareholders - Equity Share (%)

Zorlu Enerji's paid-in capital as of 31 December 2023 is **TRY 5,000,000,000** and the company's shareholding structure and capital distribution are as follows:



## 2023 Performance Indicators

		Unit	2021	2022	2023
People and Culture	Number of Employees	Female	401	450	523
		Male	11,955	2,286	2,278
	OHS Accidents Incidence Rate (%)	Female	1.59	0	0
		Male	3.01	2.23	7.5
	Training Hours per Employee		8.96	9.63	6.82
Economic			2021*	2022	2023
	Net Sales (TRY mio)		11,635	38,806	27,281
	Gross Profit Margin (%)		16%	13%	14%
	EBITDA* (TRY mio)		3,709	12,376,276	11,386,497
	EBITDA Margin (%)		32%	32%	42%
	Total Investments (TRY)	R&D Investments	9,873,590	16,173,842	26,020,647
		Environmental Investments	10,172,624	7,838,884	15,650,383
		Social Investments	2,500,000	7,300,000	53,370,846

\*The data for the years 2022 and 2023 were calculated according to inflation accounting, no inflation accounting adjustments were made for 2021.



				2021	2022	2023
Environment	Emissions	Zorlu Enerji	tCO <sub>2</sub> e/Gross Generation (MWh)	0.48	0.41	0.28
		GAZDAŞ	tCO <sub>2</sub> e x 10 <sup>6</sup> /ENH Length (km)	4.55	4.37	4.14
		OEDAŞ	tCO <sub>2</sub> e x 10 <sup>6</sup> Gas Distribution (Sm <sup>3</sup> )	4.6	5.5	7.58
	Water	Withdrawn Water (tons)		1,835,103,127	1,980,090,152	2,234,409,243
		Water Consumption (tons)		100,295,239	109,479,077	119,012,919
	Waste	Recycled Waste (tons)		45,890	16,322	38,745

\*Scope 1 and Scope 2 emissions were taken into account for the calculations.

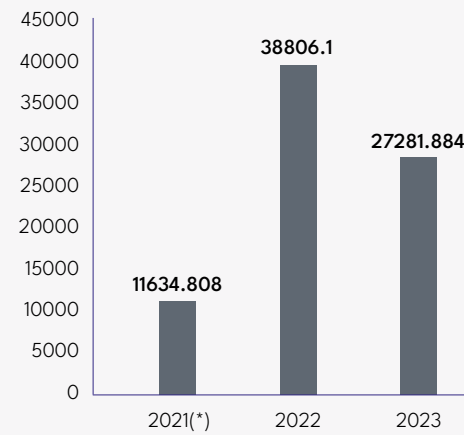
### Breakdown of Net Sales by Country

1 January - 31 December 2023 (million TRY)	Electricity Distribution	Natural Gas Distribution	Retail and Wholesale Electricity Sales	Production, trade and other		
Sales	Türkiye	Türkiye	Türkiye	Türkiye	Pakistan	Palestine
	6,456	0	13,803	6,591	427	5

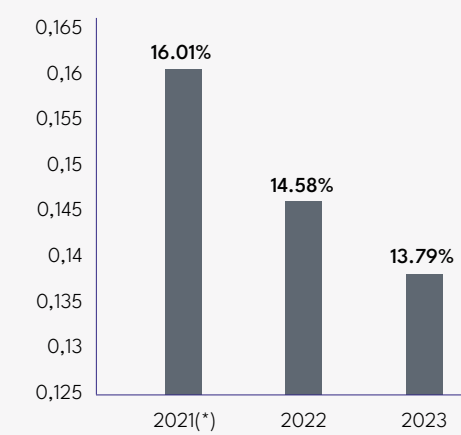




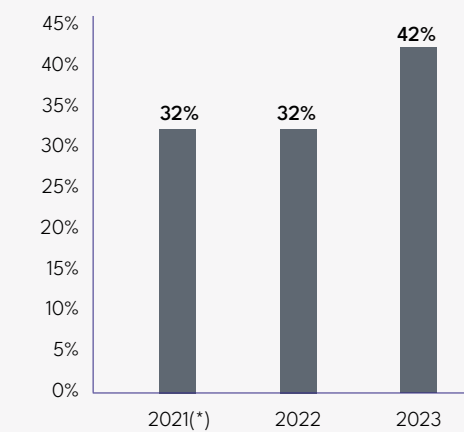
## Net Sales (TRY mio)



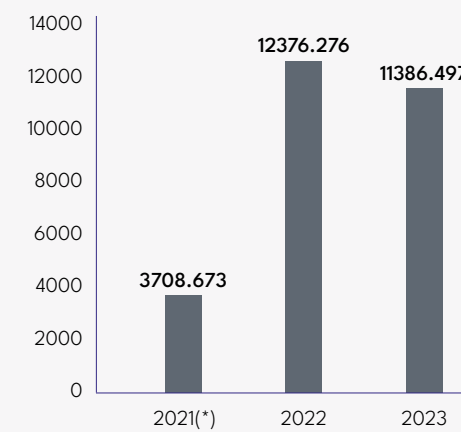
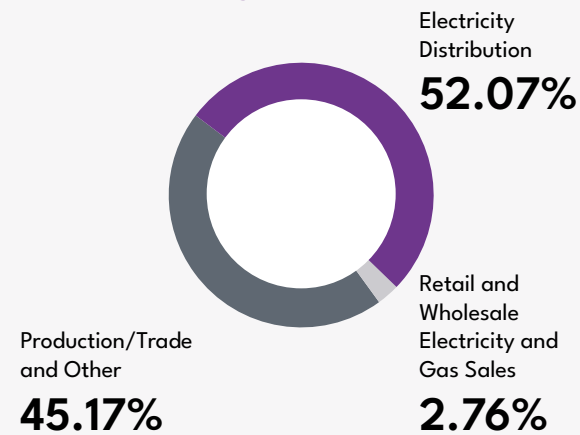
## Gross Profit (%)



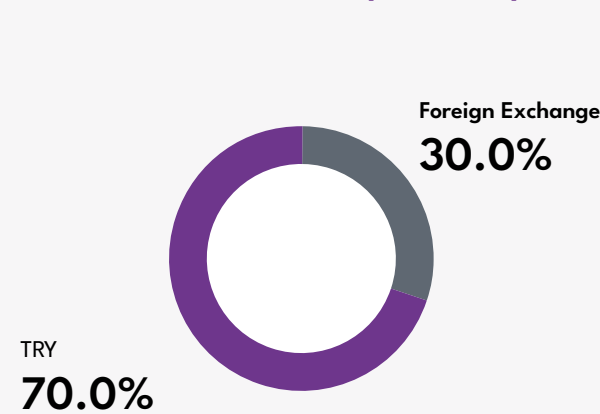
## EBITDA Margin (%)



## EBITDA (TRY mio)

Breakdown of EBITDA  
by Business Segment

## Breakdown of EBITDA by Currency



## 2023 Summary Pricing Information

Number of Shares

500,000,000,000

Number of Publicly Traded Shares

186,998,091,756

Annual Highest Price (TRY)

7.01

Annual Lowest Price (TRY)

2.46

Year End Price (TRY)

4.23

Market Value\* (Million TRY)

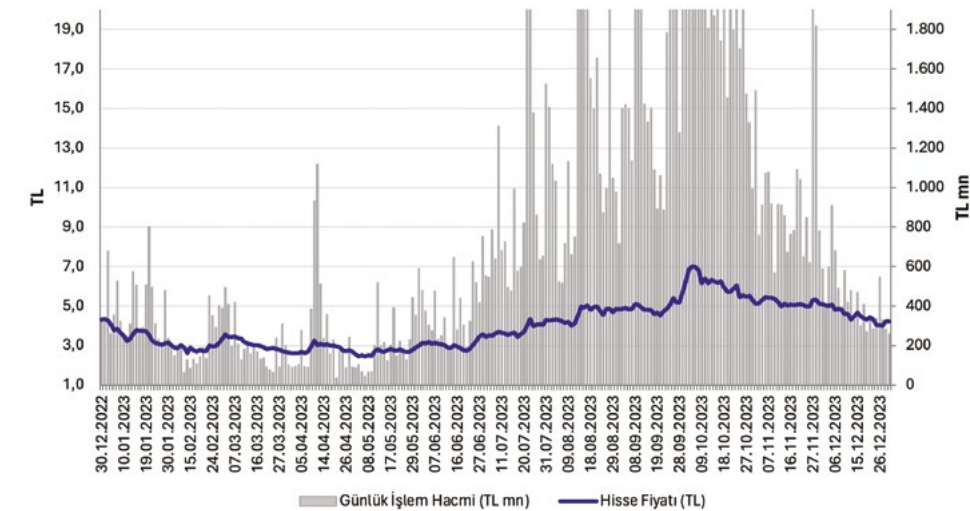
21.150

\*As of 29.12.2023

## Zorlu Enerji Shares

Zorlu Enerji Elektrik Üretim A.Ş. ("Zorlu Enerji" or the "Company"), 20% of whose shares were offered to the public in 2000, is traded on the Borsa İstanbul (BIST) under the ticker ZOREN. 37.40% of the company's shares are qualified to be traded on Borsa İstanbul. Zorlu Enerji, the first energy company to go public in Türkiye, is currently traded on the STAR MARKET / OUTRIGHT PURCHASES AND SALES MARKET (AMONG QUALIFIED INVESTORS) as of the end of 2023. Zorlu Enerji is included in BIST BURSA / BIST 100-30 / BIST ALL / BIST SUSTAINABILITY / BIST STAR / BIST SUSTAINABILITY 25 / BIST SERVICES / BIST ELECTRICITY / BIST 500 / BIST 100 / BIST 50 indices

## Stock Price Performance



## Relative Performance







## Our Awards



### Stevie Business Awards

In Stevie Awards Business Awards, considered as one of the most prestigious business awards in the world, we were awarded:

● **Golden Stevie:** For quickly and effectively intervening in times of disaster with our “The Management of Earthquake Crisis” project,

**Silver Stevie:** For demonstrating superior customer services performance under the ZES brand, in the “Customer Services Department of the Year” category,

**Bronze Stevie:** For providing quality technical assistance by prioritizing customer satisfaction with our “Best Technical Assistance Service” project.



### 8. A.C.E

#### (“Achievement in Customer Excellence”) Awards

We were deemed worthy for the “Diamond” award for the fifth time in the energy category. This award is a result of our investments in digitalization and technology to improve customer experience. This outstanding success achieved in the customer satisfaction category confirms our leadership in the industry along with our customer-oriented approach.



### Low Carbon Hero Award

We were awarded “Low Carbon Hero” for the fifth time this year within the scope of the 8. Istanbul Carbon Summit hosted by Istanbul Technical University (ITU). We have pioneered the environmentally friendly technologies and innovation category by reducing emissions from geothermal power plants to zero with our GECO (Geothermal Emission Control) project.



### ICI Green Transformation Award - Environmental Sustainability Management Category

We were ranked the third in the “Environmental Sustainability Management Category”. This award given by the Istanbul Chamber of Industry (ICI) confirms our approach of focusing on the environment and sustainability in our production processes. Owing to the environmentally friendly projects implemented in the regions where our power plants are installed, our efforts in the field of sustainability has been recognized by the industry.



### Türkiye Reputation Index - Most Reputable Brand in the Energy Generation Industry

Zorlu Enerji was awarded the “Most Reputable Brand in the Energy Generation Industry” by the Türkiye Reputation Index Survey. Besides our economic and financial achievements, we have been ranked as the most reputable brand in the industry in terms of reputation and reliability before the society.



### 10. ICCI Energy Awards Hybrid Power Plants Category - Alaşehir GPP & SPP Projec

● “Alaşehir GPP & SPP” projects of Zorlu Enerji were awarded in the Hybrid Power Plants Category and thereby emphasized the importance our Company attaches to innovative energy solutions combining geothermal and solar energy. This project stands out with its aim of improving efficiency and sustainability in energy generation.

● Best Equipment Award - ZES SolarZES Solar, a sub-division of Zorlu Enerji, was awarded for the Best Equipment category, thus confirmed its contribution to the industry with the high quality equipments and technological innovations used in the solar energy industry.



## Performance of ESG Indices

As a company engaging in both domestic and international operations, we are well aware of the significance of the scores given by international indices and rating agencies. We are constantly striving to improve our competitiveness and visibility in international markets. In this context, we compare our performance with that of the leading companies in the industry, integrate good examples into our company and offer best practice examples to other companies.

Being aware of our responsibility towards the environment, we are included in the CDP report. We are currently included in Moody’s and BIST Sustainability Indices and we further try to increase our scores in the ratings issued by these institutions in order to improve our sustainability performance.

As Zorlu Enerji, we attach importance to notify our stakeholders on the sustainability performance of our shares traded on Borsa Istanbul evaluated by independent rating agencies in line with the requirements of the Capital Markets Board (CMB) and transparency principles.

As an indicator of our commitment to sustainability, we have voluntarily joined the BIST Sustainability Index on 1 November 2016 and we have succeeded in being included in the index for the 7th time based on the 2023 evaluation of our sustainability performance.

We have taken the necessary steps to be included in the S&P Global Dow Jones Sustainability Index (SJDI) in 2023, and our assessment is still in progress as of the reporting date.

You can check current ESG performance of Zorlu Enerji on the websites of ESG rating agencies.



We have contributed to the fight against climate change by participating in the Carbon Disclosure Project (CDP) in 2010. We are proud to be the first energy company of Türkiye to participate in this project. **As of 2023, we increased our CDP Climate score to A- level** and became the first eligible company in our industry to answer the annual CDP Forests Questionnaire.



CDP (Carbon Disclosure Project) Performance	2021	2022	2023
<b>CDP Climate Change Program Scores</b>			
Zorlu Enerji Elektrik Üretim AŞ	B	B	A-
GAZDAŞ Doğal Gaz Dağıtım AŞ	B-	B	B
OEDAŞ Osmangazi Elektrik Dağıtım AŞ	B	B	B
<b>CDP Water Program Scores</b>			
Zorlu Enerji Elektrik Üretim AŞ	B	B	B
<b>CDP Forest Program Scores</b>			
Zorlu Enerji Elektrik Üretim AŞ	-	-	C
<b>CDP Supplier Relations Program Scores</b>			
Zorlu Enerji Elektrik Üretim AŞ	A-	A	A





## Sustainability Milestones

### 2010-11

Gökçedağ WPP received EBRD credit.

**Gold Standard**

Gökçedağ WPP received Gold Standard Certification.



ISO 14064 GHG  
Verification Completed



Zorlu Doğal was certified for  
compliance with the  
ISO 9001, ISO 14001, OHSAS  
18001 standards.

### 2016-17

**Gold Standard**

Pakistan Jhimpir WPP received Gold Standard Certification.



We were listed in BIST  
Sustainability Index.

The Zero Carbon Footprint Forests Project is ongoing  
under the auspices of Mehmet Zorlu Foundation.

### 2019

As Zorlu Doğal, we have received SA 8000 certification.



### 2022

We became the first company in Türkiye in the energy  
industry to publish an Integrated Annual Report.



We became a Signatory for the CFO  
Principles supplementing UN Global  
Compact SDGs.



We have committed to net zero, setting  
Science Based Targets (SBT).

**Moody's**

We reached an advanced level in Moody's  
ESG rating process with 61 points.

### 2012



We were ranked among top 5 companies in the  
industry based on our CDP score.

### 2018

We concluded a Green Loan agreement with  
Garanti Bank.



### 2020

We have become a signatory of WEPS  
and UN Global Compact.



We have initiated the installation of the  
ESG Management System with the VE  
ESG rating process.



We published the sustainability  
strategy and targets.



### 2023

We published the very first CDP Forests  
and TCFD reports of the industry.



We reached 77 points in Refinitiv (Borsa İstanbul).



We have succeeded in being included in the BIST  
Sustainability Index for the 7th time in a row.



We keep working to establish the ISO 50001  
Management System.



We were awarded for our Sustainability  
Management by the Istanbul Chamber  
of Industry.





# BIRD'S EYE VISION\*

At Zorlu Energy, we are dedicated to achieving our sustainability goals by continuously improving our strategic foundation of “Governance and Value Creation.” In line with this, we prioritize maintaining a sustainable governance structure through an effective corporate impact and risk analysis framework. By adopting the bird’s-eye view, which provides a sharper, more panoramic view and a broader color spectrum than human vision, we can better understand the impact of our activities on society and the environment. This sharp perspective enables us to identify opportunities more quickly, accelerating our innovative investments such as electric charging stations and hybrid integrated power plants. Just as birds communicate strongly and socially through visual signals, we also place a high value on and closely monitor our stakeholder communications.

## [ GOVERNANCE AND VALUE CREATION ]

*\* Birds have tetrachromatic vision, allowing them to see a broader spectrum of colors, including ultraviolet. Birds have a higher density of photoreceptors in their retinas compared to humans, which enhances their visual acuity.*







## Value Creation and Business Model

The Value Creation Model of Zorlu Enerji is a framework that focuses on creating value for all our stakeholders, from our employees to our customers, from our shareholders to the society. This model highlights the significance of sustainability and digital transformation in shaping our future as a clean energy provider. Using advanced technologies and innovative business models, we aim to overcome current challenges and build a sustainable future for everyone.

Our commitment to sustainability becomes visible through our strategic partnerships, renewable energy projects, electric vehicle charging infrastructure and our belief in smart grid technologies. Leveraging the power of technology and innovation, we are determined to becoming a truly sustainable energy company and aim to set an example for others.

We adopt a comprehensive and holistic approach to add value to our stakeholders in today's rapidly changing global business world. To achieve this goal, we analyze the macroeconomic environment and identify current business materialities. Using the UN SDGs as a compass and the materialities we have determined as a beacon, we develop a strategy that is compatible with our values and strategic goals, and we base this integrated approach for long-term value creation.



## Understanding the Macroeconomic Environment

### Analysis of the Global Environment:

When determining our sustainability strategy, we first analyze the global environment comprehensively. This analysis covers all developments worldwide in environmental, social and economic terms. By taking into account data derived from international sources and the characteristics of global initiatives such as the United Nations (UN) Sustainable Development Goals, we perform our analysis in a way to constitute the pillars of our corporate strategy. Details of our 2023 reviews of global and local energy markets is available in the [“2023, At a Glance”](#) section of this report.

### Stakeholders:

We identify all our stakeholders who are affected by our activities and play a role in achieving our goals. It is of great importance for us to communicate with our stakeholders in advance and regularly to understand their concerns and expectations and to develop our strategies accordingly. Detailed information on the methods and frequency of our communication with stakeholders is available in the [“Stakeholder Interaction Dynamics”](#) section of this report.



### Identifying Risks and Opportunities:

We meticulously identify the risks and opportunities associated with creating value in cooperation with our stakeholders. The analysis of the sustainability risks and opportunities for 2023 is available through [“Sustainability and Climate-Related Risks and Opportunities”](#) section of the report.



## Identifying the Materialities

### Stakeholder Survey:

We share the list of material topics with our stakeholders in a survey format and thoroughly review the feedback received with our sustainability management and senior management team. At this stage, we categorize the material topics into “very high priority,” “high priority,” and “priority.” You can access the materiality analysis for 2023 in the [“Materiality Analysis”](#) section.

M1	Health and Safety & Process Safety	M8	Biodiversity Loss and Deforestation
M2	Human Rights	M9	Employee Rights and Well-being
M3	Brand Reputation	M10	Corporate Governance and Conduct
M4	Combating Climate Change	M11	Inclusion, Equality, Diversity
M5	Strong Economic Performance	M12	Digitalization and Technology
M6	Responsible and Sustainable Financing	M13	Climate Risks
M7	Transition to Low-Carbon Technologies and Energy Efficiency		

## Identifying the Strategy

We identify our strategy and determine our sustainability targets based on the material issues. This critical step, which shapes our company's sustainability efforts, is the result of the information obtained throughout the entire process. Details of our 2023 sustainability strategy is available in the [“Sustainability Strategy”](#) section of the report.

## Developing a Value Creation Model

Our sustainability strategy pivots around the following 6 capital elements:

**Financial Capital** The company's financial resources, capital flows and financial performance.

**Human Capital:** Employees, talents, knowledge and skills

**Natural Capital:** Environmental resources, environmental impacts and preserving natural capital.

**Production Capital:** Product and service production processes, efficiency and quality.

**Social and Human Rights Capital:** Respect for human rights, social impact and occupational health safety.

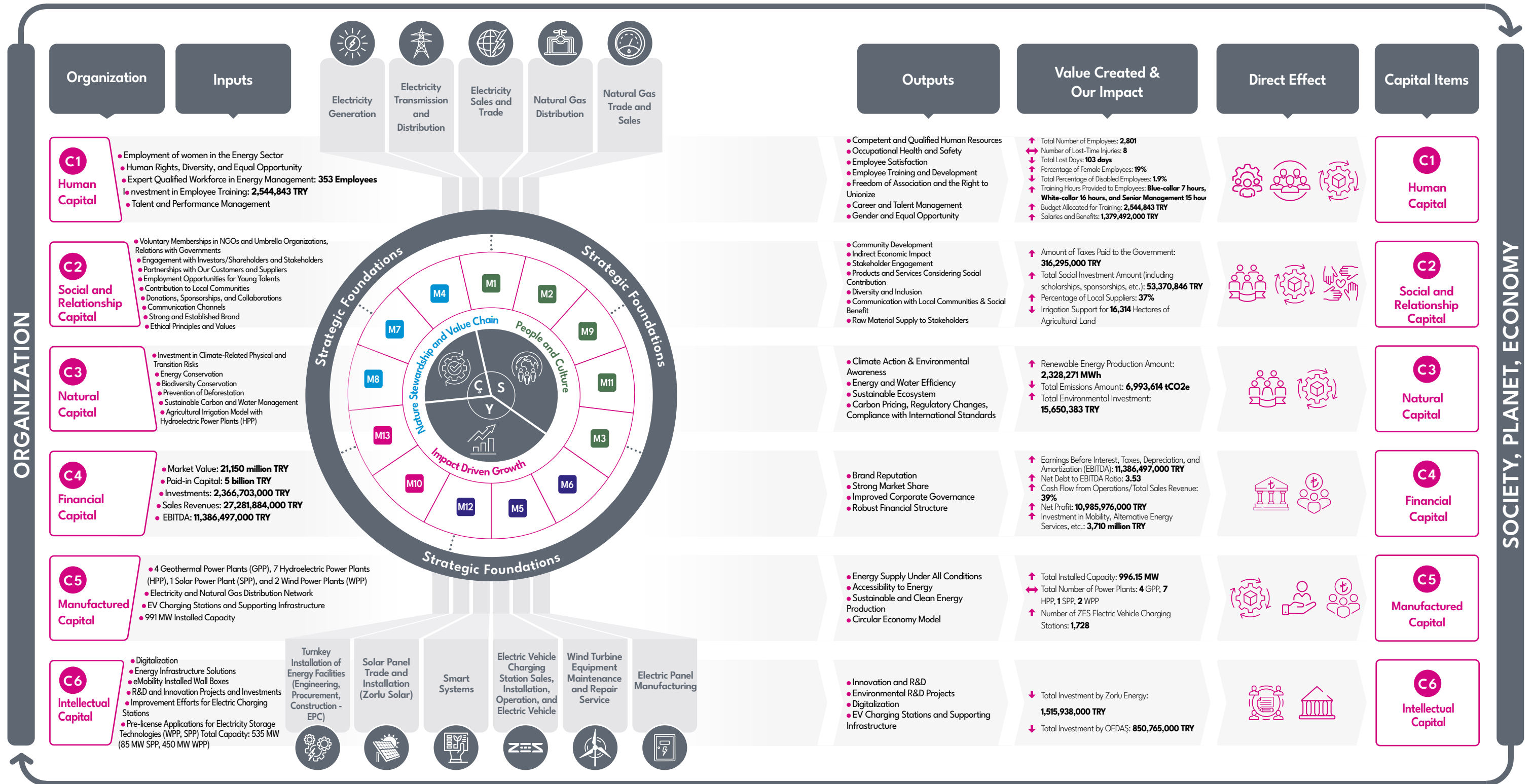
**Relationship Capital:** Customer relations, brand value and stakeholder relations. Clarifies how each capital element will be used (inputs) and how this use will contribute to the company's sustainability goals (outputs). Upon determining the main objectives and material issues of the sustainability strategy, resources are allocated to capital elements in line with these materialities. The sustainable value creation model is used to monitor the pre-set materialities and measure the performance thereof. Inputs and outputs determined for each capital element are regularly monitored and evaluated.

- C1 Financial Capital
- C2 Human Capital
- C3 Natural Capital
- C4 Manufactured Capital
- C5 Social and Relationship Capital
- C6 Intellectual Capital





# Value Creation and Business Model





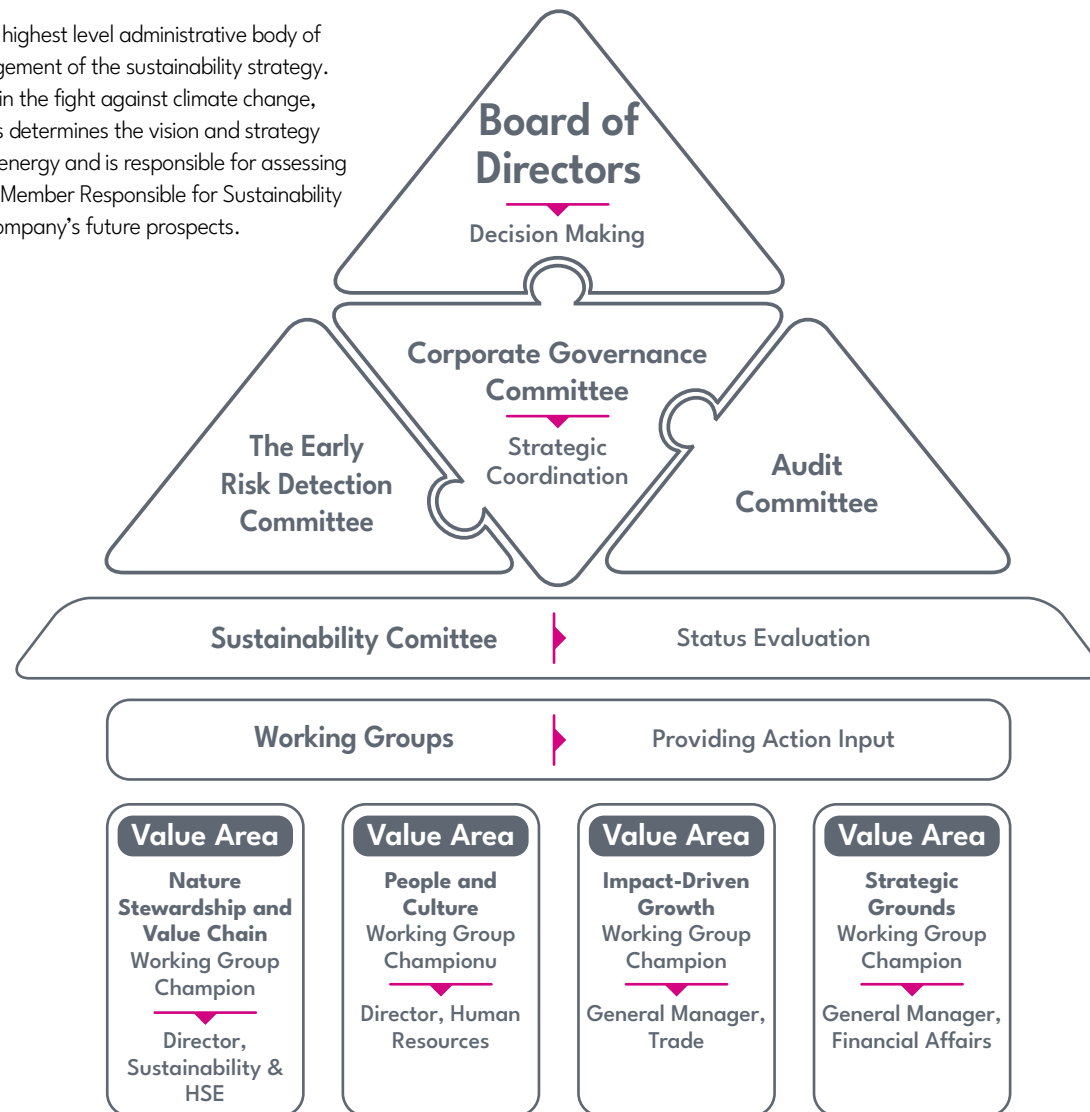


## Sustainability Structure and Governance Units

Zorlu Enerji has adopted an approach focused on creating value for stakeholders by placing sustainability at the heart of its business strategy. In line with the aim of effectively using six basic capital elements and continuous value increase, the resources of each capital element are allocated in accordance with the determined targets and the created value is regularly reviewed and updated. This process constitutes the pillar of creating value for our company.

The Board of Directors (BoD) is the highest level administrative body of our company regarding the management of the sustainability strategy. Zorlu Enerji assumes a leader role in the fight against climate change, Chairman of the Board of Directors determines the vision and strategy on climate change and renewable energy and is responsible for assessing high risks. The Independent Board Member Responsible for Sustainability provides critical guidance on the company's future prospects.

The responsible Independent Board Member evaluates the compliance of the business strategy with climate change and steers value creation while achieving sustainability goals. Furthermore, it performs tasks such as prioritizing key issues, facilitating transformations and integrating sustainability into company activities. Our Net Zero Emission target, set in 2020, leads the transition to a low-carbon economy. In this context, the company is committed to popularizing the use of electric vehicles and targeting net zero emissions in energy generation. In line with the mission of becoming the green and clean energy company of the future, Zorlu Enerji is expanding electric vehicle charging stations both within the country and abroad.



## Governance Structure and Committees

Our company has established its governance structure in line with the Corporate Governance Principles of Capital Markets Board. **The Audit Committee** monitors the financial and operational activities of our company. The CEO chairs the Sustainability Committee and evaluates the progress towards climate change targets.

**The Early Detection of Risk Committee** manages all risks and opportunities of Zorlu Enerji while providing oversight on ESG-related risks. The risk culture and awareness is popularized throughout the organization with corporate risk management training provided to senior executives and risk managers.

**The Corporate Governance Committee** steers climate-related strategies and policies of Zorlu Enerji. In this context, the Committee evaluates the company's climate change-related risks and supervises the work of the Sustainability Committee. This approach aims to ensure smooth and effective management of the ESG strategy. Thus Zorlu Enerji aims to achieve its sustainability goals more effectively and create long-term value.

## Sustainability Board and Working Groups

The Sustainability Board, chaired by the CEO, is the highest-level governance body responsible for assessing and managing climate and other ESG-related risks and opportunities. The CEO actively evaluates the company's progress in achieving its climate change goals and coordinates the related efforts. The Board meets quarterly to analyze ESG risks and opportunities and develop future strategies.

In line with the aim of achieving the "Smart Life 2030" vision, Sustainability Board systematically evaluates climate-related risks and opportunities through various working groups. The company's sustainability performance is reviewed at annual meetings and progress is monitored accordingly. The Board, consisting of senior managers across different departments, undertakes the task of raising sustainability awareness and encouraging behavioral change. Supplementary working groups contribute to the works of the Sustainability Board by focusing on material issues. The results of these studies are reported to the Board of Directors, which is the final decision-making authority, after being submitted at the Corporate Governance Committee

Zorlu Enerji clarified its strategic jurisdiction and value areas, thereafter created specific working groups for each value area. These groups focus on the areas of Nature Stewardship and Value Chain, Impact-Driven Growth, People and Culture; furthermore addresses critical issues such as the Strategic Grounds Working Group, key governance structures, risk management and transparency. These four groups assume the responsibility for carrying out the necessary actions to achieve the goals set. The working groups, further determine and monitor short, medium and long-term goals while actively addressing daily issues and projects related to sustainability.

Climate change, as a material issue under ESG risks, is closely monitored by an Independent Member of the Board of Directors who undertakes the task of reporting ESG issues to the Board of Directors. Working groups constituted under the Sustainability Board define and discuss climate and other ESG risks comprehensively based on scenario analyses covering physical and transition risks. These risks are then reported by the Enterprise Risk Management Department to the Early Detection of Risk Committee, which is responsible for climate-related audits at the Board level.

## Sustainability Related Executive Incentives

Zorlu Enerji has adopted the strategy of rewarding the employees and suppliers who have played critical roles in achieving its sustainability goals in order to reinforce its commitment to fight against climate change. This strategy aims to provide the necessary motivation and support by encouraging the achievement of the company's climate-related goals.

### Financial Incentives

Zorlu Enerji rewards its managers who successfully achieve their climate-related targets with financial incentives. These financial rewards can reach up to 100% of the annual wage, thus creating a strong incentive system for sustainable performance.

### Non-Financial Incentives

Besides financial incentives, Zorlu Enerji further recognizes its employees and suppliers who achieve climate-related targets with non-financial rewards. Non-financial rewards may include:

- **Internal Recognition:** Recognition and appreciation of successful individuals and teams within the company improves motivation and strengthens the culture of sustainability.
- **Career Opportunities:** Career development and promotion opportunities offered to employees, who contribute to sustainability goals, encourage long-term employee engagement.
- **Participation in Social Responsibility Projects:** Employees and suppliers are involved in the process of creating social value by actively participating in the company's social responsibility projects.

We have adopted an advanced framework to demonstrate superior performance in environmental management and achieve our sustainability goals. In this context, our environmental performance is constantly monitored and improved in accordance with our environmental and sustainability policies developed in line with internationally accepted management systems, reporting standards and ESG evaluation criteria (GRI, IFRS, S&P, MSCI, Refinitiv, ISO 14001, ISO 14046, ISO 14064). Advanced digital tools (MAP360, GHGmetric, Ensemble) are used to precisely and effectively monitor our sustainability performance. These tools not only facilitate our data collection and analysis processes but also strengthen our decision-making mechanisms. The Plan-Do-Check-Act (PDCA Cycle) methodology, which is a holistic Integrated Management System approach, has been adopted. With this methodology, we aim to reduce the environmental impacts of our activities and improve our sustainability performance by adopting continuous improvement and proactive environmental management principles. This strategic approach allows us to place sustainability at the heart of our business model.





Materiality Analysis

Zorlu Enerji closely follows global trends, risks and industry sustainability standards while determining its material issues in pursuit of its sustainability policy. For this purpose while we refer to global risk reports from international sources such as Deloitte - Future of Energy Report and World Economic Forum - Global Risks Report, we further take into consideration the views of significant industry-specific determinants such as World Energy Outlook, IFRS and MSCI.

We follow the developments in the field of sustainability, we regularly evaluate the expectations of our stakeholders and we meticulously carry out the risk and opportunity analyzes. Materiality Analysis

Amendments to the Material Issues

We focused on 38 issues in the comprehensive Materiality Analysis conducted in 2022. Accordingly we classified 12 of these issues as “very high priority issues”, 12 of these issues as “high priority issues” and 14 of these issues as “priority issues”. Considering the solid foundations of this analysis, we reviewed the strategic planning in 2023 and meticulously developed the relevant action plans. As last year’s detailed Materiality Analysis remains up-to-date, we did not repeat a similar analysis this year. Instead we conducted an in depth internal audit, carefully analyzing current trends and resources.

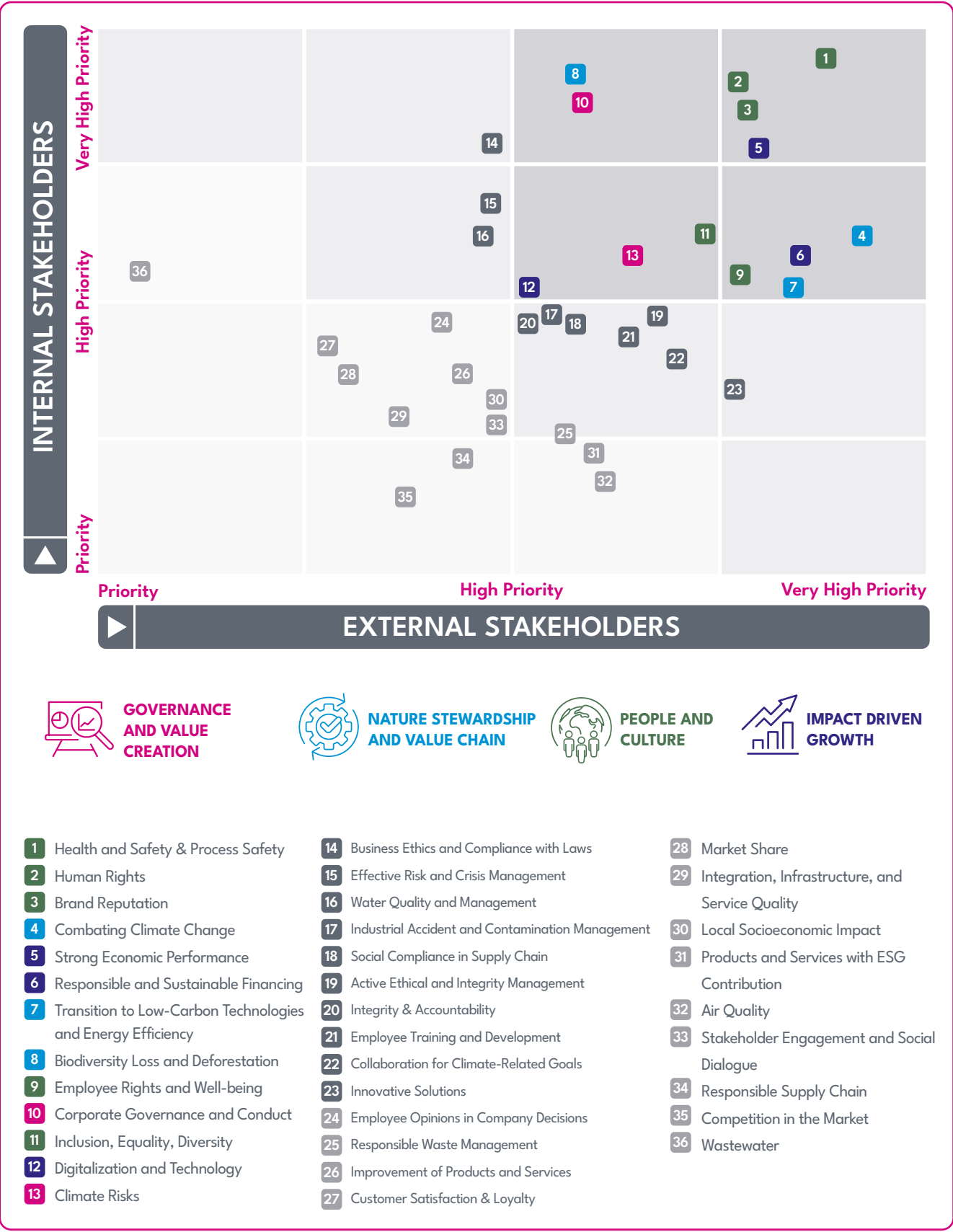
This in depth internal audit revealed that areas such as energy efficiency, digital transformation, technology and particularly climate risks come into prominence. Based on these findings,

was performed with the participation of stakeholders through a survey including 38 items in total, shared with both internal and external stakeholders, 43% of whom were faculty members, 29% were from the media and 14% from NGOs and Zorlu Enerji’s suppliers taking into account all inputs collected through stakeholder analysis and desktop studies as well as the Company’s current sustainability gap index. This matrix lists the material issues of Zorlu Enerji on the Y axis and the material issues of external stakeholders on the X axis. The results of the Materiality Analysis are further approved by the board of directors and the Head of the Energy Industry.

these issues which were priorly determined as “high priority” and “priority” were upgraded to the “very high priority” category with the increase in their strategic importance. Furthermore “Occupational Health and Security” and “Proses Safety” issues were combined and gathered under a single umbrella in order to demonstrate a more integrated and holistic approach. As a result of meticulous internal audit of Zorlu Enerji, the classification of “Climate Risks” under “very high priority risks” indicates that the company has a constantly evolving and dynamic risk management approach. This proactive approach allows us to maintain our leading position in the industry and effectively direct our strategic goals to achieve a sustainable future.



Material Issues Matrix







## Sustainability Strategy

**We strive towards the goal of becoming a completely carbon-neutral energy company by 2050.**

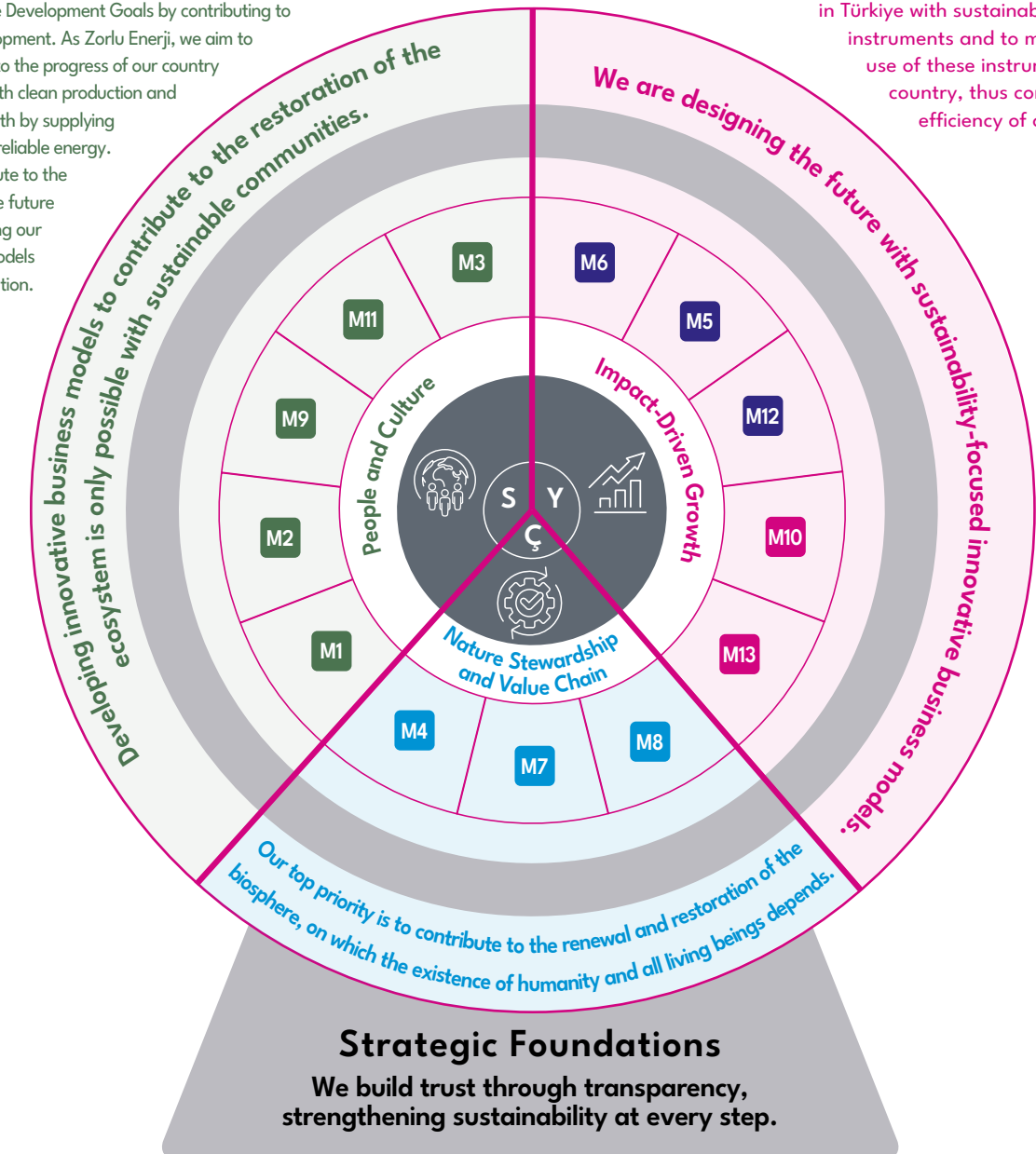
For the purposes of this journey, we adopt a comprehensive approach covering technological innovations, economic strategies and social integration. Beginning with the date of our incorporation, we have been working with all our strength to achieve this mission by focusing on renewable energy resources, energy efficiency and sustainable practices. Prioritizing sustainability and environmental responsibility, we structure all our operations in line with our vision of “being the clean energy company of the future”. Thus we aim to create value and promote sustainable development in the societies for which we operate, while protecting both our stakeholders and the environment. The material issues we have identified have been evaluated with a holistic approach for the areas we will focus on in our long-term value creation journey. In the Materiality Analysis of 2022, three basic value areas emerged which were determined as the value areas we will focus on in our long-term value creation journey. Each value area is then allocated to a working group, whereby the working groups’ assignment titles are determined as in pg. 69.



People and communities are the cornerstones of a sustainable society. Establishing healthy systems is essential for the sustainability of societies and therefore humanity. With our business and culture-focused approach, we aim to have a positive impact on everyone we interact with, from employees to local communities. Owing to innovative business models, we work to improve the ecosystem and create new organizational structures that meet the needs of individuals. We ensure the well-being of our employees by attaching importance to diversity and inclusion, thereby we plan to increase the rate of female managers to 40%. Establishing a healthy organizational structure is important not only for our employees but also for all the communities we interact with. We support the Sustainable Development Goals by contributing to local development. As Zorlu Enerji, we aim to contribute to the progress of our country through both clean production and green growth by supplying green and reliable energy. We contribute to the world of the future by improving our business models with innovation.

In light of crises and changing conditions, we focus on sustainable solutions with new business models and innovation. We develop profitable businesses by considering environmental and social benefits and grow in the fields of digitalization and e-mobility. We aim to generate 20% of our turnover from regenerative and impact-driven businesses by 2030, and we aim to pioneer electric mobility infrastructure by facilitating access to clean energy. With our innovative business models, we improve our access to sustainable financing instruments.

By 2030, we plan to finance all our new projects in Türkiye with sustainable financing instruments and to maximize the use of these instruments in our country, thus confirming the efficiency of our business models.



This working group focuses on the essential elements that enable long-term value creation in the other three value areas (Regenerative Operations and Value Chain, Impact-Driven Growth, and People and Culture). To achieve our goal of long-term value creation, we prioritize our core governance structures, risk management processes, and transparency. In this context, we have thoroughly reviewed our company’s corporate risk policies and management processes. Comprehensive due diligence activities were conducted to uncover ethical and compliance risks, and the resulting risk report was shared with our teams. We have made significant innovations in our reporting practices, deciding to publish an integrated annual report and transitioning to a reporting system compliant with International Financial Reporting Standards (IFRS). Additionally, in accordance with regulatory requirements, we adopted inflation-based accounting methods in financial reporting and updated our business processes, thereby further strengthening our company’s robust and dynamic structure.





## Zorlu Enerji Risk Management

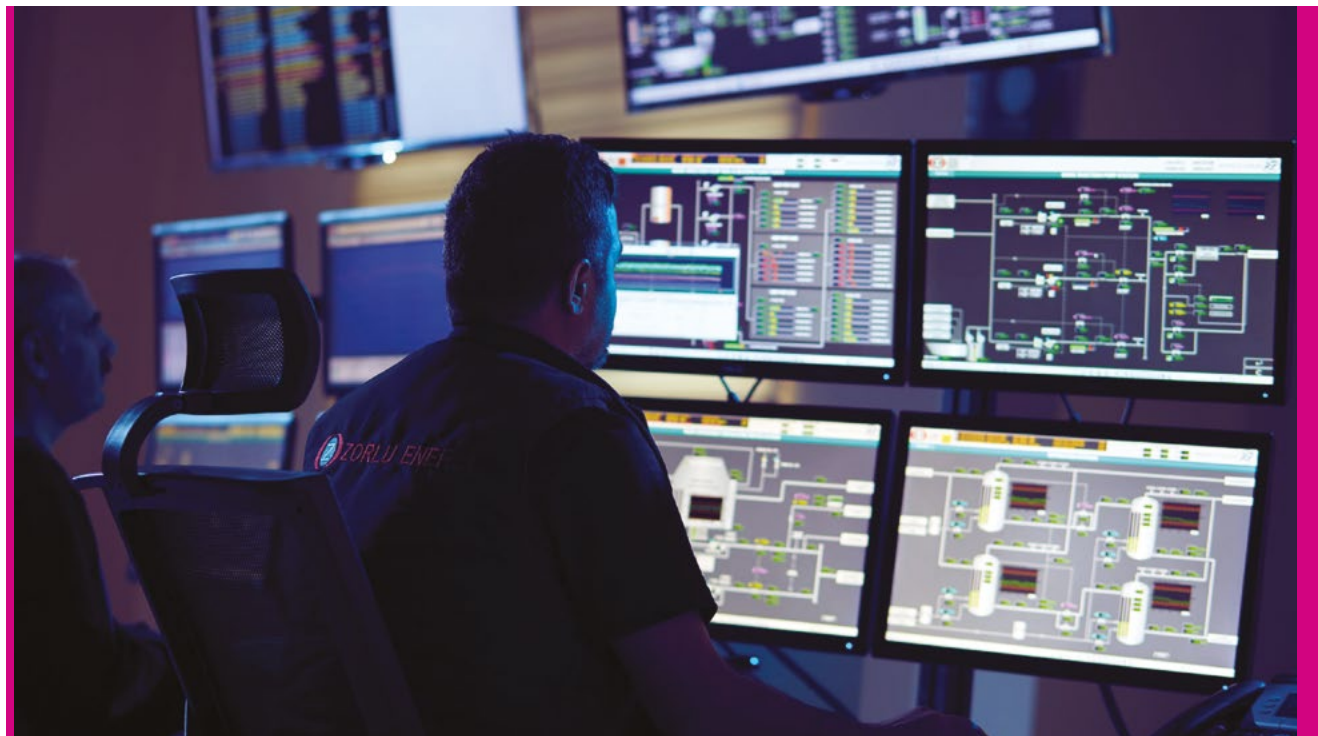
Zorlu Enerji has adopted an integrated and centralized corporate risk management system in order to identify risks that may pose a threat. Thereby it can identify, evaluate and manage its risks in a more comprehensive, effective and cost-effective manner. A risk management system was established in compliance with the COSO Internal Control Integrated Framework and ISO 31000 Risk Management Standards. Accordingly ISO 9001 and 14001 Management Systems procedures, based on ISO 31000, were implemented. This system constantly reviews risks and opportunities in daily operations. This management strategy makes it easier to analyze, rank and track risks. Corporate Risk Management and Finance Departments integrate risks by calculating financial impacts on a scenario basis and sharing these scenario results with the Sustainability Board. The board analyzes all sustainability-related risks and presents the material risks to the senior board of directors to determine management strategies. At this point, the Board of Directors re-evaluates the risk level and determines the measures to be taken. The Board of Directors shares these decisions with the CEO and the recommendations are implemented with the approval of the Board of Directors and the CEO.

An Early Risk Detection Committee has been established within the Enterprise Risk Management department for effective evaluation and management. The committee is responsible for risk management and implementing strategies to mitigate risks. The Early Risk Detection Committee met six times in 2023 to timely and accurately identify risks that could deteriorate

business operations. Various factors such as legal sanctions, probability, frequency, relevance, number of affected businesses, time limits and impact intensity are taken into account in the risk assessment process. Previously constituted risk inventory is used in risk mapping. Economic, environmental and social impacts are examined and a SWOT analysis compatible with the inventory is carried out to clarify potential opportunities. All results of these studies are further presented to the Sustainability Board. The Board functions as a unit that integrates all data from various sources such as greenhouse gas and energy data provided by the facilities, environmental compliance indicators, SWOT analysis, results of stakeholder meetings and performance reports. Sustainability Board Coordination Meetings are held every three months based on these data. The environmental compliance of the facilities and activities to reduce greenhouse gas emissions are reviewed and monitored in these meetings.

Zorlu Holding Corporate Risk Management Department pursues its activities with the aim of early detection of risks that may endanger the existence, development and continuity of Zorlu Energy Group companies, implementation of necessary precautions regarding the detected risks and management of risks centrally.

In this regard, the Zorlu Holding Risk Policy and Procedure and Enterprise Risk Management Framework have been prepared to apply to all Zorlu Group companies. Climate-related risks are viewed as an integral part of the overall risk Management Framework with both physical and transition risks.







# SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES

Zorlu Enerji adopts a transparent and effective governance structure in managing sustainability-related risks and opportunities. Owing to the cooperation between the Sustainability Committee and our Board of Directors, our corporate governance structure ensures these processes to be managed with a holistic approach.

The Sustainability Committee has been exclusively authorized by our Board of Directors to identify and evaluate our company's sustainability-related risks and opportunities and to provide strategic guidance on these issues. The Committee assumes a critical role in the development and implementation of our sustainability strategies, thus regularly communicates with the Board of Directors.

Our Board of Directors directly oversees the work of the Sustainability Committee and makes strategic decisions regarding the management of sustainability-related risks and opportunities. This structure is a key factor in our company's understanding of sustainability-related risks and opportunities, responding pro-actively thereto and achieving sustainable development goals. Regular trainings and workshops are organized to further increase the participation of our executives and employees in these processes and their awareness on this issue. These activities ensure that sustainability-related risks and opportunities are acknowledged and integrated across the entire organization.

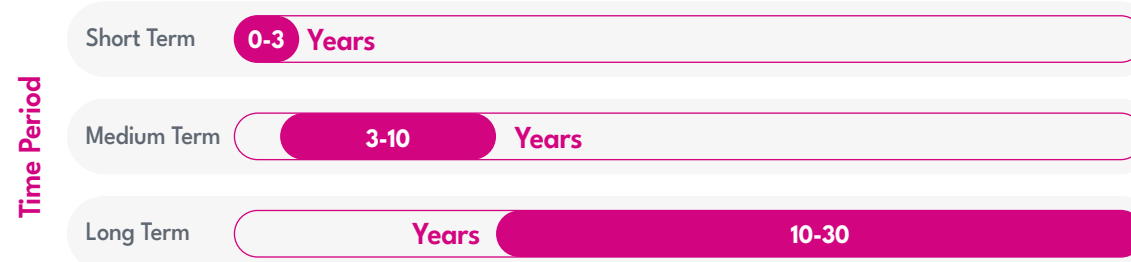
**IFRS®** IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) standards are two international standards designed for companies to include sustainability issues in their financial reporting. Our governance structure assumes a critical role in assessing the financial impacts of risks and opportunities and performing scenario analyses within the scope of IFRS S1 and S2 standards.

The Sustainability Committee and our Board of Directors work together to ensure that these data are accurately reflected in our company's financial reporting. This integrated approach enables us to clearly understand the impact of our company's sustainability performance on our financial results and to clearly report this impact to our stakeholders. Zorlu Enerji determines the scope of risk management in parallel with the priorities of the organization and stakeholders and in an integrated manner with other Zorlu Group group companies. The company determines internal and external risks that may negatively affect the continuity and development of its activities in advance and takes the necessary steps to effectively and centrally manage these risks.

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

Our risk management processes include the ongoing identification, assessment, materiality and monitoring of climate-related risks and opportunities. These processes are integrated with our overall business strategy as part of our corporate risk management framework. By using climate-related scenario analysis, we determine in advance the potential impacts we may encounter in achieving our long-term sustainability goals and include these analyzes in our strategic planning process. Sustainability and climate change-related risks expose companies to further different risks in the short, medium and long term.

**Zorlu Enerji defines its short, medium and long-term risks as follows:**



Within the scope of risk management, Zorlu Enerji includes the material issues of the institution and its stakeholders in the risk assessment process and perform the risk assessment process in line with global trends. The risks specified in the Global Risk Report published at the beginning of 2024, before the World Economic Forum, and Zorlu Enerji's very high priority issues were in parallel with each other and the identified risks were integrated into Zorlu Enerji's risk management process. Zorlu Enerji has conducted impact assessments under each category and disclosed the actions taken or planned for these risk factors. At this point, risk assessment was handled within the framework of the TCFD approach and climate-related risks were classified in a separate category. As a significant actor in the energy industry, Zorlu Enerji has included both its production and distribution activities in its risk assessment.

**Four main risk categories that may affect the Company's value creation journey during the operations undertaken in line with this vision and the measures taken against these risks are summarized on pages 76 and 77.**







# Material Risks of Zorlu Energy

Risk Category	Scope of the Risk	Risk Maturity	Financial Impact	Actions	Material Issues
Strategic Risks	<ul style="list-style-type: none"> <li>Reputation Risk</li> <li>Geopolitical Risks - Energy Crisis</li> <li>Regulatory Compliance Risk</li> <li>Epidemic Diseases</li> <li>International Political Risk</li> <li>Cyber Risks</li> <li>Social Risks</li> </ul>	<div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div>	<ul style="list-style-type: none"> <li>In relation to new investment decisions, carrying out activities such as feasibility studies, cost-benefit analyses and budget studies in coordination with the relevant departments,</li> <li>Diversification of the production portfolio by investing in different energy sources</li> <li>Evaluating legal, political etc. risks before and after the investment by obtaining consultancy services when necessary,</li> <li>Adopting different management styles exclusive to the relevant investment,</li> <li>Monitoring the return of the investments realized,</li> <li>Determining innovative strategies in terms of marketing and sales,</li> <li>Monitoring the operational risks that the Zorlu Holding Corporate Risk Management Department concludes to be significant based on its studies through key risk indicators via the information technologies system and informing the relevant business units about the risk levels when necessary,</li> <li>Providing all Zorlu Enerji personnel with regular mandatory training on occupational health and safety in line with the relevant regulations,</li> <li>Monitoring the recommendations of insurance companies to companies after risk inspections in a centralized structure,</li> <li>Commitment to compliance with the United Nations Global Compact and principles such as human rights, environment, society, ethics and anti-corruption,</li> <li>Ensuring multi-directional, consistent and continuous communication with all stakeholders of the company,</li> <li>Maintaining brand value and credibility; ensuring that all communication processes are managed in an integrated manner in line with strategic business objectives and representing Zorlu Enerji Marketing &amp; Corporate Communications Directorate at the Directorate level within this framework,</li> <li>Managing regulatory changes, legal cases, tax disputes, infringement of intellectual property rights, unfair competition and related risks by communicating in coordination with all relevant units within the Company,</li> <li>Conducting certain short-term rehabilitations and integrating new technologies,</li> <li>Considering the risks related to terrorist incidents, determining a wide insurance coverage within the Company and transferring potential risks to insurance companies to minimize their possible material effects,</li> </ul>	<div>M1</div> <div>M2</div> <div>M3</div> <div>M11</div> <div>M9</div> <div>M10</div>
	<ul style="list-style-type: none"> <li>Supply Chain Risk</li> <li>Profitability and Production Costs Risk</li> <li>Rapid Change in Consumer Behavior Risk</li> </ul>	<div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div>	<ul style="list-style-type: none"> <li>Audit of all operational activities by the Internal Audit, Financial Audit, and Tax Audit Departments within Zorlu Holding</li> <li>Measurement, reporting, and monitoring of customer satisfaction</li> <li>Monitoring policies and procedures for compliance with legally established standards regarding environmental health, stakeholder safety, and stakeholder health</li> <li>Recording and monitoring the maintenance and repairs of machinery and equipment</li> </ul>	<div>M1</div> <div>M5</div>

Risk Category	Scope of the Risk	Risk Maturity	Financial Impact	Actions	Material Issues
Financial Risks	<ul style="list-style-type: none"> <li>Currency Risk</li> <li>Inflation Risk</li> <li>Liquidity Risk</li> <li>Interest Rate Risk</li> <li>Price Stability</li> </ul>	<div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div>	<ul style="list-style-type: none"> <li>Resorting to alternative financing methods, ensuring balance sheet asset-liability balance,</li> <li>Using various hedging derivatives when necessary,</li> <li>Monthly monitoring budget targets and realizations and making revisions when necessary,</li> <li>Ensuring lending and collateral structure in line with credit risk policies</li> </ul>	<div>M5</div> <div>M6</div>
Climate Related Risks	<ul style="list-style-type: none"> <li>Global Warming and Climate Change Risk</li> <li>Risk of Biodiversity Decline</li> <li>Natural Disaster Risk</li> </ul>	<div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div></div>	<ul style="list-style-type: none"> <li>Carrying out annual planned maintenance and repair works in distribution facilities, cutting the trees under the lines passing through forest areas in coordination with the Regional Directorates of Forestry against fire hazards, and redesigning the networks that have completed their economic life in a way that does not include such risks</li> <li>In the event of a natural disaster or emergency, preparing the necessary plans to recover and restore the functionality of critical systems, technical infrastructure and facilities in alternative locations, reviewing business continuity and emergency action plans at regular intervals, organizing drills</li> <li>Taking appropriate measures against unfavorable geographical and climatic conditions</li> <li>Considering the risks related to natural disasters, determining a wide insurance coverage within the Company and transferring potential risks to insurance companies to minimize their possible material effects</li> </ul>	<div>M4</div> <div>M7</div> <div>M8</div> <div>M12</div>

M1 Health and Safety &amp; Process Safety

M2 Human Rights

M3 Brand Reputation

M4 Combating Climate Change

M5 Strong Economic Performance

M6 Responsible and Sustainable Financing

M7 Transition to Low-Carbon Technologies and Energy Efficiency

M8 Biodiversity Loss and Deforestation

M9 Employee Rights and Well-being

M10 Corporate Governance and Conduct

M11 Inclusion, Equality, Diversity

M12 Digitalization and Technology

M13 Climate Risks

Short

Mid-term

Long

Low

Moderate

High





Taking into account legal compliance and policy risks throughout the risk analysis process, potential risks and opportunities arising from the European Union Green Deal were further examined. Increasing energy expenses as a result of the current geopolitical situation and the damages caused by climate change trigger a transformation in the energy industry. Coal and natural gas, which are widely used in Türkiye, are currently being replaced by renewable energy sources. We meet the requirements of our production in Türkiye entirely from renewable resources, and we further take positive steps in the process of managing these risks.

A risk assessment was performed on climate change and water shortage, the immediate and long-term climate-related risks covered in TCFD reporting were examined and the impacts of these risks, particularly on renewable energy plants dependent on water resources, were discussed in detail. Issues such as ineffective operation of these energy resources, problems that may be faced by local communities and water sharing were also included in the assessment.

Energy supply and security were analyzed in an integrated manner with supply chain security. Our Company, which aims to provide uninterrupted and safe energy in the countries where we operate, has also subjected these areas to risk assessment.

Our assessments and scenario analyzes regarding the financial impacts of the risks and opportunities disclosed in the Task Force on Climate-Related Financial Disclosures (TCFD) report, published in 2022 and actively used by our Company, were the

cornerstones of our strategic planning in 2023. These assessments are critical for our Company to understand sustainability and climate-related risks and to take strategic measures against these risks. For this purpose the approaches included in our TCFD Report and adopted by our Company, in order to comply with IFRS S1 and S2 standards in financial reporting, remained valid in 2023.

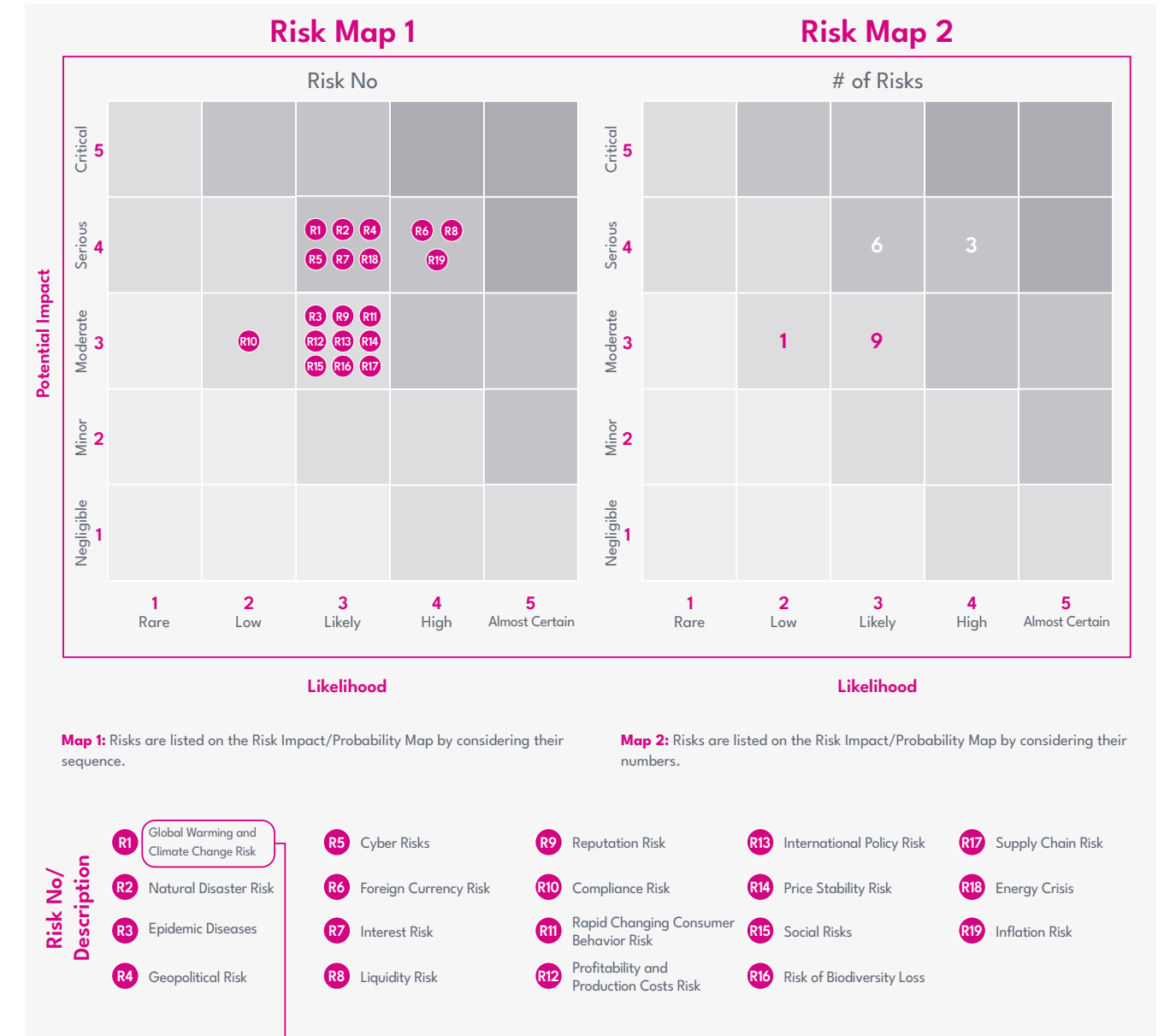
To get more detailed information about our assessments and scenario analyzes regarding the financial impacts of the risks and opportunities included in our TCFD Report, please refer to the QR code on page 79 of our 2022 TCFD Report. The relevant sections of the report explain in detail how our Company integrates climate-related risks and opportunities in financial planning and decision-making processes and the strategic approaches we apply in these processes.

These data have been prepared in line with the recommendations of TCFD and reflects our Company's transparent and proactive approach to the management of sustainability and climate-related risks and opportunities. Adopting TCFD recommendations, our company has gained an in-depth perspective on the financial impacts of climate change and strengthened its strategies on this issue.

Considering the conditions of the regions in which it invests and the markets in which it operates, Zorlu Enerji is in an advantageous position in terms of the evaluated risk factors. The company's activities, its approach to Environment, Social and Governance (ESG) issues and corporate structure reveal that it can capture many opportunities both in the industry and in Türkiye.



## Risk Mapping



You can further examine the financial impacts of each risk and opportunity in our TCFD Report, where we explain our company's climate-related physical and transition risks and opportunities, our approach to manage them and our strategies in this field in more detail.



**TCFD** TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES





# Sustainability and Climate Related Opportunities

Main Title	Opportunity	Time Interval of the Opportunity (Short-Medium-Long)	Financial Impact (Low-Moderate-High)	Strategic Approaches	Expected Effects
Products and Services	Responding to the increasing demand for renewable energy on a global scale			<ul style="list-style-type: none"><li>Improving the capacity and efficiency of renewable energy plants</li><li>Enriching technology and solution diversity</li><li>Expanding geographical range</li></ul>	<ul style="list-style-type: none"><li>Strengthening market leadership</li><li>Ensuring cost effectiveness</li><li>Reducing carbon footprint</li></ul>
	Expanding EV charging infrastructure in line with the electrification trends			<ul style="list-style-type: none"><li>Providing strategic positioning</li><li>Investment in innovative and modular EV charging solutions</li><li>Investment in high capacity charging technologies</li><li>Developing industrial collaborations</li><li>Supporting charging infrastructure at national and international standards</li></ul>	<ul style="list-style-type: none"><li>Creating new income channels</li><li>Promotion of electric vehicle use,</li><li>Increase in the charging network,</li><li>Increase in market share,</li><li>Leadership in sustainable and smart urbanization</li></ul>
	Geothermal prosperity of the Aegean region			<ul style="list-style-type: none"><li>Diversifying and developing renewable energy projects by utilizing the geothermal resources of the Aegean region</li></ul>	<ul style="list-style-type: none"><li>Leadership in the use of geothermal energy,</li><li>Diversification in the renewable energy portfolio</li><li>Contributing to local development</li></ul>
Supply Chain and Value Chain	Sustainable supply chain management			<ul style="list-style-type: none"><li>Participating in green supply chain initiatives,</li><li>Establishing collaborations with sustainable material suppliers</li><li>Developing intelligent platforms for advanced supply chain analytics and sustainable sourcing</li></ul>	<ul style="list-style-type: none"><li>Decreasing supplier costs</li><li>Increasing supply chain flexibility, resilience and environmental performance</li></ul>
	Investment in renewable energy sources			<ul style="list-style-type: none"><li>Making direct investments in renewable energy projects in strategic locations and developing collaborations in this regard</li><li>To support these areas in receiving green energy certificates/credit facilities</li></ul>	<ul style="list-style-type: none"><li>Clean and responsible energy production and consumption</li><li>Reduced long-term costs</li><li>Energy security</li></ul>
	Obtaining and trading carbon credits by reducing carbon emissions			<ul style="list-style-type: none"><li>Assuming an active role in the credit market by developing carbon credit projects and optimizing the carbon reduction in existing projects</li></ul>	<ul style="list-style-type: none"><li>Developing new financial income flows</li><li>Ensuring environmental compliance,</li><li>Improving low-carbon investment profile and reputation</li><li>Environmental compliance and sustainable investments</li></ul>
	Green energy certificates			<ul style="list-style-type: none"><li>Ensuring effectiveness in the certified energy procurement and sale market by participating in international and domestic green energy certification mechanisms</li></ul>	<ul style="list-style-type: none"><li>Increasing revenue in sustainable energy trading</li><li>Promoting the use of green energy</li></ul>
Compliance and Mitigation Actions	Mitigating the environmental impact in energy generation and distribution processes			<ul style="list-style-type: none"><li>Increasing production from renewable resources</li><li>Integrating energy storage solutions</li><li>Using sustainable and clean technologies</li><li>Waste management strategies</li></ul>	<ul style="list-style-type: none"><li>Environmental compliance</li><li>Mitigating operational and financial risks,</li><li>Proactive compliance with regulations</li></ul>
	Alignment with the climate change and mitigation strategies			<ul style="list-style-type: none"><li>Development of infrastructures and operational processes that are resilient to climate change,</li><li>Integration of industry-specific climate models</li></ul>	<ul style="list-style-type: none"><li>Long-term business continuity and resilience</li><li>Being better prepared for the impacts of climate change</li></ul>
	Grants and incentives			<ul style="list-style-type: none"><li>Strategic incentive management in cooperation with the government and international funds</li><li>Identifying opportunities for receiving grants and developing projects to make maximum use of these opportunities</li></ul>	<ul style="list-style-type: none"><li>Accelerating renewable energy and clean technology projects that will reduce project costs</li></ul>

Main Title	Opportunity	Time Interval of the Opportunity (Short-Medium-Long)	Financial Impact (Low-Moderate-High)	Strategic Approaches	Expected Effects
R&D Investments	Investment in clean energy technologies			<ul style="list-style-type: none"><li>Focusing on the development and implementation of innovative technologies in areas such as photovoltaic energy, wind energy and geothermal energy</li><li>Investment in renewable energy storage systems</li><li>Investment in carbon capture projects</li></ul>	<ul style="list-style-type: none"><li>Development of renewable energy technologies,</li><li>Increasing diversity in energy sources</li><li>Strengthening market leadership</li></ul>
	Energy efficiency and optimization technologies			<ul style="list-style-type: none"><li>Establishing sophisticated systems that monitor and manage energy in real time</li></ul>	<ul style="list-style-type: none"><li>Reducing operational costs,</li><li>optimization of energy use,</li><li>Reducing carbon footprint</li></ul>
	Electrification technologies			<ul style="list-style-type: none"><li>Investment in innovative technologies and directly/indirectly in electrification</li><li>Testing and implementing new models in electrification and energy management</li></ul>	<ul style="list-style-type: none"><li>Improving operational efficiency with digital technologies and smart network solutions</li><li>Leadership in smart cities and e-mobility</li><li>Accelerating the transition to renewable energy</li><li>Improving the efficiency of energy systems</li></ul>
	Digital transformation and innovation			<ul style="list-style-type: none"><li>Automating business processes using artificial intelligence and big data analytics</li><li>Integration of IoT devices</li><li>Development of smart grid solutions, virtual power plants and energy management systems</li></ul>	<ul style="list-style-type: none"><li>Ensuring the efficiency and speed in business processes, improvements in decision-making mechanisms</li><li>Cost optimization</li><li>Pioneering innovative solutions in smart cities and sustainable environments</li><li>Making a difference in energy markets</li></ul>
Operations	Energy management and efficiency			<ul style="list-style-type: none"><li>Implementing integrated energy management systems and continuous improvement processes</li></ul>	<ul style="list-style-type: none"><li>Operational effectiveness and cost efficiency</li><li>Sustainable production processes</li></ul>
	Digitalization and automation			<ul style="list-style-type: none"><li>Digitalization of operational processes using Industry 4.0 solutions and automation technologies</li><li>Ensuring digital transformation with Industry 5.0 solutions</li></ul>	<ul style="list-style-type: none"><li>Ensuring speed and efficiency and decreasing costs in business processes</li><li>Improvement of operational decision-making processes</li></ul>
	Disaster management and Resilience			<ul style="list-style-type: none"><li>Building infrastructures resistant to natural disasters and strengthening emergency plans</li></ul>	<ul style="list-style-type: none"><li>Operational continuity</li><li>Fast and effective response to disasters</li><li>Resilience to disasters</li></ul>
Employees - Internal Stakeholders	Occupational health and safety			<ul style="list-style-type: none"><li>Strengthening occupational health and safety management systems</li><li>Implementing training and awareness programs</li></ul>	<ul style="list-style-type: none"><li>Increased employee satisfaction and engagement</li><li>Achieving a reduction in occupational accidents</li><li>Strengthening corporate reputation</li></ul>
	Employee training and development			<ul style="list-style-type: none"><li>Occupational and personal development programs</li><li>Leadership and talent management strategies</li></ul>	<ul style="list-style-type: none"><li>Empowerment of employee competencies and company culture,</li><li>An innovative and high-performance working environment</li></ul>
Society - External Stakeholders	Social interaction and social investments			<ul style="list-style-type: none"><li>Establishing dialogue with the society</li><li>Investment in social projects</li><li>Performing social impact assessments</li></ul>	<ul style="list-style-type: none"><li>Improving social contribution</li><li>Alignment with local communities</li><li>Pioneering social responsibility projects</li></ul>
	Transparency and accountability			<ul style="list-style-type: none"><li>Strengthening corporate governance practices,</li><li>Improving reporting standards,</li><li>Implementing ethical management policies</li></ul>	<ul style="list-style-type: none"><li>Improving the confidence of investors and stakeholders,</li><li>Adopting an ethical and transparent way of doing business</li></ul>

Short

Mid-term

Long


Low

Moderate

High















Sustainability Goals of  
Zorlu Enerji

Detailed information on Smart Life 2030 vision is available  
through Link  / QR Code .



# Akıllı Hayat 2030



Value Areas	Top Material Issues	Goals	Base	Progress			2023 Assessment	Reference Page
				2021	2022	2023		
 NATURE STEWARDSHIP AND VALUE CHAIN	Climate Action →	Achieving net zero in operations and energy production by 2030	2020	1.3 million tCO <sub>2</sub> e	1.2 million tCO <sub>2</sub> e	991 thousand tCO <sub>2</sub> e	★	
		Achieving net zero across the entire value chain by 2040	2020	6.5 million tCO <sub>2</sub> e	6.1 million tCO <sub>2</sub> e	6 million tCO <sub>2</sub> e	★	
	Green and Reliable Energy Supply →	Increase the share of renewable energy in total generation to 100% by 2030.*	2020	99.9%	99.9%	99.9%	→	
	Biodiversity →	Investing 10 million TRY for the protection and improvement of biodiversity until 2030	2020	575 thousand TRY	1.4 million TRY	3.2 million TRY	★	
 People and Culture	Talent Management and Employee Welfare →	To be one of the top three most desired energy companies in our country and in our region	2020	N/A	N/A	N/A	→	
		Increase the proportion of women in management to 40% by 2030	2020	36%	22%	31%	★	
		Being included in the Bloomberg Gender Index	2020	N/A	N/A	N/A***	→	
		Achieving a zero workforce loss accident rate by 2030	2020	6.63	22.61	3.9	★	
	Local Socioeconomic Development →	Maintaining the continuous development in the local socioeconomic benefit we create based on our business model & social investments	2020	2.5 million TRY	7.3 million TRY	53 million TRY	★	
 Impact Driven Growth	Innovation and New Business Models →	Ensuring that 20% of turnover comes from innovative business models**	2020	114 million TRY	3.8 billion TRY	3.71 billion TRY	↓	
	Sustainable Finance and Responsible Investments →	To meet all new project financing requirements to be used in Türkiye through sustainable financial instruments by 2030	2020	157 million TRY	1.5 million TRY	N/A	→	

\* Production figures in Türkiye have been taken into account, excluding the production achieved in thermal power plants operated in line with the instructions of the Ministry of Energy and Natural Resources and for maintenance purposes.

\*\* Sales realized through Zorlu Solar, ZES and Electrip are taken into consideration.

\*\*\* Awaiting assessment results.



Performance realized was above the expectations.



Goal achieved.



Progress was maintained








Failed to achieve the goal





# SUSTAINABLE DEVELOPMENT GOALS

Contributed SDGs	Zorlu Enerji Approach	Contributed Sub-Goal	Priority Issue	Related Actions
	Zorlu Enerji advocates gender equality, prevents gender discrimination in recruitment and promotion processes, and provides transparent opportunities to increase women's participation in the workforce. The company promotes gender equality in the work environment through training programs and supports women to take an active role in decision-making processes.	<b>5.1</b> End all forms of discrimination against all women and girls everywhere <b>5.5</b> Ensure full and effective participation and equal opportunities for leadership at all levels of decision-making	P2 P11	<ul style="list-style-type: none"><li>• Zorlu Holding Gender Equality Manifesto</li><li>• Gender Equality Working Group and Gender Equality Committee</li><li>• Becoming a signatory of WEPs</li></ul>
	Zorlu Enerji increases its share of renewable energy globally by investing in renewable energy resources and developing clean energy technologies. It further offers innovative and efficient energy solutions to improve energy efficiency.	<b>7.1</b> Universal access to modern energy <b>7.2</b> Increasing the global share of renewable energy <b>7.3</b> Doubling the improvement in energy efficiency	P7 P12	<ul style="list-style-type: none"><li>• Renewable Energy Commitment</li><li>• Power Plant investments with storage units</li><li>• ISO 50001 projects</li><li>• I-REC certificate sales</li><li>• Equipment sales via ZES Solar</li></ul>
	Zorlu Enerji diversifies economic productivity by investing in innovative and sustainable energy solutions. Offers a decent and safe working environment for its employees and adopts the policy of equal pay for equal work.	<b>8.2</b> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation <b>8.4</b> Increasing resource efficiency in consumption and production <b>8.5</b> Full employment and decent work with equal pay <b>8.8</b> Protect labour rights and promote safe and secure working environments for all workers	P1 P3 P5 P6 P12	<ul style="list-style-type: none"><li>• Equal pay for equal work</li><li>• Preventing industrial accidents and managing their impacts</li><li>• Transition to Low Carbon</li><li>• Technologies and Energy Efficiency</li><li>• SA8000 projects Security</li><li>• Management System SEVESO efforts</li><li>• Digitalization of the process of identifying risks in charging station installation processes</li><li>• Training partnership with TEİAŞ</li></ul>
	Zorlu Enerji undertakes research and development activities on innovative energy technologies and sustainable solutions.	<b>9.4</b> Improvement of all industrial branches and infrastructures for sustainability <b>9.5</b> Increasing the research and improving industrial technologies	P12	<ul style="list-style-type: none"><li>• GECO project GeoSmart</li><li>• project GEOPRO project</li><li>• eCharge4Drivers project</li><li>• BD4OPEM project BD4NRG</li><li>• project Flexigrid project</li><li>• DEEPLIGHT project</li><li>• Digitalization of processes with upgrades such as SAP's HANA module</li><li>• National Smart Meter System (MASS)</li></ul>
	Zorlu Enerji creates value with sustainable social responsibility projects that will strengthen the company's egalitarian stance by eliminating inequalities in business life.	<b>10.3</b> Ensuring equal opportunities and ending discrimination <b>10.4</b> Implementing fiscal and social policies that promote equality	P9 P11	<ul style="list-style-type: none"><li>• Eşit Bi'Hayat (An Equal Life) program Eşit Bi' Hayat Dictionary</li><li>• Discourse Control Mechanism</li><li>• Equal Opportunity Model</li><li>• Certificate of KAGİDER</li><li>• Rotation at Work Program</li><li>• Power of Women, Power of the Future Program</li></ul>

Contributed SDGs	Zorlu Enerji Approach	Contributed Sub-Goal	Priority Issue	Related Actions
	Zorlu Enerji preserves natural resources by improving the efficiency in energy generation processes and investing in renewable resources. It further reduces waste production by adopting environmentally friendly approaches.	<b>12.2</b> The sustainable management and efficient use of natural resources <b>12.4</b> Responsible chemical and waste management <b>12.5</b> Significantly reducing waste production	P5 P6 P7	<ul style="list-style-type: none"><li>• Investment in low carbon technologies</li><li>• Waste reduction target Be</li><li>• Responsive (Do!) project</li><li>• ISO 14001 Environmental Management System Recycling wind turbine blades</li><li>• The use of well water instead of mains water with reverse osmosis system in Kızıldere III GPP</li><li>• Wind turbine maintenance workshop at Kızıldere III GPP</li><li>• Preventing the failures and malfunctions with predictive maintenance in power plants</li></ul>
	Zorlu Enerji aligns its infrastructure and operations to climate change in order to reduce the risks related to climate change and increase resilience. Integrates strategies to fight against climate change into business plans.	<b>13.1</b> Strengthening resilience and compliance capacity against climate-related disasters <b>13.2</b> Integration of the measures related to climate change into policies and plans <b>13.3</b> Developing knowledge and capacity to fight against climate change	P4 P8 P13	<ul style="list-style-type: none"><li>• SBTi target CDP</li><li>• TCFD and TNFD reporting</li><li>• ISO 14064 and ISO 14046 verification and reporting</li><li>• Planting 9,000 saplings</li></ul>
	Attaching utmost importance to biodiversity, Zorlu Enerji carries out activities to preserve water resources and marine ecosystems.	<b>14.2</b> Protect and restore ecosystems	P8	<ul style="list-style-type: none"><li>• Biodiversity Commitment</li><li>• Endangered Species Brochure</li><li>• Biodiversity and Ecosystem</li><li>• Management System CDP</li><li>• Deforestation Report</li><li>• Zero Carbon Footprint Forests Project</li></ul>
	Zorlu Enerji prioritizes the protection of biodiversity and forest areas while pursuing its activities. It also contributes this goal by carrying out projects that will support ending deforestation and protecting biodiversity.	<b>15.2</b> Halt deforestation and restore degraded forests <b>15.5</b> Protection of biodiversity and natural habitats	P8	<ul style="list-style-type: none"><li>• Biodiversity Commitment</li><li>• Endangered Species</li><li>• Brochure Biodiversity and Ecosystem</li><li>• Management System CDP</li><li>• Deforestation Report</li><li>• Zero Carbon Footprint Forests Project</li></ul>
	Zorlu Enerji adopts an ethical, transparent and accountable corporate governance approach by developing and implementing fair and anti-discrimination policies for all stakeholders.	<b>16.5</b> Substantially reducing corruption and bribery <b>16.6</b> Developing effective, accountable and transparent institutions <b>16.8</b> Promotion and enforcement of non-discriminatory laws and policies for sustainable development	P10	<ul style="list-style-type: none"><li>• Stakeholder Communication</li><li>• Environmental and Social Governance Principles Commitment</li></ul>

- P1 Health and Safety & Process Safety
- P2 Human Rights
- P3 Brand Reputation
- P4 Combating Climate Change
- P5 Strong Economic Performance

- P6 Responsible and Sustainable Financing
- P7 Transition to Low-Carbon Technologies and Energy Efficiency
- P8 Biodiversity Loss and Deforestation
- P9 Employee Rights and Well-being
- P10 Corporate Governance and Conduct

- P11 Inclusion, Equality, Diversity
- P12 Digitalization and Technology
- P13 Climate Risks





## Stakeholder Interaction and Social Dialogue

We define the people and organizations that are affected by the operations of the company and play a significant role in the success of the company as our stakeholders and we place the contributions and impacts of our stakeholders at the heart of our business strategies. We aim to create value by prioritizing transparent and mutual communication with our stakeholders at every stage of our activities. We reinforce our stakeholder relations, which are built on the principles of diversity, inclusion, trust and open communication, with the principles of accessibility and rapid response. We aim to present our sustainable growth perspective to the benefit of our stakeholders.

We support our strong and transparent communication processes with various tools such as employee satisfaction surveys, sustainability and customer satisfaction surveys, reputation surveys and meetings held with stakeholder engagement. This process is constantly renewed through our website, call center, social media platforms and one-on-one visits. We refer to stakeholder feedback to improve our business processes and to evaluate each suggestion.

We determine our stakeholder priorities through a strategic materiality analysis performed in the light of global sustainability assessment agencies, industry trends and international organizations' reports. This analysis is based on external trends, executive opinions, and impact analysis.

We classify our stakeholders into three main categories:

- 1- Stakeholders with Direct Influence: Employees, customers, business partners, suppliers, shareholders, investors and analysts.
- 2- Stakeholders with Indirect Influence: Financial institutions, public institutions, local governments, unions, media, non-governmental organizations.
- 3- Stakeholders Introducing New Opportunities: Universities and research institutions.

As Zorlu Enerji, we have various complaint mechanisms. All our stakeholders can find our Company's contact information, which they will use to convey their complaints, suggestions, and requests, on the Contact Us tab of our website.

**Complaints regarding our "Electricity and Gas Distribution" operations are forwarded to our company through the communication channels listed below:**

- Corporate website
- Operation centers
- 186 call centers
- Social media accounts (Twitter, Facebook, Instagram etc.)
- Consumer Complaint Websites
- E-mail
- Government agencies (written complaints submitted through public institutions)
- Petitions

All requests, suggestions and complaints are handled individually and responded to according to the channel through which they are submitted.

As Zorlu Enerji, we adopt a corporate priority towards creating a working environment that supports engagement, is contemporary, decent and respectful of human rights. Therefore, we implement a transparent process to listen to and resolve employee complaints. In case of any doubt about the content of our Code of Ethics or upon witnessing any conduct or practice contrary to the rules, all our employees may refer to the Code of Ethics Notification Hot Line via e-mail (etik@zorlu.com) or via telephone at any time of the day (by calling 0 212 456 23 23 or 0 850 226 23 23).

## Stakeholder Prioritization

The number of stakeholders identified may be high enough to complicate an effective communication. For this reason, it is necessary to prioritize the identified stakeholders to ensure efficiency in collecting stakeholder opinions and integrating them into business plans.

For prioritizing our stakeholders, we consider their influence on the company and the degree of significance. Influence is referred to as the impact of company activities on stakeholders whereas significance refers to the value of stakeholders' expectations and demands for the company. These assessments align our company strategies and sustainability goals with stakeholder expectations.

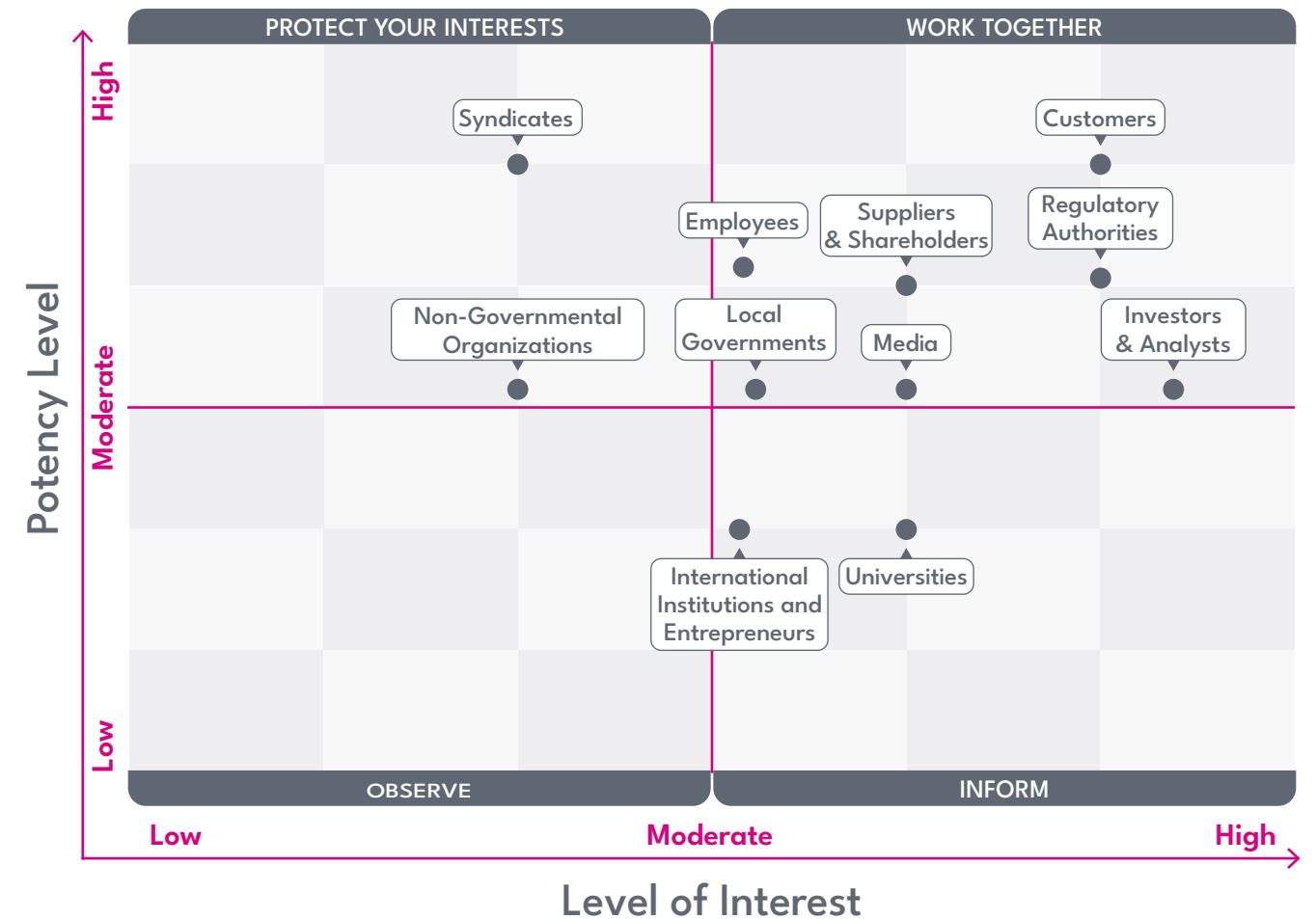
**Accordingly prioritized stakeholders are evaluated comprehensively. The questions to be answered when evaluating stakeholders are as follows:**

- Which product/service of the company is the stakeholder interested in? What are the stakeholder's expectations from the company?
- In which aspects do the stakeholder influence the company's products/services?
- In which aspects is the stakeholder affected by the company's products/services?

For stakeholder analysis, stakeholders are associated with the products/services offered by the company. Thus, who benefits from which products/services is clearly revealed.

The most up-to-date stakeholder map developed in line with Zorlu Enerji's Stakeholder Governance Procedure is as follows:

## Stakeholder Governance Map



Zorlu Enerji demonstrates a pioneering approach in its industry regarding sustainability and stakeholder management. The company aims to listen to the local communities and other stakeholders with the comprehensive stakeholder governance procedure it has developed for all kinds of complaints, requests and demands that may arise from its operations. This procedure is submitted to power plant officials and implemented effectively in stakeholder communication processes.

Internal and external stakeholders were identified through the stakeholder mapping performed by the company and the significance of these stakeholders was ranked accordingly. This process is also significant as it confirms that company operations do not have a negative impact on the local community.

## Stakeholder Engagement and Local Development

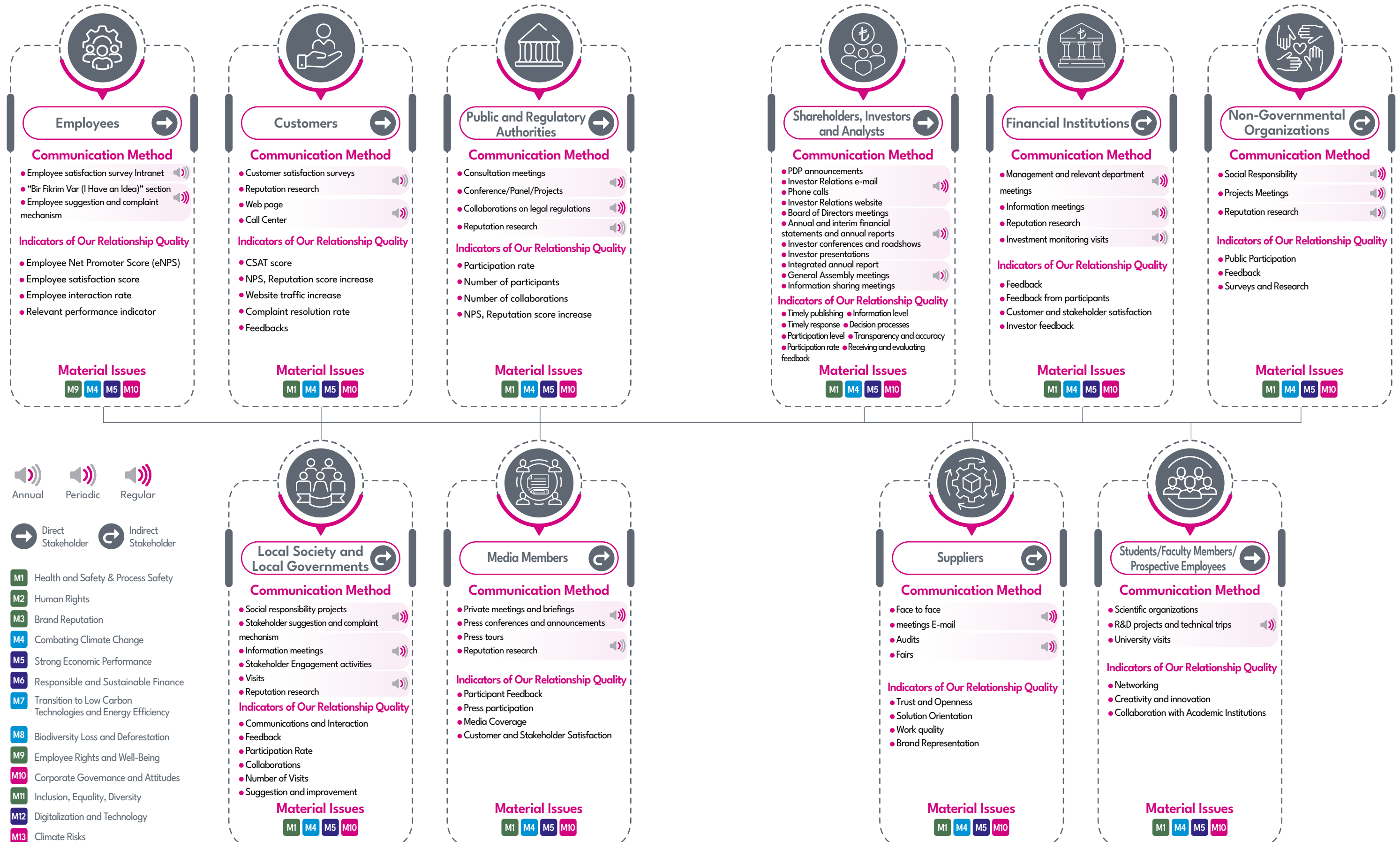
Zorlu Enerji actively engages in social issues related to local communities and contributes to the process of finding solutions. For this purpose, visits and meetings intended for informing relevant local communities are organized before starting the projects. Responsible Lobbying Report published annually discloses the company's advocacy activities to the public whereas Environmental Social and Governance Principles Commitment confirms the determination on managing social risks and adding value to society.

Stakeholder Engagement plan created within the scope of our Kızıldere III GPP capacity increase project as well as the details of regular village visits, social investment programs and other corporate social responsibility activities are available [here](#).





## Our Approach to Communication with Our Key Stakeholders







## Memberships, Collaborations and Initiatives

In line with the vision of maintaining our leading position in the energy industry and paving the way for sustainable energy solutions, Zorlu Enerji focuses on strategic memberships, collaborations and initiatives to build a strong network, develop innovative solutions and add value to the industry. Owing to our memberships in strategic non-governmental organizations, we closely follow the developments in the industry and transform this

know-how into sustainable innovations. We overcome the challenges in the energy industry by bringing together the strengths of our stakeholders through collaborations and partnerships. Through these strategic memberships, collaborations and initiatives, we not only strengthen our own business model but we also reinforce our vision of steering the development in the industry by playing an active role in achieving the overall sustainability goals in the energy industry.

### Collaboration for Climate-Related Goals

Assuming an active role in combating against climate change and supporting sustainable development is among our goals. As Zorlu Enerji, we build strategic collaborations with industry leaders, non-governmental organizations and various platforms in line with our climate goals. These collaborations indicate our vision of making a collective effort towards achieving global climate goals.



As Zorlu Enerji, we strongly support the United Nations Global Compact (UNGC) and integrate its 10 principles into all our business operations. We disclose and report annually our progress in implementing these Principles.

*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.*



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.*



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 2030. 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 2050, we are carrying out the validation process as of the reporting date to ensure that our target is approved by SBTi.

*To follow our progress towards our goals, please refer to the official website of the Science Based Targets Initiative.*



Zorlu Enerji is a member of the World Business Council (WBCSD), a network focused on sustainable development. This network supports businesses to gain tools and expertise, to engage in solid partnerships and share knowledge to move towards sustainability. The long-term strategy and approach of Zorlu Enerji to sustainability issues are in line with WBCSD’s membership requirements and Vision 2050: Time to Transform which aims to build a future where more than nine billion people can live a good life within the boundaries of the planet.

As Zorlu Enerji, we support the WBCSD Business Manifesto for Climate Recovery which is built around twelve priority actions and is structured around reducing, eliminating and reporting emissions, and we further advocate the necessity of public-private cooperation to promote climate action.

In support of



Zorlu Enerji, which has been a signatory of the United Nations Women’s Empowerment Principles (WEPs) since 2020, acknowledges the empowerment of women in the business world as one of the key elements of accelerating socioeconomic development. We actively promote gender equality among key stakeholders, increase employment opportunities for women and support their professional development. As Zorlu Enerji, we annually disclose to the public our progress and activities in the field of gender equality in our corporate reports.

*Our progress statement regarding Women’s Empowerment Principles (WEPs) is available in the appendix of the report.*



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 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.



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.



Membership to the Turkish Corporate Responsibility Association (TKSD) strengthens the commitments of Zorlu Enerji in the areas of social contribution and corporate responsibility. Our Marketing and Corporate Communications Director, who represents our Company at TKSD, cooperates with industry leaders on corporate social responsibility projects and social contribution activities. Membership to TKSD reinforces our determination to fulfill our responsibilities towards the society and the environment and further encourages us to develop innovative projects in the field of corporate social responsibility.

**Herein, we further present all the other collaborations we have built for climate goals.**

- Electricity Producers Association (EÜD)
- The Turkish Association for Energy Economics (TRAEE)
- Energy Traders Association (ETD)
- Natural Gas Distributors Association of Türkiye (GAZBİR)
- Solar Energy Industrialists and Industry Association (GENSED)
- International Solar Energy Society – Türkiye Section (ISES-TR)
- Solar Energy Investors Association (GÜYAD)
- Climate Platform Leaders Group Employers Union of Turkish Construction Industrialists (İNTES)
- Corporate Communicators Association (KİD)
- Marketing Türkiye C Level Club
- Middle East Solar Industrialists Association (MESIA)
- All Battery Importers and Manufacturers Association (TÜMAKÜDER)

- Petroleum Platform Association (Petform)
- Energy Council of the Union of Chambers and Commodity Exchanges of Türkiye (TOBB)
- Turkish Quality Association (KalDer)
- Turkish Cogeneration and Clean Energy Technology Association (TÜRKOTED)
- Turkish Wind Energy Association (TÜREB)
- TUSIAD Energy Working Group
- Environment and Climate Change Working Group of TUSIAD
- International Competition and Technology Association
- Turkish Ethics and Reputation Society (TEİD)
- Corporate Governance Association of Türkiye (TKYD)

## Responsible Lobbying Approach

As Zorlu Enerji, we adopt the principles of trust, integrity, transparency, responsibility, openness and equal communication which are embedded in the core values of our company culture and we recognize these principles as fundamental elements in protecting and strengthening our reputation. Adopting these values as the pillars of our business processes, we respect their existence, their way of doing business, their roles and responsibilities in our relationships with institutions.

As one of the pioneers in the energy industry, who understands the significance of renewable energy investments to ensure a sustainable future, we carry out scientifically based advocacy and collaborations with public, non-governmental and private industrial platforms to prioritize these investments.

Details of our responsible lobbying approach is available through our **web site**.





# ETHICS, COMPLIANCE AND TRANSPARENCY

Zorlu Enerji is committed to placing the principles of ethics, compliance and transparency at the core of its business model. While our company constitutes our corporate culture by adopting these principles, it further observes legal regulations and international norms and carries out its business procedures in accordance with the Turkish Labor Law and International Labor Organization (ILO) standards. In particular, issues such as the prohibition of child labor, eliminating and preventing forced labour, collective agreements and employees' right to organize are prioritized in terms of protecting employee rights.

Our company prioritizes sustainability and social responsibility in all aspects of its activities. In this context, our company policies and practices clearly prohibit providing direct or indirect financial support to any political entity or institution or making payments for political purposes. Political donations, contributions and lobbying activities are also included in this ban.

Employee rights are defended and managed within the framework of existing legal regulations, employment contracts signed between the parties and ethical principles. Not only within our own organization but also across the suppliers we cooperate with, it is encouraged to comply with the relevant standards and guidance is provided in this regard. In case of any violation of ethical codes or rights, supervisory and regulatory steps are taken under the guidance of Zorlu Holding's Code of Ethics. These Code of Ethics, consistent with the Company's policies, values and principles, include articles such as the Prevention of Laundering Proceeds of Crime, Anti-Bribery and Anti-Corruption. These principles apply to all Zorlu Group's employees, board members, suppliers, business partners, intermediaries, contractors, proxies and all other collaborating parties.

Therefore, all activities aimed at disseminating and promoting business ethics culture (hot-line, training, audit and reporting, Ethics Committee, etc.) and internal control and internal audit processes aimed at preventing and detecting violations of business ethics are planned to cover all business processes. No cases of corruption were detected as a result of the risk assessments performed in 2023 and no complaints were received from employees or third-party stakeholders on issues such as "child labor", "forced labor", "violation of the right to organize", "discrimination or harassment", "customer privacy data" and "money laundering". Furthermore, there are no identified cases of such violations. Throughout 2023, no denouncements are received via the hotline regarding the "violation of the rights of local community" and there are no identified cases of such violations.

Zorlu Enerji reinforces the importance it attaches to the protection of employee rights with documents and ensures the protection of these rights. SA 8000 (Social Accountability 8000) Certification, which aims to secure the fundamental rights of employees at the electricity generation plants of Zorlu Doğal Elektrik Üretimi A.Ş. was obtained in 2017.

This document, which addresses issues such as occupational health and safety, forced labor, child labor, discrimination, working hours, wages, disciplinary practices and management systems, is of utmost importance for the company to evaluate and improve itself. The Code of Ethics play a key role in the company's relationships with customers, suppliers and all other relevant parties, both inside and outside the company, and ensures the adoption of a corporate structure that is responsible towards society and helps to build a corporate culture where business ethics is centered at all levels. With the engagement of all stakeholders in this cooperation, it is aimed to raise ethical awareness, improve service quality and protect assets and resources not only within the company but also outside. It is aimed for employees, who are the most significant elements of the corporate culture, to be conscious about the Code of Ethics and their own rights and for this purpose training is offered through the ENOCTA Platform within Zorlu Academy.

There is an "Ethics Line" under the umbrella of Zorlu Holding where employees can convey their wishes and complaints. All complaints submitted to this line are examined in detail and reported accordingly. In 2023, there were two notifications received by the Ethics Line: one of which was about bribery and corruption. The process regarding the two notifications is still in progress and there are no employees subjected to sanctions yet. The "Employee Representative" program was further introduced to ensure the voices of employees in each location to be heard. This program enables the employees to refer to the Employee Representative appointed in their region for any problems related to their work environment or any ideas they wish to convey. Owing to the monthly regular meetings, coordination between the Field and the Headquarter is maintained at the highest efficient level, requests are evaluated and appropriate actions are planned accordingly.

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.

Zorlu Enerji constantly strives to establish trust-based, solid relationships with all its stakeholders and build long-lived values. It has adopted the principle of extending its transparent and accountable business model not only within the Company but also to all other actors it cooperates with. In this context, observing and encouraging compliance with environmental, social and ethical norms are among the main duties of particularly material business partners and suppliers. The company adopts a responsible supply chain approach by disseminating its sustainability approach to all its suppliers and contractors.

**Within this framework, Zorlu Enerji continues its efforts to fulfill its commitments throughout the entire value chain, which include:**

- Raising awareness, informing, educating, and providing training when necessary on sustainable supply chain management,
- Evaluating suppliers based on their environmental and social performance,
- Prioritizing suppliers that manage environmental and social impacts, contribute to the development of employees and society, and develop sustainable practices,
- Giving priority to local suppliers if they meet the requirements,
- Periodically reviewing and restructuring purchasing processes to ensure continuous improvement,
- Maintaining and improving supplier communication through various communication channels.

**Within the framework of sustainable supply chain policy, suppliers and business partners in cooperation with Zorlu Holding are expected to adhere to Zorlu Holding Procurement Principles, which were constituted in light of all existing local legal legislation and regulations such as the International Labor Organization (ILO) and United Nations Conventions. Accordingly, suppliers and business partners are expected:**

- to act in accordance with Zorlu Enerji policies,
- not to employ child workers below the minimum working age regulated in Article 138 of the International Labor Organization Conventions,
- not to employ young employees in dangerous jobs and not to disrupt their education/training,
- not to force or oblige individuals to work,
- not to employ any workers without social security,
- not to lend any money in exchange for labor,
- not to discriminate people on grounds such as race, ethnicity, gender, gender identity, sexual orientation, color, religion, place of birth, marital status, pregnancy, dependents, age, position, disability, social class, union membership or political opinion,
- to respect human rights and to adopt the decent work principle,
- not to tolerate any physical abuse, sexual, verbal or physical harassment and intimidation in the workplace,
- to exhibit a fair attitude in accordance with moral values and humanitarian norms in all business relations,
- to pay its employees at least minimum wage, to ensure fringe benefits to comply with the rules set by laws and regulations and to

- guarantee that payments are made regularly and on time,
- to provide its employees vacation and leave rights in accordance with the laws and regulations and to ensure that working hours comply with the regulations,
- to respect the rights of employees to unionize, representation and participation in workers' councils as defined by local laws
- to comply with occupational health and safety rules in the workplace and to take all necessary precautions in this context, to provide regular training to employees on occupational health and safety,
- to comply with all applicable environmental codes, laws and regulations; to monitor and manage the environmental impacts of their operations, to carry out practices to reduce carbon emissions and the use of natural resources and to increase the amount of recyclable wastes,
- to ensure full compliance with Zorlu Enerji and Zorlu Holding Code of Ethics with regard to Anti-Bribery and Anti-Corruption and to act meticulously about giving and receiving gifts for facilitation purposes, avoiding conflicts of interest, avoiding attempts to prevent or restrict competition, and respecting the intellectual property rights of business partners,
- to present documents confirming their compliance with the principles clearly and transparently during supplier audits.

The company is further committed to cooperate on these issues.

**The undersigned version of the commitment in question is available through the link.**  To access Zorlu Holding Supply Chain Principles: Zorlu Holding Supply Chain Principles.





## Zorlu Enerji Governance Policy and Commitments:

As Zorlu Enerji, we operate with a strong commitment to our ethical values and sustainable governance principles. We prioritize transparency, accountability and interaction with stakeholders with the policies and commitments we adopt in this regard.

### Main Principles:

- **Transparency and Accountability:**
  - Business processes and financial information are clearly disclosed to stakeholders.
  - Company performance is disclosed in regularly updated reports.
- **Stakeholder Engagement:**
  - A policy of continuous dialogue and interaction with employees, investors, customers and other stakeholders is observed.
  - Stakeholder expectations and feedback are evaluated and integrated into company policies.
- **Commitment to Code of Ethics:**
  - Zorlu Enerji acts with strict adherence to the principles of business ethics and integrity.
  - A consistent audit process is executed to monitor and strengthen compliance with ethical standards.
- **Environmental and Social Responsibility:**
  - The company proactively participates in environmental sustainability and social responsibility projects.
  - Continuous efforts are made to use natural resources efficiently and reduce environmental impacts.

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

### For detailed information about our Policies and Commitments: Integrated Management Systems



- Sustainability Policy
- R&D & Innovation Commitment
- Biodiversity Conservation Commitment
- Environmental and Social Governance Principles Commitment
- Commitment on Access to Energy
- Nuclear Posture Commitment
- Sustainable Supply Chain Policy
- Renewable Energy Commitment
- Corporate Restructuring & Human Rights Commitment
- Responsible Lobbying
- Information Security Management System Policy
- Zorlu Enerji Quality Policy
- Zorlu Enerji Environmental Policy
- Zorlu Enerji Occupational Health and Safety Policy
- SA8000 Policy
- Zorlu Enerji Human Resources Policy
- Zorlu Holding Human Rights Policy
- Zorlu Holding Procurement Principles
- Zorlu Holding Code of Ethics
- Deforestation Policy
- Board of Directors Diversity Policy
- Zorlu Renewable Sustainability Policy
- Electrip ESG Policy
- ISO 9001: Quality Management System
- ISO 14001: Environmental Management System
- ISO 45001: Occupational Health and Safety Management System
- ISO 27001 Information Security Management System
- SA 8000 Social Responsibility Management System

Certifications	Business Facility Coverage Percentage (%)
ISO 9001 Quality Management System	71%
ISO 14001 Environmental Management System	76%
ISO 45001 Occupational Health and Safety Management System	76%
SA 8000 Social Responsibility Management System	48%
ISO 27001 Information Security Management System	19%





# INSECTS' VISION\*

Under the theme of Nature Stewardship and Value Chain, which is a significant element of our sustainability strategy, we aim to contribute in particular to the renewal and repair of the biosphere. Our activities for the conservation and development of biodiversity are among our material areas in achieving this goal. We manage our activities with a holistic perspective, similar to the 360-degree vision of insects, and shape our stakeholder communications accordingly. From this perspective, we have pursued an approach aimed at the development of local community while protecting the biodiversity in our investment regions. Within the framework of this understanding, we observe and support the sustainability of the natural environments of a wide range of living creatures, from supporting women's cooperatives to providing scholarships to students, from reducing deforestation with the Zero Carbon Footprint Project to protecting the golden bamboo grass (an endemic plant species).

## NATURE STEWARDSHIP AND VALUE CHAIN

*\* Most insects have compound eyes consisting of many small lenses called ommatidia, which feature often gives them a wider field of view reaching almost 360 degrees.*







Being aware of our responsibility for the future, we act by thinking not only of today but also of tomorrow. As Zorlu Enerji, we undertake the role of Nature Stewardship throughout our entire value chain with the motto “Conservation alone is not enough, we also need to repair”.

We maintain our strong commitment to environmental sustainability and focus our activities on a business model aligning both nature and people.

We operate in a wide range of fields, adhering to the principles of sustainability and environmental responsibility. We produce sustainable energy by combining our electricity generation, electricity and natural gas sales and distribution, roof-top solar panel installation, electric vehicle charging infrastructure operations and electric vehicle rental activities with environmentally friendly practices. We work to support development with the investments realized using sustainable financing tools in the fields where we operate. We assess environmental risks and opportunities on the basis of our investments and further evaluate the impacts of our investments according to international standards.

Environmental Management System (ISO 14001) is an integral part of our business processes. With our Environmental Management System, we reduce our environmental impacts, support activities in line with sustainability principles and ensure compliance with environmental legal requirements. In our offices and power plants with ISO 14001 certification, which confirms the international reference for Environmental Management System standards, we ensure the development of our business processes by carrying out consistent improvement activities within the scope of this standard. Throughout the reporting period, there was only one environmental fine imposed on OEDAŞ and no further material fines (over 10 thousand dollars) related to environmental or ecological issues have been paid over the last four fiscal years. The absence of any legal proceedings and material environmental fines reflects the success of our effective environmental management system.

We are well aware of our environmental responsibilities within the scope of preserving biological diversity. The Biodiversity Protection Commitment, published in this regard, confirms our determination to preserve natural diversity.

We consistently undertake monitoring and analysis to preserve biological diversity in our fields of activity. We execute customized projects for each of our power plants. We provide continuous monitoring at our wind power plants with ornithological\* and mammalogical\*\* analyses. We carry out various analysis and monitoring activities in our hydroelectric power plants, starting with wetland systems. We further conduct comprehensive analyzes to evaluate in detail the effects of geothermal power plants on semi-natural agricultural ecosystems.

*\*Ornithological: It is associated with “ornithology”. Ornithology is referred to as the scientific study of birds and is a sub-branch of biology.*

*\*\*Mammalogical: It is associated with “Mammalogy”. Mammalogy is referred to as the scientific study of mammals and is a sub-branch of biology.*

As Zorlu Enerji, we aim to deepen and diversify our renewable energy investments. We shape our investments in line with this goal.

We are implementing new projects to realize our commitment to a sustainable energy future. We plan to invest in the latest technologies in the energy industry by increasing the number of our R&D and innovation projects and we work on the transition to low-carbon technologies and energy efficiency. By expanding the scope of our energy efficiency projects, we further aim to reduce our carbon footprint and minimize our environmental impact. By 2023, we reached our goal of increasing the share of renewable energy in total production in Türkiye to 100%, which was a goal for 2030.

We consider R&D and innovation projects as a leverage that will enable us to achieve our goals. Innovation is a significant tool that will enable us to find new solutions to problems that cannot be overcome with existing solutions and to pursue existing activities more effectively. In particular the budget allocated for our expenditures to improve environmental sustainability and our R&D projects focusing on low-carbon technologies reflect our commitment to the future and our responsibility towards the environment. We increased the amount of our environmental investments to over 15 million in 2023. We further allocated approximately 31% of our R&D budget and used TRY 8 million for the development of low-carbon technologies.

As Zorlu Enerji, we are one of the pioneers of the energy industry on the grounds of the steps we take in sustainability and environmental responsibility. We undertake a mission to leave a healthy environment to future generations with our sustainability strategy.



### Environmental Investments

2021

TRY 10,172,624\*

2022

TRY 7,838,884\*\*

2023

TRY 15,650,383\*\*\*

\* Calculated based on the CBRT USD exchange rate dated 31.12.2021.

\*\* Calculated based on the CBRT USD exchange rate dated 31.12.2022.

\*\*\* Calculated based on the CBRT USD exchange rate dated 31.12.2023

## Combating Climate Crisis

Tracked  
KPIs



23%\*

Reduction in Scope 1-2 Emissions

1,8%\*

Reduction in Scope 3 Emissions

\* Decrease in the values have been calculated compared to 2022.

Goals and  
Commitments



In line with our SBTi targets, **Predicating on year 2021:**

We are committed to reducing **Scope 1** greenhouse gas emissions by **73.71% per MWh by 2030**, and further by **97.70% by 2040**;

we are committed to reducing **Scope 2** greenhouse gas emissions by **42% by 2030**, and further by 90% by 2040;

we are committed to reducing Category 3 greenhouse gas emissions of **Scope 1 and Scope 3** per tCO<sub>2</sub>/MWh electricity sold by **73.71% by 2030**, and further by **97.80% by 2040**;

and we are committed to reducing **Scope 3** greenhouse gas emissions by **25% by 2030** and further by **90% by 2040**.

NET  
ZERO

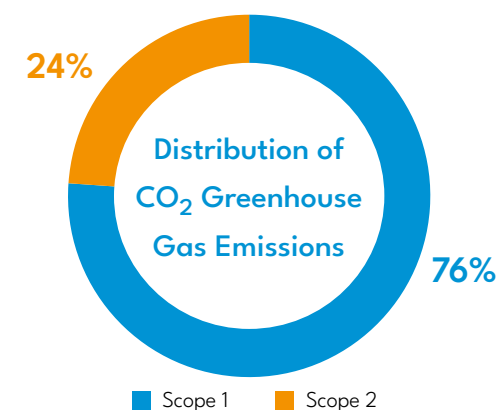
Today, the climate crisis emerges as a severe global threat to ecosystems and living things. Recent reports released by the Intergovernmental Panel on Climate Change (IPCC) emphasize the urgency of taking global action to avoid the severe consequences of climate change.

Combating the climate crisis has become a global priority due to its effects not only on the environment but also on human health, agriculture and food security, economy and societies. International collaboration and adopting sustainable practices play a critical role in mitigating and adapting to the effects of climate change.

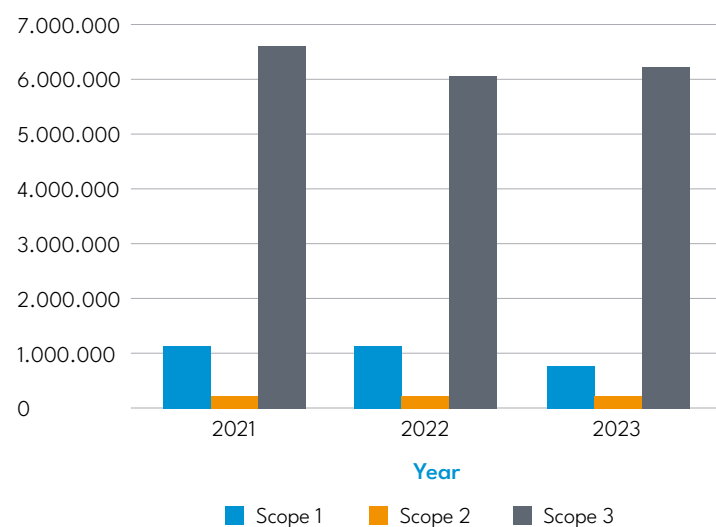
➤ We acknowledge the significance of reducing carbon footprint in the energy industry. That's why we're working hard to build an energy ecosystem based on renewable resources.

Combating climate crisis is of great importance for us, as a leading energy company in the industry. Energy companies are responsible for the effects of greenhouse gases released into the atmosphere due to their activities on climate change. As Zorlu Enerji, we are aware of the need to minimize our environmental impacts and fulfill our environmental responsibilities by switching to sustainable energy generation. In this regard, we integrate climate-related risks and opportunities into our business plans and take significant steps in fighting against the climate crisis.

In line with our science-based climate action, we are evaluating all options to reduce our direct and indirect emissions. We calculate and verify the direct and indirect greenhouse gas emissions resulting from our activities, covering all our group companies.



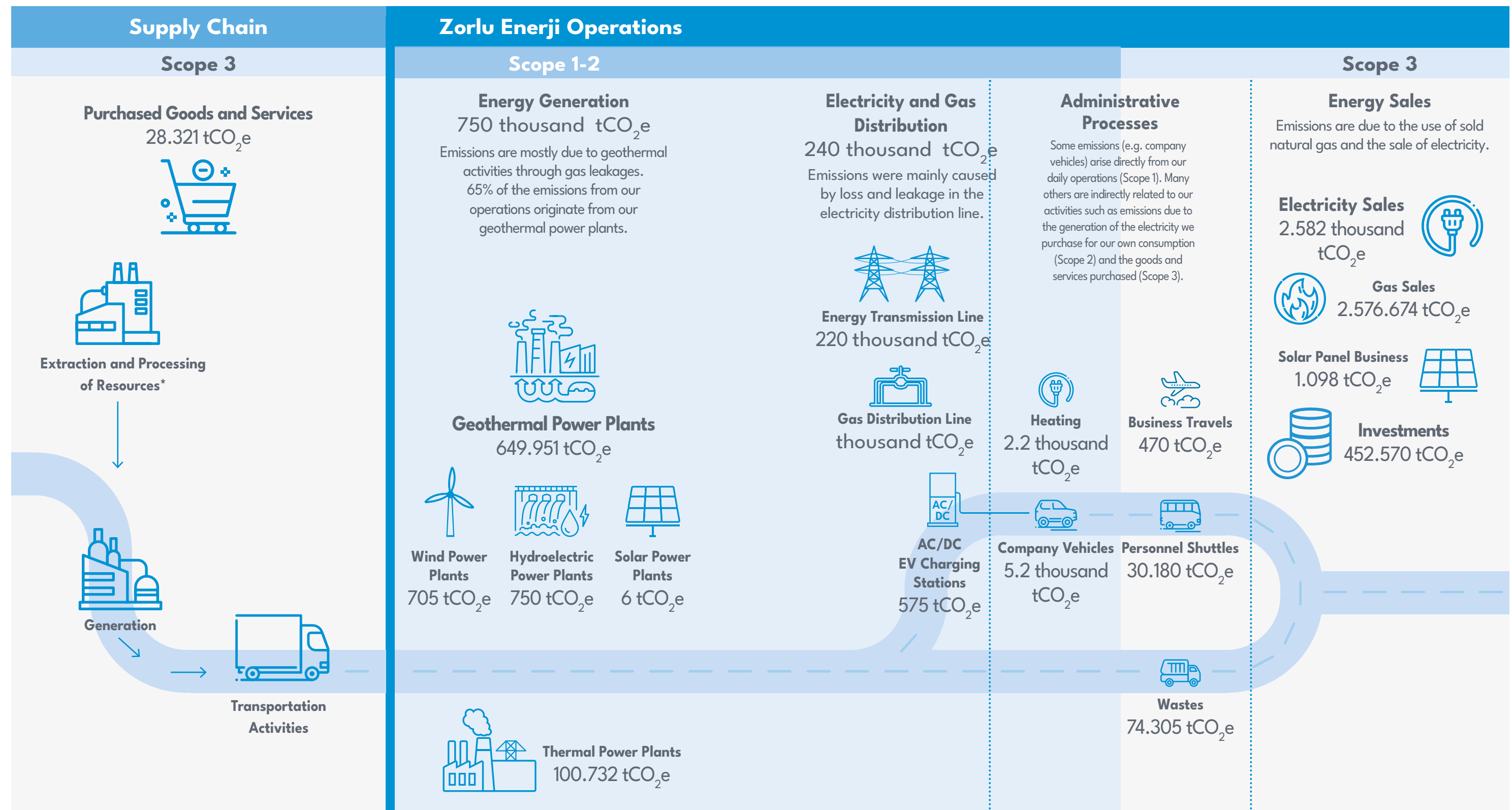
tCO<sub>2</sub>e Scope 1-2-3 Emissions







## 2023 Carbon Footprint Across Our Value Chain



1. Emissions have been calculated in accordance with GHG Protocol guidelines and will be further verified.

\* Indirect emissions from Extraction and processing of resources and Procurement of Raw Materials are calculated within the Purchased Goods and Services category.

Please refer to appendix for detailed calculations.

2. Supply chain emissions resulting from energy sales activities are calculated under the energy sales category.

\* The emission released within the scope of Gazdaş Trakya's operations due to direct flaring/venting is 68,271.15 tCO<sub>2</sub>e.





## Decarbonization of Our Value Chain

We are progressing forward in our fight against the climate crisis by setting ambitious targets for ourselves in line with our strategy.

By participating in the global Science Based Targets initiative (SBTi) implemented by the UN Global Compact, we became the first energy company in Türkiye to make a commitment in this context.

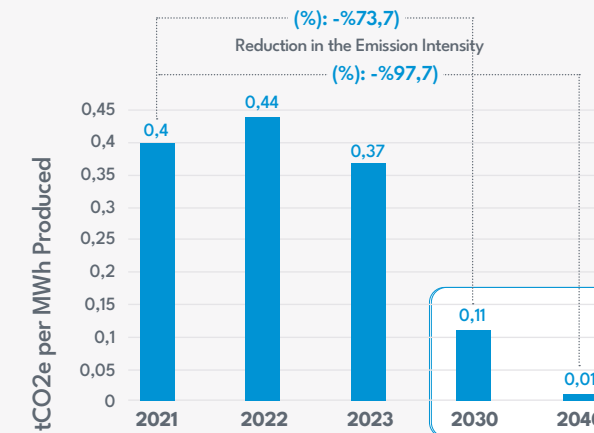
SBTi is a platform that helps companies set scientific data based targets for the fight against climate change. This approach, which focuses specifically on the 1.5°C global warming target, enables companies to develop a more effective climate policy by supporting their sustainability strategies with scientific data. We have also set science-based targets compatible with 1.5°C by working on the net-zero targets previously set for 2023. We expect our targets to be approved by SBTi in 2024. The approval to be provided by SBTi will demonstrate our company's commitment to combating climate change, while also reinforcing our transparency and responsibility towards our stakeholders and customers.

SCIENCE  
BASED  
TARGETS

### We reach net zero in 2040 with our science-based emission reduction targets.

Beginning with 2021 and until 2040, we are committed to reaching net zero by reducing direct carbon emissions per megawatt-hour in our electricity generation and heating operations.

#### Greenhouse Gas Emission Intensity, tCO<sub>2</sub>e per MWh Produced



\* As the amount of electricity generated decreased, greenhouse gas emission intensity has increased.

#### How Shall We Reach Our Goal?

**Renewable Energy Goals:** We aim to increase the share of renewable energy in total production to 100% by 2030. This is a significant step that will ensure our country's energy independence by reducing our imported energy and carbon emissions.

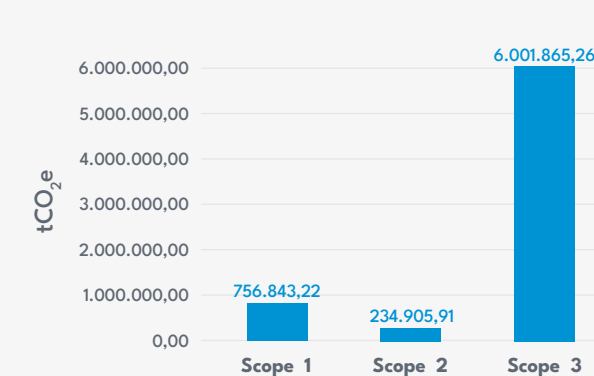
**Our investments:** Our strategic investments are focused on reducing greenhouse gas emissions and improving energy efficiency. Projects such as expanding Smart Grid systems, establishing hybrid energy facilities and expanding electric vehicle infrastructure will help us achieve our decarbonization targets.

**GECO Project:** We are taking part in an international project to reduce our carbon emissions due to geothermal energy. For the purpose of this project, we will carry out R&D activities and implement innovations in the field of geothermal energy with the support provided by the EU's Horizon 2020 program.

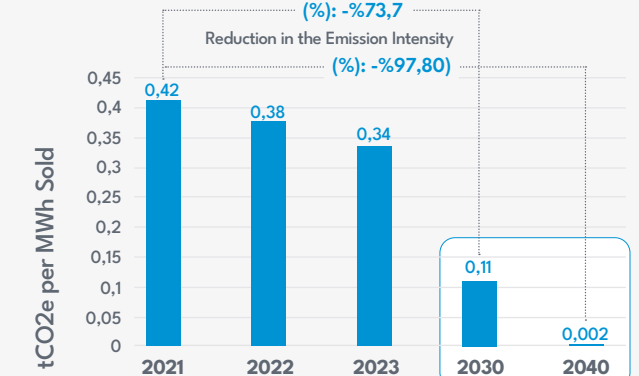
**The use of I-REC and YEK-G Certificates:** Certified electricity will be supplied, for Scope 2 emissions, indicating that the sources where our electricity generation is based has a zero emission factor.

### We are committed to reducing carbon emissions from electricity trade to the maximum extent possible between 2021 to 2040.

#### Greenhouse Gas Emissions, tCO<sub>2</sub>e



#### Emissions due to Electricity Sales, tCO<sub>2</sub>e/each MWh Sold

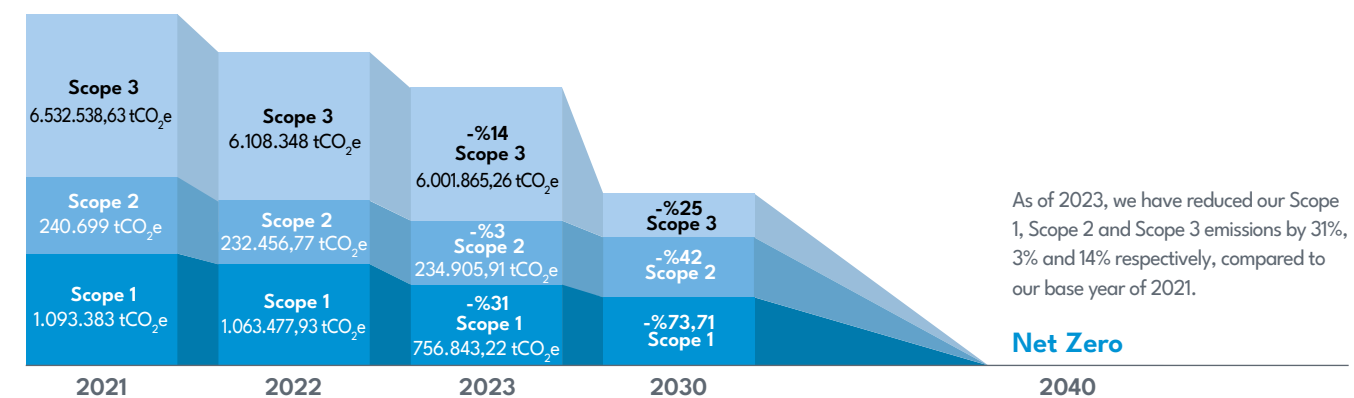


#### How Shall We Reach Our Goal?

**Transition to Renewable Energy:** We aim to reduce fossil fuel-related emissions by increasing the share of renewable energy in total production. Accordingly, we are evaluating investment opportunities in energy storage technologies.

**Supplier Assessment and Selection Processes:** We further take sustainability criteria into account for supplier selection and assessment purposes.

**Strategic Decisions:** We are taking steps to revise certain activities in our portfolio and optimize our supply chain.



As of 2023, we have reduced our Scope 1, Scope 2 and Scope 3 emissions by 31%, 3% and 14% respectively, compared to our base year of 2021.

**Net Zero**





## Significant Steps in Combating Climate Crisis

Developing effective solutions to fight against the climate crisis has become a priority for us. By consistently increasing our investments, we strengthen our commitment to renewable energy sources. Our efforts towards expanding our business portfolio, particularly in America and Germany, are just a few of the significant steps we have taken in this direction. Our future plans include the installation of a new solar park in the USA and an on-shore wind power plant in Germany. We are further undertaking various projects as a reflection of the concrete steps we have taken in the fight against the climate crisis in addition to these initiatives.

### GECO Project



Electricity generation from geothermal resources in our country creates significant emissions due to the unique structure of the reservoir. This emerges as a critical problem in the fight against the climate crisis. In order to capture the emissions from geothermal resources and develop solutions for the underground storage thereof, we initiated a project within the scope of the European Union's Horizon 2020 program in collaboration with international institutions.

Our Pilot Carbon Capture and Storage Facility has been established and commissioned at our Kızıldere III Geothermal Power Plant. With this project, we aim to be a part of a significant step to be taken within the fight against the climate crisis by reducing the emissions from geothermal power plants in our country after the final report to be published in 2023. In addition to contributing to the protection of the environment on a local and global scale, this project further attracts attention with its potential to create carbon credits. This potential not only improves the economic sustainability of the project but also offers the opportunity to create new financial resources for the fight against climate change. This work will be part of international efforts to address not only the local environment but also the global problem of climate change.

### WPP Plants with Storage Units assume a key role in achieving our SBTi targets


RES Plants with Storage Units are included in our road map as a significant mitigating action towards achieving our goals. Plants with Storage Units, which will provide efficient use of renewable energy as well as energy storage capacity, will help reduce Scope 2 emissions.

We keep working on to further increase the share of our current renewable energy portfolio and improve resource diversity. Owing to the wind power plants with storage units to be installed, we aim to benefit from renewable energy resources at the maximum level possible and to strengthen to the track on which our country is moving towards energy efficiency. We are aware that the systems with storage units will further make a significant contribution to the development of battery technologies. We are taking another significant step towards combating the climate crisis and achieving a sustainable future. Our wind power plants with storage units to be installed will prevent 532 thousand tons of carbon dioxide emissions, equivalent to the CO<sub>2</sub> emissions emitted by 24 million trees per year. With the energy we will generate from these two power plants, we will be able to provide electricity to more than 328 thousand households annually from more renewable sources.

### CDP (Carbon Disclosure Project)



Another step we have taken, as Zorlu Enerji, for fighting against the climate crisis is the Carbon Disclosure Project (CDP). As the first company to participate in the project from Türkiye, we annually prepare reports within the scope of the climate program. With CDP reporting, we not only reveal the commitments of our company but also demonstrate our compliance with global sustainability efforts and our contribution to global climate goals. We once again confirmed our commitment to the environment by succeeding in an increase of our score from "B" to "A-" in 2023.

Please click here  to access our 2023 CDP Climate Change Report.



### Zero Carbon Footprint Forests Project

In line with the goal of combating the climate crisis and to achieve a sustainable future, we have implemented the Zero Carbon Footprint Forests Project. For the purpose of this project, we calculate the carbon footprints of those who visit our stand at fairs and summits along with the stand and we conduct afforestation activities to compensate this footprint. The project, which was initiated as a social/environmental responsibility project, was expanded in 2017 in cooperation with the General Directorate of Forestry under the Ministry of Agriculture and Forestry. Zorlu Enerji has performed afforestation projects consisting of 600 thousand saplings by the end of 2023 in the regions where it operates, within the framework of the Commemorative Forests regulation of the General Directorate of Forestry. Within the scope of the project initiated with the aim of planting 1,150,000 saplings, an afforestation project consisting of 90 thousand saplings is planned every year.



**2017:** Yeğenli/Tire-İzmir - **35 thousand** sapling  
**2018:** Yenicekent/Buldan-Denizli - **70 thousand** sapling  
**2019:** Salihli/Manisa - **90 thousand** sapling  
**2020:** Nurdağı/Gaziantep - **90 thousand** sapling  
**2021:** Nurdağı/Gaziantep - **90 thousand** sapling  
**2022:** Erzincan - **90 thousand** sapling  
**2023:** Ayvalık/Balıkesir - **90 thousand** sapling

## Transition to Low Carbon Technologies and Energy Efficiency

Tracked  
KPIs

**100%\***  
Share of  
renewable  
energy in  
production

**HEPP 99%, WPP 93%,  
GPP 85%\*\***  
Energy efficiency 34% reduction in direct  
consumption 9% increase in indirect  
consumption

**6.94%\*\***  
loss-leakage  
rates of OEDAŞ  
electricity  
distribution

**61%\*\***  
Efficiency of  
the open/  
combined  
cycle gas  
power plants

\*Calculated compared to 2022. \*\* 2023 data.

Goals and Commitments



- As Zorlu Enerji, we aim to deepen and diversify our renewable energy investments. We aim to increase the share of renewable energy in total production to 100% by 2030.

To access our Renewable Energy Commitment, please click [here](#).

### Kızıldere Geothermal Power Plant Goals

**Goal-1:** To save 95,040 kWh/Year electricity by constructing the "New Design Fan Blade System for Kızıldere 3 Unit 1 GPP Cooling Tower" by the end of 2025 considering 2021 as the base year.

**Goal-2:** "Reducing Energy Expenses and Carbon Emission with Automatic Inhibitor Filling System" by the end of 2026 considering 2021 as the base year.

**Goal-3:** To provide "Competence and Awareness" trainings on Energy Efficiency to 10 people every year.

**Goal-4:** To receive ISO 50001 Energy Management Standard certification by the beginning of 2024.

**Goal-5:** To prepare a "Measurement Plan" for the calibration and verification of measuring devices by the end of 2024.

### Gökçedağ Wind Power Plant Goals

**Goal-1:** To apply maintenance times for wind turbines at an average of 100-120 person/hour.

**Goal-2:** To provide "Competence and Awareness" trainings on Energy Efficiency every year.

**Goal-3:** To receive ISO 50001 Energy Management Standard certification by the beginning of 2024.

**Goal-4:** To prepare a "Measurement Plan" for the calibration and verification of measuring devices.

➤ **In line with the vision of a carbon-free energy future, we move forward by overcoming challenges with innovative solutions.**

The transition to low carbon technologies and energy efficiency plays an important role in ensuring sustainability in the energy industry. The energy industry faces the challenges of reducing dependence on carbon along with providing economically and environmentally affordable energy. We are taking innovative steps that will overcome industrial challenges to achieve the vision of a carbon-free energy future that is fully compatible with the goals of the Paris Climate Agreement. In this regard, our L199 Head Office, designed in accordance with environmental sustainability standards and crowned with the LEED Gold Certificate, serves as the epicenter of our operations.

### Levent 199: Our LEED Gold Certified Head Office, a Pioneer in Environmental Sustainability

Levent 199 Head Office Building, which has received the LEED Gold Certificate and is the epicenter of our operations, was designed in accordance with environmental sustainability principles. Our building is indicator of our focus on energy efficiency, environmental management and green building practices. Modern practices such as a central location, rainwater collection, contactless taps, use of natural light, low-emission materials, high-performance glass facade, sunshades, efficient HVAC systems, 100% renewable energy use, LED lightings and energy monitoring/automation are used for its design. These water and energy-saving features improve the sustainability in building operations.





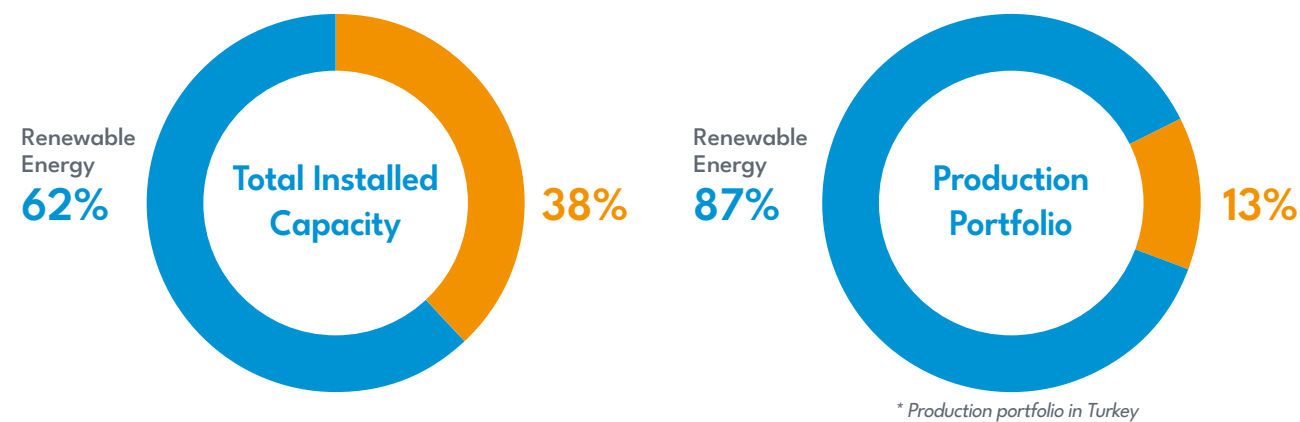
## Transition to Low Carbon Technologies

“Transition to Low Carbon Technologies”, which we consider among sustainability risks within the framework of our corporate risk management approach, is among our top material issues. Low carbon technologies refer to using renewable energy sources instead of fossil fuels. Transition to clean and sustainable energy sources such as solar energy, wind energy and hydroelectric energy is a strategic step to reduce our carbon footprint and minimize our environmental impact.

**We undertake the task of being the soul of our ecosystem by generating energy from renewable resources.** As a pioneer in the energy industry, we aim to bring life to all areas of life by meeting our requirements as well as the needs of the ecosystem in which we exist, with the clean energy we produce. We aim to support environmental sustainability as well as economic growth with our energy production using environmentally friendly methods.

Actively **producing renewable energy, we reduce the dependence on fossil fuels while also opening the doors to transition to a carbon-free economy.** We base our energy generation on an environmentally friendly basis by utilizing renewable energy sources such as solar energy, wind power and hydroelectricity. We consider this strategy not only as an effort for environmental protection but also as a strategic step that contributes to economic growth and the advancement of social welfare on a sustainable basis.

Through the efforts in this regard, **we aim to increase our share of renewable energy in total production to 100% by 2030.** As of 2023, 62% of our total installed capacity of 996.15MW and 87% of our production portfolio in Türkiye has been met by renewable energy.



We believe that R&D and innovation assume a critical role in the transition to low-carbon technologies. Accordingly,

➤ **We allocated approximately 31% of our R&D budget for the development of low-carbon technologies in 2023.**

We are investing in electric charging stations. This investment not only supports the transition to a low-carbon economy but also offers a green solution to electricity supply. We further contribute to the generation of renewable, clean energy with our investments in solar panel production in Türkiye. This holistic approach helps us to benefit from the increasing demand for our products and services at the highest level possible, while contributing to a more sustainable energy future both environmentally and economically.

As Zorlu Enerji, we are leading the transition to a low-carbon economy by increasing the use of renewable energy. By focusing on domestic resources, we offer innovations in the industry with sustainable and smart technologies and we shape our R&D and Innovation projects in this direction. Our R&D Project

GeoSmart Project aims to produce sustainable and low carbon emission energy by using high temperature geothermal resources. Geothermal energy is considered a renewable and clean energy source, with less carbon emissions than fossil fuels. GECO Project, another of our R&D projects, contributes to reducing the carbon footprint with the emission-reducing feature of geothermal energy. This project will help keep emissions under control and enable low-carbon energy generation. One other exemplary R&D project, the GEOPRO Project, includes sustainable practices such as recycling and reuse of geothermal fluids, as well as clean energy generated from geothermal resources. This further supports energy generation and consumption with low carbon emissions.







## eCharge4Drivers Project



The eCharge4Drivers Project of Zorlu Enerji is one of the significant steps we have taken towards the transition to low-carbon technologies. For the purpose of this project, which aims to further integrate electric vehicles into daily life, we are expanding the network of electric vehicle charging stations all over Europe and launching our electric vehicle rental platform. These initiatives aim to reduce carbon emissions by making the use of electric vehicles more attractive for drivers. Our project, which aims to provide a comfortable charging experience during both urban and intercity journeys, encourages sustainable transportation habits and moves us forward in our green transformation journey. With this project, implemented in ten different locations in Europe, we reinforce our vision of building sustainable cities and communities.

**Zorlu Repair and Replacement Center:** Drawing attention with its innovative steps in wind energy Zorlu Enerji concluded a strategic partnership with the German technology company Schaeffler and set up the “Zorlu Repair and Replacement Center” in Denizli to undertake the maintenance and revision of major equipment of wind turbines. This center has the capacity to undertake the repair and maintenance of critical components used in wind turbines with domestic resources. Thus it aims to increase the use of domestic resources and create employment opportunities in the industry. Pioneering wind energy investments in Türkiye, Zorlu Enerji has improved its potential to provide services at an international level in this field with its collaboration with Schaeffler.

**Eskişehir Electrical Panel Plant:** We are proud to make a significant contribution to the ZES Electric Vehicle Ecosystem with our Panel Production Plant which we put into operation in Eskişehir in 2023. The plant was primarily designed to meet the operational requirements of ZES charging stations by producing the specific electrical panels required by electric vehicle charging stations, and it further contributes to the spread of electric vehicle charging stations and the electric vehicle revolution.



## ZES is a Zorlu Enerji brand developed to implement new generation technologies.

➤ **Founded in 2018 and originally known as ZES, İstanbul-based Electrip Global BV offers a wide range of electric vehicle (EV) charging solutions across Europe.**

### Journey to the Low Carbon Future with ZES

Electrip Global BV, originally known as ZES, is a leading company supported by Zorlu Enerji and offering electric vehicle (EV) charging solutions with a vision of sustainable mobility. This İstanbul-based company facilitates the lives of EV owners with its innovative charging stations distributed in 81 provinces of Türkiye and various points in Europe. Together with our investor Wren House Infrastructure, Electrip is contributing to the proliferation of low-carbon technologies that are critical for a sustainable world.

- **Wide Range of EV Charging Solutions:** We install charging stations across Europe in a wide range of locations, from home to workplaces and to public spaces. We meet the needs of drivers with fast charging services both in urban and intercity roads.
- **Renewable Energy and Sustainability Commitment:** We strive to minimize our carbon footprint by prioritizing the use of renewable energy in all our operations. As Zorlu Enerji, we are making significant investments to expand the EV charging infrastructure both in Türkiye and abroad.
- **Global Emission Reduction Targets:** We aim to reduce the 20% share of vehicles on the roads in global carbon emissions with the widespread use of electric vehicles. IEA estimates that the share of electric vehicles in vehicle sales will reach to 41% by 2030 and to 52% by 2050. As Electrip, we are proud to be a part of this transformation.
- **Expanding the Electric Vehicle Charging Network with ZES and Electrip:** Zorlu Enerji has installed fast charging stations in 81 provinces of Türkiye under the ZES brand. International operations across Northern Cyprus and Montenegro are still in progress. Türkiye's first electric vehicle sharing platform “Electrip” offers environmentally friendly transportation alternatives.

## We aim a healthy growth in Türkiye with ZES and abroad with the Electrip brand.

Owing to the meticulous work and strategic investments we have undertaken within the scope of our 2023 activities, as Electrip Global BV, we have made a significant contribution to a sustainable future. Through the installation and operation of electric vehicle (EV) charging stations, we reduced the environmental impacts caused by transportation based on fossil fuels **by actually preventing the release of a total of 11,954.69 tons of CO<sub>2</sub>e emissions into the atmosphere.** This is not just a success in figures but has also brought the following environmental benefits:



**Reducing Greenhouse Gas Emissions and Combating the Climate Crisis:** Our electric vehicle charging stations have provided the opportunity to charge the EVs, that replace fossil fuel vehicles, causing in a significant reduction in greenhouse gas emissions resulting from the burning of fossil fuels.



**Prevention of Air Pollution:** The decrease in pollutants (NO<sub>x</sub>, PM<sub>2.5</sub>, NH<sub>3</sub>, SO<sub>2</sub>, PM<sub>10</sub>) released into the air as a result of the burning of fossil fuels has provided to a cleaner air quality in our cities.



**Reducing Noise Pollution:** With the decrease in the noise pollution caused by fossil fuel vehicle engines, our living spaces have become more peaceful and quieter.

By expanding the electric vehicle charging infrastructure on the road to a sustainable future, we strengthen our goal of reducing fossil fuel consumption and thus playing an important role in the combating climate change.

## ZES Solar

We use our high-capacity production capability, qualified human resources, well balanced portfolio, ability to produce innovative solutions and operational capacity to be a permanent and leading player of the global energy transformation.

In line with our mission of strengthening the security and sustainability of energy supply, we actively invest in innovative projects.

➤ **We define the concept of “Sustainable Energy” as energy generation and consumption in line with the principles of preserving ecological balance and intergenerational justice without causing environmental destruction.**

In 2023, we sold approximately 300 MW solar panels and 420 MW inverters, three quarters of which were domestically produced ZES brand. The sales of domestically produced solar panels contributes to reducing greenhouse gas emissions and ensuring energy supply security by reducing the use of fossil fuels. This initiative represents a critical step in achieving sustainable development goals by promoting the use of renewable energy.

We consider sustainable development as a significant focus and manage energy generation in line with a policy based on reliable resources. When making strategic decisions, we prioritize critical issues such as climate change, scarcity of natural resources and security of energy supply. Renewable energy investments offer a unique opportunity to meet the globally increasing energy demand and trigger the necessary transformation in the fight against climate change.







Golden Standards of Green Energy

Gold Standard

As Zorlu Enerji, we are taking innovative steps in the energy industry with our Solar Power Plants (SPP) and Wind Power Plants (WPP) projects, reinforcing our leading position in the field of sustainability and renewable energy. While these facilities represent the golden standards of environmentally friendly energy production, we crown our renewable energy portfolio with the internationally recognized Gold Standard certificate.

Our wind energy projects, which draw attention with their contributions to social and environmental sustainability, have been certified by the Gold Standard which is the most prestigious standard that rates energy projects traded in the carbon market. In particular Gökçedağ Wind Power Plant Project, which we installed in Osmaniye in 2010 and is the first carbon emission project of Türkiye, has taken an important step by reducing approximately 300 thousand tons of CO2 emissions annually. Our Jhimpir Wind Power Plant with a capacity of 56.4 MW, which is the first wind power plant of Pakistan, reduces CO2 emissions by 100 thousand tons per year, making significant contributions to the development of renewable energy investments and technology transfer in the country.

ZES Solar wind energy projects make great contributions to environmental and social sustainability and is awarded the prestigious Gold Standard certificate in this regard. We further provided a total of 237,215 CO2e carbon credits with our WPPs in 2023. 213,000 tons of CO2e carbon credits were provided to Carbon Clear and 500 tons of CO2e to Erguvan by Gökçedağ WPP whereas 23,715 CO2e carbon credits were provided by Demirciler WPP. These achievements assume a critical role in the fight against climate change and confirm the contribution of our projects to environmental and social sustainability.

The Gold Standard certificate is the most prestigious program on a global scale, supported by more than 80 non-governmental organizations around the world and contributing to the development of 1,100 projects, which is awarded by evaluating our projects based on different criteria such as the reduction in carbon emissions, respect for nature and contribution to social development. This program, carried out by the Gold Standard Foundation, allows our renewable energy projects to be recognized and evaluated internationally.

We strengthen our commitment to the environment by documenting our efforts with international standards. Our solar power plant established in Palestine, our wind power plant established in Pakistan and our wind power plant established in Türkiye are recognized with I-REC and YEK-G certificates. Our geothermal power plants in Alaşehir and Kızildere and our Mercan Hydroelectric Power Plant are other facilities awarded with these prestigious certificates.

Net Generation  
Breakdown  
by Resource  
in Türkiye,  
Palestine and  
Pakistan

Resource	Net Generation (kWh)
Geothermal (Türkiye)	1,552,000,000
Wind (Türkiye)	320,814,928
Hydroelectric (Türkiye)	329,000,000
Natural Gas (Türkiye)	505,273
Wind (Pakistan)	123,539,140
Solar (Palestine)	2,917,017

Energy Efficiency

Energy efficiency aims to use existing energy resources more effectively. We focus on energy efficiency projects by regularly monitoring our energy consumption in our business processes. Using highly efficient equipments, adopting energy-saving technologies and optimizing energy consumption constitute a critical area in which our Company aims to improve its environmental performance.

By providing a framework for energy management, ISO 50001 provides organizations the opportunity to manage energy use more effectively and efficiently, to reduce energy expenses and to minimize environmental impacts. It further supports the goal of achieving sustainability goals and continuously improving energy performance. ISO 50001 Energy Management System, an international standard developed for energy management systems, is being installed in our Osmaniye WPP and Kızildere GPP operation sites.

We aim to integrate this system, which we have initiated to fulfill legal requirements in two of our power plants, into business processes of other power plants.

Lighting systems have been renewed in our Kızildere location within the scope of energy efficiency. Environmental lighting systems were renewed and lighting fixtures were replaced with more efficient LED fixtures at Kızildere I power plant. Accordingly, 10,500 kWh of energy was saved annually.

As OEPSAŞ, a significant saving was achieved in natural gas consumption in 2023. We have made significant progress in the field of energy efficiency, saving a total of 13,443.65 cubic meters (141,830.50 kWh), compared to 2022. This savings has enabled us to both reduce our costs and our environmental footprint.

nGEL Project

Main goal of the nGEL project is to develop flexible tri-generation geothermal power plants by integrating heating, cooling and additional power generation systems. This integration aims to improve the overall efficiency of power plants. To overcome fluctuations in power grids with the spread of renewable energy systems, nGEL geothermal power plants are designed to operate effectively in reserve markets. This approach aims to maximize the efficiency in energy generation while also providing solutions to the volatility problems faced by power networks.

SEHRENE Project

The SEHRENE project set out with the goal of ensuring energy efficiency and a climate neutral future in Europe. For the purpose of the project, which is planned to be commissioned in 2024, it is aimed to use energy more efficiently by developing renewable energy and heat storage concepts. The aim is to optimize energy management and storage with innovative electrothermal energy storage systems and digital twin technologies to be used in the project.

FLEXIGRID Project

FLEXIGRID project aims to improve the integration of renewable energy sources by increasing the efficiency and flexibility of electricity grids in Europe. The project, initiated in 2019 with EU funds, supports an energy system transition using digital technologies, smart grid solutions, IoT and blockchain. The project has a broad scope beyond energy storage and aims to provide optimization between PV, storage unit, V2G and V1G vehicles and the grid, particularly by using a smart charging management platform.

The project, which aims to improve energy efficiency by enabling electricity networks to integrate renewable energy sources more efficiently and flexibly, was officially finalized in August 2023. For the purpose of the project, V2G compatible vehicles and charging stations were tested for the first time in Türkiye at OEDAŞ Tepebaşı Life Village in Eskişehir and a battery storage system with a capacity of 336 kWh was commissioned. ZES-Roof PV and EV integrated Energy Management System was also tested in cooperation with Inovat.



ESP (Electric Submersible Pumps)  
Project

One of the projects we developed by giving priority to energy efficiency issues 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 improve the power of the pumps due to the decrease in water pressure over the years. For this purpose, replacing the pumps with more powerful models is an important step to improve energy efficiency. The hot well ESP application, which we first started in our Kızildere geothermal field, was sustained in 2023 with transition to ESP in the further hot wells determined. We realized ESP installation investments in 12 wells in our Kızildere geothermal field and in 5 wells in our Alaşehir geothermal field. With the ESP investments we have realized since 2020;

- At 16 wells of Kızildere II Power Plant, extra **2.06 MWe** net electricity generation contribution was achieved with an additional flow rate of **155 ton/hr** on average,
- At 11 wells of Kızildere III Power Plant, extra **2.4 MWe** net electricity generation contribution was achieved with an additional flow rate of **165 ton/hr** on average,
- At 6 wells of Alaşehir Power Plant, extra **1 MWe** net electricity generation contribution was achieved with an additional flow rate of **105 ton/hr** on average.

An electric submersible pump that went down to a depth of 1700 meters in the KD-62A well and operated at a flow temperature of 235°C was recorded as the example that reached the deepest point at the highest temperatures in the world. This pump makes a significant contribution to the Kızildere III Geothermal Power Plant and therefore to the country's electricity generation.





Be Responsive (Do!) Project



“Be Responsive (Do!) Project” is an integrated environmental management project that aims to save resources and raise awareness in operational sites by focusing on governance, sustainable purchasing, energy, water and waste management. This project, which focuses on measures that can be taken at the individual level for employees and environmentally friendly preferences, was implemented by Zorlu Enerji Osmangazi Elektrik Perakende (OEPSAŞ), in cooperation with SDG Türkiye, in its offices in Afyonkarahisar, Bilecik, Eskişehir, Kütahya and Uşak provinces. On this journey set out with the vision of “Smart Life 2030”, OEPSAŞ was awarded a Gold Certificate within the scope of the project. By promoting the use of

renewable energy, the Company has achieved significant gains in the fight against the climate crisis by digitizing business processes and saved paper, water and fuel through Digital Subscription Services. The Company further aims to expand the use of renewable energy in electricity generation and consumption by having all its offices certified with the Renewable Energy Resource Guarantee System.

OEPSAŞ has achieved energy savings through energy efficiency-oriented studies carried out in its Eskişehir office. In 2023, 459,095.59 kWh (43,516.17 m³) of energy efficiency was achieved, increasing the 2022 value by approximately 45%.

Management of the Air Quality and Noise Pollution

Tracked  
KPIs

49% NO<sub>x</sub> 32% SO<sub>2</sub> 16% Dust 11% PM<sub>10</sub> \*

Emission Reduction

\* Decrease in the values have been calculated compared to 2022.

In line with advances in the energy industry, managing air quality has become increasingly important. As Zorlu Enerji, we work with a comprehensive strategy addressing the management of air quality that we have adopted to minimize environmental impacts and risks. This strategy is structured around the vision of a clean environment and a healthy future.

Air pollutants released into the atmosphere as a result of industrialization, energy generation, transportation and other human activities cause air pollution and imbalances in the climate system. As Zorlu Enerji, we act with the commitment to manage air pollutant emissions and reduce our impact. We work to identify, monitor, report and reduce emissions resulting from our activities in accordance with national and international expectations.

We monitor the emission data with instant measurements performed with the Continuous Emission Monitoring System (CEMS) in our geothermal and thermal power plants and report them to the Provincial Environment Directorate. We use lime responsibly in our thermal power plants to reduce our SO<sub>x</sub> emissions. We have taken decisive steps in the energy industry from 2022 to 2023, reducing our NO<sub>x</sub> and SO<sub>2</sub> emissions by 49% and 32% respectively. We have also significantly reduced our environmental footprint by realizing reductions in dust and CO emissions. These data highlight our environmentally friendly operations and our commitment to our sustainability goals.

Results of the Direct Measurement of Emissions

Parameter	Unit	2021	2022	2023
NO <sub>x</sub>	tons/year	296,70	367,76	186,00
SO <sub>2</sub>	tons/year	1.075,25	1.335,42	729,00
Dust	tons/year	8,85	9,89	8,30
CO	tons/year	52,75	54,06	48,00
PM <sub>10</sub>	mg/nm3	0,77	0	0
H <sub>2</sub> S	kg/h	24,9	41*	0
SF <sub>6</sub>	tons/year	0	0	0

\* The sum of the annual average values determined by CEMS over geothermal power plants.

\*\* 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.

\*\*\* There is no consumption of Ozone Depleting Substance (ODS).

\*\*\*\* There is no consumption of Volatile Organic Compounds (VOC).

Electric vehicle charging stations established under the “ZES” brand in Türkiye and “Electrip” brand abroad, offer a serious solution against air and noise pollution caused by fossil fuel vehicles.

**Management of the Air Quality:** Electrip assumes a significant role in improving air quality through its efforts to reduce fossil fuel vehicle use. The dissemination of electric vehicles significantly reduces the emission of NO<sub>x</sub>, SO<sub>2</sub> and PM particles into the atmosphere. Owing to Electrip business, a total of 11,954.69 tons of CO<sub>2</sub> emissions were prevented in 2023. This is an important step in reducing air pollution due to fossil fuel consumption as well as in fighting against the climate change.

**Management of the Noise Pollution:** Electrip further plays an effective role in reducing noise pollution caused by fossil fuel vehicles. The quiet driving experience offered by electric vehicles contribute to reducing noise levels on urban and intercity roads. This not only helps to improve the quality of urban life but also significantly contributes to reducing the pressure on natural habitats.

Preventing Industrial Accidents and Managing the Impacts

As Zorlu Enerji, we have adopted a business process in which industrial accidents are prevented, safe working environments are provided and managed effectively. Within the framework of SEVESO legislation constituted by the European Union to prevent industrial accidents and reduce the effects thereof, the Company successfully fulfills its responsibilities against industrial accidents for the Kızıldere 3 GPP facility and consistently provides disclosures to its stakeholders about the work carried out. The Safety Management System (SMS) developed against industrial accidents makes it possible to monitor the effectiveness of the measures taken at regular intervals.

Please refer to our website to access the significant work we have done and the public disclosure.

Biodiversity Loss and Deforestation

Tracked  
KPIs



TRY 3 million\*  
Biodiversity Investments



90,000 units\*  
Saplings planted annually

\* 2023 figures.

Goals and Commitments



● By 2030, we aim to invest at least TRY 10 million in the field of biodiversity to protect and improve living spaces.

To access our Biodiversity Protection Commitment, please click [here](#).

● We undertake to support afforestation projects within the scope of combating deforestation and aim to plant 1.2 million saplings by 2030.

● We are committed to protecting our forests and focusing on sustainable use of natural resources until 2030.

To access our commitments within the scope of our Deforestation Combat Policy, please click [here](#).





Diverse ecosystems of the nature are home to many living species and this biodiversity ensures the resilience and functionality of ecosystems. However, biodiversity loss and deforestation due to human activities are increasing day by day, creating serious environmental, economic and social risks. Reversing the loss of biodiversity requires urgent action.

Considering our position and interaction with the regions in which we operate, as Zorlu Enerji, we believe that biodiversity is a significant issue for our business model and therefore we work by placing respect for biodiversity and ecosystems as a fundamental element of our business strategy. In 2023, we have expanded the scope of our works to combat deforestation. While revealing our tough approach against deforestation, we published our Deforestation Combat Policy and made commitments and we participated in the reporting process through the CDP Deforestation Program.

We work towards minimizing biodiversity loss by aligning the projects we develop so as to minimize the impact on nature, by adopting biodiversity conservation strategies and by respecting natural lands. We conduct environmental and social impact assessments, research and conservation activities taking into account the biodiversity in the regions where we invest. Undertaking these comprehensive projects, we contribute to the Sustainable Development Goals: “Life Below Water” (SDG 14), “Life on Land” (SDG 15) and “Partnerships for the Goals” (SDG 17).

Our commitment to invest TRY 10 million in the projects aiming the conservation of biodiversity and the nature by 2030 is an indicator of our commitment to the sustainable management of biodiversity. Expending approximately TRY 3 million in biodiversity projects in 2023 reflects our determination to achieve the goal we have set. Owing to these investments, we comply with our goal of preserving the rich diversity of nature and leaving a healthier environment for future generations and we are progressing in line with our Biodiversity Protection Commitment. Within the scope of “Zorlu Enerji Biodiversity Protection Commitment”, we are committed to developing and implementing various activities to support the conservation of biological and natural life in the regions where our power plants are installed.

#### Biodiversity Project Expenses (TRY)

1,500,000  
2022

3,251,650  
2023

In line with our efforts to combat deforestation, we have implemented the Zero Carbon Footprint Forests Project, which includes afforestation activities. Within the scope of this project, we have planted 90 thousand saplings by the end of 2023.

#### Biodiversity and Ecosystem Management System

**QDMS** We keep working by successfully integrating the Biodiversity and Ecosystem Management System, which we established in 2022, into our business processes. We meticulously carry out the documentation of the Management System through QDMS (Quality Document Management System). By identifying species at risk of extinction in each of our facilities, we developed strategic action plans to protect these species and submitted these plans to the relevant units. As part of our work, we identified endangered species and prepared the “Endangered Species Brochure” The species included in the brochure were evaluated within the framework of the Berne Convention, an agreement for the conservation of wildlife and natural habitats in Europe, and the CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora). We aim to distribute this brochure to all our power plants in 2024. We further organized trainings to raise the awareness of our power plant personnel. We transparently communicate the progress of these comprehensive actions to our senior management and Sustainability Board via detailed reports on an annual basis. With this approach, we constantly improve our operations to ensure that our commitments related to biodiversity and ecosystem management are effectively fulfilled.

#### Protected Areas

**RED LIST** Our Mercan Hydroelectric Power Plant is located within the borders of Tunceli province which is close to a protected area with high biodiversity value. Mercan HEPP is classified as a National Park (IUCN Category II) by the International Union for Conservation of Nature and Natural Resources (IUCN). IUCN, an organization operating worldwide to support the conservation and sustainable management of natural resources, has developed various categories to classify protected areas. These categories help to develop a standard for the management of protected areas and define the unique conservation requirements for each. All units of the Mercan Regulator and Hydroelectric Power Plant are located within the Munzur Valley National Park, which keeps them under IUCN Category II protection status.

#### Conservation of Endangered Species

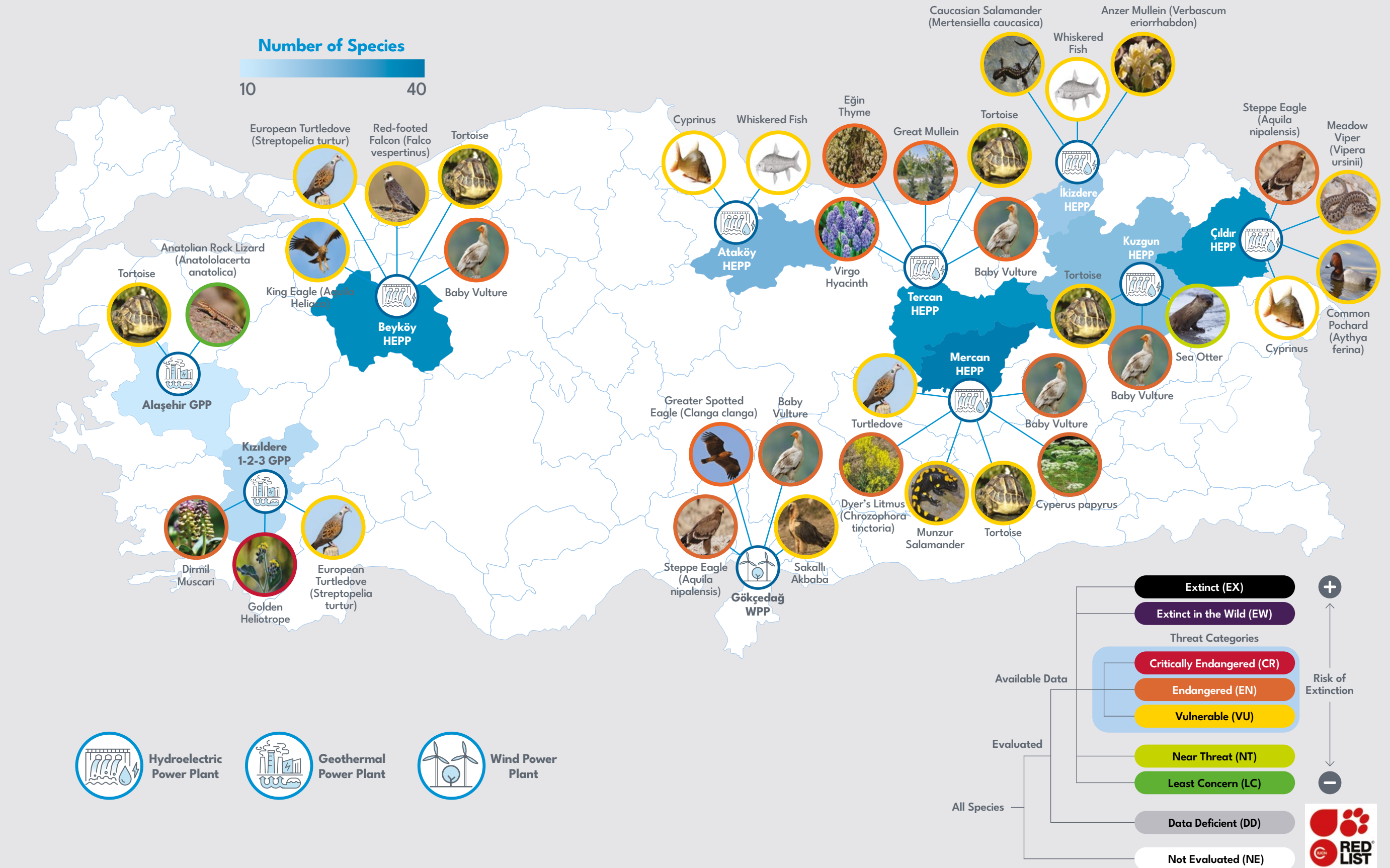
**RED LIST** Specific Biodiversity Action Plans are available for power plants aiming to protect the endangered species in the operational sites where we operate. In line with these plans, we carry out periodic observations for affected species. When determining these species, we refer to the Red List of Threatened Species, also known as the IUCN Red List or Red Data Book, prepared and published by the International Union for Conservation of Nature and Natural Resources (IUCN). This list of the current status of Species includes species classified as Endangered, Threatened or Extinct. It further provides information on various parameters such as species’ population trends, habitats and threats. The amount of water held and released in HEPPs to generate electricity is of vital importance for aquatic creatures in the surrounding region. On the other hand, electricity distribution lines in WPP sites may pose a potential danger to bird species. Therefore, recognizing the species affected by our activities and monitoring them carefully are among our priorities.







## ZORLU ENERJİ TÜRKİYE BIODIVERSITY MAP



Prepared concerning our power plants that have the most impact on the ecosystem.





## Conservation of the Golden Heliotrope

One of our exemplary projects undertaken in line with Biodiversity Action Plans in 2023 was to preserve the “Golden Heliotrope” species, which is located near the Kızıldere 3 Geothermal Power Plant (GPP) and has a very narrow habitat. We have undertaken the project towards protecting the “Golden Heliotrope” species, which is known to grow only in the Sarayköy district of Denizli in the world, in cooperation with Pamukkale University. Though Golden Heliotrope is a critically endangered species, it is not listed in the IUCN’s “Red List”. In this context, we have initiated a project to have golden bamboo grass included in this list and to preserve the genetic diversity of this grass.

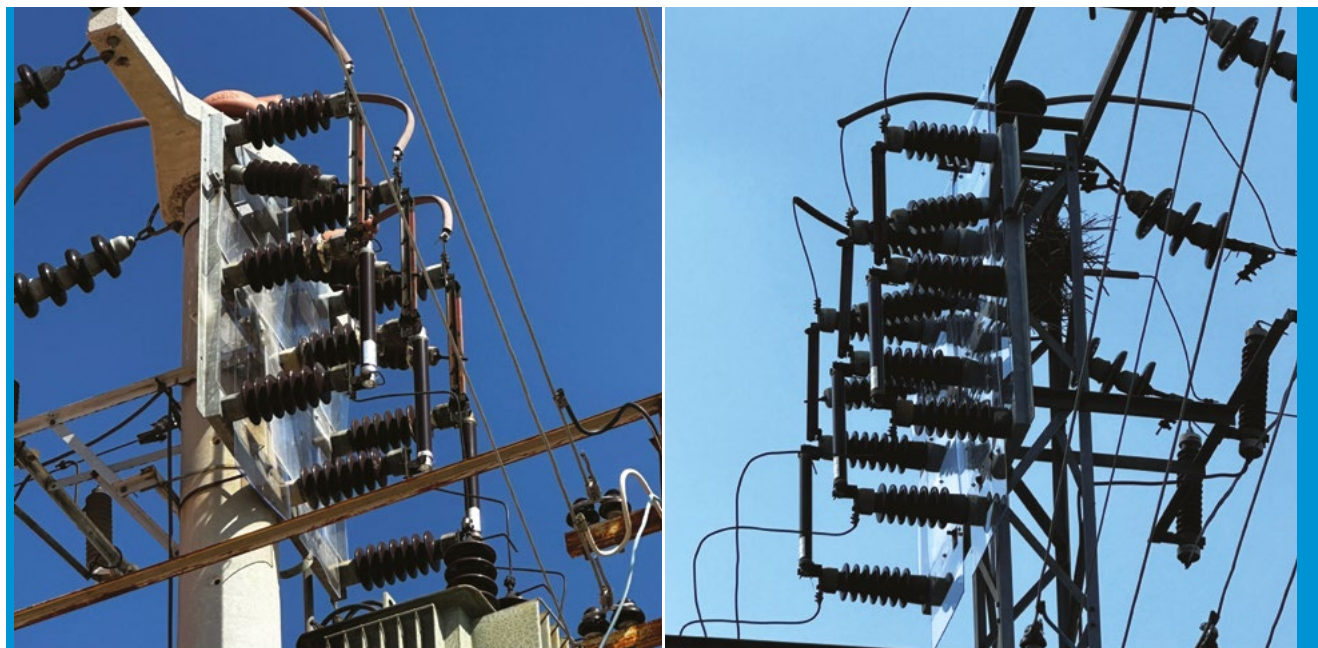


## Agricultural Impact Assessment

We conducted an in-depth agricultural impact assessment to comprehensively understand and evaluate the potential impacts of our geothermal energy generation on agricultural systems. This study aims to determine the long-term effects of our geothermal operations on surrounding agricultural lands, local vegetation and water resources.

## OEDAŞ’s Flexiglass Project for Migratory Birds

Our electricity distribution company OEDAŞ, pioneers the protection of migratory birds with its innovative study on power lines located on the birds’ migration routes. Having successfully placed the insulators in order to solve the problems that endanger power transmission lines and cause birds to be electrocuted, OEDAŞ now covers the lines with a transparent hard plastic material called flexiglass. Enabling birds to nest safely, our company now reduces the risk of birds being electrocuted by 95% thereby contributes to the preservation of the species and improves the sustainability of energy supply. This project, whose pilot scheme was initiated in Afyonkarahisar, was subsequently carried out in five more provinces where OEDAŞ serves.



## Water Footprint Management

Tracked  
KPIs



**0,04 m3/MWh\***  
Water Density (Water Withdrawal and  
Water Consumption)

\* Calculated based on 2023 MWh production value.  
\*\* 2023 data.

**82,223tons\*\***  
Recycled Water

Goals and  
Commitments



- We aim to recycle 50% of the water we use by 2030 and all of it by 2050.

Water is a vital resource for all living things, from ecosystems to industrial facilities, and also a fundamental component of power generation processes. Being aware of our dependency and the risks arising from water scarcity, we have set the goal of using water resources more responsibly.

As Zorlu Enerji, we are well aware of our responsibilities towards water management and we manage our approach to water resources with great care in order to contribute to a sustainable future. Accordingly, Water Quality and Management is among our high priority issues. The goal we have adopted in line with Zorlu Holding’s Smart Life 2030 vision is to optimize the use of natural resources and minimize water consumption.

Acting with the principle of transparency, we attach importance to sharing the outputs we obtain as a result of our works with our stakeholders. We report our water used and impact data through the CDP Water Program. We complete the ISO 14046 Water Footprint verification processes in our power plants with high water usage and disclose the data with the public. Six of our facilities, including Kızıldere 1-2-3 Geothermal Power Plants, Bursa Natural Gas Power Plant, Lüleburgaz Natural Gas Power Plant and Alaşehir Geothermal Power Plant, have been awarded ISO 14046 Water Footprint Verification certificate.

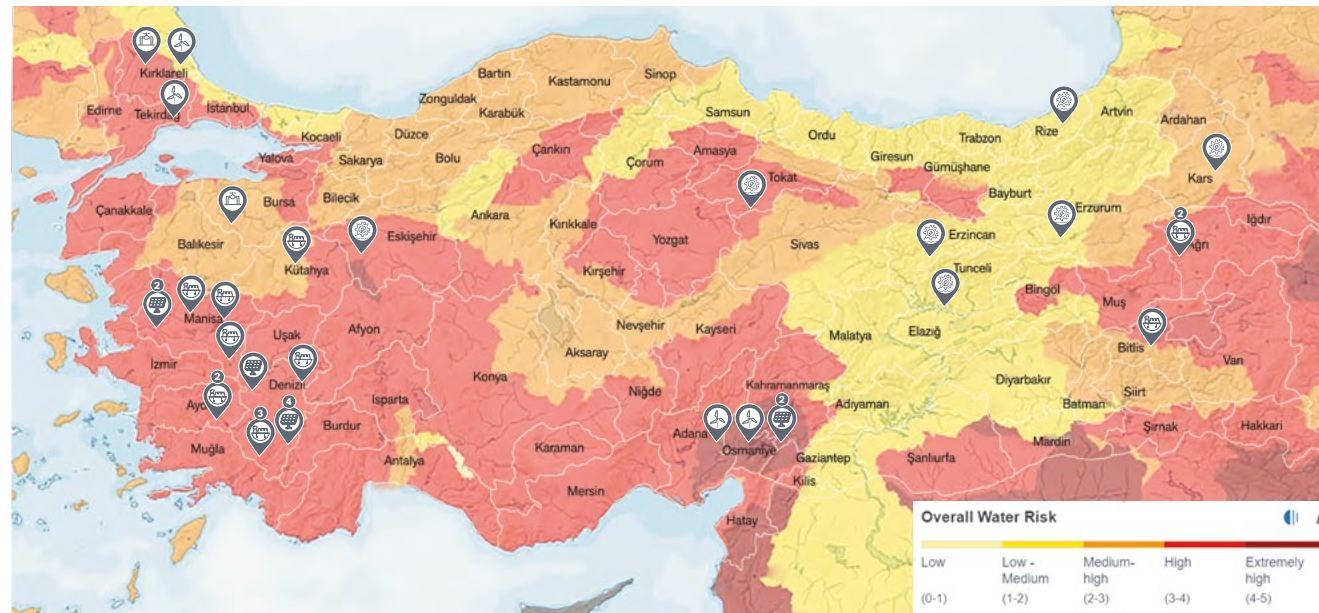
In line with our goals, we have integrated water-related risks and opportunities into our business plans and we review

water consumption data periodically. When determining these risks, we also take into account the water stress factor in the areas where our power plants are installed. Water stress, which is currently a global challenge, threatens sustainable water use with economic, social and environmental impacts.

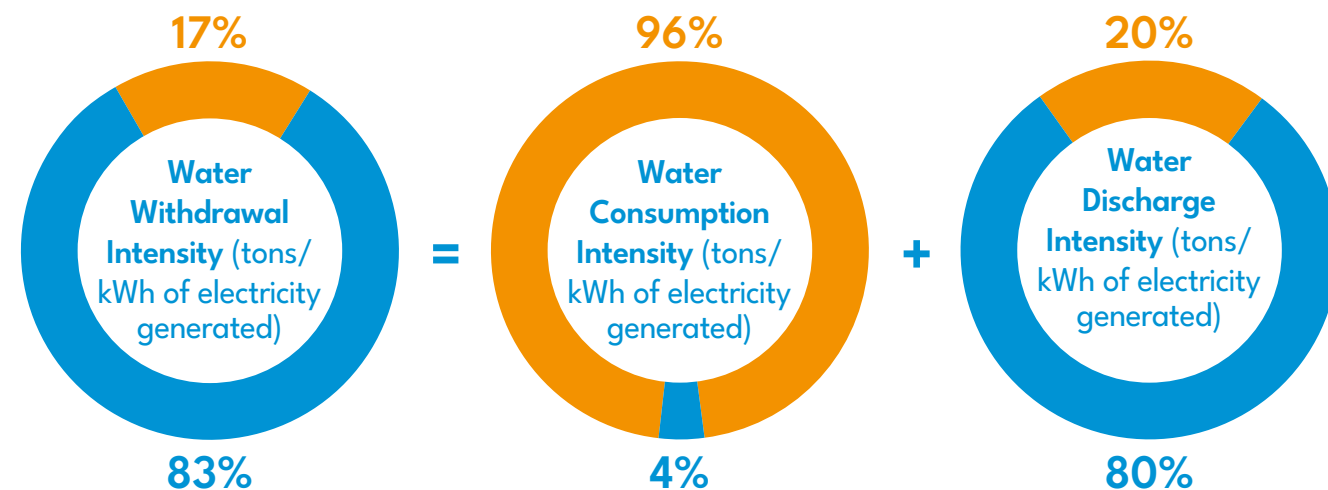
**Pursuant to the World Water Resources Institute (WRI) data,** water needs are expected to increase by 30% by 2050 as a result of population growth, socioeconomic developments and changing consumption habits. You can examine the risks in our operational sites according to **WRI Aqueduct Water Risk Atlas** on the map below.

**As Zorlu Enerji, we are well aware of our responsibilities towards water management and we manage our approach to water resources with due diligence in order to contribute to a sustainable future.**

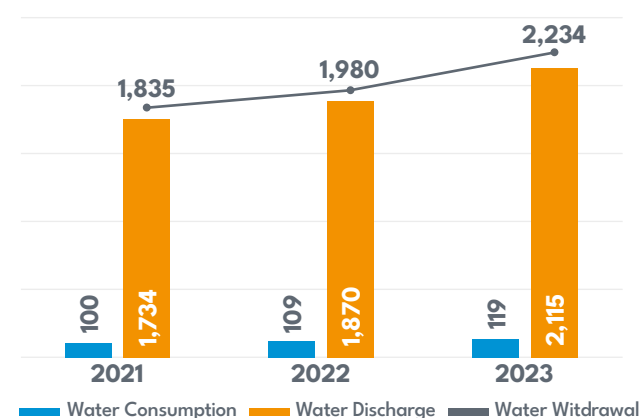




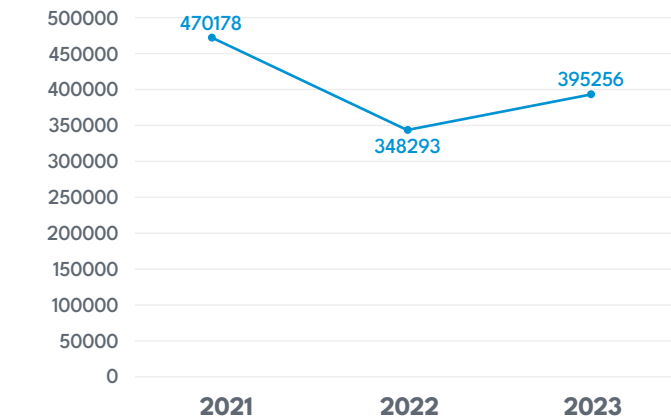
The raw water usage rate (water density) per electricity produced was recorded as 0.04 m<sup>3</sup>/MWh. Although our water consumption increased due to our production activities, we managed to achieve a significant decrease in our water density value which indicates the ratio of the amount of water we use per MWh of production in 2023. This indicates that we have managed to use less water in our operations by making our water use more efficient.



Water Footprint Details (Gt)



Withdrawn Groundwater (Non-Renewable) (tons)



## Water Recovery Practices

➤ Acknowledging the value of water, we strive to preserve every drop of it.

Preserving water resources and ensuring the efficient use thereof are at the heart of our sustainability goals. In this context, we understand the critical role of water in our energy generation processes and we carry out water recovery practices at every step of our operations.

Our energy generation operations minimizes water use and maximizes recovery, in line with our commitment to protect our natural resources. We closely monitor our water consumption throughout the company and implement water efficiency projects. In this context, we evaluate our water consumption on an annual basis and consistently undertake improvements to protect water resources. Main goal of these projects is to reduce our water consumption as well as to purify a significant portion of the water used and make it reusable.

➤ Our commitment in 2020 to recycle 50% of the water used by 2030 and recycle 100% of the water used by 2050 strengthens the sustainability of our operations in geographies at risk of water scarcity.

Our geothermal and hydroelectric power plants offer innovative solutions for both the use and management of water. In our geothermal power plants, we take a respectful approach to the water cycle by purifying the geothermal fluid required for electricity generation and then reinjecting it underground. In addition to preserving our natural resources, this strategy further encourages innovation and technological developments for water efficiency.

### Sustainable Water Use in Lüleburgaz Natural Gas Power Plant

The use of well water and recycled water in the Lüleburgaz Natural Gas Power Plant is a concrete example of this commitment. Within the scope of wastewater management, we prioritize the effective treatment of our domestic wastewater and discharge without endangering nature. Well water and recycled water provided from Zorlu Tekstil wastewater treatment plant are reused in our operations at the Lüleburgaz Natural Gas Power Plant. This approach reduces our water consumption by 44.15% compared to the previous year, demonstrating our commitment to our principles of sustainable water management and environmental responsibility. Our water management strategy aims to reduce our environmental impact while improving resource efficiency by treating and reusing wastewater.

The biological package treatment systems at Kızıldere 3 Geothermal Power Plant and İkizdere Hydroelectric Power Plant are evidence confirming our success in wastewater management. These systems purify wastewater with high efficiency and ensure that it is discharged without deteriorating the nature. These applications represent our rich and remarkable content in water recycling while also offering proactive solutions to water scarcity in our geography.

A significant portion of our water consumption is due to the production processes in our natural gas, geothermal and hydroelectric power plants, and the use of renewable groundwater

in these processes is one of the cornerstones of our sustainable water management strategy. CDP Water Program reporting, ISO 14046 Water Footprint Verification and controls carried out within the framework of legal requirements prove our effectiveness in the implementation of our wastewater management and sustainable water management strategy.

This approach reflects our determination to protect water resources and manage our water consumption in a balanced manner for a sustainable future.



The activities we have carried out in 2023 have once again demonstrated our determined and effective approach to water management. The B score we received from the CDP Water Program confirms our stable performance and our commitment to continuous improvement.





## Circular Economy

Tracked KPIs

**7%\***  
Waste  
Reduction**96%\*\***  
Recycled Waste  
Rate

\* Decrease in the values have been calculated compared to 2022.

\*\* Calculated as the ratio of the amount of recycled waste to total waste in 2023.

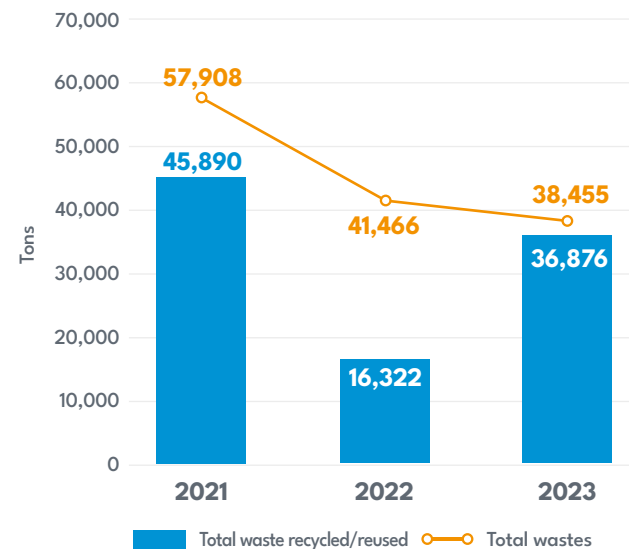
Goals and  
Commitments

- We aim to reduce our wastes by 50 percent by 2030 and to reach zero waste status by 2050. As a group company, we also follow this goal committed by Zorlu Holding.

Circular economy refers to an approach that includes a set of strategies and practices with the aim of optimizing the use of resources, reducing waste production and increasing economic value. As Zorlu Enerji, we act with the aim of minimizing waste in our business processes and using resources as efficiently as possible by adhering to the principle of circular economy.

**Zero Waste Certificate:** After Çıldır HEPP in Kars was awarded the “Zero Waste Certificate”, our natural gas distribution points in the Thrace region were also deemed worthy of this certificate. We received a Zero Waste Certificate from the Ministry of Environment and Urbanization with our exemplary Zero Waste Management System that we implemented in the Gaziantep region.

There are diverse types of wastes resulting from our operations including electrical and electronic wastes, packaging wastes and wastes contaminated with chemicals. These wastes are collected separately and stored temporarily before being disposed of by licensed companies. This process ensures that these wastes are managed in a controlled manner and recycled appropriately without harming the environment. Cable and electronic wastes generated due to OEDAŞ's activities and the installation of electric vehicle charging stations are reused by adopting an environmentally friendly approach whereas metal wastes are evaluated as scrap and recycled into the economy in accordance with circular economy principles. Recyclable wastes, in particular polyethylene pipes and plastic materials, are collected and transferred to recycling facilities for contributing to the reuse of resources. Industrial Waste Management Plans we have developed for our power plants serve as a strategic approach to effectively manage waste and implement circular economy principles. Ash waste generated in thermal power plants is transferred to third-party companies for to be reused and brought into the economy.

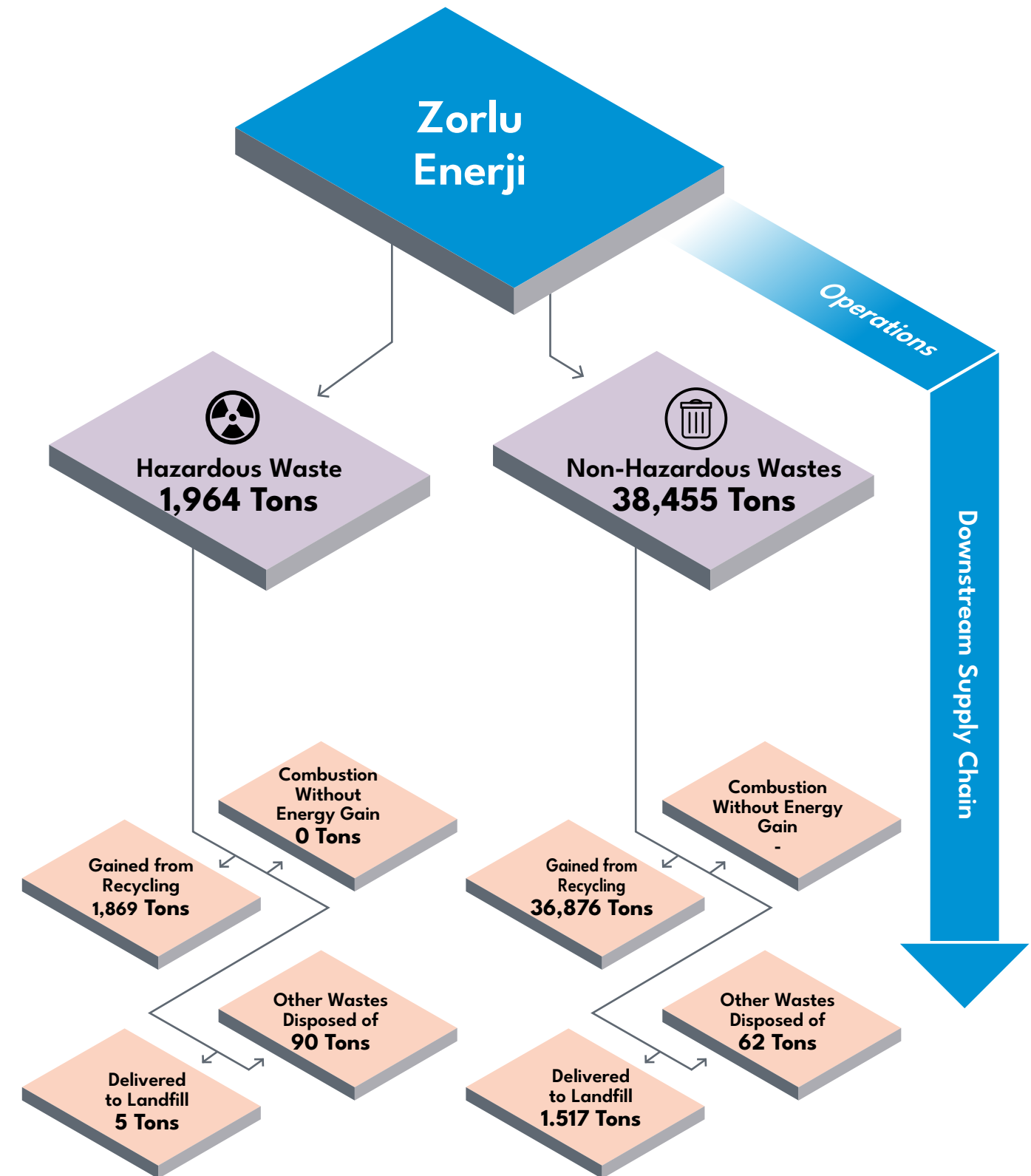


### EOLIAN Project

The EOLIAN project aims to extend the life of offshore and onshore wind energy systems, ensure their efficient disassembly and encourage circular use. For the purpose of the project, a smart wind turbine blade will be developed with an innovative approach. In-mould electronics integrated into the wings, which will be produced from a platform chemistry that is completely in line with the circular economy principle and can be recycled unlimitedly, will enable damage to be detected at an early stage and intervened before causing major problems. Owing to vitrimer composites, wings will be produced with a new polymer class that offers the processability and logistics advantages of thermoplastics. This approach aims to contribute to improving the sustainability and environmental footprint of wind energy systems.

### JIDEP Project

As Zorlu Enerji, we consider the JIDEP project as an important step that reinforces our circular economy vision. JIDEP project, which focuses on the recycling of composite materials within the scope of the European Union's Horizon Europe program, directly contributes to waste management by aiming at the re-evaluation of composite materials used in many industries from automotive to maritime. In this research and development project carried out with 13 partners from 7 countries, a database of recycled composite materials will be developed. This platform will encourage the reuse of materials and efficient use of resources. We further aim to contribute to the industry, both environmentally and economically, by sharing the experiences we have gained in recycling end-of-life wind turbine blades at Gökçedağ Wind Energy Power Plant. In 2023, we contacted our stakeholders at various events organized including the Wind Turbine Blade Recycling Workshop held in İzmir.





# CHILDREN'S VISION\*

For the purpose of the People and Culture theme, which is a material component of our sustainability strategy, we attach great importance to the well-being of our employees and their families. We prioritize the talent management required for the refreshing transformation of our processes. With our people and culture-oriented approach, similar to children's views supported by their wide imagination and creative thinking, we position our reflex of developing and implementing innovative ideas from different perspectives as the cornerstone of our corporate culture. In line with our innovative and visionary talent management strategy, we are capable of implementing innovative practices in the R&D axis and undertake groundbreaking projects in our industry. Our projects such as GECO, Flexigrid, Smart Wind, Geosmart are exemplary worldwide.

## [PEOPLE AND CULTURE]

*\*Children perceive the world through sensory exploration and concrete thinking and this process triggers creative thinking, enriching their views between reality and the imaginary, thereby contributes to their inner world.*







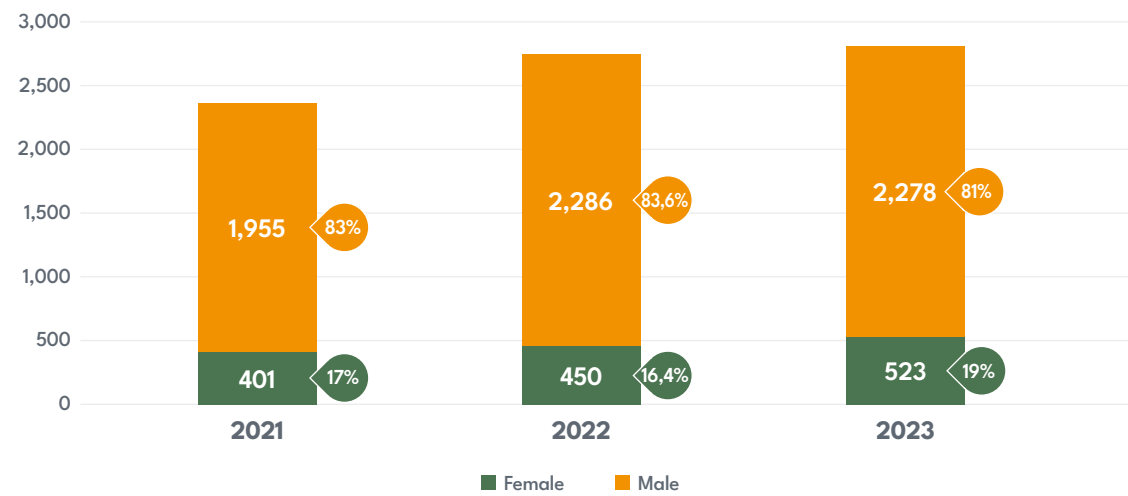
## PEOPLE AND CULTURE

The capability of employees to align with the changing world is a key factor for sustainable success of the companies. As Zorlu Enerji, we underline our employee profile and recognize them as a fundamental element of our value chain. We integrate sustainability, determined by Zorlu Holding in line with the Smart Life 2030 vision, into our business model and we positively expand our sphere of influence both within our company and the environment we are affected by. As we move forward with confidence towards the future with our clean energy investments, we further reinforce our contributions at both global and local levels with our qualified employee profile.

We allow freedom to the creativity of our employees so that they can get closer to their dreams and we further take the liberty and strive to build a business environment that will move our institution further with the spirit of entrepreneurship. Our working atmosphere that supports continuous development aims to ensure that our employees not only develop themselves but also become individuals who create value in their society.

**The capability of employees to align with the changing world is a key factor for sustainable success.**

**Increase in the Number of Female Employees**







## Occupational Health, Safety and Process Safety

The health and safety of our employees is one of the highest priority issues of our Company. We consider providing a healthy and safe working environment for our employees as one of our major responsibilities.

**Our fields of activity where the incidence and risk of workplace accidents or significant occupational diseases are high are construction and production.**

We strictly follow our rules and guidelines focusing on occupational health and safety in all our ways of doing business. Therefore, we manage all our OHS practices in accordance with the ISO 45001 Occupational Health and Safety Management System standards. The Hierarchy of Controls specified in ISO 45001 is applied to identify work-related hazards and reduce risks. The results are further evaluated in management review meetings.

We go beyond national legislation and obligations to closely monitor current developments and we consistently inform our field managers about these developments. In this context, we consistently subject our operations to OHS risk assessments and pro-actively manage and minimize our OHS risks with the understanding of continuous improvement. We also systematically address and manage potential hazards in operational activities by using data-driven risk analysis techniques such as the Fine-Kinney\* method.



We prepare reports to prevent the recurrence of incidents and accidents and to improve our performance and we regularly submit these reports to the relevant units and senior management. Monthly OHS committees and regular internal audits are critical to improving safety in all our business processes and our OHS management systems.

We further reward and encourage our employees who contribute to the improvement of OHS issues. We also take occupational diseases and risks into consideration when designing new facilities and processes.

**Process safety measures in line with the SEVESO-Major Accident Prevention Directive are implemented in our Kızıldere III Geothermal Power Plant which is the largest geothermal facility in Türkiye. These measures are implemented in parallel with national legislation requirements.**

OHS management is considered as a whole and a wide range of processes are applied, from daily findings to annual performance evaluations. OHS findings are reported to the relevant units on a daily basis, in accordance with the characteristics of each business unit, and daily up-to-date information is provided to senior management with the OHS End of Day Report. Monthly OHS reports are discussed in detail at meetings held with the participation of senior managers. Improvements made in the field of OHS, challenges encountered and actions planned for the next period are further discussed in these meetings. Furthermore, OHS committees are held monthly in order to raise OHS awareness throughout the company and to encourage the active participation of all employees in relevant processes. Employees and union representatives are included in these committees. Thereby views on OHS issues are exchanged from a broader perspective and contribution is ensured to the development of company policies. Internal audits performed within the scope of the OHS Management System are carried out with the understanding of cooperation and continuous development and systematic efforts are made to make field operations safer. Our stakeholders are included in these processes believing that our OHS development processes will progress further with cooperation. Our employees and union representatives are invited to the OHS committees held on a monthly basis with the aim to contribute to the company-specific development of the OHS issues. Issues raised in regular meetings with union representatives are closely monitored and requests are responded to immediately. Our operations and practices are audited at least once a year by both internal audit and independent certification institutions within the scope of the OHS Management System.

Zorlu Enerji Occupational Health and Safety policies are available via [this link](#).

Establishing stations for our employees working in provincial and district operational buildings within our company where they can report near misses via QDMS, we detect and distribute near-miss situations with the Video Confirmation System. Detected notifications are followed by the OHS-E Directorate and referred to the necessary departments for the actions to be taken. We implement the Incident Investigation Procedure in order to prevent the recurrence of an accident and we take corrective and remedial actions by designing proactive measures in accordance with occupational health and safety management systems through incident-specific root cause analysis. All our employees have the right to refuse

\*Fine-Kinney Method: It is a risk assessment method in occupational health and safety that takes into account the severity of the damage, the likelihood of the damage occurring and the frequency of exposure.

		Total Recordable Incident Rate Total		Accident Frequency Rate (AFR)		Total Accident Severity Rate (ASR)		Total Number of Accidents		Total Number of Work Days Lost				
OHS Performance Metrics by Gender for the Total Workforce of Zorlu Enerji:	2021	1.59	3.01	2021	1.59	3.01	2021	0.05	0.05	2021	1	6	30	96
	2022	0	2.23	2022	0	2.23	2022	0	39.57	2022	0	8	0	142
	2023	0	7.50	2023	0	7.50	2023	0	49.23	2023	0	17	0	103
OEPSAŞ is included, however OEDAŞ is excluded in the calculations. *Total Number of Workplace Accidents = Fatal Accidents + Non-Fatal Injuries + Occupational Diseases														
OHS Performance Metrics by Gender for All Contractors Controlled by Zorlu Enerji:	2021	0	2.78	2021	0	2.78	2021	0	0.02	2021	0	4	0	29
	2022	0	2.05	2022	0	2.05	2022	0	3.76	2022	0	3	0	5.5
	2023	0	2.12	2023	0	2.12	2023	0	70.04	2023	0	4	0	99
OEPSAŞ is included, however OEDAŞ is excluded in the calculations. *Total Number of Workplace Accidents = Fatal Accidents + Non-Fatal Injuries + Occupational Diseases														
OHS Performance Metrics by Gender for the Total Workforce of OEDAŞ:	2021	1.59	3.01	2021	1.59	3.01	2021	0	0.05	2021	1	6	30	96
	2022	0	6.65	2022	0	6.65	2022	0	0.01	2022	0	17	0	38
	2023	0	7.51	2023	0	7.51	2023	0	63.98	2023	0	21	0	179
* Some corrections/amendments have been made in the Occupational Health and Safety (OHS) metrics for 2021 and 2022 and the corrected metrics are presented above. The table contains updated and verified versions of data included in previously disclosed reports.														
OHS Performance Metrics by Gender for All Contractors Controlled by OEDAŞ:	2021	0	2.78	2021	0	2.78	2021	0	0.02	2021	0	4	0	29
	2022	22.28	32.44	2022	22.28	32.44	2022	0	0.39	2022	1	60	0	729
	2023	0	41.76	2023	0	41.76	2023	0	378.89	2023	0	68	0	627
* Some corrections/amendments have been made in the Occupational Health and Safety (OHS) metrics for 2021 and 2022 and the corrected metrics are presented above. The table contains updated and verified versions of data included in previously disclosed reports.														
<div><div>• Total Recordable Incident Rate: (Number of Fatal Work Accidents + Number of Work Accidents with Man-Days Lost + Number of Work Accidents without Man-Days Lost) * 10<sup>6</sup> / (Total Number of Man-Days Worked)</div><div>• Total Accident Frequency Rate (AFR): (Number of Work Accidents with Man-Days Lost + Number of Work Accidents without Man-Days Lost) * 10<sup>6</sup> / (Total Number of Man-Days Worked)</div><div>• Total Accident Severity Rate (ASR): Man-Days Lost to Work Accidents with Man-Days Lost * 10<sup>6</sup> / (Total Number of Man-Days Worked)</div><div>• AFR of Work Accidents with Man-Days Lost: (Number of Work Accidents with Man-Days Lost) * 10<sup>6</sup> / (Total Number of Man-Days Worked)</div><div>• Occupational Disease Incidence Rate: (Number of Occupational Disease Cases) * 10<sup>6</sup> / (Total Number of Man-Days Worked)</div></div>														





In line with the goal of reducing the number of accidents and work-days lost by raising OHS awareness, we provided an average of 22.3 hours of trainings to all our subcontractors in 2023 within the scope of the Regulation on the **Procedures and Principles of Occupational Health and Safety Training of Employees** 

» Our company attaches utmost importance to raising awareness and training all its employees, contractors, customers and subcontractors on OHS.

**Zorlu Enerji  
Employees****713**

Persons

**Contractors'  
Employees****1,686****16,508**Hours  
Total**37,576****23.2**Hours  
Per  
Employee**22.3**

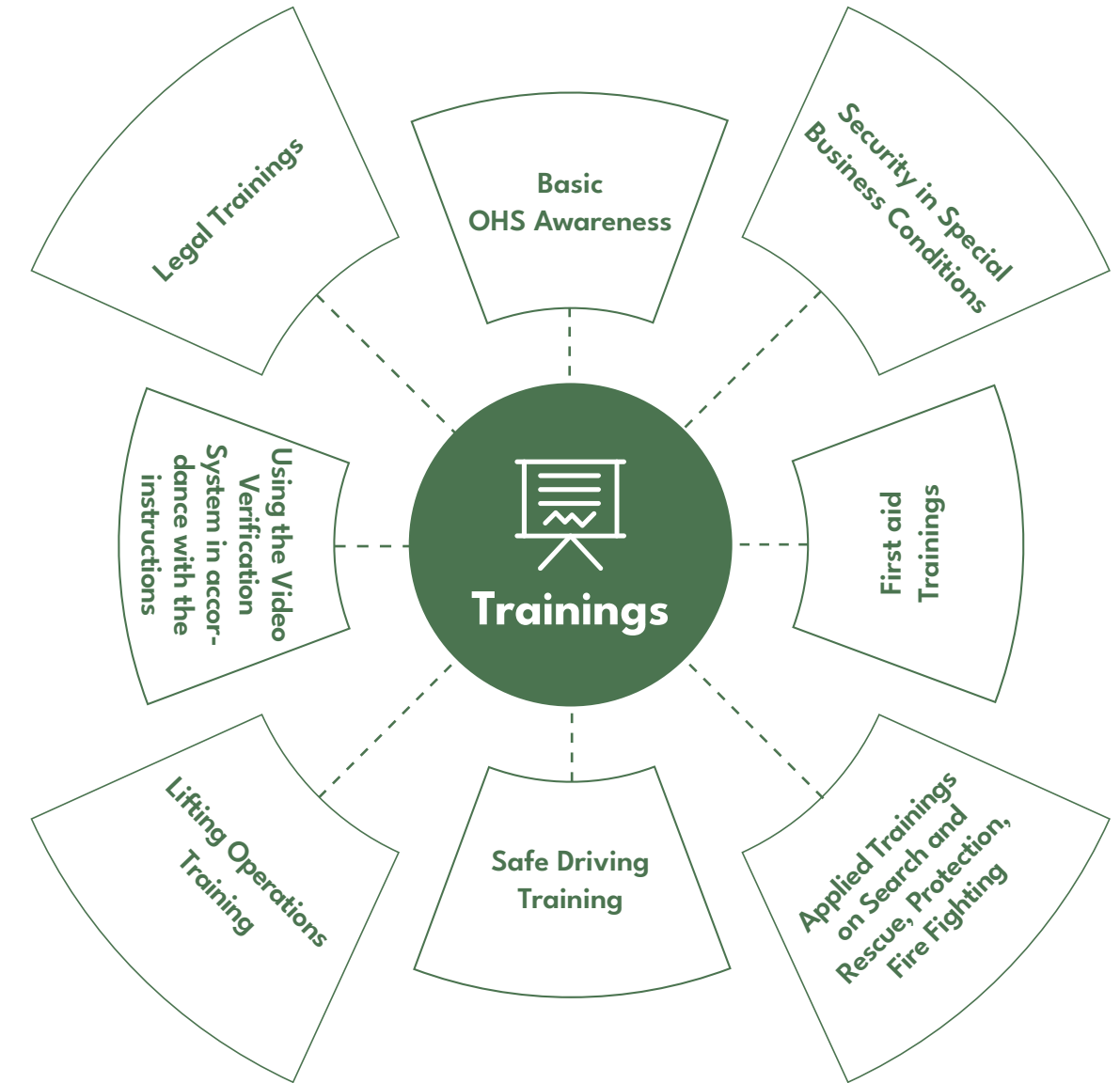
In line with the Regulation on the Procedures and Principles of Occupational Health and Safety Training of Employees, we provide mandatory OHS trainings to our employees after they start working. Throughout the 2023 reporting period, we provided a total of 16,508 person/hours of occupational health and safety trainings to all our employees. All of the contractor personnels we cooperate with are included in OHS trainings. A contractor personnel who has not received OHS training is not given a work permit.

With these trainings, we aim to ensure an improved OHS performance and achieve our goal of **zero accident** by contributing to strengthening the awareness of our employees on OHS.

We provide Occupational Health and Safety trainings to our employees in the categories of compulsory training, personal development and technical training. By recording these trainings, we plan to raise employee awareness and reduce the negative effects that may occur in this area. We keep our training data in terms of blue collar employees, white collar employees and senior executives.

**Average Training Hours Provided to Zorlu Enerji Employees on OHS:**

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Blue Collar	1	14.8	20.32	34.01	0.9	7.6
White Collar	1.5	0.7	20.32	20.2	2.9	6.9
Senior Executives	0.5	0.9	0	20	0	0



## OHS Projects

### *Video Confirmation System*

Occupational Health and Safety (OHS) issues like preventing work accidents, workdays lost, injuries and dangerous attitudes is one of the key elements of ensuring a healthy and safe working environment. As Zorlu Enerji, we installed the Video Confirmation System in June 2019 to enable our employees to share and communicate with live images. Our system is used by OEDAŞ System Operations Department and Distribution Services Department and the user scope has been expanded as of 2022. Before starting work, our employees refer to the Main Control Center to take the necessary OHS precautions and obtain approval for the operation. As Zorlu Enerji, we impose various sanctions on our employees who do not comply with OHS rules. We further made OHS conditions mandatory in operational sites where the Video Confirmation System is used. This system has enabled us to achieve a significant decrease

in work accidents and OEDAŞ has stood out as an exemplary electricity distribution company in terms of occupational health and safety.

As OEDAŞ, we received the license of our Video Communication System in 2022 and this year we started to work on including investment planning contractors within the scope of our system. This system is used for communication of personnel working in all System Operation and Distribution Services Departments and for sharing live images of the work carried out in accordance with occupational health and safety instructions. We effectively use mobile devices and our system infrastructure to communicate with our field teams within the scope of our electricity distribution operations. The system enables our teams to connect to the main control





center to obtain approval before starting work and to start working in line with occupational health and safety measures. Our occupational health and safety experts are evaluating the VCS records they have been monitoring since April 2021. Action reports addressing relevant managers are prepared for the work that is deemed inappropriate as a result of OHS assessments. The aim of our project is to prevent occupational accidents and dangerous cases by building a safe working environment in terms of occupational health and safety. Thanks to this project, we have achieved significant reductions in energy-related work accidents and reached an exemplary position in the industry. Our innovative features allow us to monitor field operations in terms of occupational health and safety and conduct detailed assessment of accidents and dangerous cases.

### Measuring the Occupational Health and Safety Culture Level of Employees and Creating an Action Plan

We measure the Occupational Health and Safety culture levels of our employees and we develop an action plan accordingly. Through face-to-face, online and survey-based interviews conducted within the scope of this project, we measured the OHS culture levels of all our employees in 2022 and developed plans to improve it. We plan to expand the scope of our assessments in the coming years based on criteria such as technical and managerial assessments, leadership and commitment, security culture, corporate-social behaviors, communication, training and continuous improvement.



### Digital Occupational Health and Safety Risk Detection System

Zorlu Enerji makes use of digital transformation by effectively using the Salesforce application to manage OHS risks with regard to the installation of charging stations. This system makes it possible to pro-actively detect and prevent potential risks by performing mandatory OHS controls digitally before starting work. Identifying risks in advance and taking the necessary precautions contribute significantly to the prevention of work accidents and occupational diseases. The digital platform saves time and costs by automating risk assessment and control processes.

## Human Rights

As Zorlu Enerji, we take steps focused on sustainable growth with a human-centered approach and focus on raising awareness on that the basis of this approach is human beings. We strive to ensure that our employees are not negatively affected in our business processes, and we handle human resources policy within the framework of our employees' opinions and our human-oriented management principles. We have constituted this approach within the framework of our commitments with regard to the legislation regulating working life along with Zorlu Enerji Universal Declaration of Human Rights, International Covenants on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights, Declaration of Fundamental Principles and Rights at Work of the International Labor Organization (ILO) and the United Nations Global Compact. As Zorlu Enerji, we aim to respect human rights for all our employees and stakeholders in the regions where we operate based on respect for these rights.

As Zorlu Enerji, we attach great importance to human rights and strictly adhere to these principles wherever we conduct our operations. Although we have operations in Pakistan and

Palestine, which are among the critical regions, we pursue our operations carefully to avoid any human rights violations. We always act with a sense of responsibility and adopt respecting human rights as a fundamental principle in all regions where we operate.

For detailed information, you can access our Human Rights Policy, Human Resources Policy and Corporate Restructuring & Human Rights Commitment from the links below.

[Human Rights Policy](#)

[Human Resources Policy](#)

[Corporate Restructuring & Human Rights Commitment](#)

One of the most fundamental elements of a sustainable growth approach is to have a positive impact on the region and society in which we operate. By adopting a responsible corporate structure approach, we contribute to local employment and the country's economy within the framework of a value-creating growth model. Aiming to improve the quality of life of the local community, we always take local human resources into consideration in our recruitments except for positions that require specific competence.

## Employee Rights and Well-being

As Zorlu Enerji, we attach importance to providing our employees a fair wage and focus our remuneration principles on being fair, being competitive and rewarding high performance. We act in accordance with the principle of **“Equal pay for equal work”** without discriminating based on gender, age, language or race in our remuneration principles. We further construct compensation and benefit strategies around the principle of fairness, competitiveness and rewarding high performance, taking into account industry standards, Zorlu Holding practices as well as national and global macroeconomic indicators.

We reward the performance of our employees with the aim of implementing a fair remuneration system that will keep employees' motivation high. We base our compensation strategy on individual performance assessments, wage research, national and global economic indicators and internal company balances. We determine a wage increase rate for all employees in line with the evaluations made at the end of each year. We further make bonus payments once a year for employees at manager level and above, based on in-company and individual performances.

In 2022, we switched to a hybrid\* working order in order to maximize employee well-being.

As Zorlu Enerji, we provide our employees various fringe benefits aiming to enrich their experiences outside of work life. These benefits include private health insurance, paid maternity leave, meal allowance, marriage, birth and death leave, financial

aid, fitness center use, right to buy Zorlu Group branded products on a discounted price, additional wage payment for master's degree and PhD degrees. Legislation in Türkiye imposes certain obligations on workplaces depending on the number of females employed. Workplaces with more than 150 female employees are required to open a nursery whereas workplaces employing 100 to 150 females are required to open a breastfeeding room. These obligations aim to support the needs of female employees in business life. We offered a breastfeeding room in our Zorlu Enerji head-office building, within the framework of the regulation, in compliance with the number of females employed. We further offer support programs covering pregnancy, birth and postpartum processes entitled “Parent School” for parents. Through the “Better Together (Birlikte İyiyiz)” platform that we have launched within Zorlu Holding, we aim to pro-actively solve and minimize problems that may affect the performance of our employees. We offer psychological counseling, healthy nutrition (dietitian) and healthy life support to our employees and their families, via smartphones, through the “Wellbees” application within this platform. Thus, we contribute to finding permanent solutions to the problems that may be encountered in related matters. We further support our employees in terms of resilience, anxiety management, stress management, healthy living, sports, child psychology, personal development and well-being and we organize sharing environment and events to strengthen the communication and bonds between them.



\* Hybrid working order: It is a working model that flexibly combines employees working in the office and remotely (from home or another location).





➤ **We are consistently moving forward with the aim of becoming one of the top three most “trusted and liked” energy companies to be worked for in our country and region.**

Our Human Resources Policy, based on the opinions of our employees and human-oriented management principles, gives priority to ensure that our employees are not negatively affected during corporate restructuring processes (equity sales, company mergers, demergers, changes in business processes etc.). In addition to our Human Resources Policy, we take care to fulfill and comply with the

## Employee Engagement

At Zorlu Enerji, we consider the satisfaction, well-being and motivation of our employees as an integral component of individual and corporate development. With this understanding, we develop methods and solution channels to solve problems that may affect employees' performance and quality of life. Not only that, but we also further provide them the opportunity to work on social issues by ensuring a work environment where they can do the best for the world.

We attach great importance to employee engagement and consistently follow the developments in this field. In this context, we plan to repeat the employee engagement survey of 2021 in 2024. Until the next survey to be conducted in 2024, the results of the 2021 survey were shared with all our business units and improvement actions were planned for weaknesses.

requirements of the international conventions to which our country is a party, in particular the United Nations Universal Declaration of Human Rights and the basic principles of the International Labor Organization, as well as the **“Corporate Restructuring & Human Rights Commitment”**  and the legislation regulating working life.

Provisions with regard to Period of Notice as well as consultation and negotiation are not included in the collective bargaining agreement as the legislative provisions are valid. Together with our 682 unionized blue-collar employees, the rate of employees subject to collective bargaining agreements is 24.3%.

**For detailed information: Zorlu Enerji Employee Profile** 

Accordingly, both the plans made by management and human resources and the actions to be taken by the departments are regularly monitored. As Zorlu Enerji, we recognize the value that our employees add to business processes, we appreciate their achievements and we support their motivation by rewarding them.

The “Management Employee Ambassador” program was initiated to ensure that employees working at different locations are heard within the Company. By virtue of this program, employees can convey all their requests and problems through the Employee Ambassador assigned to their region. A close communication between the field and the head office is maintained through regularly held monthly meetings; incoming messages are evaluated and necessary actions are taken.



## Right to Organize

While protecting the rights and interests of all our employees within the scope of Labor Law No. 4857, we support the organization of employees within our Company and respect their right to organize. 682 personnel of our 100% indirect subsidiary Osmangazi Elektrik Dağıtım A.Ş., covered within the scope of the Collective Labor Agreement (CLA), can freely exercise their rights to unionize. The agreement is re-signed every two years between the Trade Union and OEDAŞ managers under the umbrella of human resources and covers all union members.

As Zorlu Enerji, we carry out projects to instill in our employees the awareness of responsibility which is a significant element of our corporate culture. For the purpose of “Sparkles (Kıvılcıklar)”, a corporate volunteering movement developed by Zorlu Holding in line with the Smart Life 2030 vision and covering all group companies throughout the holding, we support the participation of our employees in social responsibility projects

and aim to strengthen the bond between society and Zorlu Enerji. With Trainings and Talent Management Program aimed at the development of our employees and put them at the center of value, we ensure that our employees improve their personal and professional competencies. We organize projects and trainings on environmental, social and governance issues to ensure our corporate culture to be disseminated from within our employees down to the general public. We ensure our employees to make development plans, by taking into account their skills and competencies, so that they can climb up the career path consciously and improve their qualifications accordingly on this journey. When planning our trainings, we take into consideration corporate sustainability needs as well as individual development focuses identified during performance assessment. With this approach, we aim to ensure our employees to progress in their career paths in the most efficient way possible and to maximize their contributions to our company.





## Employee Trainings and Development

➤ **We believe that investment in human capital makes a positive difference in the added value created.**

Building the human resources and organizational infrastructure that will support company strategies, improving employees' leadership qualifications, knowledge and skill levels and measuring the organizational climate regularly constitute the focus of our human resources practices.

In 2023, 3 main training programs were organized under the title of “Administrative and Personal Development Trainings” with 99 participants:

- **Management Academy:** A program that aims to develop knowledge and skills on the new world order, effective management and agile leadership.
- **Trade Academy:** A program that aims to develop knowledge and skills on subjects such as customer focus, effective communication, innovative solution development and sales techniques.
- **Performance Based Management and Feedback:** A program that aims to develop knowledge and skills on topics such as coaching and mentoring, goal setting, motivation and effective feedback.

The trainings extended to employees are primarily classified into two categories: “vocational and technical” and “administrative and personal development”:

### Vocational and Technical Trainings:

- Occupational Health and Safety
- Sustainability
- Design-Focused Thinking
- Professional Expertize Trainings
- Big Data Analytics on Energy Markets
- ISO 50001 Energy Management System Competency
- Training SEVESO
- Renewable Energy Technologies

\* Risk Management Trainings are scheduled for the end of 2023.

### Administrative and Personal Development Trainings:

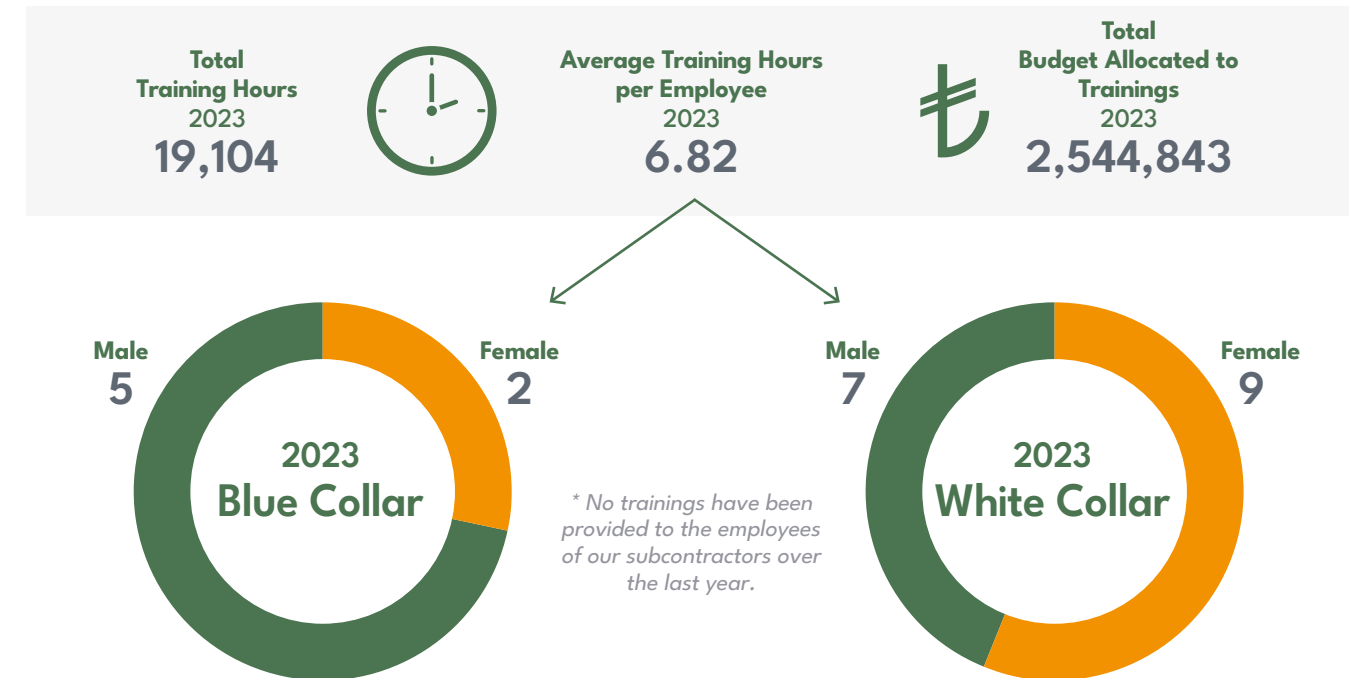
- Big Data Analytics on Energy Markets
- Agile Learning Workshop
- Renewable Energy Technologies Program
- Competency Based Interview
- Employer Representation
- Ethical Principles
- Training of the Trainers
- Competition Law
- Sustainability Management
- Design Focused Thinking

Zorlu Enerji attaches utmost importance to developing the knowledge and skills of its employees. Lists of participants to all e-learning, face-to-face and online trainings are retained meticulously and appropriate trainings are assigned for all white and blue-collar employees. Attendance to face-to-face trainings is mandatory however reminder e-mails are sent to increase the participation rate of e-learning. Training completion rates are shared with team leaders and taken into account in performance assessments. On December 19 this year, we initiated the necessary planning to build an in-house innovation culture and submitted these plans to our CEO. Subsequently, we plan to start a pilot scheme through OEDAŞ and expand it so as to cover our entire company.

It is a company policy for employees to receive occupational health and safety training throughout the orientation program after starting work. The agreement further includes information on issues such as wages, working hours and conditions, training, career development, flexible working model, equal opportunity and social responsibility projects.

**Training Goals:** Zorlu Enerji attaches utmost importance to developing the knowledge and skills of its employees. In this context, Leadership Academy and Management Academy programs are organized annually. Trainings supplementing the weaknesses determined within the scope of the Trade Academy program shall prevail. Performance-Based Management and Coach-like Leadership Trainings will be assigned primarily to managers and then to all employees. Stress management, mentoring, first-level management, talent management, cultural transformation and foreign language trainings are further planned.

Conclusions about all the trainings we provide:



## Sustainability Trainings

\* A total of 1458 hours of training were provided.

“Corporate Sustainability” and “Environment, Climate Change, Green Transition and Sustainable Finance” trainings were provided via the Zorlu Academy e-learning platform. Both trainings shall apply to all employees.

\* Sustainability Management Certificate Program:

OHS Environment and Sustainability Team managers attended in these trainings.

26 hours on overall sustainability

Environment: 1041 hours

Social: 379 hours

Governance: 12 hours







## Talent Management and Career Development:

Zorlu Enerji offers various programs to develop the skills and careers of its employees. Within the scope of these programs, assessments are made to help employees determine their individual competencies and potentials and personalized development plans are created to help them achieve their career goals. Furthermore, guidance and assistance is provided to employees through mentoring and coaching programs, and employees are encouraged to improve their knowledge and skills through in-house and external trainings. The Talent Management system ensures that employees use their full potential.

As Zorlu Enerji, we aim to support the talents and career development of our employees with the Talent Management Project that we launched in 2022. For the purpose of this project, the competencies of our employees were evaluated using individual methodology and the 9-Box Grid was applied. We have also included our new colleagues who started work in 2023 within this scope. Thus, the total number of people to whom individual inventory was applied was 1,185. This process aims to establish contingency plans by determining the criticality of roles and to plan organizational changes and promotions through succession plans. Thereby we determine our potential candidate pool and schedule development plans for our high potential employees.

**For positions of Deputy General Manager and above:** Technical and managerial competencies required by the tasks are determined through the Development Center.

**For employees at all levels:** Professional competencies and career developments are supported via trainings.

**For positions of Deputy General Manager and above along with executives:** Technical and administrative activities are developed by the Development Center, then emergency and succession plans are prepared accordingly.

**For all white collar employees:** The Talent Management Program helps us to assess employees' potential and performance results using the 9-Box Grid; thereafter emergency and succession plans are developed by studying the criticality of the roles.

**For executive level employees:** Executive leadership trainings are provided.

### Employees Subject to Periodic Performance Assessment and Career Development Plan

	2023
Blue Collar Women	22
Blue Collar Men	726
White Collar Women	447
White Collar Men	754
Women Executives	6
Men Executives	8

### Competencies Focused on When Assessing Talents

- Compliance to Changes and
- Innovation Collaboration
- Curiosity
- Learning Agility
- Resilience
- Managing Performance and Talent
- Coaching and Mentoring
- Strategic Leadership
- Leading the Change

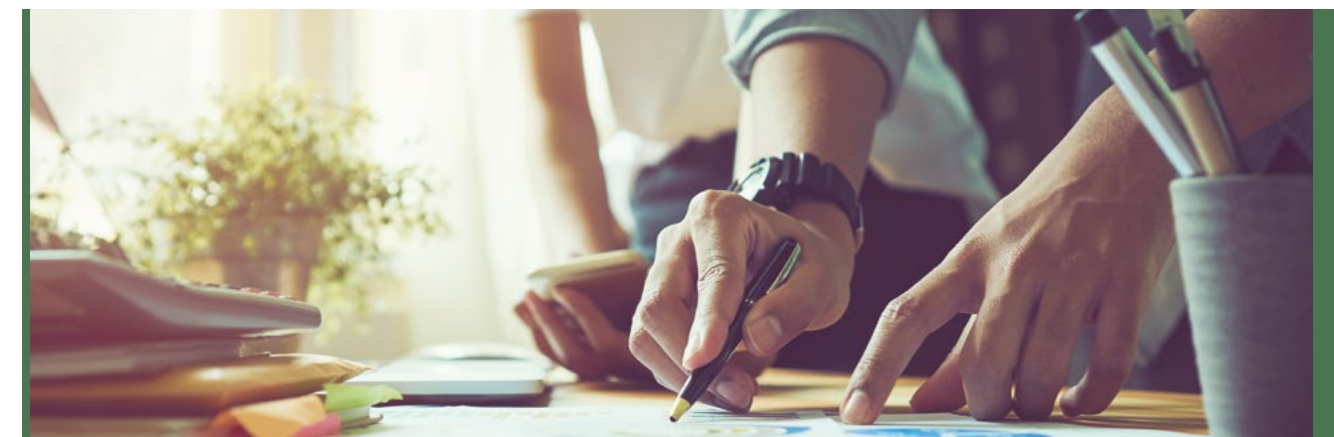


We apply our performance assessment system, which focuses on the competencies and business results of our employees, to all our employees who have completed their sixth month in the company. We implement performance management under two main headings: "Goals" and "Competence". Goals are effective in measuring performance and business results and competencies make a significant contribution to the attitudes displayed while achieving goals and realizing the potential of employees. Balanced Performance Scorecard, launched in 2023, allows our employees with the manager and above titles determine their goals under the Strategic, Functional and Financial categories in line with the Environment, Social and Governance areas. After the company goals are determined, the goals of our employees are assigned through a step-by-step process, starting from the senior executives.

70% of employees were subjected to performance assessment in 2023. These assessments help us to collect data about the performance of employees and form the basis for scheduling development plans and making decisions about annual wage increases, appointments and promotions. 89 of our employees were promoted in 2023. 41% of our promoted employees were women.

### Employees Subject to Periodic Performance Assessment and Career Development Plan

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Blue Collar	100%	100%	100%	98%	68%	49%
White Collar	94%	94%	94%	95%	91%	94%
Senior Executives	75%	94%	100%	100%	100%	100%







## Volunteering Projects of Employees:

At the 45th İstanbul Marathon, held on November 5th Sunday under the leadership of Türkiye İş Bankası, we supported the campaign of Darüşşafaka Society entitled Eğitim Bizden, Yuva Sizden! with our steps and donation campaigns aiming to provide quality education to more disadvantaged children from the earthquake zone whose mothers and/or fathers are not alive.



Within the framework of our in-house entrepreneurship program A Bright Idea (Parlak Bi'Fikir!), we updated the "Intrapreneurship" page of Wikipedia under the mentorship of our innovation ambassadors.

On December 5th, World Volunteer Day, we supported the non-governmental organizations, with which we have collaborated, with 30 of our Sparkles in the NGO Market and we had the opportunity to get to know their activities closely.

Our "Career Talks" project was ranked as the Most Successful E-Volunteering Project within the scope of the 13th Heartfelt Awards organized by the Private Sector Volunteers Association. In the 4th term of this project, 156 students met with our Sparkles online and benefited from their career experiences.

Together with 14 of our Sparkles, we carried out a significant volunteer work by hosting the members of Umut Cafe, established by KAÇUV (Hope Foundation for Children with Cancer) to support the families of children receiving cancer treatment, in Levent 199.

Within the context of Kız Kardeşim Project, we became the mentors of and contributed to the personal development of 200 young university students nominated from the earthquake zone.

We became a jury member in the FIRST LEGO League Challenge organized by the Turkish Science Heroes Association to encourage children and young people between the ages of 9-16 to science.

Throughout the Forest Week, we created a commemorative forest and planted saplings in Çalca District of Kütahya, in cooperation with the Kütahya Provincial Forestry Directorate, on behalf of the citizens affected by the earthquake.



## Parlak bi'fikir!

"A Bright Idea (Parlak Bi'Fikir)" is an in-house entrepreneurship program that serves the mission of reinforcing our corporate culture within the scope of the Smart Life 2030 sustainability strategy which allows employees to combine the experiences they have attained in their professional life with the practice of innovation-oriented thinking. Employees can participate in the A Bright Idea (Parlak Bi'Fikir!) project, which is considered the most important milestone on the way to achieving this goal, through the exclusive portal created for the project. The ideas presented are evaluated in terms of 5 criteria (Innovation-Creativity, Feasibility, Commercial Value, Business Risks, Compatibility with Company Strategies and Future Vision). Selected projects are further developed as independent start-ups with a 25% partnership of Zorlu Holding. With the trainings provided during the process, employees are given the chance to develop their competencies such as taking initiative, teamwork, planning, organization and leadership. Thereby Zorlu Group offers its employees a new generation career opportunity as entrepreneurs, while also giving them the opportunity to design the future of the Group together with innovation.

## Participation of Employees in Management Processes

Employees are involved in the following management processes:



SA 8000  
Social  
Performance  
Team Meetings



OHS Board  
Meetings held  
within the scope  
of Occupational  
Health and Safety



Meetings held  
within the scope of  
sustainability work

## Inclusion, Equality and Diversity

### Akıllı Hayat 2030



As Zorlu Enerji, we operate believing that growth and development are only possible with a joint effort. Within the framework of the Smart Life 2030 vision, we adopt the understanding of spreading an innovative and creative business culture that encourages diversity and inclusion in business and social life. We undertake practices that support gender and opportunity equality not only within our organization but also throughout our value chain. We assume a position in the industry as a company that supports gender equality and fights against prejudice and for the purpose of this goal, we undertake projects that strengthen the roles of women in business life and provide employment to disadvantaged working groups.

**Bloomberg Gender Equality Index:** Bloomberg Gender Equality Index (GEI) measures the companies' performance in the field of gender equality and recognizes the leading organizations in this regard. This index highlights companies that demonstrate transparency and progress in areas such as workforce statistics, gender equality policies, leadership and talent development.

We declared our aim to be evaluated in Bloomberg GEI within the scope of our 2022 Sustainability Goals. As Zorlu Enerji, we have realized this significant purpose in 2023 and managed to be evaluated in the Bloomberg Gender Equality Index, ensuring that the steps we have taken in gender equality and our commitments in this field are recognized in the international arena. This success is a reflection of the importance we attach to sustainable progress in the field of gender equality and the work we carry out in this direction.





**We keep convening the Gender Equality Committee, established under the leadership of Zorlu Holding Board Member Ms. Selen Zorlu Melik, with the contributions of our voluntary employees from Zorlu Enerji.**

We manage our Gender Equality approach around three main axes: discourse, business environment and collaborations. Believing that language is the most effective instrument that shapes consciousness, we resort to egalitarian expressions in internal and external discourses, regardless of gender. We offer an equal and fair working environment and working conditions without allowing any discrimination based on gender, age, language, race, ethnicity, physical structure, nationality, sexual orientation, political thought, philosophical belief, religion and sect.

We organize trainings and webinars on Gender Equality to strengthen our employees' awareness on this issue.

“Rotation at Work” program, introduced to support the advancement of women in business life, allows our female employees to gain new competencies and develop their leadership skills by giving them the opportunity to experience different tasks through rotation.

For the purpose of our Mentoring Program, which we consider within the scope of Gender Equality and observe gender equality in participation, we implement a development program based on bilateral learning and volunteering.

We include the principle of equal opportunity in our job postings and our job application forms published to inform our employee candidates and we evaluate incoming job applications by taking this principle into consideration. We further follow the issue from the perspective of our employees with questions addressing equal opportunities in our employee engagement surveys.

Relevant manifesto is available through [this link](#). 

#### Female Labor Force Participation by Title

	2021	2022	2023
Senior Executives	36.6%	21.1%	38.46%
Specialist and higher Titles	21.57%	16.36%	31%
Employees	16.81%	16.44%	18.67%


### Discourse Control Mechanism with “An Equal Life (Eşit Bi’ Hayat)” Dictionary



We are well aware that adopting an inclusive language is of great importance when taking steps towards equality. In line with this understanding, in 2020, we took a concrete initiative to eliminate the sexist language and easily find alternative expressions that support equality and inclusion: Thereby we prepared the “An Equal Life (Eşit Bi’ Hayat)” Dictionary. We offered this dictionary to all our partners

as a resource that helps us stay away from sexist expressions and idioms that are widely embedded in our language. In 2022, we transformed the expressions in the “An Equal Life (Eşit Bi’ Hayat)” Dictionary into an automatically check tool that can be used in Microsoft Office applications. Owing to this tool that we call “Discourse Control Mechanism”, we have ensured the sexist expressions to be replaced with inclusive alternatives in in-house correspondence and presentations.

We are proud to announce that our “An Equal Life (Eşit Bi’ Hayat)” Dictionary was awarded within the scope of the Women-Friendly Brands Awareness Awards, organized by the Women-Friendly Brands Platform every year since 2021 during the week of March 8th, International Women’s Day.

“An Equal Life (Eşit Bi’ Hayat)” Dictionary is available here: [An Equal Life \(Eşit Bi’ Hayat\)” Dictionary](#) 

### Equal Opportunity Model Certificate of KAGİDER

As Zorlu Enerji, we were awarded the Equal Opportunity Model Certificate of KAGİDER in 2022 with our corporate culture that attaches great importance to inclusion, diversity and equal opportunities in business and society following an independent assessment process that took into account 22 separate criteria. As a result of this independent audit covering issues such as recruitment, training, performance assessment, promotion, career support, feedback and complaint management, our Human Resources department publicized our commitment to equal opportunities. Based on the Equal Opportunity Model Certificate of KAGİDER, we had our works in this field confirmed.

### Being a Signatory to UN Women and Un Global Compact’s WEPs

As part of our efforts to make Gender Equality a corporate culture, we set out by saying “An Equal Life (Eşit Bi’Hayat) is Possible for Everyone” whereby we keep working and collaborating with civil society, faculty members and the business world in order to make egalitarian discourses and implement new practices to make the conditions in the workplace more egalitarian. For this purpose, as Zorlu Enerji, we signed WEPs, which is a joint initiative of UN Women and UN Global Compact and consists of principles that provide companies with a road map on how to promote gender equality and the empowerment of women in the workplace and society.

We provide an equal and fair working environment by rejecting all kinds of discrimination based on gender, age, language, race, ethnicity, physical structure, nationality, sexual orientation, political thought, philosophical belief, religion and sect. It is of great importance for us to spread this awareness not only within the organization but also to all stakeholders we interact with and to carry out our collaborations in the light of these principles. Through posts on our social media accounts that reflect our corporate image and target a wide audience, we raise awareness about diversity, inclusion and equality and carry out awareness-raising activities in this direction.



**We aim to increase the female labor force participation rate to 40% by 2030 and thereby we further support the 30% Club, which aims to increase the percentage of women in companies’ decision-making mechanisms, boards of directors and senior management to 30%.**



**We have revised our female labor force participation rate targets for 2024 and we have further planned to restructure our goals and actual figures through senior management, white-collar positions and total employees.**

As Zorlu Enerji, we support our employees, who give birth, with different benefit programs. We offer Part-Time Work or Unpaid Leave options to employees who give birth in order to ensure them to adapt to both their new role and working life. In order to support the work life-parenthood balance of employees who take unpaid maternity leave for 6 months and to meet the requirements of business life, we recruit a successor employee with a fixed-term employment contract limited to the duration of the leave.

We further offer a “Parent School” opportunity, covering pregnancy, birth and postpartum processes, for employees and their spouses who are preparing to become parents or have just had a baby.

Within the framework of our Equal Opportunity principle, our employees who have given birth can resume their performance, succession and training processes from where they left off after returning to business life.



### Employment in Local Communities:

As Zorlu Enerji, we contribute to local employment and the country’s economy with our value-creating growth model. Aiming to improve the quality of life of the local community, we always take local human resources into consideration in our recruitments except for positions that require specific competence. Our staff working in foreign countries where we carry out our operations generally consists of citizens of the relevant country. In addition, four separate senior executives, each of whom is a citizen of the relevant country, work in our offices located in four different countries. This represents our engagement in local communities and commitment to supporting local employment.





## Social Compliance in Supply Chain

As Zorlu Enerji, we adopt an approach based on the principles of transparency and trust in the management of our supply chain and we maintain strong relationships with our suppliers, who are important business partners. In this context, we encourage our suppliers to comply with environmental, social and ethical standards and assume a significant responsibility for contributing to their continuous development. We adopt a responsible supply chain approach by reflecting our sustainability commitment to our supply chain. We carry out our purchasing transactions through central and local purchasing organizations and evaluate the performance of our suppliers from a sustainability perspective. Taking into account national and international standards in our supplier selection, we take care to ensure our suppliers' compliance with Zorlu Holding Supply Chain Principles. We regularly notify our suppliers about compliance with these principles and provide training when necessary.

\***Zorlu Holding Supply Chain Principles**  set out the basic codes of conduct expected from suppliers and cover the purchasing operations of Zorlu Group companies.

### Supplier Social Audit Details & Supplier Audit Plan

Our Supplier Social Audits address topics such as freedom of association and the right to collective bargaining, forced labor, child labour, non-discrimination in employment and occupation, safe and healthy working environment, wages/working hours (minimum living wages, maximum working wages) and acceptable living conditions. The audit addresses further issues like human resources practices, relevant certification's requirements and compliance with legislation (labor law and code of obligations etc.), relations with stakeholders, public relations.

For the purpose of Supplier Audit Plan, first suppliers' contact information (name, phone number, e-mail) is defined on the Synesgy\* platform. The process is initiated by filling out the self-assessment forms available on Synesgy by the suppliers. Self-assessment planning does not take into account time and place differences.

Taking into account national and international standards in our supplier selection, we take care to ensure our suppliers' compliance with Zorlu Holding Procurement Principles. We regularly notify our suppliers about compliance with these principles and provide training when necessary.

Within the context of our environment and society-oriented business philosophy, we expect our business partners to adopt the same sustainability approach. We use OHS-E (Occupational Health, Safety and Environment) specifications prepared exclusively for the characteristics of the job in our relevant tender processes. Compliance with these OHS-E specifications is particularly evaluated throughout the technical evaluation process at the tender. Social criteria include compliance with

occupational health and safety legislation, possession of ISO 45001 certification and compliance with similar criteria of international organizations such as IFC and EBRD. For the purpose of environmental assessment, we take into account compliance with the Environmental Law No. 2872, being certified for compliance with the ISO 14001 environmental management system standards and compliance with ISO 26001 criteria.



In 2023, Zorlu Enerji was awarded an A score in the Supplier Relations Rating (SER), under the title of climate change, and became the first energy company in Türkiye to be ranked among the SER Leaders. As Zorlu Enerji, we have once again confirmed the importance we attach to our relationships with our stakeholders within the scope of sustainability as a leader.

Considering the Suppliers we are actively working with in 2023

**37%** of the **1,858** companies are local suppliers

YEAR	Total Number of Suppliers	Local Supplier Rate
2020	1,399	11.9%
2021	1,481	33.5%
2022	1,744	24.9%
2023	1,858	37%

Local Supplier Rate Last 2 Year's Change **58%**

As Zorlu Enerji, we evaluate the performance of our suppliers on the basis of ISO 26000 Social Responsibility Standard and IFC Performance Standards and develop action plans for our poor-performing suppliers. Main parameters for the purpose of this performance assessment include issues such as OHS and environment, self-improvement and innovation, material and service quality, on-time delivery, price, payment terms, pre-sales and after-sales services, cost and sustainability. Within the framework of our partnership with CRIF, we further conduct ESG assessments through the Synesgy platform. We encourage our suppliers to conduct their self assessments in accordance with relevant GRI standards. First, our suppliers perform their self-assessments within the framework of the relevant GRI standards. As a result of a meticulous assessment process, we expect our suppliers to make improvements in their weaknesses and we provide them assistance in this regard. The results and details of our supplier audits are available in the **Responsible Supply Chain** section.

\*Synesgy: Şirketlerin sürdürülebilirlik ve ESG değerlendirmelerini yapabilecekleri uluslararası standartlara uygun skorlar içeren dijital bir çözümdür.





## Brand Reputation

As Zorlu Enerji, we are in a leading position in the industry with our management and business model based on sustainability. Within the framework of our operations, we aim to add value to both our internal and external stakeholders, to maintain our business practices in compliance with the environment and to keep our technology-oriented business practices up to date. In order to protect our brand reputation and spread our company culture to everyone, we actively communicate with our stakeholders and contribute to their welfare and happiness by measuring employee satisfaction with regular surveys. We improve our communication channels by measuring customer satisfaction with surveys and we spread the value that we offer to our customers and the suppliers we cooperate with.

To review details about our customer satisfaction management processes and satisfaction results, please refer to the [“Customer Satisfaction”](#) section.

Our social responsibility projects indicate our company’s responsible vision towards society. With the participation of all our stakeholders in these projects, we work towards adding value to the society and establishing strong ties with the society. As Zorlu Enerji, our investment in our social responsibility projects in 2023 exceeded TRY 53 million. We keep working with the aim of positioning ourselves as a strong brand in the industry and leading the way in renewable and clean energy fields.

As of 2023, Zorlu Enerji was awarded the “Most Reputable Brand in the Energy Generation Industry” by the Türkiye Reputation Index Survey. Besides our economic and financial achievements, we have proudly been ranked as the most reputable brand in the industry in terms of reputation and reliability before the society.

## Corporate Social Responsibility

As Zorlu Enerji, we undertake social responsibility projects by focusing on various projects, particularly on gender equality and youth development, in line with the goal of achieving a sustainable world.

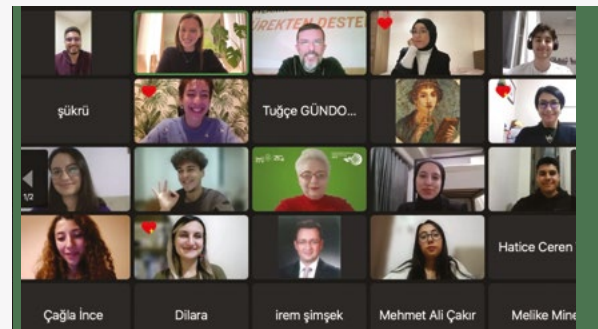


**An Equal Life (Eşit Bi' Hayat)** For the purpose of this program, we provide assistance to our female employees and raise awareness on gender equality by collaborating with schools. In 2023, we were awarded the “Equal Opportunities Certificate” based on An Equal Life (Eşit Bi' Hayat) approach and practices. We have successfully completed the assessment of the Equal Opportunity Model Certificate of Women Entrepreneurs Association of Türkiye (KAGIDER), based on 22 criteria, and had our works in this field confirmed at the national and international level.



**Zorlu Enerji Experience:**  
Within the context of Zorlu Enerji Experience (ZExperience)

Program, which we have undertaken in collaboration with İmeceLAB, we support young scholars to be better prepared for their professional life by providing them personal and professional development trainings. In the first phase of the program, we gave our scholars a perspective within the framework of the Sustainable Development Goals (SDGs) and provided trainings on issues like climate & sustainability, technology, energy and communication. Our scholars, who then examined in detail the problems under the SDGs in the second stage, learned about project management from A to Z through Design-Focused Thinking, Project Management, Brainstorming Workshop and Storytelling & Presentation Workshops. Our scholars, who designed team projects for the SDGs they had chosen in line with the information they acquired, participated



in the Project Competition with the support of Zorlu Group volunteers (Kıvılcımlar) Best 3 of 12 projects, addressing 8 SDGs, were awarded in the competition. The increase in our scholars’ knowledge and their ability to work as a team and produce together, assessed at the end of the program, revealed that our program successfully achieved its goals.

**Course Support Project:** Through distance education tools, we provide online course support to our colleagues’ children, studying in the 5th, 6th and 7th grades of public schools, along with children affected by the earthquake. This project contributes to the education of children, it further encourages employee volunteerism and enables Zorlu Enerji employees to meet with students as volunteer instructors. Within the scope of the 8-month online education program, we aim to teach mathematics and science to 250 students by May.



**Enerjimiz Eşit Meslek Liseleri Project:** For the purpose of this project, we provided trainings in technical skills and personal development to students studying at Vocational and Technical Anatolian High Schools and Multi-Program Anatolian High Schools in Eskişehir, Uşak, Kütahya, Bilecik and Afyonkarahisar. Throughout this project, we introduced students to the electricity distribution industry and helped them to improve their knowledge on issues such as sustainability, gender equality and presentation skills.

### Mehmet Zorlu Foundation:

Through the Foundation, we provide support in the fields of education, culture and health to help young people develop their talents and get a better start.

**Scholarship Program:** For the purpose of this program, we provide 9-month scholarships annually to more than 300 financially disadvantaged university students living/studying in our investment regions. In this context, we provided scholarships to 322 students throughout the 2022-2023 term. We further gifted TRY 300 as Ramadan Shopping Cards to 100 individuals with poor financial status in Lüleburgaz.

**Kadının Gücü Geleceğin Gücü Program:** Throughout the program whereby we provided both theoretical knowledge and field training to female students studying at vocational high schools in Gaziantep, with the aim to strengthen gender equality in technical issues of the energy industry, we successfully graduated all 25 of our participants and employed 5 of them in our organization. Our program, which aims to train female technicians of the future, was deemed worthy for the Women’s Employment and Equal Opportunity at Work Award, in December 2023, by the Women-Friendly Brands Platform.



### Support Programs for the Universities in our Investment Regions:

We provide seminars, special events and technological equipment supports to the universities in the regions where we invest. For instance, we support the first electric vehicle development team of Osmangazi University, Mavera Technology Team, and the Solar Car Team of İstanbul Technical University and we contribute to young people producing the technology of the future with alternative energy sources.







**Enerjimiz Bölgemiz için Project:** As Zorlu Enerji, we integrate with the local community in the regions we invest in, we undertake socio-cultural, infrastructural and technological initiatives and become a member of the community. We celebrate specific days and festivals of the region, we support the need for access to clean water in villages and we contribute to the energy needs of schools. We further provide sponsorships for the sports clubs in the regions we invest in and we regularly provide winter clothing to the children in disadvantaged climate regions. We support local women's production initiatives and economic development by supplying our needs from local women's cooperatives as much as possible.



**Can Dostlar Project:** OEDAŞ field employees, who noticed that the number of people feeding stray animals decreased due to the curfew restrictions imposed during the Covid-19 pandemic, referred this issue to their managers. As OEDAŞ, we have launched our Can Dostlar social responsibility project in May 2021 following this notification. For the purpose of this initiative, we meet the food and shelter needs of stray animals in five cities: Afyonkarahisar, Bilecik, Eskişehir, Kütahya and Uşak. We further provide medical device support to public institutions that perform sterilization, care and treatments for these buddies. Our project was ranked as the "Corporate Social Responsibility Program of the Year" in the European region and was awarded the golden prize at the 20th Stevie International Business Awards.



**Sponsorship Projects:** Besides scientific projects supporting the environment and alternative energy sources, we further provide significant sponsorships to events such as Solar Vision Congress, Eco Love Festival, Energy Summit and IRENEC for a sustainable world.



**Zero Carbon Footprint Forests Project:** Within the context of our project, implemented in line with the aim of combating the climate crisis and achieving a sustainable future, we aim to raise awareness about climate change and to afforest by planting 90 thousand saplings every year. As Zorlu Enerji, we undertake afforestation projects in the provinces where we operate.

Details about our projects, donations and sponsorships undertaken in line with social development goals are presented below. Our social investments for 2023 was realized as TRY 53,370,846.94 in total.

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







In order to support social diversity, we emphasize collaborations with various non-governmental organizations. These collaborations include events organized in accordance with the areas in which our company operates and aid campaigns carried out by our employees within the scope of volunteerism. Main non-governmental organizations we cooperate with are:



## Communication with Local Communities/ Local Socioeconomic Impact

As Zorlu Enerji, we constitute our sustainable growth strategy together with our approach focusing on environmental and social issues, our business model and our strong financial capital. We believe that investing in future generations and the society in which we operate will contribute to the future of both our group and the country. Through our social responsibility projects, we support the social development by offering solutions that meet the needs of the local community.

We attach utmost importance to the development of the communities we interact with and we work towards contributing to local socioeconomic development in the regions where we operate. By focusing on the Sustainable Development Goals, we aim to implement the necessary social investments and include local communities in decision-making processes.

As Zorlu Enerji, we care about the technological infrastructure and education needs of the regions where we carry out our operations, thereby we transfer our know-how to the projects we develop to support the development of the local people. In this context, we provide technology support to public institutions and schools, we purchase technical equipment for engineering faculties of universities and we offer technological equipment assistance to students with limited financial means. We further provide scholarships to more than 300 financially disadvantaged university students and we improve the knowledge level of young people on issues such as sustainability, climate crisis, technology and project management and support their capacity development through the Zorlu Enerji Experience program. In line with our motto of being the Energy Company of the Future, we contribute to the access of children, who are the architects of the future, to quality education, thereby we teach mathematics and science to more than 200 children with our Course Support project.

Certain projects have been carried out addressing the development, access to clean water, education, health and employment of the local community around the Jhimpir Wind Power Plant in Pakistan, which is among the regions we have invested in. Total expenditures made within the scope of our project is TRY 112,966. Social investments implemented in this context are as follows:

### Water Supply Facilities

15 tankers of water were provided to Ladho Ganjo village, 4 tankers of water were provided to Jhakhro village, 4 tankers of water were provided to Mosa Atho village and 15 tankers of water were provided to Suleman Brohi village, all located around our facility. With these monthly subsidiaries, villages were provided access to clean water.

### Primary School for the Local Community

A one-room building was allocated to support the education of primary school students, the building was renovated and educational equipments such as tables, chairs and blackboards were provided. A female teacher from Ladho Ganjo villagewas employed to provide education services for contributing to gender equality along with education. Materials such as textbooks and pencils were provided for students to use and a solar energy panel was installed to meet the energy needs of the school. Throughout the 2022-2023 academic year a total of 32 students studied at this school.

### Employment in Local Communities

In order to contribute to the employment of local community, 15 local personnel, 1 physician, 1 emergency medical technician and 44 security guards were employed through third-party contractors to be assigned to the power plant.

### Medical Facilities

An ambulance has been allocated for the use of local people and a first aid service has been established. Among the 407 patients who applied to the clinic for treatment in 2023, 212 people from the local community received treatment at the health clinic.



We attach utmost importance to effective communication and to ensuring that our investment projects are embraced by the local community. By offering versatile solutions to a wide range of society's needs, we make investments in areas such as social services, educational supports and preservation of natural life. In 2023, we transferred approximately TRY 53,370,846.94 to our social investment projects.

We conduct social impact analyzes to evaluate the social and economic impacts of our operations and develop management plans to eliminate or reduce possible impacts. We undertake various collaborations to protect the environment and the health of local community throughout construction and operation processes, and we report these regularly.

We take part in coordination groups with local governments throughout our electricity and gas distribution license terms, and we actively participate in projects aiming to ensure network and user security. We aim to protect and improve our reputation by adhering to the values in our corporate culture along with the principles of transparency, accountability and open communication.





## Social Impact Assessments

As Zorlu Enerji, we examine and analyze in detail the social and economic impacts of our investment projects from the beginning to the end within the framework of social impact assessments. Accordingly, we develop and implement management plans and programs to minimize or improve the potential impacts of our projects. The scope of these plans and programs include:



For detailed information, please refer to:





# AUGMENTED REALITY VISION\*

Under the Impact-Driven Growth theme, which is an indispensable element of our sustainability strategy, we prioritize new generation business models such as digitally connected infrastructures, e-mobility and smart urbanization. Thanks to our impact-driven growth approach, such as the augmented reality vision that improves human perception through digital layers using technology, we internalize digital transformation and rapidly expand our sphere of influence for a sustainable world. We are increasing the number of ZES charging stations, which accelerate the electric vehicle revolution, in 81 provinces and we expand our service network in Europe with our Electrip charging stations.

# [IMPACT DRIVEN GROWTH]

*\* Augmented reality introduces digital overlays and information to the user's view of the real world; it further provides a clear vision in day and night conditions, as well as in environments such as darkness, fog, smoke and extreme weather conditions that may hinder vision.*







We have built our future growth strategy on a sustainability and impact-driven approach. In line with this vision, we aimed to go beyond our economic performance and maximize our environmental and social contributions. On the path to impact-driven growth, we have comprehensively restructured our business models, products and services, financing strategies and innovation processes. In addition to traditional profitability targets, we have further adopted the principles of double and triple balance sheets by including environmental sustainability and social impact among the core values of our business.

We move forward with the aim of making positive contributions to society and the environment by offering sustainable and innovative solutions in areas such as digital infrastructures, e-mobility and smart urbanization. We ensure the effective use of economic resources with a responsible and sustainable financing model and we improve customer satisfaction and service quality by focusing on the quality and integration of our products and services.

Furthermore, we focus on developing environmentally and socially contributing products and services with an end-to-end service-oriented approach.

Our approach, highlighting innovation and new business models, includes R&D and innovation projects, digitalization of our business processes and innovative solutions with new business models. This approach not only plays an important role in making our company's strong economic performance sustainable but also contributes to a sustainable future.

Impact-driven growth strategy focuses on sustainability and innovation, enabling our company to develop an integrated approach for all fields of its operations. This approach not only meets today's needs but also is compatible with the goal of leaving a livable world for future generations. This strategy aims for Zorlu Enerji to grow by meeting the needs of both the current generation and future generations through investments in a sustainable future.

## Sustainable Economic Value and Responsible Investments

### Sustainable Economic Value

➤ **Zorlu Enerji acts with a firm determination to create sustainable economic value, based on a view in which economic, environmental and social welfare are intertwined.**

We consistently emphasize the significance of creating economic value while respecting future generations and the planet. We take into account various factors such as human, reputation, finance, business continuity, occupational health and safety (OHS), environmental and legal risks in the process of identifying and evaluating key risks, hazards and opportunities that may affect our economic performance. These analyzes aim to reinforce our long-term financial sustainability.



Therefore, the process of creating sustainable economic value is considered a fundamental element of the sustainability commitment at Zorlu Enerji. In addition to financial achievements, we comprehensively evaluate the contributions of our activities to the national economy, employment and local development in line with the aim to create holistic value. In 2023, we demonstrated an improved financial performance compared to previous years through all our business units.

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Taking into account the expectations and concerns of all our stakeholders, including investors, employees, customers, local communities and non-governmental organizations, about creating sustainable economic value we identify common priorities and focus on collaborations to develop sustainable solutions to environmental and social challenges. Beyond short-term financial gains, we have adopted an approach to maximize social value while minimizing environmental impacts by embracing innovation and evaluating new business opportunities.

We consider our social contributions, such as creating job opportunities and community investments, within the framework of our understanding of creating sustainable economic value and we remain committed to transparency, continuous improvement and responsible resource management to ensure the long-term well-being of the communities we serve.

### Commitment to Invest in UN Global Compact Sustainable Development Goals

We have publicly announced our commitment to endorse the UN Global Compact CFO Integrated Sustainable Development Goal Investments and Financing Principles. With the aim of continuously improving the integration of the Sustainable Development Goals into the strategy, Zorlu Enerji aims to disclose its Corporate Governance performance through the CFO Progress Report using the metrics included in the Progress Measurement and Goal Setting KPIs and Definitions of the UN Global Compact CFO Principles. For CFO principles, Zorlu Enerji is the only representative from the Turkish energy industry, and there are 5 signatories from Türkiye and 83 signatories representing related sectors from 26 countries worldwide. For detailed information about the committed principles, please refer to [CFO Coalition website](#);  for detailed information about the commitments of Zorlu Enerji, please refer to [UN Global Compact website](#). 







## Responsible Investments

Main goal of Zorlu Enerji is to provide services based on environmental and social responsibility awareness through its investments and business partnerships. In this regard, our Company considers Environment, Social and Governance (ESG) factors as a strategic priority in its investment decisions and business processes and strives to constantly improve its operations in this field. Thus, we aim to contribute to the long-term success of our Company and business partnerships.

In 2023, Zorlu Enerji prioritized investing in innovative initiatives in the field of sustainability such as renewable energy, energy storage systems and e-mobility, thereby held national and international meetings to evaluate potential opportunities in these areas. Accordingly, our Company has had the opportunity to expand its know-how and network on innovative sustainability issues. Zorlu Enerji expects all its business partners to respect human and labor rights, act in accordance with

health and safety standards and adopt high-level corporate governance practices in line with its Corporate Governance Principles, Code of Conduct and Sustainability Policies. In line with these expectations, our company's Investment Policy is being restructured so as to encourage investments in companies focused on creating sustainable value and exhibiting responsible business practices. Zorlu Enerji aims to develop a comprehensive and transparent Responsible Investment Policy.

Business partnerships developed through investments are the cornerstones of Zorlu Enerji's value chain. Thanks to the strong partnership structure it has developed over the years, our company has the potential to engage in the field of sustainability on a global scale and consolidate its experience with new business investments. Our current business partnerships will further guide in determining and developing the sustainability structure of our future investments.

### We Invest in Renewable Energy in Line with the United Nations Sustainable Development Goals

In line with the United Nations' Sustainable Development Goals "Goal 7: Accessible and Clean Energy", we act to support expanding the means to access to clean energy and making clean energy accessible to everyone by 2030. For this purpose, we always emphasize the significance of encouraging the investment in renewable energy sources such as solar, wind and thermal.

Expanding clean energy infrastructure and making technological improvements in developing countries make significant contributions to environmental sustainability as well as economic growth. In line with this perspective, our Company focuses on high-potential renewable energy sources, in particular solar energy, in the Asian and Middle Eastern markets and in the regions where energy demand is increasing and liberalization processes are continuing.

#### Pakistan

In this context, another solar energy investment with an installed capacity of 300 MW was initiated following the 56.4 MW capacity facility built by Zorlu Enerji Pakistan in the Jhimpir region of Pakistan, which is the country's first wind power plant built with foreign investments. This new project, with its hybrid features, will support the existing installed capacity of the wind energy generation facility in the Jhimpir Wind Field with solar energy.

In addition, solar energy investment projects has been initiated in the Province of Punjab. These projects are supported by a 25-year generation license issued by the Pakistan National Electric Power Regulatory Authority (NEPRA).

Pursuant to the industry report of NEPRA for 2023,  total electricity consumption of Pakistan was recorded as 138,028.86 GWh. In the World Bank data,  the population of Pakistan in 2022 is declared as 235,824,862 people. Taking this population into account, per capita electricity consumption is calculated as 585.3 kWh per year. Located in Jhimpir, our wind power plant that meets the "Gold Standard" certification requirements with an annual generation capacity of 159,000,000 kWh is estimated to provide electricity to 271.6 people annually. These initiatives demonstrate Zorlu Enerji's contribution to clean and accessible energy in line with sustainable development goals with concrete examples.



#### Zorlu Enerji Sector President – İ. Sinan AK

**"In addition to being a friendly and allied nation for us, Pakistan is also a significant center for our renewable energy investments. As a company that implemented Pakistan's first wind energy project, we took steps to invest in a solar power plant with an installed capacity of 300 MW. "This new hybrid investment demonstrates Zorlu Enerji's innovation-focused approach by integrating solar energy with the existing wind energy facility in the Jhimpir Wind Field."**

#### Palestine

Within the scope of our strategy to expand and diversify our investments in the field of renewable energy, we have successfully put into operation Ölüdeniz Solar Power Plant with an installed capacity of 1,998 MWp in the Jericho region of Palestine through ZJ Strong Energy For Renewable Energy Ltd. Co., of which we own 75% of the shares.

According to the data published by the Palestinian Central Bureau of Statistics in 2019, Palestine's total electricity consumption was determined as 6,213,137 GWh. Pursuant to Worldometers 2019 data, the population of Palestine is 4,981,420 people. In the light of these data, per capita electricity consumption is calculated as approximately 1,247 MWh. Our 2021 data reveal that we meet the electricity demand of approximately 2,877 people annually with our solar power plant with an annual production capacity of 3,588 MWh located in Ölüdeniz.

As of 2023, the installed power of solar power plant in the region has reached 18 MW. Within the scope of our cooperation with JDECO, we aim to increase our installed power to 100 MW.



#### Zorlu Enerji Chairman of the Board of Directors – Ahmet N. ZORLU

**"In order to provide electricity to the region, we concluded a 'Joint Venture Agreement' with JDECO (Jerusalem District Electricity Company), the main electricity distributor of Palestine carrying out one quarter of Palestine's electricity distribution, envisaging the construction of solar energy projects that will reach a total installed power of 100 MW (30 MW in the first stage). We aim to increase our installed power from 18 MW in 2023 to 100 MW via our cooperation with JDECO."**



#### Chairman of JDECO – Yusuf DAJANI

**"This collaboration will provide JDECO expertise in the industry, joint resource mobilization and the opportunity to focus on the solar energy industry in Palestine. "JDECO, which has 100 years of experience in providing electricity to the people of Palestine, will become a leader in solar energy generation and distribution, thanks to this agreement concluded with Zorlu Enerji and will provide an alternative energy solution to Palestine and surrounding regions seeking affordable, sustainable energy sources."**







## Carbon Credit Approach

Zorlu Enerji aims to effectively benefit from mechanisms such as carbon credits to make environmentally friendly investments by diversifying its financial strategies. In this context, our Company actively evaluates the carbon offset mechanism, which assumes a critical role in the fight against climate change, through Voluntary Carbon Markets in order to provide resources for environmental projects that will support our sustainability vision. Projects undertaken by countries that have set targets to reduce their emissions within the framework of international agreements such as the “Clean Development Mechanism” (CDM) of the Kyoto Protocol, in cooperation with developing countries, are also among the focal points of our Company.

The Kyoto Protocol aims to reduce global greenhouse gas emissions by 5% below 1990 levels and to prevent global warming. By providing flexibility mechanisms that encourage carbon trade, the protocol laid the foundations of significant structures such as the Intergovernmental Panel

on Climate Change (IPCC), which was established jointly by the UN Environment Program and the World Meteorological Organization to conduct research on climate change. Carbon credit is a concept implemented with this protocol and enables carbon exchange between developed countries and other organizations that do not want to exceed their quotas. For countries that have not yet signed the Kyoto Protocol, carbon credits can be traded in Voluntary Carbon Markets (VCM), and Clean Development Mechanism (CDM) carbon credits are considered a valuable component in the global market. This market is expected to expand with an annual growth rate of over 8% throughout the period between 2021-2028.

In this context, Zorlu Enerji adopts the use of carbon credits as a strategic tool in financing environmentally friendly projects and undertakes to play a leading role in the fight against climate change aiming to strike a balance between sustainable economic growth and environmental protection.

## Innovation and New Business Models

➤ **Energy industry has been transforming for a long time, particularly focusing on issues like decarbonization, decentralization, digitalization and liberalization and meanwhile Zorlu Enerji had been leading this transformation with its innovative technologies, the importance it attaches to R&D and innovation and its ESG strategy.**

Innovation and new business models are critical components to adapt to the rapidly evolving dynamics of the energy industry and to create sustainable growth. It is an important step to achieve the “Impact-Driven Growth” which is one of the pillars of our sustainability strategy. We set challenging targets for ourselves in order to achieve impact-driven growth. Within the scope of innovation and new business models, we aimed to generate 20% of our turnover from innovative business models by 2030\*. By the end of 2023, this figure was realized as 13%. In this context, we developed innovative strategies and business models by carefully following the technological advances and market trends in the industry.

We work towards meeting the energy needs of the future by maintaining our leading position in the industry within a wide spectrum ranging from research and development activities to sustainable energy solutions. Our Smart Systems Department aligns with the changing dynamics of the energy industry by working hard particularly in the fields of electric vehicles, digitalization, R&D and innovation. Generating innovative ideas and focusing on processes that can be digitalized, the department develops infrastructures where customers can carry out their transactions entirely through digital platforms. These projects offer innovative solutions in different fields such as electric vehicle rental, electric

vehicle charging stations, smart home systems and smart energy management systems. Projects such as digitalization of the energy industry and electric vehicles are executed in parallel with worldwide developments and become an important part of the innovative movement in the industry. Taking into account the goals set by the Paris Climate Agreement and changing alternative energy sources, as Zorlu Enerji, we consider the use of new technologies as a prerequisite for providing uninterrupted services. This approach not only strengthens our Company’s financial performance but also directs the future of the energy industry.



\* Sales realized through Zorlu Solar, ZES and Electrip are taken into account.







## R&D and Innovation



Innovative approaches and strategic collaborations across the industry are required to counter the energy and climate crises encountered on a global scale. Our company has adopted the strategy of establishing and maintaining strong collaborations with other leading organizations in the industry, academic circles and research institutes in order to provide innovative and comprehensive solutions to the complex problems faced by the energy industry. In this context, we carry out multi-stakeholder projects supported by TÜBİTAK, Horizon 2020 and EMRA with ongoing success. Zorlu Enerji and its indirect subsidiary OEDAŞ are ranked at the top of the “Most Successful Turkish Industrial Enterprises in Horizon 2020” list.

As Zorlu Enerji, we aim to redefine the future of the energy industry by structuring our R&D and innovation activities around five basic focuses and with the projects carried out in these areas. These focuses are **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**. Each focus plays a critical role in Zorlu Enerji's impact-driven growth strategy and supports our Company's vision of developing innovative, effective and sustainable solutions to global energy challenges.

## We Structure Our R&D and Innovation Activities Around Five Main Focus Areas

1

### Renewable and Clean Energy Solutions

We prioritize sustainability and environmental alignment in energy production by maximizing renewable energy sources such as solar, wind and geothermal. We aim to contribute to the clean energy ecosystem with projects to develop innovative energy carriers such as green hydrogen.

2

### Energy Efficiency and Low Carbon Solutions

Focusing on digital transformation applications in energy efficiency, energy storage and carbon capture utilization and storage (CCUS) technologies, we aim to improve our efficiency in energy consumption and minimize our carbon footprint.

3

### Digitalization, Digital Transformation and Smart Energy Systems

We advance digitalization in energy management and predictive maintenance strategies in field operations with big data analysis and artificial intelligence applications. Innovative projects in smart energy systems and charging infrastructures help to maximize the customer experience and improve the flexibility, connectivity and therefore efficiency of energy distribution networks ONGOING

4

### Sustainable Cities and Infrastructure

We aim to reduce the environmental impact and improve the quality of life by supporting the integration of sustainable infrastructure with cities and living spaces through green transformation initiatives such as renewable energy sources and ZES.

5

### Circular Economy and Waste Management

We aim to use resources effectively and reduce the amount of waste in the energy industry. In this context, we develop projects for the reuse, repair and recycling of equipment used in power plants as well as the transformation of critical raw materials.

## R&D Projects

### R&D PROJECTS

### QUICK LOOK

ZORLUENERJİ

#### ONGOING

#### COMPLETED

ZORLU ENERJİ

9

2 Horizon2020  
2 Era-NET - Geothermica  
4 Horizon Europe  
1 Eurogia  
1 TEMAK

5

2 Horizon2020  
1 Era-NET ACT  
1 Eurogia2020  
1 ITEA3

#### ONGOING

#### COMPLETED

OEDAŞ

19

1 HorizonEurope  
17 EMRA  
1 Horizon2020

13

15 EMRA  
3 Horizon2020

ZORLUENERJİ

AR-GE







# Partnerships within the Scope of R&D Projects

For the purpose of the R&D projects that we undertake, we strengthen critical elements such as sustainability, innovation and competitive advantage by establishing collaborations with business partners operating in various fields. Thanks to our partnerships, we provide better access to various perspectives, cultures and markets from different fields while enabling R&D projects to progress faster with common intelligence and resources. The partnerships we have established within the scope of our R&D projects are listed in the tables below.

## Horizon 2020 Projects

### ICELAND



### DENMARK



### NORWAY



### SWEDEN



### HOLLAND



### GERMANY



### ENGLAND



### BELGIUM



### LUXEMBURG



### FRANCE



### PORTUGAL



### SPAIN



### ITALY



### LITHUANIA



### CZECHIA



### SWITZERLAND



### AUSTRIA



### SLOVENIA



### ROMANIA



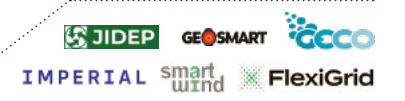
### BULGARIA



### GREECE



### TÜRKİYE



### CYPRUS



### ISRAEL



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.





## A - Horizon 2020 Projects



### 1. GeoSmart Project



The GeoSmart project aims to deploy high-performance renewable technologies in cogeneration plants, test new equipment and technologies by conducting field applications between countries, and transfer know-how. Within the project, pilot schemes are planned at the Kızıldere Geothermal Power Plant and the Insheim field in Germany. Further goals of the project include the storage of geothermal fluid in liquid and vapor phase, the evaluation of the impacts of Concentrated Solar Power (CSP) and biomass technologies that can be integrated into geothermal power plants on power plant performance and the reduction of reinjection temperatures.

### 2. GECO Project



The GECO (Geothermal Gas Emission Control) project has been implemented to eliminate carbon emissions in areas where geothermal operations are carried out, knowing that “a sustainable future can be achieved by leaving no trace in our environment”. The project, executed under the umbrella of Zorlu Enerji Elektrik Üretim A.Ş., aims to reduce the carbon footprint and increase the share of green energy to 100%.

**The patent of our project was registered in 2023.**

### 3. GEOPRO Project



It's known that renewable energy sources assume a key role for building a low-carbon and climate crisis-resistant future. Accordingly, the GEOPRO project focuses on improving field development and operating processes to better understand the chemical and physical properties of geothermal energy. The project, carried out under the auspices of Zorlu Enerji Elektrik Üretim A.Ş., aims to expand the use of geothermal energy and to develop and introduce new methods into the industry.

### 4 .eCharge4Drivers



Zorlu Enerji Elektrik Üretim A.Ş. undertakes significant investments in order to launch new generation technological solutions to the market. These investments include ZES, the network of electric vehicle charging stations and Electrip, the hourly electric vehicle sharing platform. Zorlu Enerji is one of the partners of the eCharge4Drivers Project, which was launched in parallel with the popularization of electric vehicles in Europe. This project, which aims to address the difficulties experienced by electric vehicle drivers in finding suitable charging solutions, is a significant step towards facilitating the use of electric vehicles. eCharge4Drivers aims to improve the electric vehicle charging experience during urban and intercity travel. In this context, we plan to develop pilot projects in 10 different regions of Europe, in cities and within the Trans-European Transportation Network, based on users' expectations regarding charging options, mobility and parking habits.

### 5. JIDEP Project



Sustaining its growth strategy on the axis of innovation and R&D, Zorlu Enerji received 100% grant from the HORIZON Europe program, which is the successor of the HORIZON 2020 program launched by the European Union to support research, development and innovation activities, with its JIDEP (Joint Industrial Data Exchange Pipeline - Joint Industrial Data Exchange Platform) project. This project aims to contribute significantly to the circular economy by recycling composite materials that are widely used in various fields, especially in the automotive and maritime industries, thereby to improve waste management.

### 6. BD4OPEM Project



Big Data Solutions for Open Energy Market (BD4OPEM) Project, implemented by OEDAŞ, aims the effective integration of digital technologies in the energy industry. The project focuses on how new technologies transform energy production and consumption dynamics and the increasing importance of grid-integrated systems and connections in order to minimize the possible negative effects of these transformations on the grid. For the purpose of the project, a consortium was established to create an open innovation platform with the participation of various stakeholders in order to solve this fundamental problem encountered in the energy industry. The consortium plans to develop an “Analytic Toolbox” where data collected from the energy industry will be analyzed and processed. The analyzes and calculations based on the data collected through this tool will help establish an innovative market environment. The project is designed so as to cover the monitoring of the grid, operations, maintenance, planning, loss and leakage management, smart ecosystems, energy management and blockchain technologies. These technologies are expected to support a flexible market structure and enable end users to participate effectively in the system by improving overall efficiency.

### 7. BD4NRG Project



The BD4NRG project, one of the OEDAŞ research and development projects, aims to improve decision-making for the management and optimization of distributed energy systems. In this regard, it is planned to carry out these processes more efficiently and effectively by taking advantage of the opportunities offered by big data and Artificial Intelligence (AI) technologies. The project will focus on Artificial Intelligence-based big data management and analysis for smart energy grids. In this context, a data-based “Reference Architecture” will be developed. This architecture will constitute the basis of a semantically and commercially inter-operable system for edge analytics applications from different domains, cross-contextual learning capabilities and datasets spanning the entire value chains of Electric Power and Energy Systems. The project aims to contribute to strengthening the data economy on an EU scale by establishing a certifiable live data ecosystem based on smart grids across Europe. The system to be developed will be designed, scaled and implemented to reach the TRL 7 (Technology Readiness Level) standard with advanced Artificial Intelligence-based big data management learning and analytical capacities. As part of the project, OEDAŞ will focus particularly on predictive maintenance activities on medium voltage lines and intensify its work in this field.

### 8. FlexiGrid Project



Developed as an R&D project of OEDAŞ to bring flexibility to the distribution grid of the future, the project aims to create a flexible market system between local generation and consumption points by using cutting-edge energy storage systems, distributed energy resources and demand-side engagement equipments. This initiative is aimed at developing a distribution network with low cost, high flexibility and scalability. The system includes establishing a transparent and effective data management infrastructure by using technologies such as digital smart grid solutions, vehicle-to-grid energy transfer, Internet of Things (IoT) and Blockchain. The project will be implemented in four pilot regions in Bulgaria, Sweden, Switzerland and Türkiye. Within the scope of the project, fieldwork including Electric Vehicle to Grid (V2G) compatible charging stations and battery storage systems were successfully installed in Eskişehir/Türkiye under the responsibility of OEDAŞ. This work was undertaken under the leadership of OEDAŞ, the leader of the project.

### 9. PlaMES Project



The “Integrated Planning Of Multi Energy Systems (PlaMES)” project, which was implemented with the aim of creating and shaping the low-carbon market of the future, is expected to improve efficiency by integrating transmission and distribution networks as well as production and storage systems throughout the planning and operation phases. Our PlaMES project will be able to analyze the flexibility of the distribution network and the required capacity by using flexibility in energy to reduce the carbon footprint and increase green energy. By focusing on distributed energy systems, it will shed light on how energy production distribution should be designed at the lowest cost in the Distribution Region of Osmangazi Elektrik. Different energy generation and consumption sources in the service area of OEDAŞ will be used in developing the planning tool. It is aimed to expand the efficiency of the project by developing the relevant model taking into account all players of the energy industry (electricity, gas, transportation, oil and heating).





## 10. Horizon Europe - Sehrene

SEHRENE's new electrothermal energy storage concept is designed to store renewable electricity and heat and release it when necessary. It will reduce carbon emissions through waste heat recovery and provide backup power during power outages through storage unit.

## 11. Horizon Europe-EOLIAN

For the purpose of the project, submitted within the scope of the call for critical technologies to improve the lifespan of offshore and onshore wind energy systems, to ensure efficiency of disassembly operations and increase circularity, we will develop an innovative smart wind turbine blade using infinitely recyclable circular platform chemistry. The blade will contain in-mould electronics that will enable early detection of any damage before it becomes a major problem. Owing to vitrimer composites, blades will be produced with a new polymer class that offers the processability and logistics advantages of thermoplastics.

## 12. Horizon Europe-WindTwin

The aim of the project is to develop innovative and integrated Digital Twins in Wind Energy, using tools including new business models through a range of analytics and optimizations, to improve the design, operation and maintenance of wind farms.

## 13. Horizon 2020-QuantEEFlex

The QuantEEFlex project of OEDAŞ aims to quantify the economic, technical and environmental value of energy flexibility in urban areas.



## B - Projects Supported by TÜBİTAK



### 1. ACT ERA-NET Program SUCCEED Project



ERA-NET ACT, supported under the title of “Reliable, Clean and Efficient Energy” within the scope of the European Union's Horizon 2020 Program, is an initiative in which TÜBİTAK is also a partner. The project aims to ensure the coordination of national programs to develop and disseminate carbon capture and storage technologies and to accelerate this process, to ensure the unity in research priorities and to encourage data sharing. ERA-NET ACT Project supports R&D and innovation activities aiming to accelerate the progress of carbon dioxide capture and storage (CCS) technologies. In this context Synergetic Utilization of CO2 Storage Coupled with Geothermal Energy Deployment (SUCCEED) Project, initiated in September 2019, received grant support. SUCCEED Project aims to reduce carbon dioxide emissions of geothermal power plants and contribute to sustainability by injecting carbon dioxide back into geothermal reservoirs under supercritical conditions.

### 2. ITEA3 Program - SMART-PDM Project



The project is executed within the framework of the EUREKA platform of which Türkiye is one of the founding members. EUREKA is an international collaboration platform that focuses on the development and execution of joint projects aiming to develop advanced technologies, products and services and improve the competitiveness in world markets by encouraging the cooperation between the industry and research organizations of European countries. TÜBİTAK provides the necessary financial support for the projects of partners from Türkiye. The SMART-PDM project developed by Zorlu Enerji aims to reduce operating costs and production losses and improve the efficiency of the wind power plants by using predictive maintenance technologies. The project aims to ensure the optimization and efficiency improvement by utilizing predictive maintenance technology in Gökçedağ Wind Power Plant which was selected as the implementation area for the project.

## 3. Eurogia2020 Program - Smart Wind Project



Smart Wind, a multinational project implemented with the participation of a total of six companies and research institutes from Türkiye, Germany and Spain, aims to reduce unit electricity generation costs by improving the operational efficiency of Gökçedağ Wind Power Plant. Main goal of the project is to develop an innovative decision support system that will maximize the performance of the power plant and optimize costs. This system is expected to play a critical role in determining the strategies that will enable the power plant to operate more efficiently.

## 4. DEEPLIGHT Project



The DEEPLIGHT project is aimed to reduce the costs and improve the efficiency of geothermal drilling operations. Thanks to Electrical Pulse Power (EPP) technology, it is aimed to improve well safety and operating efficiency by developing casing placement methods during drilling that do not require contact. Thermal flexible, smart cement specifically designed for the EPP-integrated drilling and casing approach is planned to extend well life and innovate the drilling approach. Achieving these targets will alleviate the risks of geothermal projects by reducing well construction costs, increasing heat production capacity per well and reducing the CO2 footprint.

## 5. nGEL Project

The aim of the project is to integrate heating, cooling and additional power generation equipment and improve the overall efficiency to achieve flexible tri-generation geothermal power plants. Due to the increasing volatility in power grids caused by increasing renewable energy systems, nGEL aims to enable geothermal power plants to operate in reserve markets.

## C - Projects Supported by EMRA



The R&D Department of OEDAŞ keeps working on e-mobility, energy storage, digitalization and innovation. Along with other EMRA-supported projects included in the report, it is further planned to implement innovative practices in the energy distribution industry.

### 1. Domestic Software Ecosystem

Energy industry is of critical importance for Türkiye, however the fact that the software that constitutes the backbone of energy distribution is of foreign origin causes foreign dependency. Considering the high procurement, license renewal and maintenance fees, the costs incurred increase the costs in the energy industry and cause the users of energy to bear these high costs. Given the persisting nature of the energy distribution industry, annual maintenance costs cause a high current account deficit and foreign dependency for our country. In order for our country to become a self-sufficient country, we performed due diligence and domestication analyses in 21 DISCOMs (Distribution System Companies). These analyses performed in line with the development goals of Türkiye and for the purpose of using national resources efficiently, aimed to develop domestic software solutions specific to DISCOMs. The project was completed in June 2022.

The complementary project “Domestic Software Ecosystem”, which was submitted under the coordination of ELDER and granted acceptance in July 2022, aims to develop a domestic software pool for the industry in accordance with the results of the localization analysis. The project aims to reduce foreign dependency of Türkiye in the energy industry and meet the needs thereof with domestic software solutions.





## 2. Distribution Specific National Processor (DOMI) and National Smart Meter Systems (MASS)

### Integrated Independent PLC and RF Communication Protocol and Products Development Project

For the purpose of the Turkish Smart Grids (TAŞ) 2023 project, studies are carried out to develop smart meter systems as an important pillar of smart grid transformation. Main purpose of this project is to determine the minimum specifications of smart meters, to ensure the standardization across the country, to evaluate the impact on tariffs and to constitute the relevant legislation and specifications for expanding the use of smart meters. Under the coordination of ELDER, it is aimed to develop each component of the Domestic and National Smart Meter System, from communication protocols to modems to the design of meters specific to different user groups. Throughout this process, pilot schemes were carried out on prototypes developed in accordance with the determined criteria along with the necessary measurement, analysis and reporting. The comprehensive project was completed in October 2022.

Another significant step was taken in smart grid transformation of Türkiye with the complementary Independent PLC and RF Communication Protocol and Product Development projects with DOMİ (Distribution Specific National Processor) and MASS integration that was presented under the leadership of ELDER and received acceptance in July 2022. These projects include significant developments that will enable domestic smart meter systems to be carried forward.

## 3. Next Generation Network Design Project/ENH

The “Next Generation Network Design Project” was initiated in March 2022 with the support of the Energy Market Regulatory Authority (EMRA), under the coordination of the Association of Electricity Distribution System Operators (ELDER), under the leadership of Toroslar Elektrik Dağıtım A.Ş. and with the participation of all electricity distribution companies. The project aims to develop solutions for improving the design of existing transmission line structures, taking into account meteorological and geographical conditions, especially climate change, in order to prevent the occupational health and safety (OHS) incidents caused by pole-related overturning, collapse and line breaks experienced by distribution companies in power transmission lines.

In line with the purpose of the project, it is aimed to update the wind speed and snow load maps, to restructure the design of energy transmission lines, to identify the problems experienced by distribution companies in their current line designs, to evaluate new technologies and international examples and to develop next generation pole designs in line with innovations in material technologies.

Throughout the project process, route modeling and structural analyzes were carried out, peak forces for the poles were simulated in the SAP program, and capacity endurance and exceedance points were examined. Capacity excesses have been detected especially at certain points of BER type poles (3/O AWG). A total of 477 poles were modeled. While it was planned to complete the works on the two pilot routes following the SAP transfer, it was decided to initiate the works on the “swallow” route. This project aims to improve the resilience of the electricity distribution infrastructure of Türkiye along with the efficiency of energy transmission.

## 4. 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

The project, initiated in March 2022 with the support of the Energy Market Regulatory Authority (EMRA), the coordination of the Association of Electricity Distribution System Operators (ELDER) and the execution of TRAKYA Elektrik Dağıtım A.Ş. and was carried out with the participation of all electricity distribution companies, aimed to evaluate the disaster preparedness of the electricity distribution network, exclusively taking into account the risks that may be caused by natural disasters such as earthquakes. Main objectives of the project include providing the necessary information flow for operational activities before, during and after the earthquake and preparing and presenting automated plans for managing the network in disaster situations with the help of software.

In this context, optional seismic earthquake analyzes are also considered as a part of the project in addition to the electricity data needed during the operation of the network. These analyzes will provide critical information on the earthquake resistance of the network and the effective management of post-disaster recovery efforts which will be used thereafter in the analyzes to be performed by the software. This approach aims to build an infrastructure that will make the electricity distribution network more resilient to disasters and allow disaster management processes to be planned and implemented more effectively.

## 5. R&D Platform Design and Development Project Phase 3

We have a platform where the interim and final reports of the projects supported by EMRA are disclosed to the public and industrial stakeholders for the purpose to improve the significance and effectiveness of R&D projects in the energy industry. However, the second phase of the R&D Platform Design and Development Project (Platform F2), which was implemented with the understanding that publishing the reports will not be sufficient alone, aimed to develop a professional electronic platform so that EMRA and distribution companies can manage, systematically track and report R&D projects in a holistic manner. This platform, inspired by examples such as OFGEM, the European Union’s Horizon 2020 program and TÜBİTAK, was completed in June 2022.

Building on the progress achieved with this project, the Argenerji PRO (R&D Platform Development Phase 3) project which was presented and accepted under the coordination of ELDER in July 2022 aims to further develop the structure developed within the scope of “R&D Platform Design and Development Project Phase 2 (Platform F2)” and create a common and standardized project management system that will be available to distribution companies (DISCOMs). Accordingly, a more effective cooperation and coordination will be ensured on the R&D projects of energy distribution companies, and the industry will be supported to reach innovative solutions and improvements more quickly.

## 6. R&D Project for the Development of On-Board Radio Frequency-based (RF) Partial Discharge Detector

This project, approved by EMRA in January 2022, aims to provide a fast and effective solution for detecting the failures caused by partial discharge in medium voltage overhead lines. For this purpose, it is planned to develop a product that can quickly determine partial discharge. The system to be developed will be designed using entirely domestic resources, thus will reduce foreign dependency. Within the scope of the project, it was further aimed to provide detailed information to the industry about measurement instruments that can detect partial discharge and to obtain objective, comparable and easily interpretable results. Overall purpose of the study is to prevent malfunctions caused by partial discharge, to reduce power outages and to supply better quality energy.

In addition to providing financial gain to the electricity distribution companies that will benefit from the project, reputational gains are also expected thanks to uninterrupted and high-quality energy supply. Domestic raw materials to be used in the project will contribute to the country’s economy and help encourage domestic production.

## 7. Project to Develop Solutions to Prevent Long-Term Outages Due to Snow Load on Electricity Distribution Lines

This project aims to minimize long-term outages caused by snow load and to prepare an infrastructure with analytical and technological methods for the analysis of snow load on electricity distribution lines. Further objectives of the project include raising awareness in distribution regions experiencing problems due to snow load and contributing to the development of standards for criteria such as equipment, design and topology suitable for the regions experiencing these problems. The project aims to take steps towards reducing the outages and make distribution lines more reliable by providing solutions to an important problem faced by electricity distribution systems.

## 8. Project for the Development of a Reference Company Methodology and Model for Preparing Revenue Requirements in the Electricity Distribution Industry

The project aims to comparatively analyze the legislation and regulations for the electricity distribution industry and to evaluate the “Yardstick Competition” model based on various criteria (regional conditions, technical specifications and regulations). Determining the operating income requirements appropriate to the unique conditions of the Turkish electricity distribution industry is among the objectives of the project. The project aims to improve the efficiency and competition in the electricity distribution industry and to contribute to the industry for achieving a more efficient and sustainable structure.





## 9. 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

This project aims to develop standards by examining the current usage areas of electric vehicle charging stations and to simulate the effect of charging stations and electric vehicles on the existing network with real-time data. By observing the effects of charging stations on the basis of transformers and usage intensity, it is aimed to spread the peak consumption in the daily supply-demand balance to other day hours and thus to reduce the network load. For the purpose of the project, the priority issue is to develop domestic software for optimizing the usage time and maximum power of charging stations, to ensure the operation of the network during peak hours using renewable energy and to keep the network service quality high. Evaluating the feasibility in terms of regional conditions is also part of the project. Accordingly, it is further aimed to manage the increasing energy demand with the widespread use of electric vehicles and to support a sustainable energy infrastructure.

## 10. Project for the Development of a Rectifier with a Highly Efficient Battery Charging System and Dual Control Unit Compatible with SCADA Systems

This project, which focuses on providing domestic solutions that will allow electricity distribution systems to be operated more reliably and economically, aims to prevent malfunctions caused by DC rectifiers in electrical network distribution buildings with a new and domestic rectifier system design.

## 11. Customer Satisfaction 4.0 R&D Project

This project, which aims to provide significant improvements in customer services and operational efficiency by modernizing the infrastructures of distribution companies, focuses on examining turnkey infrastructures for distribution companies and designing SIP infrastructure for 100% availability. The purpose is to respond busy calls effectively with smart IVR scenarios and to prepare an accurate reporting mechanism based on the infrastructure to be developed. It is planned to develop the necessary domestic software and integrations in line with the project objectives.

## 12. Project for Conducting Pilot Projects in Distribution Networks by Examining Chemical Energy Storage Technologies (KEDEP)

This project, which aims to improve energy quality and reduce operational costs by increasing the efficiency of energy systems, focuses on reducing brownouts in long power lines and faults caused by network overload, and improving the technical quality of electricity by reducing effects such as reactive power, harmonics and vibration caused by electricity subscribers. It is aimed to reduce technical losses in electrical devices used by consumers, to improve the efficiency of solar panel power plants and to improve arbitrage practices for retail companies through the use of SES. Within the scope of the project, it is also planned to develop a versatile and flexible Battery Management Software.

## 13. Infrastructure Development and Pilot Implementation Project for Electricity Distribution Services Independent from Infrastructure

This project focuses on the development of a system infrastructure provided by the distribution company and does not require installation. It is aimed to mobilize usage and payment methods in public areas, especially in cases where the need for electrical energy is intense (such as electric vehicle charging stations). It is further planned to develop a common electricity and technology infrastructure for different service providers. This study aims to make electricity distribution and consumption processes more efficient and accessible, thus contributing to facilitating the use of electricity in public areas and providing infrastructure solutions suitable for the needs of various service providers.

## 14. DSO R&D Platform Design and Development Project (Phase 3)

Main goal of the project is to develop a national DSO R&D Platform for all Turkish DSOs. This platform will support and encourage innovation and research and development activities in Turkey's electricity distribution industry. It is further aimed to design and develop the 2. Phase of the Design and Development Project by monitoring and using the findings obtained from this national platform. Accordingly, electricity distribution infrastructure and operations will be improved with more efficient and innovative methods. This project aims to provide solutions to existing and potential problems in the industry and to improve the sustainability of Turkish energy distribution network.

## 15. Project for Harvesting the Energy Efficiency in the Electricity Distribution Sector (Phase 2)

The first phase of the HARVEST project was completed with a literature review and feasibility study on various methods in line with the National EVEP targets. This phase aimed to identify potential improvements and innovations in the industry. The second phase aims to apply the methods discussed in the first phase in the field and to measure the effects of these applications on energy efficiency. HARVEST 2 aims to reveal the energy efficiency potential of the electricity distribution industry throughout Türkiye by analyzing the results of the pilot schemes. Thereby the necessary information and database will be provided for the industry to achieve a more sustainable and efficient structure.

## 16. Domestic Energy and Domestic Technology Project

Foreign software, which forms the backbone of the infrastructure of distribution companies, causes foreign dependency in the energy industry and a huge current account deficit for our country. High purchasing, license renewal and persistent maintenance costs limit our potential to develop national software and cause us to become foreign dependent even in areas where we can produce solutions. This project aims to localize the software used by the energy industry and to produce national solutions in this regard. Accordingly, we aim to both decrease the current account deficit and to develop domestic and national software capacity.

## 17. National Smart Meter Systems (MASS) Project

Developing a domestic and national Smart Meter System involves a comprehensive approach with all its components. This system covers the entire technical infrastructure from communication protocol to modem and aims to develop customized meters in line with the needs of different user groups.

## 18. R&D Platform Design and Development Project (Phase 2)

R&D Platform Design and Development Project for Distribution Companies (Phase 2. aims to develop a professional electronic platform where all project processes will be evaluated and managed together. This platform will ensure the Energy Market Regulatory Authority (EMRA) and distribution companies to be able to systematically monitor and report on projects.

## 19. Project for Investigation of Turkish Electricity Distribution Network Against Eartquakes and Other Natural Disasters, Performance Analysis After Possible Eartquake and Development of Emergency Action Plans

A domestic software development project that can offer automated planning to users during and after a disaster aims to prepare the necessary action plans for distribution centers located in high-risk groups. It further aims to develop an emergency warning system for DSOs by integrating with the system of the Disaster and Emergency Management Presidency.





## 20. Next Generation Grid Development Project

It is a project for the planning of network assets due to new technology.

## 21. Project to Determine Partial Discharge with RF Emissions

Rapid detection of partial discharge allows improving operating efficiency, reducing potential malfunctions and increasing the efficiency of preventive maintenance activities.

## 22. ArcOS (Arc Flash Safely Operation System) Enhanced Safety System against Arc Flash Hazards during Maintenance and Operations.

Reducing the arc flash effect, improving personal safety and developing the national technical alternatives are significant goals in terms of safety and technological innovation in the energy industry.

## 23. Project for the Development of a Digital Maturity Assessment Model Roadmap

Determining the company's current digital maturity level is a critical starting point in digital transformation processes. While determining the investment needs required to improve digital maturity, the issue of which technological tools, capabilities and business processes should be developed is clarified. Finally, with a digital development road map, the company plans what it needs to do step by step to achieve the determined digital goals.

## 24. Distribution Specific National Processor (DÖMi) Project

It is a project for developing a national processor addressing the measurement needs of local DSOs.

## 25. Secure and Remote Activation System for Rural Street Luminaires

The aims of this project include providing remote solutions to temporary malfunctions, saving on operating expenses (OPEX), increasing user satisfaction, and developing software for new products and codes.

## 26. NOCA Platform Project for No-Code Application Development

The goals of the project include accelerating the digital transformation processes of distribution companies, reducing the costs of digital transformation efforts and building a platform for developing applications that do not require programming knowledge.

## 27. MASS Integrated Independent PLC and RF Communication Protocol and Products Development Project

The aim of this project is to plan and test protocols using new power line communication technologies and radio frequency modules for National Measurement Standards.

## 28. Project for the Development of a Data-Driven Security and Compliance Platform

This project focuses on eliminating the problems encountered in the information systems of distribution companies such as integration difficulties, conflicting data and uncertainty of data ownership. It aims to detect malicious activities using a combination of authorization-based dynamic data masking, data activity monitoring and user behavior analytics. This approach includes the development of a Data-Driven Security and Compliance Platform by focusing on data security and compliance.

## 29. National Software Ecosystem Project

National Software requires researching new standards for project needs.

## 30. SLF: Spatial Load Prediction Tool Project

This project aims to optimize the electricity distribution infrastructure by increasing the long-term usage rates of the networks and making new investments in the system. For this purpose, it is planned to develop a road map to optimize the electricity distribution infrastructure planning required for the targeted period. The project aims to manage uncertainties in the system and make decision-making mechanisms more effective by integrating stochastic planning processes under different scenarios.

## 31. Energy Storage Systems Project

The project aims to effectively manage the operation of storage systems, to centrally monitor the storage systems across the country and to develop a platform for sharing information about storage systems.

## 32. Integration of Domestic Energy Ecosystem and Master Data Management Platform Project (YE3AP)

This project focuses on centralizing the processes related to the production, storage and access of master data, ensuring data quality and optimizing the cost of integration tracking.

## 33. Project for the Development of the Electrical Infrastructure for the Electric Vehicles of Türkiye

This project includes the development of EA projection software, technical analysis of pilot locations to control distribution system difficulties and the development of a road map and legal recommendations based on these analyses.

## 34. MASS TQM (Technical Quality Management) Project

The project involves developing a database for data storage.

## 35. Şimşek (Geographic Information Systems) Project

The project refers to the localization of the Geographic Information System infrastructure.





# Digitalization of Business Processes

Zorlu Enerji Information Technologies and Business Development Directorate is working on the digitalization of business processes. The activities implemented in 2023 in line with this purpose are listed below:

## Zorlu Enerji Information Technologies (IT) & Business Development Directorate – 2023 Activities (Excluding OEDAŞ & OEPSAŞ)

### Focus Areas and Staff

#### Underlying Business Strategies

- Digitalization,
- Sustainability,
- Electrification

#### IT Strategy

- Improving information security and cyber security infrastructure
- Supporting growth and creating new digitalization areas
- Ensuring service continuity and improving efficiency
- Rapidly Positioning New Generation Technologies When Necessary
- Establishing an Agile IT Team
- Creating value from data

#### Prioritized Business Initiatives

- Digitalization of Financial Affairs
- Gas Distribution Process Improvement Projects
- Initiating the digitalization projects that will support the growth of the solar business unit
- Digitalization of Employee and Scholar Support Processes
- Improving IT Processes, Services and Systems
- Establishing a Data and Data Management Model
- Protecting Data Confidentiality and Security

#### Number of Employees in Information Technologies and Business Development Directorate

**14**  
Monthly Average  
Number of  
Employees

**14**  
Number of  
Employees as at the  
end of December

**5**  
Number  
of Open  
Positions

### Budget of the Information Technologies and Business Development Directorate

January-December Cumulative (TRY)

TRY	ELECTRICITY	GAS	TOTAL
Budget*	97,337,172 TRY	44,372,052 TRY	141,709,223 TRY
Actual*	84,698,962 TRY	36,363,672 TRY	121,062,634 TRY
Difference	12,638,209 TRY	8,008,380 TRY	20,646,589 TRY

\* Transferred figures included

### Services for Business Units

#### Smart Systems & Energy Trade

- The Balance Management Dashboard Project was put into live and the first Energy-specific dashboard development on Power BI was completed. Owing to the integration with EPIAŞ and TEİAŞ, a structure that will regularly process data regarding our power plants and consumption portfolio has been established.

#### Natural Gas

- In line with EMRA's regulation for the earthquake region (Nurdağı and Islahiye), free consumptions, installments and discounts are reflected on the natural gas bills.
- In accordance with the presidential decree, the project for delivering the gas extracted from the Black Sea to residences free of charge has been completed.
- Bentley GIS system has been updated.
- Web/Mobile application of the GIS system launched
- Systemic alignment of Black Sea Gas, Earthquake Region and EMRA Certification regulations was completed.

#### Financial Affairs

- “Executing Factoring Loans via TRM, Preparing the Budget and Reporting System in SAP BPC”, “E-Reconciliation” and “Digital Management Report” projects have been completed.
- With the Robotic Process Automation (RPA) of VAT Declaration, the VAT Declaration Process was automated for 15 energy companies, saving 5 man-days per month and eliminating the risk of human error.
- The Robotic Process Automation (RPA) of E-Delivery Note allowed 15 energy companies to check the status of their e-delivery notes that were not linked to an invoice and to timely report them to the relevant units. Payment of penalties for e-delivery notes that are not associated with any invoice due to human or system error are prevented.

#### Human Resources

- The Organization Chart Drawing tool has been activated
- Desk reservation application has been installed.
- Projects concerning the Improvement of the Corporate Portal and Employee Performance Assessment System have been initiated (Projects are still in progress).

#### Corporate Communications

- Zorlu Enerji Scholarship Platform was developed and commissioned for the management, tracking and reporting of scholarship applications.

#### Sustainability

- The Digital Maturity levels of sustainability processes were determined and feasibility and preliminary analysis within the scope of the Digitalization Road Map were initiated.

### IT Operations Services

**8,303**  
2023  
Number of  
Closed Calls

**99%**  
Call  
Answer  
Rate

#### Project Management Services

**18**  
2023  
Number of  
Completed  
Projects

**12**  
2023  
Number of  
Ongoing  
Projects

#### IT Services Development Activities

- Analysis and feasibility studies have been completed for the “SAP HANA/RISE Transformation” project, which we aim to make a great contribution to the digital transformation of our company.
- Data Warehouse and Data Analytics Azure Arc Infrastructure were established.
- The data classification project for data protection and ensuring compliance with regulations was completed.
- A Network Segmentation project was carried out to increase the cyber security of the power plants.
- Zorlu Enerji Google Store account was updated, mobile applications were moved to the new account opened with the Zorlu.com extension, where access is restricted and the security level is increased.
- For the purpose of the modernization of applications, the integration and analytical functions of the Optimization Portal were evaluated and these functions were transferred to the Data Warehouse infrastructure.





# Digitalization of Business Processes

Zorlu Enerji Information Technologies and Business Development Directorate is working on the digitalization of business processes. The activities implemented in 2023 in line with this purpose are listed below:

## OEDAŞ & OEPSAŞ Information Technologies (IT) & Business Development Directorate – 2023 Activities

### Focus Areas and Staff

#### Underlying Business Strategies

- Digitalization,
- Sustainability,
- Electrification

#### IT Strategy

- Improving information security and cyber security infrastructure
- Supporting growth and creating new digitalization areas
- Ensuring service continuity and improving efficiency
- Rapidly Positioning New Generation Technologies When Necessary
- Establishing an Agile IT Team
- Creating value from data

#### Prioritized Business Initiatives

- Digitalization of Financial Affairs
- Digitalization of Employee Support Processes
- Improving IT Processes, Services and Systems
- Establishing a Data and Data Management Model
- Protecting Data Confidentiality and Security
- Increasing the Number of Digital Channels
- Field and Cost optimization
- Localization of Foreign Software Supported by R&D Projects

#### Number of Employees in Information Technologies and Business Development Directorate

**12**  
Monthly Average  
Number of  
Employees

**12**  
Number of  
Employees as at the  
end of December

**6**  
Number of  
Open Positions

### Budget of the Information Technologies and Business Development Directorate

January-December Cumulative (TRY)

TRY	ELECTRICITY	GAS	TOTAL
Budget*	72,339,000 TRY	38,000,000 TRY	110,339,000 TRY
Actual*	72,050,000 TRY	36,404,000 TRY	108,454,000 TRY
Difference	289,000 TRY	1,596,000 TRY	1,885,000 TRY

\* Transferred figures included

### Services for Business Units

#### System Operations

- A faster and more efficient working environment was ensured by making interface and service arrangements of the map screens.
- Electricity Generation Applications That Do Not Require a License have started to be received through the portal.
- With TEDAŞ Maintenance Integration, full integration was achieved for planned maintenance and related realization and cost processes.
- OSOS Modems that do not send power outage data were updated.

#### Accounting – HR

- By establishing a Travel Expenses Portal, all travel and expense processes were digitalized.
- With the Custodianship project, fixed assets and custody processes began to be tracked via Fiori.
- E-mailing and approval processes for the Recruitment/Discharge of employees were transferred to Fiori.

#### Distribution Services

- With the Energy Permission Project, applications submitted by electricity operators personally with printed documents for AG projects in Bilecik province were transferred to the portal.

#### Purchasing

- Retail SRM module went live.

#### RPA

- 3 processes for accounting and inventory control teams, 3 processes for system operation teams and 2 processes for distribution service teams were automated through RPA technology.

### Operational Technologies General Status Statistics

#### Integrations of Production Facilities

- The integration of 223 more production facilities was completed in 2023, and a total of 1,406 production facilities have been integrated by the end of 2023.

#### SCADA System Projects:

- SCADA maneuvers are actively performed at 1,347 points.
- SCADA maneuvers have been performed on an average of 1,100 feeders monthly.

#### OSOS Integration:

- As of the end of 2023, the data of 8,820 subscribers are being read remotely.
- As of the end of 2023, the data of 22,500 subscribers with high consumption rates are being read remotely.

### IT Operations Services

**11,820**  
2023  
Number of  
Closed Calls

**97%**  
Call  
Answer  
Rate

#### Project Management Services

**36**  
2023  
Number of  
Completed  
Projects

**16**  
2023  
Number of  
Ongoing  
Projects

#### IT Services Development Activities

- With the S4 22.09 Upgrades, systems for both OEDAŞ and OEPSAŞ were upgraded.

- EPIAŞ service integrations have been renewed.

- User authorizations on Codebase were reviewed and an approval structure was established.





## New Business Models and Innovative Solutions

One of the important elements of the transition to a low-carbon economy is popularizing the use of renewable energy. Zorlu Enerji is committed to contributing to the local economy by using domestic resources effectively. Our Company assumes a leading role in the industry with the R&D products aiming to offer sustainable solutions and smart technology principles by focusing on the use of domestic resources.

One of the fundamental elements of our vision is R&D and innovation projects. It is of great importance for us to ensure that our employees throughout our company adopt and spread this culture. We aim to build an R&D ecosystem that is recognized by all stakeholders and is consistently developed. Accordingly, we focus on evaluating collaboration opportunities along with our commitment to supporting ideas and projects from within the company. The R&D and Innovation Commitment adopted in 2021 includes our commitments to carry R&D and innovation studies to the pre-determined levels. Thereby we focus on:

- Increasing the exchange of information and interaction in different areas within the company,
- Using natural and company resources in the most effective way;
- reducing emissions and wastes,
- prioritizing innovative practices to achieve a leading position in the industry,
- prioritizing development in clean energy, smart grids, customer-oriented solutions and digital transformation.

R&D Directorate was established in 2021 and governance structures that will direct R&D studies were created in order to carefully conduct our innovation projects. -

We keep on working on the issue addressed in 2022 by the Impact-Driven Growth Working Group under the Sustainability Board. All our R&D projects serve the Sustainable Development Goals by progressing in compliance with global standards. As Zorlu Enerji, we closely follow national and international collaboration opportunities in line with the goals of improving the operations and production efficiency, developing the company portfolio with innovative applications and building a well-equipped and qualified employee profile for future investments.

**Internal Innovation:** In addition to our strong governance structure, we have project proposals that will add environmental and social value which are evaluated within the framework of the experiences developed within our Company. We steer our operations paying attention to energy storage technologies, carbon capture and storage technologies, efficient and flexible power plant technologies, recycling and environmentally friendly approaches and digitalization.

One of our main goals is to develop the latest technologies for the effective operation of our systems by raising the electricity and natural gas distribution systems in the country to the level of global quality standards. In line with this goal, we strive to produce information, create a suitable environment for innovative ideas and applications, increase efficiency and service quality, and reduce costs and service losses. As Zorlu Enerji, we comply with the EMRA legislation regulating the rules for supporting and encouraging research, development and innovation activities of legal entities with electricity and natural gas distribution licenses and we are constantly improving our business models accordingly.



## Products and Services

### Integration, Infrastructure and Service Quality

➤ By taking pioneering steps in an increasingly digital world order, we identify digitalization requirements and implement strategic projects accordingly.

### Digital Transformation Approach

By taking pioneering steps in the digital transformation process, we determine our digitalization needs in our products and services and implement innovative projects accordingly. Our projects, which have gained momentum in the fields of electric vehicles, digitalization, R&D and innovation with the establishment of Smart Systems Department in 2017, aim to offer new generation solutions for customer needs by prioritizing technological integration. Smart Systems Department develops tools and mobile applications that will enable customer and supplier transactions to be carried out on digital platforms and manages projects focusing on electric vehicle rental, charging stations, smart home systems and energy management systems. These projects, aligning with the digitalization trends in the energy industry, further contribute to the goals of the Paris Climate Agreement. In the digitalizing world order, Zorlu Enerji is taking strategic digital transformation steps based on the concepts of Industry 4.0 and 5.0. In this context, it focuses on identifying digitalization needs and taking a leading role in the industry with innovative projects.

## Digital Transformation Applications

### Digital Subscription Services Project

Zorlu Enerji took its customer-oriented service approach in the retail electricity market one step further and became the pioneer of digital transformation in the industry with its digital subscription system project. This innovative service allows consumers to easily carry out their subscription transactions from anywhere, through digital channels, without requiring a physical signature. The Project, which is a part of Zorlu Holding's "Smart Life 2030" vision and a reflection of our sustainability-focused strategy, reinforces our leadership in Türkiye in terms of innovative and renewable energy.

The digitalization move has enabled a structure where distance subscription transactions can be easily carried out through various channels such as customer service centers, e-Government application, online transactions, call center, website and mobile application. While increasing our customer satisfaction and the speed of our business processes, we have also achieved significant savings in our paper consumption and strengthened our positive impact on the environment by reducing our carbon emissions.

Throughout 2023, 97% of more than 250 thousand electricity subscription transactions were completed through digital channels. The environmental benefits provided from the beginning of the project until 31 December 2023 are:

- Saving 54 tons of paper,
- Saving 1,430,423 liters of water,
- Preventing 70 tons of carbon dioxide emissions,
- Conservation of 1,071 trees

Thanks to the improved infrastructure and systemic developments with the digital subscription system project, customer transaction times were reduced from 8 minutes to 3 minutes on average. Customers are further provided with instant SMS and/or e-mail notifications regarding all their transactions, contracts are signed and archived digitally with TÜBİTAK-approved time stamps. Thereby both the company and consumers can access the contracts 24/7.

For the purposes of the project, using paper/printed invoices in the field will be ceased both during subscription transactions and with e-archive invoice approval. This innovative approach saved TRY 2.1 million.





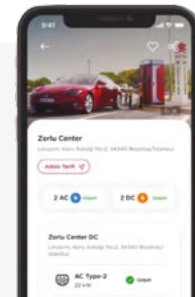


## Electrip

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.



## Data Privacy

Zorlu Enerji has high standards of policies and practices regarding the protection of customer data and cyber security. Our company has been certified in line with the **ISO 27001 Information Security Management System** with regard to protecting the confidentiality and integrity of customers and the general public. This certification confirms that Zorlu Enerji implements the necessary policies and security measures to protect against cyber attacks, unauthorized access and data leaks.

Acknowledging that cyber security threats are a dynamic and constantly evolving issue, our company invests in comprehensive security initiatives to protect our corporate systems, applications and databases. Our company's efforts include technology, processes, resources, training, disaster recovery plans and ongoing testing and assessment of best practices. ISO 27001 certification confirms that our company follows a consistent process to identify, evaluate and reduce the risks within the framework of the information security management system, thus providing protection against cyber attacks.

Our company attaches utmost importance to the privacy of its customers and the general public. Strict measures are taken to protect the confidentiality of data including customer data, account numbers, passwords, personal details, ID Numbers and other sensitive information. The management system used throughout the sales and service network ensures that customer data is stored and controlled centrally. In order for our customers to be notified about our information security and customer privacy policy, the necessary information is disclosed via message during subscription. On the other hand, necessary information is provided to our visitors through the website and call center Focusing on electricity and gas distribution operations in Türkiye along with electricity generation in four countries, Zorlu Enerji aims to provide uninterrupted energy supply. While operating as a leader in the industry with our high capacity production power, we further

increase our investments in safe energy supply and contribute to energy supply security in the countries where we operate within the scope of our Commitment on Access to Energy. We are further committed to supporting the access of the people of the region, who experience difficulty in accessing affordable and clean energy, to safe energy and we shape our investments accordingly. The nature of the information collected affects a number of issues such as the use of the information collected, how customers can decide how private data is collected, used, stored and processed, the request for access to data held by the Company, the request for the transfer of their data to other service providers, the request for correction of their data and the request for deletion of their data. Our company retains personal data for the period necessary for the purpose for which they are processed and the period stipulated in the legal legislation to which it is subject. Personal data whose legal retention period has expired is destroyed in accordance with the law using specified destruction methods. There was no customer data leakage, loss or theft during the reporting period.



## Quality and Safety of Our Products and Services

With its meticulous approach to product quality and safety, Zorlu Enerji not only offers high quality products to its customers but also guarantees the highest level safety for these products.

In line with the principle of operational excellence, which is one of the cornerstones of our corporate strategy, we aim to constantly keep quality and efficiency at the highest level in our production processes and to provide uninterrupted and high quality service to the market by improving our supply chain from end to end.

We pay attention to operational excellence not only in our internal processes but also in all our interactions with our stakeholders. Besides fully meeting the local legal requirements of each country in which we operate, we further prioritize the effective implementation of Quality Management Systems and the constant updating and monitoring of international standards. To be deleted/ We adopt global standards such as ISO 9001 Quality Management System and ISO 27001 Information Security Management System in all of our business processes and we further act with social responsibility awareness in accordance with SA 8000 Social Responsibility Management System standards. We keep working to include the ISO 50001 Energy Management System Certificate among our quality certifications.

By strictly adhering to health and safety regulations, Electrip aims to exceed the stringent standards, licensing and certification specifications required for electric vehicle chargers in Europe. Thereby it has adopted a comprehensive approach to ensure its products to consistently meet the expectations regarding safety and quality.

Customer safety metrics include no safety recalls or penalties for non-compliance with safety regulations. CE certified AC EVCS ELC04-AC22, DC EVCS ELC06-DCH60CC and DC EVCS ELC03-HP400CC model devices are further equipped with overcurrent protection relay and rcd (residual current device), compliance with international standards, mechanical durability and user-friendly interface and authentication features. ISO 9001, ISO 14001 and ISO 45001 certifications of ZES TR further emphasize its commitment to quality, environmental management and occupational health and safety. As a result of comprehensive assessments conducted on certain installation areas and operating centers in 2023, 119 security measures were determined and 30% of these measures were implemented.



## End-to-End Service Oriented Approach

Focusing on electricity and gas distribution operations in Türkiye along with electricity generation in four countries, Zorlu Enerji aims to provide uninterrupted energy supply. While operating as a leader in the industry with our high capacity production power, we further increase our investments in safe energy supply and contribute to energy supply security in the countries where we operate within the scope of our **Commitment for Access to Energy.**

We are further committed to supporting the access of the people of the region, who experience difficulty in accessing affordable and clean energy, to safe energy and we shape our investments accordingly.





## Environmentally and Socially Contributing Products and Services

➤ **Zorlu Enerji provides a wide range of environmental and social benefits, from energy generation to consumption, with the innovative steps taken in the field of sustainable energy. We plan our business model and activities in line with the United Nations Sustainable Development Goals and aim to provide solutions to the world’s fundamental problems together with all our stakeholders.**

## Renewable/Clean Energy Generation

Zorlu Enerji prioritizes innovation and sustainability in energy generation and refers to various clean and renewable energy sources such as wind, solar, hydroelectric, geothermal and biomass. With this strategy, it aims to significantly reduce foreign dependency of Türkiye on energy and strengthen national energy security while meeting energy needs with an environmentally friendly approach. Electricity generated through these clean energy sources further contributes to the economic and social development of local communities and directly affects environmental sustainability and social welfare. The support provided by our hydroelectric power plants to

local agricultural activities particularly contributes to the sustainability and efficiency of the agricultural sector by encouraging the effective use of water resources. This is vital for the continuity of agricultural production, especially in regions where water resources are scarce. On the other hand, our geothermal energy resources not only produce clean energy but also stimulate local economic activities such as spa tourism and greenhouse farming and make significant contributions to the development of a tourism infrastructure that supports regional development.

### Geothermal Energy Investments from Zorlu Enerji’s Responsible Investment Perspective

Zorlu Enerji prioritizes contributing to environmental and economic goals by reinforcing its responsible investment approach with its operations in the field of geothermal energy. Although oil field discovery are widely celebrated by the public and the media, the discovery of geothermal resources, which will provide multifaceted benefits, does not draw the same attention. However, geothermal energy makes significant contributions to our economy by providing support to various other sectors such as employment, greenhouse cultivation, residential heating and fishing. Türkiye has in a unique position in terms of underground riches which is a fact indicating that geothermal energy is a valuable resource that serves the economic development of our country in various aspects.

In this context, Zorlu Enerji has taken a significant step towards the sustainable use of geothermal energy and minimizing its environmental impacts by implementing the GECO (Geothermal Gas Emissions Control) Project. This project, which aims to significantly reduce the emissions occurring during electricity generation from geothermal resources in Türkiye, is executed in cooperation with international institutions with the support of the European Union’s Horizon 2020 program.

For the purposes of this project, it is aimed to reduce the carbon footprint of the pilot carbon capture and storage facility established in Kızıldere III Geothermal Power Plant and to evaluate all of the energy generated from geothermal resources as green energy. Zorlu Enerji’s contribution to this project will be a significant milestone in the fight against the climate crisis on both a local and global scale. The potential to create carbon credits further improves economic sustainability and offers new sources of financing to fight against the climate change. Zorlu Enerji’s geothermal energy investments concretely demonstrate its responsible investment approach by contributing not only to the local environment but also to the fight against global climate change.



## ZES/Electrip: Electric Vehicle Charging Station Infrastructure

Zorlu Enerji’s innovative sub-brand ZES plays a key role in the transformation of the transportation industry, leading the popularization of electric vehicles and reducing global carbon emissions. Operating in various cities and regions of Europe in addition to Türkiye, ZES offers electric vehicle users an accessible, easy-to-use and reliable charging infrastructure. The charging services offered by ZES are supported by the YEK-G certificate, which confirms that each kilowatt hour (kWh) is produced from renewable energy sources, thus contributes to sustainable transportation solutions by providing an environmentally friendly alternative to fossil fuel vehicles.

This strategic approach not only promotes energy transition but also helps alleviate environmental problems such as air and noise pollution. Thus, a significant contribution is achieved to improving the general health status of the society and the quality of life. While expanding this infrastructure, ZES further aims to reduce “range anxiety”, one of the biggest concerns experienced by electric vehicle owners and allows electric vehicles to be adopted by a wider audience.

## ZES Solar: Solar Panel Sales and Installation

ZES Solar opens the doors of access to sustainable and clean energy for individuals and businesses by highlighting its expertise in renewable energy through solar energy solutions. With its holistic services offered in a wide range from sales to installation of solar panels, ZES Solar encourages the use of renewable energy resources and thus contributes significantly to reducing environmental impact.

Solar energy solutions offered by ZES Solar improve the quality of life of individuals and businesses and contribute to their economic efficiency with their potential to improve energy independence and reduce energy costs besides environmentally friendly energy

generation. Solar panels minimize carbon footprint by effectively using natural resources and they further support the vision of leaving a cleaner world to future generations with sustainable energy generation.

Installation services performed professionally by ZES Solar’s experienced engineering and technical teams ensure solar energy systems to operate with maximum efficiency and have a longer life. By further providing consultancy services to its customers, ZES Solar supports the planning and management of solar energy investments thus facilitates the transition to renewable energy.

## Repair, Maintenance and Operation

Zorlu Enerji undertakes a critical mission to support the growth and development of the renewable energy industry on solid foundations. Improving the efficiency and sustainability of the industry with the repair, maintenance and operation services offered, it further makes significant contributions to the economic development of local communities. Zorlu Enerji encourages businesses and individuals to be active and conscious participants in energy production processes by providing high standards of services at all stages from the installation to the operation of renewable energy systems.

Zorlu Enerji adopts a model that encourages freedom and flexibility in the clean energy industry by providing the necessary support and training for businesses and individuals to manage energy generation facilities ex officio after the equipment procurement and installation.

These comprehensive services offered by Zorlu Enerji in the field of renewable energy reach a wide audience and provide social and environmental benefits thereto besides ensuring the sustainable development of the energy industry and contributing to the energy transformation in Türkiye and other geographies where it operates.

Zorlu Enerji adopts the following commitments on environment, social responsibility and governance:

- Prioritizing the United Nations Global Compacts,
- Making plans in line with the United Nations Sustainable Development Goals,
- Giving priority to environmental responsibility and human rights in all countries of operation and stakeholder relations,
- Minimizing the impact on the environment and society,
- Taking the human factor into consideration when determining growth targets,
- Building a strong and successful business model by sharing long-term values with customers, employees, shareholders and all stakeholders in the locations where we operate,
- Building an effective corporate impact and risk analysis management structure and maintaining a sustainable governance structure in order to achieve sustainability goals through continuous development,
- Continuously improving the company’s ESG performance by closely following national and international standards,,
- Commitment to making intense efforts “for a sustainable future” by leading the industry in which it operates.





# Customer Satisfaction

## Customer Profile

Zorlu Enerji is a leader in the energy industry with its strategies focused on sustainability and customer satisfaction. Customer management and satisfaction is one of the cornerstones of our Company.

Our customer portfolio, covering a wide range of services, has a structure that appeals to different needs and expectations. The segmentation of our customer portfolio is detailed on the basis of their incorporation as Residential Units, Commercial and Government Institutions, Agricultural Irrigation, Lighting Companies, Industry, Electricity Generation Facilities and OIZs. Our customer base, excluding our ZES and Electrip operations, is essentially as follows:

### Customer Categories:

- **Residential Units:** Individual users take the lead among the customers served by Zorlu Enerji. In the residential units category, Gazdaş Gaziantep, Gazdaş Trakya and OEDAŞ/Zorlu Osmangazi have high customer numbers as 434,139, 455,472 and 1,668,895 respectively.
- **Commercial and Government Institutions:** Corporate customers are also included in Zorlu Enerji's customer base. In this segment Gazdaş Gaziantep, Gazdaş Trakya and OEDAŞ/Zorlu Osmangazi have reached significant customer numbers as 8,611, 16,979 and 317,523 respectively.
- **Agricultural Irrigation:** This category stands out as a segment that provides energy for the efficient use of water, especially in agricultural activities. OEDAŞ/Zorlu Osmangazi serves 36,276 customers operating in this field.

### Energy Companies:

- **Gazdaş Gaziantep and Gazdaş Trakya:** These two companies, which offer gas distribution services, serve a wide customer base in the Gaziantep and Thrace regions.
- **OEDAŞ/Zorlu Osmangazi and OEPSAŞ:** These two companies, which undertake electricity distribution services, provide electricity to a wide area in Osmangazi and its surroundings.
- **Zorlu Elektrik:** Operations in the field of retail electricity sales



ZES (known abroad as Electrip), an innovative subsidiary of Zorlu Enerji, offers a comprehensive charging infrastructure service for electric vehicle users as an important component of its sustainable energy vision. This brand, which aims to contribute to the widespread use of electric vehicles and improving sustainability in the energy industry, develops customized solutions for the needs of its customers. The services offered by ZES/Electrip are addressed at both individual and corporate customers and this diversity ensures that its customer portfolio covers a wide spectrum. As of 2023, a total of 110,000 customers are served.

## Customer Experience

Focusing on customer satisfaction, Zorlu Enerji maintains its quality and sustainable services with a customer-oriented approach. The company aims to improve customer satisfaction by providing innovative services and making improvements in areas with continuous development potential. Customer relations, regulated under the title of Customer Relations Manifesto, play a critical role in Zorlu Enerji's success and are among the key stakeholders affecting the company.

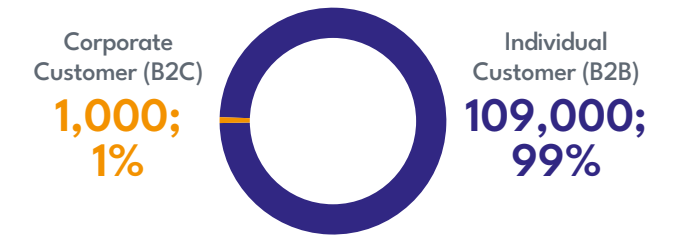
Zorlu Enerji strives to keep customer satisfaction at the highest level while operating in the electricity, charging stations and natural gas industries. Surveys conducted to manage customer expectations correctly and actions determined based on the results obtained from these surveys constitute the grounds of improving customer experience. Customers can further submit their suggestions and complaints through a Call Center accessible 24/7, e-mail and the corporate website.

Based on the environment, technology and changing demands, the Call Center continues to support customers in customer services. Contact forms and regular satisfaction surveys allow customers to submit their opinions and make suggestions on areas that need improvement. The company focuses on continuous improvements by integrating customer feedback into its strategies.

EMRA approved Satisfaction 4.0 R&D project developed by OEPSAŞ, focusing on customer satisfaction, has offered specific solutions to the energy industry by renewing its CRM and smart IVR systems. The 95.2% satisfaction rate obtained from customer satisfaction surveys in 2023 confirms the success of this project. Smart IVR technology allowed 40% of the calls received by the call center to be resolved.

Customer satisfaction in all customer-facing channels of Zorlu Enerji is measured by various methods. Customer feedback monitored in real time is further reported periodically, leading to the development of projects that will improve customer experience. Thanks to the Customer Experience Project implemented in 2020, customer experiences are designed from the beginning. Call center services have been launched for the charging stations

## ZES / Electrip Customer Profile



in Montenegro, Italy and Bulgaria, which are serving under Electrip Global brand, through customer representatives offering services in local languages and English. This ensures customer needs and complaints to be managed effectively.

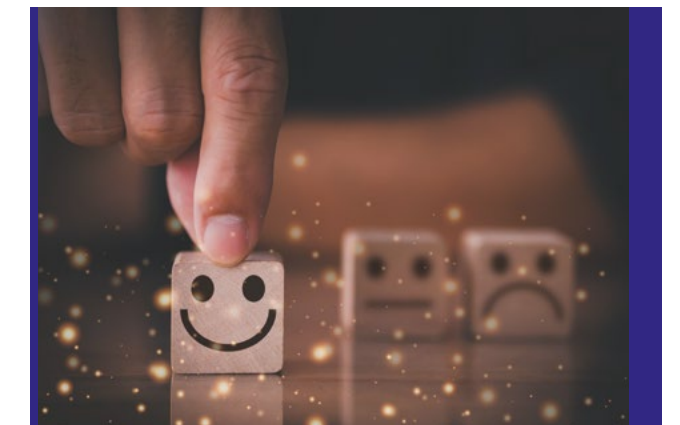
KPIs measured through the call center and digitalization-oriented studies are evaluated on a brand basis, ensuring quality targets to be achieved. The targets were successfully met with the call center commissioned in Eskişehir. Zorlu Enerji's call center is supported by technological investments to provide uninterrupted service in possible disaster situations.

Thanks to our outstanding efforts in customer experience and call center management, we were entitled to receive the following prestigious awards in 2023:

**In Stevie Awards Business Awards, considered as one of the most prestigious business awards in the world, we were awarded:**

- Silver Stevie – under “Customer Services Department of the Year” category with the ZES brand
- Bronze Stevie – under “Best Technical Support Services” category with the OEDAŞ brand

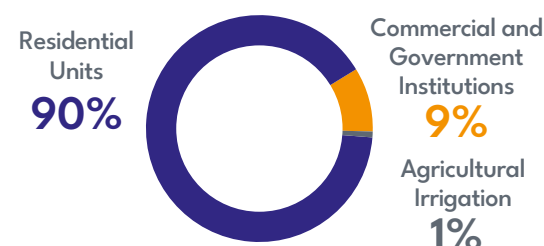
**By reaching the highest customer satisfaction rate among 18 companies operating in the energy industry, we were awarded with the “Diamond” for the fifth time in the “Energy” category at the 8. A.C.E (Achievement in Customer Excellence) Awards organized by ŞikayetVar, the only platform that measures customer satisfaction in Türkiye.**



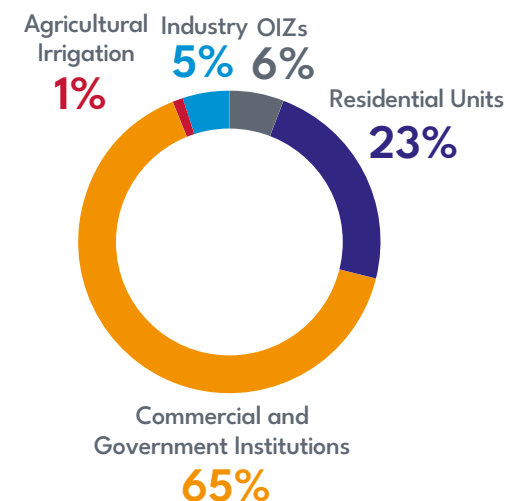
### Gas Distribution (GAZDAŞ Gaziantep and Trakya)



### Electricity Distribution (OEDAŞ and OEPSAŞ)



### Retail Electricity Trade and Sales (Zorlu Elektrik)







## Satisfaction 4.0 Project

OEDAŞ's innovative approach, Satisfaction 4.0 Project, was implemented with the mission of improving customer satisfaction and pioneering digital transformation in the energy industry. The project was motivated by the need to provide fast and accurate information to our customers during planned outages and unexpected malfunctions. Researches reveal that the majority of calls received by our call center seek this type of information. Satisfaction 4.0 has developed a system that can detect from which region our customers are calling and provide outage and malfunction data exclusive for the city they are interested in. Accordingly, 40% of calls are successfully resolved through the interactive voice response system.

This project is combined with diversified communication channels as part of OEDAŞ's general approach to customer services. ALO 186 OEDAŞ Solution Center, mobile

applications, e-mail and web site serves 7/24 and are designed to facilitate our customers' interactions with our company and enable them to carry out all their transactions smoothly. Thanks to this comprehensive customer services network, OEDAŞ stood out as one of the companies with the highest customer satisfaction rate of 95.2% in a survey conducted by an impartial organization on behalf of the Ministry of Energy and Natural Resources.

For the purpose of the second phase of Satisfaction 4.0, innovations such as the ability of consumers to report malfunctions and outages with a single click, chatbot and live chat services, and customer support services via WhatsApp have been introduced. These innovations contribute to our goal of further improving the customer experience and increasing customer satisfaction rate to 100%.



Our Satisfaction 4.0 Project was awarded the Bronze Stevie under the “Best Technical Assistance Solutions” category at the Stevie International Business Awards, which is considered as one of the most prestigious business awards in the world.

OEDAŞ collects feedback from customers receiving service from the call center and measures satisfaction after each customer interaction. A satisfaction rate of 87% was achieved with the participation of 23,108 customers in 2023.

OEDAŞ Customer Satisfaction Policy

OEPSAŞ, measured customer satisfaction after services provided through customer service centers, e-Government application, online transactions, mobile application and web and achieved a satisfaction rate of 95.2% with the participation of 41,205 customers.

OEPSAŞ Customer Satisfaction Policy

Following the subscription process, GAZDAŞ contacted its customers one-on-one and asked them to evaluate the service they received. With this direct feedback approach, high initial subscription satisfaction rates of 93% and 96% were achieved by GAZDAŞ Gaziantep and GAZDAŞ Trakya, respectively. For the second subscription process, the satisfaction rate was measured as 94% in both regions.

ZES conducted surveys after interviews held through the call center to measure customer experience and satisfaction in electric vehicle charging station services. Throughout this process, 5,769 customers provided feedback and a satisfaction rate of 89% was achieved.

## Responsible Supply Chain

As Zorlu Enerji, we aim to maintain our sustainability-oriented development together with our suppliers by disseminating the value we create in our supply chain and our basic principles. We implement comprehensive audit and control mechanisms to improve the competencies of our suppliers in the fields of environment, occupational health and safety, quality and sustainability and to ensure that their practices comply with Zorlu Enerji's standards. In line with this approach, we further aim to develop actions in line with our responsible investment principles and ensure the implementation of these actions.

We have constituted our **Sustainable Supply Chain Policy** and **Zorlu Holding Supply Chain Principles** in order to transform our supply chain into an innovative and agile structure. These policies and principles form the cornerstone of our relationships with our suppliers and enable us to achieve our common goals.

Reporting directly to the CEO, our Purchasing and Logistics Director is the most competent person in supply chain management. Under this management, we work on projects that will centralize and optimize our purchasing and supply processes.

687 of our total 1,858 suppliers in 2023 are local suppliers and our local supplier rate is determined as 37% for 2023. There has been a 58% increase in the rate of local suppliers over the last 2 years. The payments extended to local suppliers in 2023 is TRY 24,814,415,793 and this amount constitutes 97% of our total payments.

Identifying critical suppliers constitute the basis of Zorlu Enerji's strategic supplier management approach. Major equipment and service providers are vital to the success of our projects. Companies that supply main equipments (gas turbine and generators, steam turbine and generators, thermal recovery steam generators, binary turbine and generators, wind turbine equipments (nacelle, blades and generators), hydro turbine and generators, solar panels, chemical reactors, boilers) and provide related services (installation of main equipments and/or construction of all turnkey works (power plant, facility, unit etc.) that require installation in the construction site) for Zorlu Enerji Group's domestic and/or international projects and businesses and Suppliers from whom purchases over TRY 1,000,000 are made are defined as critical and strategic suppliers.



In 2023, Zorlu Enerji was awarded an A score in the Supplier Relations Rating (SER), under the title of climate change, and became the first energy company in Türkiye to be ranked among the SER Leaders. As Zorlu Enerji, we have once again confirmed the importance we attach to our relationships with our stakeholders within the scope of sustainability as a leader.





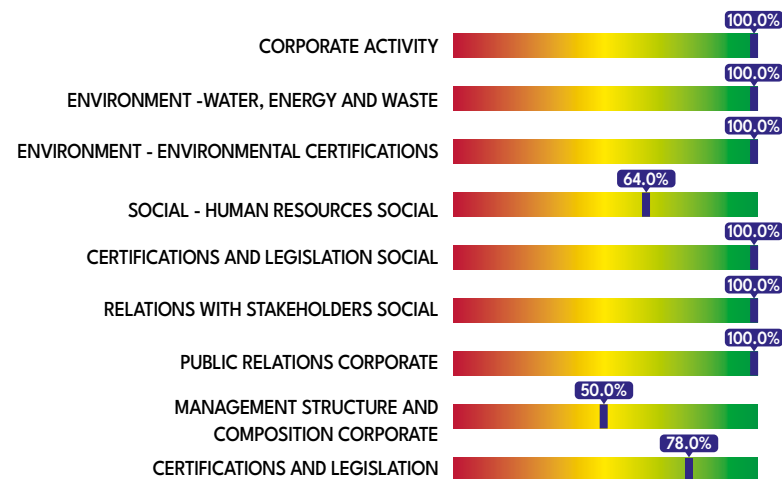


## ESG Assessment for Our Suppliers

As Zorlu Enerji, we are well aware that sustainability is linked to all collaborations throughout a company's value chain. Therefore, we consider it as a necessity to evaluate the compliance of our business partners and suppliers with their Environmental, Social and Governance (ESG) criteria while trying to achieve our sustainability goals. In order to meet this requirement, the ESG assessment prepared by Synesgy in collaboration with Zorlu Enerji and CRIF was administered to 16 of our critical suppliers. For the purpose of this assessment, our suppliers were evaluated in 5 different industrial sub-titles such as sustainability, environmental, social, corporate governance and various areas presented in the image below. In line with the results, ESG report cards and action plans were prepared for our suppliers and they were notified about the views and assessments of our Sustainability and OHS-E Directorate and Purchasing and Logistics Directorate.

**ZORLUENERJİ**

### Distribution by Industrial Sub-titles



Year	Number of Critical Suppliers	Number of Critical Suppliers Performing Environmental and Social Audits	Total Number of Suppliers
2021	48	48	1481
2022	57	13	1744
2023	44	16	1858

### Supplier Audits

		2022	2023
Audited Supplier	48	13	16
Supplier Audited In Terms of Environmental Audit Criteria	48	13	16
Supplier Audited In Terms of Social Audit Criteria	48	13	16
Total Suppliers Whose Performance was Assessed to Include Sustainability Criteria	48	13	16
Total Suppliers Whose Performance was Assessed for the first time to Include Sustainability Criteria	48	13	16
Suppliers Audited Based on Supplier Code of Conduct	48	13	16
New Suppliers Audited In Terms of Environmental Audit Criteria	3	1	16
New Suppliers Audited In Terms of Social Audit Criteria	3	1	16
Number of Suppliers subjected to Social and Environmental Audit	48	13	16
Number of Suppliers with Negative Environmental Situations Detected	0	0	0
Number of Suppliers with Negative Social Situations Detected	0	0	0

This assessment was implemented for 16 of our suppliers. ESG performances of 16 of our suppliers were assessed and action plans were prepared accordingly. Owing to the 16 action plans, we have taken important steps to ensure our suppliers to comply with Zorlu Holding AŞ's Procurement Principles.

## Supplier Scores

For the purpose of the assessment, our 16 critical suppliers were evaluated under 5 categories. By combining these categories, overall scores and report cards were prepared. Scores were determined as A to indicate an excellent performance, B to indicate a good performance, C to indicate a moderate score, D to indicate a sufficient score and E to indicate a poor score. Scores and distributions are presented in the tables and graphics below. In addition to the overall score, an industry-based comparison was also made for companies to see their performance under the heading of sustainability in industries such as energy, mining, oil and gas.

Company Scores	Overall	Environmental	Social	Corporate Governance	Sustainability	Industrial
Company 1	B	C	C	B	D	B
Company 2	B	C	B	C	-	-
Company 3	D	D	D	E	-	-
Company 4	E	E	E	E	E	E
Company 5	D	E	E	E	C	E
Company 6	B	B	B	B	C	-
Company 7	C	D	D	C	-	-
Company 8	C	C	D	E	-	-
Company 9	-	-	E	E	E	E
Company 10	C	C	C	D	C	D
Company 11	C	C	C	C	C	E
Company 12	B	C	B	B	B	B
Company 13	C	C	C	C	B	D
Company 14	C	C	D	D	-	-
Company 15	B	B	B	B	B	C
Company 16	C	D	C	E	D	C

## Action Plans for Our Suppliers

In line with the scores they received, we identified the issues that our suppliers were determined to be deficient in and prepared action plans to be implemented on these issues. The actions in the plans we prepared are classified according to their level of priority. A total of 307 actions have been prepared to serve as a road map for our supplier companies in their ESG journey. These action plans are planned to be further supported with supplier audits in the future. An exemplary action plan is presented in the image below whereas the number of actions prepared in terms of their degree of priority is presented in the table below.

### ESG Action Plan

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

### Priority







Number of Actions prepared for companies

Priority Level	★★★★	★★★	★★	★	Total
Company 1	2	4	8	0	14
Company 2	10	6	2	0	18
Company 3	10	10	3	0	23
Company 4	5	10	6	0	21
Company 5	15	6	3	0	24
Company 6	5	5	3	0	13
Company 7	10	8	2	0	20
Company 8	10	10	3	0	23
Company 9	14	5	3	0	22
Company 10	5	8	7	0	20
Company 11	5	9	4	0	18
Company 12	0	4	9	0	13
Company 13	5	9	4	0	18
Company 14	10	10	3	0	23
Company 15	5	6	5	1	17
Company 16	5	3	12	0	20

While aiming for excellence in our logistics operations, we further focus on control and audit mechanisms. By working with service providers having a strong representative network and quality certificates, we improve the efficiency and reliability of our logistics processes. We consistently improve our logistics operations through field and route optimizations and we develop innovative solutions to reduce our environmental impacts and operational costs.

We attach utmost importance to managing our logistics operations with excellence. We aim to achieve effective logistics management by consistently improving our control and audit mechanisms. For this purpose we act in cooperation with service providers with high quality standards and a strong representative network. These strategic collaborations significantly improve the efficiency and reliability of our logistics processes.

We respond to the challenges faced in our logistics operations by offering innovative solutions. Field and route optimization not only allow us to continuously improve our logistics operations but also contribute to achieving our goals of reducing our environmental footprint and operational costs. These initiatives aim to maximize the effectiveness of our logistics operations and to establish a sustainable logistics management system.

The functioning of our logistics control and inspection system is possible by high performing suppliers and a strong representative network.

By managing our domestic and international logistics operations from a single center, we ensure the growth of all our collaborations. This centralized management approach not only improves the efficiency of our operations but also allows us to strengthen our collaborations.

For the purpose of field optimization, we make our logistics processes more efficient by making packaging and pallet size selections according to vehicle or container volume and weight capacities. Reinforcements that facilitate stacking of closed cases play an important role in improving our operational efficiency.

Route optimization allows us to make strategic route choices to make our logistics operations more economic and environmentally friendly. For example, participating in Ro-Ro cruises instead of passing through more than one country in our export activities to Europe decreases our transit times and reduces our operational costs. We further ensure the continuity and safety of our logistics operations by producing alternative solutions to harsh winter conditions and road conditions.

Strong Economic Performance

Zorlu Enerji has strengthened its access to various financial resources by accelerating innovative and sustainable investments. By integrating its corporate capital with its sustainability strategy, the Company creates long-term sustainable financial values for its shareholders and investors and remains to be a reliable choice for its customers. In line with its solid financial structure and sustainable profitability strategy, some figures of Zorlu Enerji are as follows:

<b>Remuneration and Fringe Benefits:</b> <b>1,379,492 thousand TRY</b> (Wage and similar benefits according to Independent Audit report ) <b>Tax paid to the government:</b> (Including only corporate tax and provisional tax) <b>316,295 thousand TRY</b> <b>Earnings before interest, depreciation and tax</b> <b>11,386,497 thousand TRY</b> (EBITDA) <b>11,386,497 thousand TRY</b> <b>Ratio of net debt to EBITDA:</b> <b>3,53</b>	<b>Cash generated from operations/Total sales revenue:</b> <b>39%</b> <b>Net Profit:</b> Sustainable operations <b>10,782,385 thousand TRY</b> +discontinued operations <b>203,591 thousand TRY</b> <b>Total</b> <b>10,985,976 thousand TRY</b> <b>Market value:</b> <b>21,150,000,000 million TRY</b> (as of 31.12.2023)	<b>Paid Capital:</b> <b>5,000,000 thousand TRY</b> <b>Investments:</b> <b>2,366,703 thousand TRY</b> <b>Sales income:</b> <b>27,281,884 thousand TRY</b>  Zorlu Enerji assumes a key role with its renewable energy investments and digitalization-focused R&D projects, contributing to the economic development, sustainable growth and continuous energy supply of the four countries in which it operates in addition to Türkiye.
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Summary Balance Sheet

(thousand TRY)	2021*	2022	2023
CURRENT ASSETS	6,471,306	22,590,703	19,827,114
FIXED ASSETS	28,955,112	95,153,825	78,683,859
<b>TOTAL ASSETS</b>	<b>35,426,418</b>	<b>117,744,528</b>	<b>98,510,973</b>
CURRENT LIABILITIES	9,501,761	37,540,403	31,559,074
NON-CURRENT LIABILITIES	19,742,764	45,683,593	28,479,830
SHAREHOLDERS' EQUITY	6,181,893	34,520,532	38,472,069
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>35,426,418</b>	<b>117,744,528</b>	<b>98,510,973</b>
GROSS FINANCIAL DEBT	23,779,755	56,632,634	42,494,264
NET FINANCIAL DEBT	22,323,843	51,804,828	40,208,986

\*The data for the years 2022 and 2023 were calculated according to inflation accounting, no inflation accounting adjustments were made for 2021.

Summary Income statement

(thousand TRY)	2021*	2022	2023
REVENUES	11,634,808	38,806,100	27,281,884
GROSS PROFIT	1,863,112	5,658,234	3,762,317
OPERATING INCOME/(LOSS)	2,721,263	4,965,276	3,273,536
SHARE OF PROFIT/(LOSS) OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD	29,491	153,530	136,234
OPERATING PROFIT/(LOSS) BEFORE FINANCIAL INCOME/(EXPENSES)	2,752,852	5,125,032	7,558,221
EBITDA*	3,708,673	12,376,276	11,386,497
NET FINANCIAL EXPENSES	-2,947,924	9,722,647	11,684,995
NET PROFIT/(LOSS) FOR PERIOD**	-86,447	9,508,736	10,985,976
GROSS PROFIT MARGIN	17.7%	15%	14%
EBITDA MARGIN	28.2%	32%	42%

\*The data for the years 2022 and 2023 were calculated according to inflation accounting, no inflation accounting adjustments were made for 2021.

\*\*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.

The company's consolidated financial statements, independent audit report, annual report and special case disclosures for the accounting period between 1 January 2023 - 31 December 2023 have been published on the Public Disclosure Platform (KAP). These documents are further available on the website at [www.zorluenerji.com.tr](http://www.zorluenerji.com.tr). Using financing tools effectively, Zorlu Enerji attaches strategic importance to sustainable financing and responsible investment. Diversifying its financing portfolio by actively using green financing tools, the company aims to be an example in Türkiye and throughout the world in the field of sustainability. Zorlu Enerji attaches utmost importance to sustainable financing and responsible investment within the framework of economic, social, environmental and corporate management practices. Leading many other companies in Türkiye in this regard, Zorlu Enerji aims to effectively use sustainable financing tools in the future. In 2023, no sukuk financing was used.



# TELESCOPIC VISION\*

As the first energy company going public in Türkiye, we have been reporting all our operations and data to our stakeholders and informing them in accordance with our transparency and accountability principles since 2000. Thus, we enable all our national and international stakeholders, business partners and investors to take a closer look at Zorlu Enerji's operations and offer them a telescopic vision. We further strengthen this vision via our CDP and UNGC reports, our inclusion in the Borsa İstanbul Sustainability Index, and GRI-compliant data governance. Besides providing in-depth information to our stakeholders in line with our transparency and accountability principles, this telescopic vision further gives us the opportunity to observe and analyze the impact of our operations on nature and the world in detail.

## [CORPORATE GOVERNANCE]

*\* Telescopic sight increases the visible size of the target, making it easier for the observer to see details more clearly and shoot accurately.*







## 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**

<b>Reporting Period:</b>	1 January - 31 December 2023
<b>Commercial Title:</b>	Zorlu Enerji Elektrik Üretim AŞ
<b>Trade Registry Information:</b>	Bursa Trade Registry Directorate, No: 33550
<b>Authorized Share Capital:</b>	6,000,000,000 TRY
<b>Paid-in/Issued Capital:</b>	5,000,000,000 TRY
<b>Approximate Number of Employees:</b>	2,619
<b>Web Address:</b>	www.zorluenerji.com.tr
<b>Contact Address:</b>	<b>İstanbul Head Office:</b> Levent 199, Büyükdere Caddesi No: 199 34394 Şişli - İSTANBUL Tel: (0212) 456 23 00 <b>Bursa (Central):</b> Organize Sanayi Bölgesi, Pembe Cadde, No: 13 16159 - BURSA Tel: (0224) 242 56 16

## SHAREHOLDING STRUCTURE AND CAPITAL DISTRIBUTION

Paid-in capital of Zorlu Enerji as of 31 December 2023 is TRY 5,000,000,000 and the company's shareholding structure and capital distribution are as follows:

COMMERCIAL TITLE OF THE SHAREHOLDER	NOMINAL VALUE OF THE SHARES (THOUSAND TRY)	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
<b>TOTAL</b>	<b>5,000,000</b>	<b>100</b>

Equity Share of Zorlu Holding A.Ş. in the shareholding structure of the Company decreased to 32.31% in 2023 from 54.27% as a result of the share sales to corporate investors and share sales to Wren House Infrastructure LP outside the Stock Exchange.

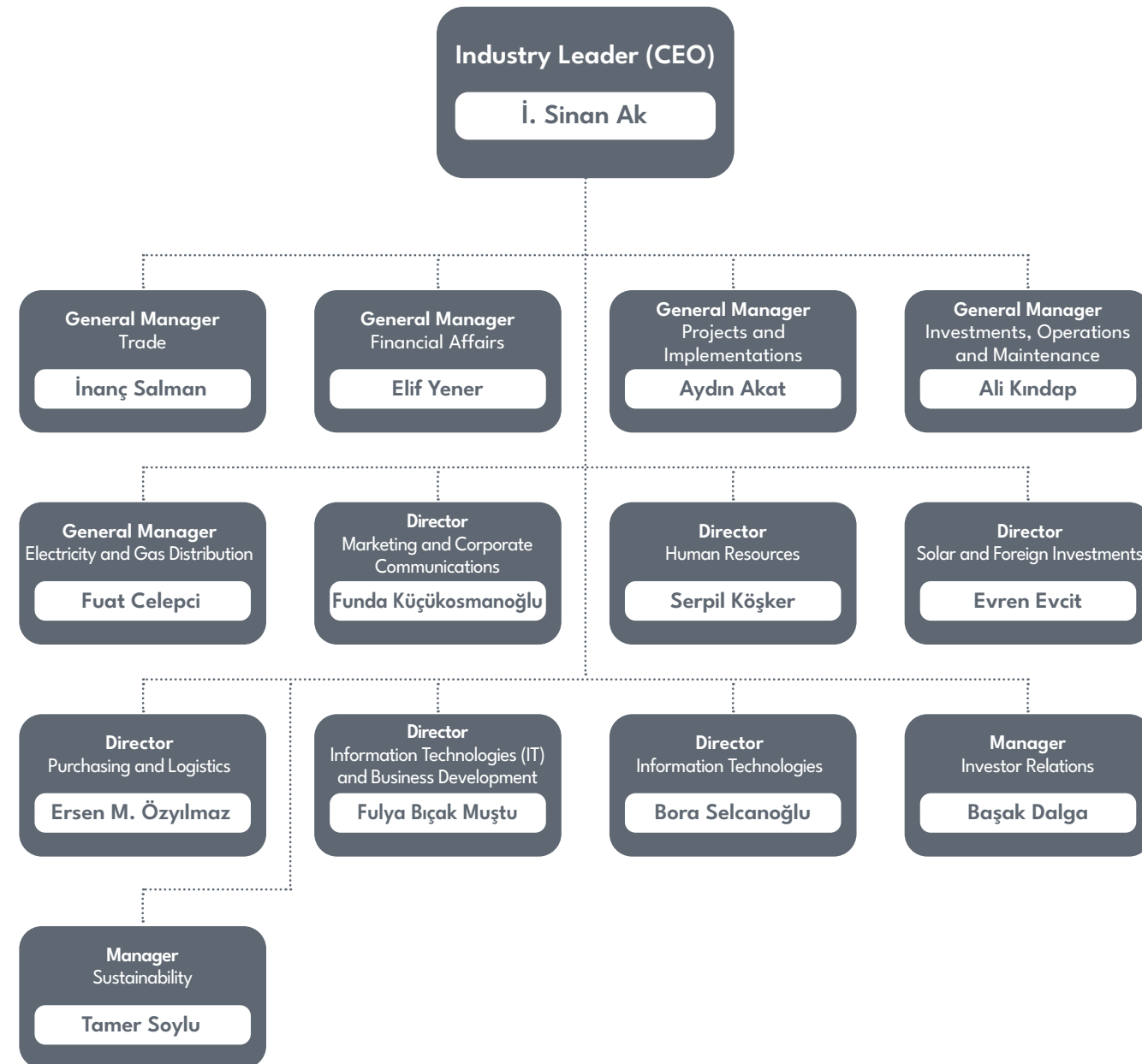
## PRIVILEGED SHARES AND VOTING RIGHTS OF SHARES

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



## BOARD OF DIRECTORS

Members of the Board of Directors appointed at the 2022 Ordinary General Assembly Meeting held on 30 May 2023, have been serving throughout the reporting period and their terms of office are presented in the table below. The board of directors are appointed individually.

FULL NAME	POSITION	TERM OF OFFICE		MOST RECENT		MEMBERSHIP STATUS
		Beginning Date	Ending Date	Positions Assumed Within the Group	Positions Assumed Outside the Group	
Ahmet Nazif Zorlu	Board Member	30 May 2023	Until 2023 Ordinary General Assembly Meeting	Chairman and Vice Chairman of the Board of Directors of Zorlu Group Companies	-	Non-Executive Member
Bekir Ağırdir	Vice Chairman	30 May 2023	Until 2023 Ordinary General Assembly Meeting	Member of the Board of Directors at Vestel Elektronik Sanayi ve Ticaret A.Ş., Member of the Board of Directors at Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.	Member of the Board of Directors at KONDA Araştırma ve Danışmanlık Limited Şirketi	Independent Member
Selen Zorlu Melik	Board Member	30 May 2023	Until 2023 Ordinary General Assembly Meeting	Board Memberships in Zorlu Group Companies	-	Executive Member
Ömer Yüngül	Board Member	30 May 2023	Until 2023 Ordinary General Assembly Meeting	Board Memberships in Zorlu Group Companies	-	Non-Executive Member
Bekir Cem Köksal	Board Member	30 May 2023	Until 2023 Ordinary General Assembly Meeting	Head of the Financial Affairs Group at Zorlu Holding A.Ş., Member of the Executive Committee at Vestel Group of Companies, Board Member at Vestel Elektronik Sanayi ve Ticaret A.Ş., Board Member at Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.	-	Executive Member
Ayşegül İlideniz	Board Member	30 May 2023	Until 2023 Ordinary General Assembly Meeting	Vice Chairman at Vestel Elektronik Sanayi ve Ticaret A.Ş., Member of the Board of Directors at Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.	COO (Chief Operations Officer) at Silver Spring Networks Company, Board Member at Doğan Şirketler Grubu Holding A.Ş. and Pegasus Hava Taşımacılığı A.Ş.	Independent Member
Cem Mengi	Board Member	30 May 2023	Until 2023 Ordinary General Assembly Meeting		Founding Chairman at CM Capital Management Company	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 30 May 2023.

### 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 Members

The Board of Directors convened 10 times in 2023. 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 85%. Attendance rate in board meetings should be at least 75%.





SENIOR EXECUTIVES (\*)

FULL NAME	POSITION
İbrahim Sinan Ak	CEO
Fuat Celepci	General Manager Responsible for Electricity and Gas Distribution Operations
Aydın Akat	General Manager Responsible for Industrial Projects and Applications
Ali Kindap	General Manager Responsible for Investments, Operations and Maintenance
Elif Yener	General Manager of Financial Affairs
İnanç Salman	General Manager Responsible for Trade
Serpil Köşker	Director of Human Resources
Evren Evcit	Director of Solar and Foreign Investments
Ersen Mustafa Özyılmaz	Director of Purchasing and Logistics
Funda Küçükosmanoğlu	Marketing and Corporate Communications Director
Fulya Bıçak Muştu	Director of Information Technologies and Business Development
Başak Dalga	Investor Relations Manager

(\*) Only managers directly reporting to the CEO are included in the table.

Amendments to the Senior Executives during the Reporting Period

Serving as OHS-E Director, Mr. Kaan Gençel resigned from his position in March 2023.

Information on the Number of Employees

Total number of employees of the Company in 2023 is 2,619.

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 30 May 2023, 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 Labour Movements, Collective Bargaining Practices and Rights and Benefits Provided to Employees

Osmangazi Elektrik Dağıtım A.Ş., the indirectly wholly-owned subsidiary of the Company, has 684 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

Article 6 of the Company’s Articles of Association entitled “Capital of the Company” has been amended on the grounds of the increase in the issued capital from 2,500,000,000 TRY to 5,000,000,000 TRY in 2023.

COMPENSATION AND MONETARY BENEFITS PROVIDED TO BOARD MEMBERS AND SENIOR EXECUTIVES

At the Company’s Ordinary General Assembly Meeting for Year 2022 held on 30 May 2023, it was decided to pay a monthly fee of net 60,000 TRY to each of the independent Board members for year 2023 and not to pay any fee to the other Board members. Total fees, wages and allowances paid to the chairman and members of the Board of Directors and senior executives over the twelve-month period ending on 31.12.2023 was calculated as 102,310 thousand TRY.

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

A total of TRY 2,366,703 thousand investment expenditures was realized in 2023.

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 2023, the amount of investment allowances accrued and carried over under these investment incentives is TRY 777,400 thousand.

Zorlu Doğal Elektrik Üretim A.Ş. received the Investment Incentive Certificate No. C-121896 and dated 23 December 2021 (This certificate was issued to replace the incentive certificate No. B-121896 dated 26 July 2017) for its Kızıldere 3 GPP investment realized on the provincial border between Denizli and Aydın. Relevant investment incentive certificate provides 100% customs duty exemption and VAT exemption for the purchase of new machinery and equipment and stamp duty exemption for the contracts to be concluded within the scope of the incentive certificate in accordance with the provisions of Article 29 of Law No. 6728 on the Improvement of the Investment Environment. On 23.11.2023, an application was filed with the Directorate of Incentive Implementation and Foreign Investment of the Ministry of Industry and Technology to have the relevant incentive certificate annulled and this application is still in progress.

Trakya Bölgesi Doğal Gaz Dağıtım A.Ş was awarded the Investment Incentive Certificate No. 507209 dated 16 December 2019 for its natural gas distribution investments in Thrace Region. Relevant investment incentive certificate provides VAT exemption for the purchase of new machinery and equipment and stamp duty exemption for the contracts to be concluded within the scope of the incentive certificate in accordance with the provisions of Article 29 of Law No. 6728 on the Improvement of the Investment Environment.

Gazdağ Gaziantep Doğal Gaz Dağıtım A.Ş was awarded the Investment Incentive Certificate No. 507211 dated 16 December 2019 for its natural gas distribution investments in Gaziantep and Kilis provinces. Relevant investment incentive certificate provides VAT exemption for the purchase of new machinery and equipment and stamp duty exemption for the contracts to be concluded within the scope of the incentive certificate in accordance with the provisions of Article 29 of Law No. 6728 on the Improvement of the Investment Environment.

OEDAŞ received the Investment Incentive Certificate No. E-137424 dated 10 November 2022 (This certificate was issued to replace the incentive certificate No. D-137424 dated 14 September 2022) for its prospective grid and facility investments in the electricity distribution region including Eskişehir, Bilecik, Kütahya, Afyon and Uşak provinces. Relevant investment incentive certificate provides 100% customs duty exemption and VAT exemption for the purchase of new machinery and equipment and stamp duty exemption for the contracts to be concluded within the scope of the incentive certificate in accordance with the provisions of Article 29 of Law No. 6728 on the Improvement of the Investment Environment.

ZES Dijital Ticaret A.Ş. received the Investment Incentive Certificate No. 536058 dated 28 April 2022 for electric vehicle charging station investments in various provinces and districts of Türkiye. Relevant investment incentive certificate provides VAT exemption for the purchase of new machinery and equipment and stamp duty exemption for the contracts to be concluded within the scope of the incentive certificate in accordance with the provisions of Article 29 of Law No. 6728 on the Improvement of the Investment Environment. The sections following paragraph (b) of Provisional Article 69 of the Income Tax Law have been amended pursuant to Article 5 of Law No. 6009 stipulating that taxpayers can deduct investment incentive exemption amounts that they could not benefit from in previous years, to be appropriated against 2010 earnings, to effective as of 1 August 2010. In the following section, it has further been regulated that the amount to be appropriated as an investment discount exemption cannot exceed 25% of the relevant earnings. According to these provisions, the tax advantage from which the Company can benefit regarding the amount of deferred investment allowance has been extended indefinitely. However, the Constitutional Court of the Republic of Türkiye has canceled the rule to limit the investment allowance exemption to 25% of corporate income, and a stay order has been issued because the Court’s decision has not yet been published. Currently, the Company can benefit from 100% of the investment allowance exemption in case it realizes any corporate income.

Direct and Indirect Subsidiaries and Equity Interests

The details of the subsidiaries and affiliates of the Company as of 31 December 2023 are as follows:

Direct Subsidiaries	Equity Interest (%)	Main Field of Activity	Country
Zorlu Osmangazi Enerji Sanayi ve Ticaret A.Ş. ( <b>“Zorlu Osmangazi”</b> )	100%	Distribution of electrical energy and other	Türkiye
Zorlu Yenilenebilir Enerji A.Ş. ( <b>“Zorlu Yenilenebilir”</b> ) (****)	100%	Electricity generation and others	Türkiye
Eway Araç Kiralama Ticaret A.Ş. ( <b>“Eway”</b> ) (*)	100%	Renting and leasing of light motor vehicles and cars, excluding the driver, and other	Türkiye
Zorlu Enerji Dağıtım A.Ş. ( <b>“Zorlu Enerji Dağıtım”</b> ) (**)	100%	Distribution of gaseous fuels through the main grid, distribution of electrical energy and other	Türkiye
ZGP Pakistan (Private) Ltd. ( <b>“ZGP Pakistan”</b> ) (**)	99.70%	Electricity generation and others	Pakistan
Zorlu Enerji Pakistan Ltd. ( <b>“Zorlu Enerji Pakistan”</b> )	99.99%	Electricity generation and others	Pakistan
Zorlu Enerji İsrail Ltd. ( <b>“Zorlu Enerji İsrail”</b> )	100%	Electricity generation and others	Israel
ZJ Strong Energy for Renewable Energy Limited Co. ( <b>“ZJ Strong”</b> )	75%	Electricity generation and others	Palestine
Zador Israel Ltd. ( <b>“Zador”</b> )	100%	Electricity generation and others	Israel

(\*) The new commercial title of Electrip Araç Kiralama Ticaret A.Ş. was amended and registered as “Eway Araç Kiralama Ticaret A.Ş.” on 9 February 2023. (\*\*) The new commercial title of “Zorlu Wind Pakistan (Private) Ltd.” incorporated in Pakistan was amended and registered as “ZGP Pakistan (Private) Ltd.”. (\*\*\*) The sales and share transfer of all the shares of the Company in its 100% subsidiary Zorlu Enerji Dağıtım to Gaztrak Enerji A.Ş., a 100% subsidiary of Palmet Enerji A.Ş., have been completed. Following the fulfillment of the conditions required by TFRS 5, the assets and liabilities of this subsidiary have been re-classified as “non-current assets classified for sale” and “Liabilities related to asset groups classified for sale”, respectively. (\*\*\*\*) An application was filed before the CMB on 22 February 2024 for the approval of the Prospectus regarding the public offering of some shares of Zorlu Yenilenebilir.





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 (“ <b>OEPSAŞ</b> ”)	100% Zorlu Osmangazi	Retail Electricity Sales	Türkiye
Osmangazi Elektrik Dağıtım A.Ş. (“ <b>OEDAŞ</b> ”)	100% Zorlu Osmangazi	Electricity Distribution	Türkiye
Zorlu Doğal Elektrik Üretimi A.Ş. (“ <b>Zorlu Doğal</b> ”)	100% Zorlu Yenilenebilir	Electricity generation and others	Türkiye
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ (“ <b>Zorlu Jeotermal</b> ”)	100% Zorlu Yenilenebilir	Electricity generation and others	Türkiye
Rotor Elektrik Üretim AŞ (“ <b>Rotor</b> ”)	100% Zorlu Yenilenebilir	Electricity generation and others	Türkiye
Zorlu Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret AŞ (“ <b>Zorlu Elektrik</b> ”) (*)	100% Zorlu Yenilenebilir	Wholesale buying and selling of electrical energy and/or capacity and other	Türkiye
Nemrut Jeotermal Elektrik Üretimi AŞ (“ <b>Nemrut Jeotermal</b> ”) (*)	100% Zorlu Yenilenebilir	Electricity generation and others	Türkiye
Trakya Bölgesi Doğal Gaz Dağıtım AŞ (“ <b>Trakya</b> ”) (***)	90% Zorlu Enerji Dağıtım	Distribution of gaseous fuels through the main grid and other	Türkiye
Gazdaş Gaziantep Doğal Gaz Dağıtım AŞ (“ <b>Gazdaş</b> ”) (***)	90% Zorlu Enerji Dağıtım	Distribution of gaseous fuels through the main grid and other	Türkiye
Zorlu Doğal Gaz Tedarik Ticaret AŞ (“ <b>Zorlu Doğal Gaz Tedarik</b> ”) (***)	100% Zorlu Enerji Dağıtım	Wholesale of gaseous fuels and related products and other	Türkiye
Zorlu Renewable Pakistan (Private) Limited (“ <b>Zorlu Renewable Pakistan</b> ”)	99.70% ZGP Pakistan	Electricity generation and others	Pakistan
Zorlu Sun Power (Private) Limited (“ <b>Zorlu Sun Power Pakistan</b> ”)	99.70% ZGP Pakistan	Electricity generation and others	Pakistan
Zorlu Industrial Pakistan (Private) Limited (“ <b>Zorlu Industrial Pakistan</b> ”)	99.99% ZGP Pakistan	Engineering and consultancy activities for energy projects and other	Pakistan
Zorlu O&M Pakistan Limited (“ <b>Zorlu O&amp;M Pakistan</b> ”)	99.99% ZGP Pakistan	Operation and maintenance activities for energy projects and other	Pakistan
Zorlu Solar Pakistan Limited (“ <b>Zorlu Solar Pakistan</b> ”) (**)	99.70% ZGP Pakistan	Charging station maintenance, repair, installation, sale and other	Pakistan

(\*) By virtue of the special situation disclosure dated 29 September 2023, the shares of Nemrut Jeotermal and Zorlu Elektrik in the company’s assets were transferred to Zorlu Yenilenebilir at their nominal values, in accordance with the relevant legislation, in order to establish a more effective and focused structure in renewable energy operations and to evaluate the public offering of the shares of Zorlu Yenilenebilir, a 100% subsidiary of the Company.

(\*\*) By virtue of the special situation disclosure dated 26 July 2023, transactions regarding the transfer of 997 shares representing 99.7% of Zorlu Solar Pakistan Limited’s capital to ZGP Pakistan (Private) Limited (formerly known as Zorlu Wind Pakistan (Private) Limited) have been completed.

(\*\*\*) It was decided to sell Zorlu Enerji Dağıtım, together with its subsidiaries Trakya, Gazdaş and Zorlu Doğal Gaz Tedarik, to Palmet Enerji A.Ş. accordingly the transactions with regard to the sale of Zorlu Enerji Dağıtım, together with its subsidiaries, to Gaztrak Enerji A.Ş., a 100% subsidiary of Palmet Enerji A.Ş., was completed as of 12 March 2024.

### 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 01.01.2023 - 31.12.2023.

### 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 2023 in accordance with the Capital Market Law, the Turkish Commercial Code and the related legislation in the Ordinary General Assembly Meeting held on 30 May 2023.

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, was initiated against the Company throughout the period between 01.01.2023 - 31.12.2023.

### 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 30 May 2023 have been implemented.

### Donations and Social Responsibility Projects

In line with the Company’s Donation and Charity Policy, total amount of the donations and allowances extended in 2023, including the inflation effect, is 33,359 thousand TRY.

### 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 2023 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 2023 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 2023 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 PAPERS

ISIN Code	Date of Issue	Term (Days)	Maturity (Date)	Nominal Value (TRY)	Type of Interest	Interest Rate	Coupon Payment
TRSZORN22412	13.01.2023	384	1.02.2024	162,880,000	Floating Rate	40.00% annual fixed rate for the first coupon payment, the greater of 40.00% annual fixed rate and 2-year benchmark bond yield + 4.5% for other coupon payments	Monthly
TRSZORN32411	2.02.2023	399	7.03.2024	118,820,000	Floating Rate	39.00% annual fixed rate for the first coupon payment, the greater of 39.00% annual fixed rate and 2-year benchmark bond yield + 4.50% for other coupon payments	Quarterly
TRSZORN32429	17.02.2023	384	7.03.2024	124,450,000	Floating Rate	40.00% annual fixed rate for the first coupon payment, the greater of 40.00% annual fixed rate and 2-year benchmark bond yield + 4.5% for other coupon payments	Monthly
TRSZORN42410	16.03.2023	385	4.04.2024	74,310,000	Floating Rate	40.00% annual fixed rate for the first coupon payment, the greater of 40.00% annual fixed rate and 2-year benchmark bond yield + 4.5% for other coupon payments	Monthly
TRSZORN52419	19.04.2023	393	16.05.2024	41,700,000	Floating Rate	42.00% annual fixed rate for the first coupon payment, the greater of 42.00% annual fixed rate and TLREF + 10% (the change in the BIST TLREF + 1000 basis points additional return) for other coupon payments	Monthly
TRSZORN62418	18.05.2023	392	13.06.2024	33,250,000	Floating Rate	48.00% annual fixed rate for the first coupon payment, the greater of 48.00% annual fixed rate and TLREF + 10% (the change in the BIST TLREF + 1000 basis points additional return) for other coupon payments	Monthly
TRSZORN72417	15.06.2023	392	11.07.2024	35,750,000	Floating Rate	50.00% annual fixed rate for the first coupon payment, the greater of 50.00% annual fixed rate and TLREF + 10% (the change in the BIST TLREF + 1000 basis points additional return) for other coupon payments	Monthly
TRSZORN72425	7.07.2023	370	11.07.2024	55,590,000	Floating Rate	50.00% annual fixed rate for the first coupon payment, the greater of 50.00% annual fixed rate and TLREF + 10% (the change in the BIST TLREF + 1000 basis points additional return) for other coupon payments	Monthly
TRSZORN82416	27.07.2023	399	29.08.2024	230,000,000	Floating Rate	48.00% annual fixed rate for the first coupon payment, the greater of 48.00% annual fixed rate and TLREF + 10% (the change in the BIST TLREF + 1000 basis points additional return) for other coupon payments	Monthly
TRFZORN22419	10.08.2023	175	1.02.2024	70,000,000	Fixed	Fixed-rate coupon bearing commercial bill 39%	Single coupon payment at redemption

ISIN Code	Date of Issue	Term (Days)	Maturity (Date)	Nominal Value (TRY)	Type of Interest	Interest Rate	Coupon Payment
TRSZORN92415	10.08.2023	399	12.09.2024	180,350,000	Floating Rate	45.00% annual fixed rate for the first coupon payment, the greater of 45.00% annual fixed rate and TLREF + 10% (the change in the BIST TLREF + 1000 basis points additional return) for other coupon payments	Quarterly
TRSZOR-NE2429	7.09.2023	392	3.10.2024	150,000,000	Floating Rate	48.00% annual fixed rate for the first coupon payment, the greater of 48.00% annual fixed rate and TLREF + 5% (the change in the BIST TLREF + 500 basis points additional return) for other coupon payments	Quarterly
TRSZORNE2411	7.09.2023	392	3.10.2024	154,560,000	Floating Rate	47.00% annual fixed rate for the first coupon payment, the greater of 47.00% annual fixed rate and TLREF + 5% (the change in the BIST TLREF + 500 basis points additional return) for other coupon payments	Quarterly
TRSZORNE2437	25.09.2023	395	24.10.2024	100,000,000	Floating Rate	51.00% annual fixed rate for the first coupon payment, the greater of 51.00% annual fixed rate and TLREF + 6% (the change in the BIST TLREF + 600 basis points additional return) for other coupon payments	Quarterly
TRSZORNE2445	27.09.2023	393	24.10.2024	230,820,000	Floating Rate	50.00% annual fixed rate for the first coupon payment, the greater of 50.00% annual fixed rate and TLREF + 5% (the change in the BIST TLREF + 500 basis points additional return) for other coupon payments	Quarterly
TRSZORNK2413	26.10.2023	385	14.11.2024	114,270,000	Floating Rate	49.00% annual fixed rate for the first coupon payment, the greater of 49.00% annual fixed rate and TLREF + 5% (the change in the BIST TLREF + 500 basis points additional return) for other coupon payments	Quarterly
TRSZORNK2421	9.11.2023	371	14.11.2024	100,770,000	Floating Rate	49.50% annual fixed rate for the first coupon payment, the greater of 49.50% annual fixed rate and TLREF + 5% (the change in the BIST TLREF + 500 basis points additional return) for other coupon payments	Quarterly
TRFZORN42417	9.11.2023	147	4.04.2024	78,250,000	Fixed	Fixed-rate commercial bill 46%	Single coupon payment at redemption
TRFZORN62415	9.11.2023	217	13.06.2024	100,000,000	Fixed	Fixed-rate commercial bill 49.75%	Single coupon payment at redemption
TRSZORN12512	14.12.2023	399	16.01.2025	141,850,000	Floating Rate	49.00% annual fixed rate for the first coupon payment, the greater of 49.00% annual fixed rate and TLREF + 4% (the change in the BIST TLREF + 400 basis points additional return) for other coupon payments	Monthly
TRFZORN52416	14.12.2023	154	16.05.2024	66,440,000	Fixed	Fixed-rate commercial bill 48%	Single coupon payment at redemption
TRSZORN22511	21.12.2023	426	19.02.2025	125,000,000	Floating Rate	49.00% annual fixed rate for the first coupon payment, the greater of 49.00% annual fixed rate and TLREF + 4% (the change in the BIST TLREF + 400 basis points additional return) for other coupon payments	Monthly

\*TLREF; Turkish Lira Overnight Reference Interest Rate

A bond (Eurobond) worth USD 300,000,000 was issued on 1 June 2021, by Zorlu Enerji’s wholly-owned subsidiary Zorlu Enerji, to qualified investors abroad. There will be two separate principal payments for this bond with a 5-year maturity and 9% coupon payment every 6 months: USD 37,500,000 will be paid on 03.06.2024; 37,500,000 USD will be paid on 02.06.2025, and the remaining USD 225,000,000 will be redeemed at maturity on 01.06.2026. 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 Directors.

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 2022 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 2022 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 2023 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 2023.

RISKS AND THE ASSESSMENTS OF THE BOARD OF DIRECTORS

RISK MANAGEMENT

Corporate risk management in Zorlu Enerji Group Companies is undertaken in a centrally coordinated structure within Zorlu Holding, as in Zorlu Group Companies.

“Enterprise Risk Management Policy”, in which the Group emphasizes the importance it attaches to Enterprise Risk Management, along with the objectives, duties and authorities of the Enterprise Risk Management Department, its working methods, and the duties of all employees, particularly the Group’s executives in this regard are regulated in the “Enterprise Risk Management Regulation” and the relevant documents are published on company portals.

As of 2023 Zorlu Holding Enterprise Risk Management Department pursues its activities with the aim of early detection of risks that may endanger the existence, development and continuity of Zorlu Enerji Group companies, the implementation of necessary precautions regarding the detected risks and management of risks centrally with a Deputy General Manager reporting to the Holding’s General Directorate of Internal Control and 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.

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 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.

Enterprise Risk Management is a systematic set of processes that aim to add value to the company and its stakeholders which applies to the management and all employees of the companies starting from the Zorlu Enerji Group Board of Directors, works in integration with the strategic planning process, and ensures that the risks that prevent the company from achieving its short and long-term strategic goals are identified, measured and managed within the risk tolerances determined by the management.

The discipline provided by the Enterprise Risk Management contributes to ensuring the continuity in increasingly complex organizations and tasks that become gradually more difficult day by day and to the establishment of safer decision-making mechanisms by supporting sustainability, better corporate management, more effective and efficient resource use, proactive management and evaluation of opportunities in the management of risks that increase and change in structure with the changing world.

The Enterprise Risk Management Model adopted in Zorlu Enerji Group companies is summarized below.







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 risks.
- **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.

Zorlu Enerji’s Early Detection of Risk Committee was established pursuant to 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 which could jeopardize the existence, development and continuity of the Company, implementation of necessary measures against 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. The Early Detection of Risk Committee convened 6 times in 2023 to ensure adequate oversight of corporate risk management processes. The resolutions taken as a result of the Committee’s investigations were presented to the Board of Directors.

The Committee prepared the following reports in this period:

- Zorlu Enerji Group Risk Assessment Survey Results 2022
- Economic and Social Effects of the Earthquake in Türkiye
- Industry 4.0 and Zorlu Enerji i
- Enterprise Risk Management Roadmap
- Enterprise Risk Management Policy and Procedure
- Developments in Business Continuity Management

Apart from the above-mentioned actions, taking out insurance policies is also widely used as a risk transfer mechanism. The list of major insurance policies taken out is given below.

Major Insurance Policies Taken Out

1. Fire, Machinery Breakdown and Loss of Profit
2. Employer’s Liability
3. Directors and Officers (D&O) Liability
4. Professional Indemnity
5. Third Party Liability
6. Product Liability
7. Marine/Cargo
8. Fidelity Guarantee, Cash in Transit and Cash in Safe
9. Hazardous Goods
10. Personal Accident
11. Construction/Installation Policy

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 July 1, 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.

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. Zorlu Group supports and encourages the professional development of the Zorlu Group Internal Audit Team, which consists of 9 people, as they seek to advance their knowledge, skills and competencies through further training, become a member of relevant organizations (such as the Institute of Internal Auditors, Turkey – IIA Turkey), and obtain international certification. The team holds 3 CFEs (Certified Fraud Examiner License) and 1 CRMA (Certification in Risk Management Assurance) License, 1 CPA (Independent Accountant and Financial Advisor), 1 CMB Level 3 and 1 CMB Derivative Instruments License.

Financial Audit and Tax Audits

The Financial Audit and Tax Audit Departments have been carrying out their activities at Zorlu Group companies since 2012. Currently, a team of 11 people, 7 and 4 people respectively, is carrying out inspection work in these departments. These departments ensure 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), while the Tax Audit Team includes 3 CPAs.





Organizational Structure and Operations of General Directorate of Internal Control and Enterprise Risk Management

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 compa-nies.

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.

The mission of the Internal Control Department is to establish and sustain an internal control system to ensure efficient, effective, integrated and consistent risk management at Group companies in line with the pre-set targets, and to share, disseminate and promote “best practices” across companies.

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 with regard to 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 system and implementing 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 Board of Directors for their information and approval.

During periodical meetings between the Internal Control Department and the management, internal control activities planned and realized within the year are evaluated, findings are disclosed, action plans based on the findings and follow-up results are shared and plans for the upcoming period are reviewed.

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).

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 Governan-ce 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.

For the reporting period which ended on 31 December 2023, the compliance with the Corporate Governance Principles which are appended to the Commu-niqué on Corporate Governance and the explanations with regard to the principles that have not yet been complied with are included in the Corporate Gover-nance 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.

Statement of Compliance with Corporate Governance Principles

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 into any transaction that would complicate the conduct of special audit.	x					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the 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 2023.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, 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 the 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 withholds 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.





	YES	PARTLY	NO	EXEMPTED	NOT RELEVANT	DESCRIPTION
<b>1.5. MINORITY RIGHTS</b>						
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.
<b>1.6. DIVIDEND RIGHT</b>						
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					
<b>1.7. TRANSFER OF SHARES</b>						
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.
<b>2.1. CORPORATE WEBSITE</b>						
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					
<b>2.2 ANNUAL REPORT</b>						
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					

	YES	PARTLY	NO	EXEMPTED	NOT RELEVANT	DESCRIPTION
<b>3.1. COMPANY POLICY ON STAKEHOLDERS</b>						
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					
<b>3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S GOVERNANCE</b>						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
<b>3.3. HUMAN RESOURCES POLICY</b>						
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					





	YES	PARTLY	NO	EXEMPTED	NOT RELEVANT	DESCRIPTION
3.3.4 - Meetings have been organized to inform employees on 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					
3.3.7 - Measures (procedures, trainings, raising awareness, 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					
<b>3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>						
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					
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>						
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					

	YES	PARTLY	NO	EXEMPTED	NOT RELEVANT	DESCRIPTION
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>						
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					
<b>4.2. ACTIVITIES OF THE BOARD OF DIRECTORS</b>						
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					
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.						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.
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>						
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					
<b>4.4. BOARD MEETING PROCEDURES</b>						
4.4.1 - Each board member attended the majority 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.





	YES	PARTLY	NO	EXEMPTED	NOT RELEVANT	DESCRIPTION
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 rulesdefining 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					
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.
<b>4.5. BOARD COMMITTEES</b>						
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	The committees did not obtain any external consultancy services in 2023.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
<b>4.6. FINANCIAL RIGHTS PROVIDED TO MEMBERS OF THE BOARD OF DIRECTORS AND MANAGERS WITH ADMINISTRATIVE RESPONSIBILITIES</b>						
4.6.1 - The Board of Directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			A system for the Board of Directors' performance evaluation is being developed and preparations are being made accordingly. Accordingly, it is planned to start implementation after the performance evaluation method, frequency and scope are determined.
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 favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			In line with the general practice, remuneration of the Board members and senior executives is disclosed collectively in the annual report. Considering the legislation on the protection of personal data, the Company will continue to monitor the general practice with respect to disclosure on an individual basis.

## Corporate Governance Notification Form

### 1. Shareholders

<b>1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS</b>	
The number of investor meetings (conference, seminar/ etc.) organized by the company during the year	Throughout the year, a total of 15 meetings were held with investors via phone, video conference and face to face, and attendance was ensured in 1 investor conference organized by intermediary institutions.
<b>1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION</b>	
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
<b>1.3. GENERAL ASSEMBLY</b>	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	<a href="https://www.kap.org.tr/Bildirim/1146915">https://www.kap.org.tr/Bildirim/1146915</a>
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 2023.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	There was no transaction carried out within the scope of Article 9 in 2023.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	<a href="https://www.kap.org.tr/Bildirim/1210731">https://www.kap.org.tr/Bildirim/1210731</a>
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	<a href="https://www.kap.org.tr/Bildirim/206950">https://www.kap.org.tr/Bildirim/206950</a>
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.
<b>1.4. VOTING RIGHTS</b>	
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 shares.	None
The equity share of the largest shareholder	32.31%
<b>1.5. MINORITY RIGHTS</b>	
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 / Donation and Charity 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: 2023/30 dated: 03.05.2023: "Concerning the Company's 2022 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 2022 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	<a href="https://www.kap.org.tr/tr/Bildirim/1154797">https://www.kap.org.tr/tr/Bildirim/1154797</a>

General Assembly Meetings

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
					Investor	Investor			
					Relations /	Relations /			<a href="https://www.kap.org.tr/tr/Bildirim/1154797">https://www.kap.org.tr/tr/Bildirim/1154797</a>
30 May 2023	None	59.7720%	0.0126%	59.7594%	Corporate	Corporate	None	None	
					Governance /	Governance /			
					General Assembly	General Assembly			
					Meetings	Meetings			

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 it purchases 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.





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	5
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. In this context, Talent Management, Critical Roles and Succession Plan are executed for all white-collar employees with the support of a consultancy firm.
The name of the section on the corporate website that 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 that 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	1
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 that 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	Chairman: Ahmet Nazif Zorlu Vice Chairman: Bekir Ağırdir  Board Members: Selen Zorlu Melik, Ömer Yüngül, Bekir Cem Köksal, Cem Mengi, Ayşegül İldeniz.  Pursuant to the Board of Directors' resolution No. 2021/22 and dated 27 April 2021, Ahmet Nazif Zorlu and Selen Zorlu Melik are authorized to represent and bind the Company in every matter and in the broadest sense with their individual signatures placed under the company title and/or company stamp
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	3
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	<a href="https://www.kap.org.tr/tr/Bildirim/1168898">https://www.kap.org.tr/tr/Bildirim/1168898</a>  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	Sayı: 2 Oran: %29





## Composition of Board of Directors

NAME, SURNAME OF BOARD MEMBER	WHETHER AN EXECUTIVE ROLE IS ASSUMED	WHETHER S/HIS IS AN INDEPENDENT DIRECTOR OR NOT	DATE OF FIRST APPOINTMENT TO THE BOARD	LINK TO PDP 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	No Executive Role	Not an Independent Member	17.05.2017				
Bekir Ağırdir	No Executive Role	Independent Member	08.05.2018	<a href="https://www.kap.org.tr/tr/Bildirim/1146915">https://www.kap.org.tr/tr/Bildirim/1146915</a>	Evaluated	No	Yes
Selen Zorlu Melik	No Executive Role	Not an Independent Member	10.05.2001				
Ömer Yüngül	Executive Member	Not an Independent Member	30.05.2023				
Ayşegül İlideniz	No Executive Role	Independent Member	08.05.2018	<a href="https://www.kap.org.tr/tr/Bildirim/1146915">https://www.kap.org.tr/tr/Bildirim/1146915</a>	Evaluated	No	
Cem Mengi	No Executive Role	Independent Member	27.04.2021	<a href="https://www.kap.org.tr/tr/Bildirim/1146915">https://www.kap.org.tr/tr/Bildirim/1146915</a>	Evaluated	No	Yes
Bekir Cem Köksal	Yes	Not an Independent Member	04.06.2012				

## 4. 4. Board of Directors - II

4.4. MEETING PROCEDURES OF THE BOARD OF DIRECTORS	
Number of physical board meetings in the reporting period (meetings in person)	The Board of Directors convened in-person and online simultaneously in 2023 where physical attendance was optional. A total of 10 hybrid meetings were held during the year.
Average attendance rate at board meetings	85%
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	<a href="https://www.kap.org.tr/tr/Bildirim/220219">https://www.kap.org.tr/tr/Bildirim/220219</a> <a href="https://www.kap.org.tr/tr/Bildirim/261183">https://www.kap.org.tr/tr/Bildirim/261183</a> <a href="https://www.kap.org.tr/tr/Bildirim/350849">https://www.kap.org.tr/tr/Bildirim/350849</a> <a href="https://www.kap.org.tr/tr/Bildirim/350850">https://www.kap.org.tr/tr/Bildirim/350850</a> <a href="https://www.kap.org.tr/tr/Bildirim/350851">https://www.kap.org.tr/tr/Bildirim/350851</a>

## Board Committees – I

NAMES OF THE BOARD COMMITTEES	NAME OF COMMITTEES DEFINED AS “OTHER” IN THE FIRST COLUMN	NAME-SURNAME OF COMMITTEE MEMBERS	WHETHER COMMITTEE CHAIR OR NOT	WHETHER BOARD MEMBER OR NOT
Audit Committee	-	Cem Mengi	Yes	Board Member
Audit Committee	-	Bekir Ağırdir	No	Board Member
Corporate Governance Committee	-	Ayşegül İlideniz	Yes	Board Member
Corporate Governance Committee	-	Cem Mengi	No	Board Member
Corporate Governance Committee	-	Başak Dalga	No	Not a Board Member
Early Risk Detection Committee	-	Bekir Ağırdir	Yes	Board Member
Early Risk Detection Committee	-	Cem Mengi	No	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 2023 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 / Donation and Charity 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.



Board Committees – II

NAMES OF THE BOARD COMMITTEES	NAME OF COMMITTEES DEFINED 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%	6	5
Corporate Governance Committee	-	67%	33%	4	2
Early Risk Detection Committee	-	100%	50%	6	6

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 to 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 persons 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 Mr. Bekir Ağırdir and 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.

- Any and 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.

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 the 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 taken into account 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. Bekir Ağırdir.

The structure of the Committee and membership information are as follows as per the decision taken in the Company’s Board meeting on 30 May 2023:		
Committee Members	Role	Status
Cem Mengi	Committee Chairman	Independent Board Member
Bekir Ağırdir	Committee Member	Independent Board Member

- It is essential that the Audit Committee convene at least 4 times a year including at least once every three months. The Committee convened 6 times in 2023. 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 2023 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 Directors.
- 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 the 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. Ayşegül İldeniz 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 30 May 2023:		
Committee Members	Role	Status
Ayşegül İldeniz	Committee Chairman	Independent Board Member
Cem Mengi	Committee Member	Independent Board Member
Başak Dalga	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 4 times in 2023.



The activities carried out by the Committee in 2023 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. Il-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 2023, taking into account the degree of achievement of the criteria used in remuneration.

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. Il-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.

The structure of the Committee and membership information are as follows as per the decision taken in the Company's Board meeting on 30 May 2023:

Committee Members	Role	Status
Bekir Ağırdir	Committee Chairman	Independent Board Member
Cem Mengi	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 2023 and submitted 6 risk reports to the Board of Directors.

The activities carried out by the Committee in 2023 in line with its detailed and written working principles are as follows:

- Risks have been identified and defined throughout the group.
- High-level risk assessment was performed, and an inventory of risks that are critical to the Company in strategic, financial and operational areas was drawn up.
- Risks are classified according to the following criteria in the risk map where they are.

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. Said reports are as follows:

- Zorlu Enerji Group Risk Assessment Survey Results 2022
- Economic and Social Effects of the Earthquake in Türkiye
- Industry 4.0 and Zorlu Enerji Enterprise
- Risk Management Roadmap
- Enterprise Risk Management Policy and Procedure
- Developments in Business Continuity Management

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 30 May2023, the Board of Directors resolved to:

- Appoint Mrs. Ayşegül İldeniz as the Chairman of the Corporate Governance Committee and Independent Board Member Mr. Cem Mengi, and Investor Relations Manager Ms. Başak Dalga as Committee members,
- Appoint Independent Board Member Mr. Cem Mengi as the Chairman of the Audit Committee and Independent Board Member Mr. Bekir Ağırdir as Committee members,
- Appoint Independent Board Member Mr. Bekir Ağırdir as the Chairman of the Early Detection of the Risk Committee and Independent Board Member Mr. Cem Mengi as 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. Il-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 2023, the Board Committees performed their duties and responsibilities as required in the Corporate Governance Principles and their own Working Principles and operated effectively.

In 2023, 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 2 times,
- 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 six 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 2023, 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.





## Statement of Independence

03 May 2023

## STATEMENT OF INDEPENDENCE

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,

I have not served as a member of the Board of Directors for more than six years at Zorlu Enerji Elektrik Uretim AS (and Zorlu Enerji Elektrik Uretim AS’s group companies) within the last ten years, and I have not held an executive Board of Directors position at these companies within the last five years, in addition to which,

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.

Aysegul İLDENİZ

## Statement of Independence

03 May 2023

## STATEMENT OF INDEPENDENCE

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,

I have not served as a member of the Board of Directors for more than six years at Zorlu Enerji Elektrik Uretim AS (and Zorlu Enerji Elektrik Uretim AS’s group companies) within the last ten years, and I have not held an executive Board of Directors position at these companies within the last five years, in addition to which,

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.

Bekir AGIRDİR

03 May 2023





## Statement of Independence

03 May 2023

## STATEMENT OF INDEPENDENCE

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,

I have not served as a member of the Board of Directors for more than six years at Zorlu Enerji Elektrik Uretim AS (and Zorlu Enerji Elektrik Uretim AS’s group companies) within the last ten years, and I have not held an executive Board of Directors position at these companies within the last five years, in addition to which,

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 established, 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 than 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.

**Cem MENGİ**

## [FINANCIAL STATEMENTS]

**ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ  
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023  
TOGETHER WITH INDEPENDENT AUDITOR’S REPORT  
(CONVENIENCE TRANSLATION OF THE REPORT AND  
THE CONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH)**







## CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH TO ENGLISH

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

KARAR TARİHİ : 02.04.2024  
KARAR NO : 2024/14  
YÖNETİM KURULU ÜYELERİ : Ahmet Nazif Zorlu  
Bekir Ağırdir  
Selen Zorlu Melik  
Ömer Yüngül  
Bekir Cem Köksal  
Cem Mengi  
Ayşegül İldeniz

GÜNDEM : Yıllık Faaliyet Raporunun görüşülerek karar alınması

KARAR : Zorlu Enerji Elektrik Üretim A.Ş. Yönetim Kurulu aşağıdaki kararı almıştır:

Şirketimizin, 01.01.2023 - 31.12.2023 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 Tebliği'ne uyumlu olarak hazırlanan, bağımsız denetimden geçmiş faaliyet raporunun, anılan Tebliğ ve ilgili mevzuat hükümlerine uygun olarak hazırlandığının, 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

Bekir Ağırdir  
Yönetim Kurulu Başkan Vekili

Selen Zorlu Melik  
Yönetim Kurulu Üyesi

Ömer Yüngül  
Yönetim Kurulu Üyesi

Bekir Cem Köksal  
Yönetim Kurulu Üyesi

Cem Mengi  
Yönetim Kurulu Üyesi

Ayşegül İldeniz  
Yönetim Kurulu Üyesi



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

## 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

### A) Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Zorlu Enerji Elektrik Üretim Anonim Şirketi ("the Company") and its subsidiaries (together will be referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss and 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 significant 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 2023, 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 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 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.





## CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH TO ENGLISH

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)



### Yönetim Kurulunun Yıllık Faaliyet Raporuna İlişkin Sorumluluğu

Grup yönetimi, 6102 sayılı Türk Ticaret Kanununun ("TTK") 514 ve 516 ncı maddelerine ve Sermaye Piyasası Kurulu'nun II-14.1 No'lu "Sermaye Piyasasında Finansal Raporlamaya İlişkin Esaslar Tebliği" ("Tebliğ") hükümlerine göre yıllık faaliyet raporuyla ilgili olarak aşağıdakilerden sorumludur:

- Yıllık faaliyet raporunu bilanço gününü izleyen ilk üç ay içinde hazırlar ve genel kurula sunar.
  - Yıllık faaliyet raporunu; Grup'un o yıla ait faaliyetlerinin akışı ile her yönüyle konsolide finansal durumunu doğru, eksiksiz, dolambaçsız, gerçeğe uygun ve dürüst bir şekilde yansıttak şekilde hazırlar. Bu raporda finansal durum, konsolide finansal tablolara göre değerlendirilir. Raporda ayrıca, Grup'un gelişmesine ve karşılaşması muhtemel risklere de açıkça işaret olunur. Bu konulara ilişkin yönetim kurulunun değerlendirmesi de raporda yer alır.
  - Faaliyet raporu ayrıca aşağıdaki hususları da içerir:
    - Faaliyet yılının sona ermesinden sonra Grup'ta meydana gelen ve özel önem taşıyan olaylar,
    - Grup'un araştırma ve geliştirme çalışmaları,
    - Yönetim kurulu üyeleri ile üst düzey yöneticilere ödenen ücret, prim, ikramiye gibi mali menfaatler, ödenekler, yolculuk, konaklama ve temsil giderleri, aynı ve nakdî imkânlar, sigortalar ve benzeri teminatlar.
- Yönetim kurulu, faaliyet raporunu hazırlarken Ticaret Bakanlığının ve ilgili kurumların yaptığı ikincil mevzuat düzenlemelerini de dikkate alır.

### Bağımsız Denetçinin Yıllık Faaliyet Raporunun Bağımsız Denetimine İlişkin Sorumluluğu

Amacımız, TTK hükümleri ve Tebliğ çerçevesinde yıllık faaliyet raporu içinde yer alan konsolide finansal bilgiler ile Yönetim Kurulunun Grup'un durumu hakkında denetlenen finansal tablolarda yer alan bilgileri kullanarak yaptığı irdelemelerin, Grup'un denetlenen konsolide finansal tablolarıyla ve bağımsız denetim sırasında elde ettiğimiz bilgilerle tutarlı olup olmadığı ve gerçeği yansıttıp yansıtmadığı hakkında görüş vermek ve bu görüşümüzü içeren bir rapor düzenlemektir.

Yaptığımız bağımsız denetim, SPK tarafından yayımlanan bağımsız denetim standartlarına ve BDS'lere uygun olarak yürütülmüştür. Bu standartlar, etik hükümlere uygunluk sağlanması ile bağımsız denetimin, faaliyet raporunda yer alan konsolide finansal bilgiler ve Yönetim Kurulunun Grup'un durumu hakkında denetlenen finansal tablolarda yer alan bilgileri kullanarak yaptığı irdelemelerin konsolide finansal tablolarla ve denetim sırasında elde edilen bilgilerle tutarlı olup olmadığına ve gerçeği yansıttıp yansıtmadığına dair makul güvence elde etmek üzere planlanarak yürütülmesini gerektirir.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Şirin Soysal, SMMM  
Sorumlu Denetçi  
3 Nisan 2024  
İstanbul, Türkiye

## CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH TO ENGLISH

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

### SERMAYE PİYASASI KURULU'NUN II-14.1 SAYILI SERMAYE PİYASASINDA FİNANSAL RAPORLAMAYA İLİŞKİN ESASLAR TEBLİĞİ'NİN 9. MADDESİ GEREĞİNCE HAZIRLANAN SORUMLULUK BEYANI

FAALİYET RAPORUNUN KABULÜNE İLİŞKİN YÖNETİM KURULU'NUN

KARAR TARİHİ: 02.04.2024

KARAR SAYISI: 2024/14

Şirketimizce hazırlanan ve KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. tarafından bağımsız denetime tabi tutulan 2023 yılına ait, Türk Ticaret Kanunu ve Sermaye Piyasası Kurulu'nun (SPK) II-14.1 sayılı "Sermaye Piyasasında Finansal Raporlamaya İlişkin Esaslar Tebliği"ne ("Tebliğ") uyumlu olarak hazırlanan faaliyet raporunun, SPK düzenlemeleri doğrultusunda;

• Tarafımızca incelendiğini,

• Şirketimizdeki görev ve sorumluluk alanımızda sahip olduğumuz bilgiler çerçevesinde, önemli konularda gerçeğe aykırı bir açıklama veya açıklamanın yapıldığı tarih itibarıyla yanıltıcı olması sonucunu doğurabilecek herhangi bir eksiklik içermediğini,

• Şirketimizdeki görev ve sorumluluk alanımızda sahip olduğumuz bilgiler çerçevesinde, Tebliğ uyarınca hazırlanmış Faaliyet Raporu'nun işin gelişimi ve performansını ve konsolidasyon kapsamındakiyle birlikte, işletmenin finansal durumunu, karşı karşıya olunan önemli risk ve belirsizliklerle birlikte, dürüstçe yansıttığını beyan ederiz.

Saygılarımızla,

Denetim Komitesi Başkanı

Cem Mengi

Denetim Komitesi Üyesi

Bekir Ağırır

Finansal Raporlamadan Sorumlu Yönetici

Elif Yener





CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR’S REPORT ORIGINALLY  
PREPARED AND ISSUED IN TURKISH TO ENGLISH

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)



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
<p>The Group has recognized deferred tax asset for unused tax losses amounting to TL 3,536,826 thousand as at 31 December 2023.</p> <p>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 utilised. Thus, significant judgment is required in relation to the recognition and recoverability of deferred tax assets.</p> <p>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.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"><li>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;</li><li>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.</li><li>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;</li><li>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.</li></ul>

CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR’S REPORT ORIGINALLY  
PREPARED AND ISSUED IN TURKISH TO ENGLISH

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)



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
<p>As of 31 December 2023, the Group used its investment loans and its Eurobond amounting to USD 549,077 thousand as a hedging instrument 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.</p> <p>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.</p>	<p>We have performed the following audit procedures to be responsive to this area:</p> <ul style="list-style-type: none"><li>Documentation and appropriateness of hedging relationships of cash flow hedge transactions have been identified,</li><li>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,</li><li>Involving specialists to assist in evaluating the appropriateness of hedging models, and</li><li>Assessing the adequacy and appropriateness of disclosures in the consolidated financial statements, regarding the hedge accounting.</li></ul>





CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR’S REPORT ORIGINALLY  
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(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)



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
<p>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 2023, a revaluation increases in property, plant and equipment amounting to TL 38,218,380 thousand was recognized in the consolidated financial statements.</p> <p>Within the scope of the Group's revaluation model, the values of the property, plant and equipment were determined by independent valuation institutions.</p> <p>“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 2023 and some of the inputs and calculations used in the valuation are complex and involve significant management estimates and assumptions.</p>	<p>We have performed the following audit procedures to be responsive to this area:</p> <ul style="list-style-type: none"><li>Assessing the competence and independence of independent valuation experts who carry out revaluations of property, plant and equipment,</li><li>Involving valuation specialists to evaluate methods used in revaluations for property, plant and equipment,</li><li>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,</li><li>Assessing the appropriateness and adequacy of disclosures in the consolidated financial statements related to revaluation of property, plant and equipment in accordance with TFRS.</li></ul>

CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR’S REPORT ORIGINALLY  
PREPARED AND ISSUED IN TURKISH TO ENGLISH

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)



*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 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.





## CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR’S REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH TO ENGLISH

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 3 April 2024.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that for the period between 1 January 2023 and 31 December 2023, 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.

3) 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  
3 April 2024  
İstanbul, Türkiye





# ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

## CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023  
TOGETHER WITH INDEPENDENT AUDITORS' REPORT  
(ORIGINALLY ISSUED IN TURKISH)

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## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira (“TL”) with the purchasing power of 31 December 2023 unless otherwise stated.)

		Audited	Audited
ASSETS	Notes	31 December 2023	31 December 2022
<b>Current assets:</b>			
Cash and cash equivalents	4	1,933,759	3,798,939
Financial assets	13	399,069	1,084,769
Trade receivables		5,987,237	11,804,273
- Trade receivables from third parties	7,31	1,234,299	2,018,264
- Trade receivables from related parties	7	4,752,938	9,786,009
Other receivables		1,293,029	2,435,771
- Other receivables from related parties	8,31	1,146,985	2,045,183
- Other receivables from third parties	8	146,044	390,588
Receivables from service concession arrangements	5	1,732,907	1,716,084
Inventories	9	531,364	1,173,957
Prepaid expenses		104,872	104,038
- Prepaid expenses to third parties	11	104,872	104,038
Assets related to current tax	24	-	35,108
Other current assets		854,836	437,764
- Other current assets from related parties	10	854,836	437,764
<b>Subtotal</b>		<b>12,837,073</b>	<b>22,590,703</b>
Non-current Assets Classified for Sale	12	6,990,041	-
<b>Total current assets</b>		<b>19,827,114</b>	<b>22,590,703</b>
<b>Non-current assets:</b>			
Financial assets		1,953	1,953
- Other financial	13	1,953	1,953
Trade receivables		373,110	150,967
- Trade receivables from third parties	7	373,110	150,967
Other receivables		12,355,405	12,270,403
- Other receivables from related parties	8,31	12,039,204	12,007,345
- Other receivables from third parties	8	316,201	263,058
Contract assets		300,740	14,057
- Other contract assets	18	300,740	14,057
Receivables from service concession arrangements	5	7,387,545	11,149,923
Equity accounted investees	14	4,466,538	2,659,471
Property, plant and equipment	16	40,426,936	56,980,220
Right of use assets	15	604,240	610,365
Intangible assets	17	7,661,168	8,819,497
Derivative financial instruments	20	343,657	756,613
Prepaid Expenses		11,076	13,791
- Prepaid Expenses to third parties	11	11,076	13,791
Deferred tax assets	24	4,748,396	1,700,569
Other non-current assets		3,095	25,996
- Other fixed assets related to third parties	10	3,095	25,996
<b>Total non-current assets</b>		<b>78,683,859</b>	<b>95,153,825</b>
<b>Total assets</b>		<b>98,510,973</b>	<b>117,744,528</b>

The accompanying notes form an integral part of these consolidated financial statements.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira (“TL”) with the purchasing power of 31 December 2023 unless otherwise stated.)

		Audited	Audited
LIABILITIES	Notes	31 December 2023	31 December 2022
<b>Current liabilities:</b>			
Short term borrowings		1,657,164	4,483,578
Short term borrowings from third parties		1,657,164	4,483,578
- Bank credits	6	1,225,795	3,555,467
- Issued debt instruments	6	431,369	928,111
Short term portions of long-term borrowings		15,246,576	14,820,293
Long term from third parties			
Short term portions of borrowings		15,246,576	14,820,293
- Bank credits	6	11,452,400	12,506,423
- Issued debt instruments	6	3,669,191	2,130,105
- Debts from lease transactions	6	124,985	183,765
Trade payables		3,880,317	9,488,174
- Trade payables due to third parties	7,31	234,019	134,829
- Trade payables due to related parties	7	3,646,298	9,353,345
Liabilities within the scope of employee benefits		48,931	36,293
Other payables		1,225,398	5,941,929
- Other payables due to third parties	8,31	36,383	1,998,575
- Other payables due to related parties	8	1,189,015	3,943,354
Derivative financial instruments	20	-	29,503
Deferred income		1,881,730	2,111,924
Deferred income from third parties	22	-	1,521,772
Deferred income from related parties	22,31	1,881,730	590,152
Taxes on income	24	106,181	221,257
Short term provisions		73,770	35,444
- Provisions for employee benefits	19	52,415	-
-Other short term provisions	19	21,355	35,444
Other current liabilities		426,390	372,008
- To third-parties			
Other current liabilities	10	426,390	372,008
<b>Subtotal</b>		<b>24,546,457</b>	<b>37,540,403</b>
Liabilities Related to Asset Groups Classified for Sale	12	7,012,617	-
<b>Total current liabilities</b>		<b>31,559,074</b>	<b>37,540,403</b>
<b>Non-current liabilities:</b>			
Long term borrowings		25,590,524	37,328,763
Long term borrowings from third parties			
- Bank credits		25,590,524	37,328,763
- Debts from lease transactions	6	18,116,925	28,686,611
- Issued debt instruments	6	296,680	328,292
Other payables	6	7,176,919	8,313,860
- Other payables due to related parties		11,167	13,241
Long term liabilities	8,31	11,167	13,241
- Provisions for employment benefits		286,418	288,697
- Long term liabilities			
Deferred tax liabilities	19,21	2,591,721	8,052,892
<b>Total non-current liabilities</b>		<b>28,479,830</b>	<b>45,683,593</b>
<b>Total liabilities</b>		<b>60,038,904</b>	<b>83,223,996</b>

The accompanying notes form an integral part of these consolidated financial statements.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

		Audited	Audited
EQUITY	Notes	31 December 2023	31 December 2022
<b>Equity attributable to owners of the Company</b>		<b>38,401,711</b>	<b>34,594,820</b>
Share capital	23	5,000,000	2,500,000
Adjustment to share capital	23	15,960,260	15,580,732
Share premium	23	32,542	9,961
Other comprehensive income/(expenses) not to be reclassified to profit or (loss)		5,272,975	17,135,530
- <i>Revaluation and measurement losses/(gains)</i>			
- <i>Revaluation of property, plant and equipment</i>	16	5,530,795	17,276,109
- <i>Actuarial losses</i>		(257,820)	(140,579)
Legal reserves	20		
Other comprehensive expenses that are or may be reclassified to profit or (loss)			
- <i>Foreign currency translation differences</i>		1,926,282	2,181,476
- <i>Hedge reserves</i>	20	(26,600,184)	(27,104,285)
Restricted reserves appropriated from profits		100,624	100,624
<i>Legal reserves</i>	23	100,624	100,624
Retained earnings		25,787,882	14,697,287
Net period profit		10,921,330	9,493,495
Non-controlling interests		70,358	(74,288)
<b>Total equity</b>		<b>38,472,069</b>	<b>34,520,532</b>
<b>Total liabilities and equity</b>		<b>98,510,973</b>	<b>117,744,528</b>

The accompanying notes form an integral part of these consolidated financial statements.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

		Audited	Audited
		1 January - 31 December 2023	1 January - 31 December 2022
<b>PROFIT/LOSS</b>	<b>Notes</b>		
Revenue	25	27,281,884	38,806,100
Cost of sales (-)	26	(23,519,567)	(33,147,866)
<b>Gross profit</b>		<b>3,762,317</b>	<b>5,658,234</b>
General and administrative expenses (-)	27	(1,410,190)	(1,097,809)
Marketing and selling expenses (-)	27	(163,985)	(156,663)
Other income	28	2,944,187	1,523,279
Other expense (-)	28	(1,858,793)	(961,765)
<b>Operating income</b>		<b>3,273,536</b>	<b>4,965,276</b>
Income from investment activities	29	4,151,308	6,251
Expenses from investment activities	29	(2,857)	(25)
Shares from profits of investments valued by equity method	14	136,234	153,530
<b>OPERATING PROFIT BEFORE FINANCIAL EXPENSES</b>		<b>7,558,221</b>	<b>5,125,032</b>
Net monetary position gains		8,807,534	14,765,779
Finance income	30	9,200,485	8,832,234
Finance expenses (-)	30	(20,885,480)	(18,554,881)
<b>PROFIT BEFORE TAX FROM CONTINUED OPERATIONS</b>		<b>4,680,760</b>	<b>10,168,164</b>
<b>Continuing Operations Tax Income/(Expense)</b>		6,101,625	(2,869,153)
- Period Tax Expense	24	(484,928)	(447,344)
- Deferred Tax Income/(Expense)		6,586,553	(2,421,809)
<b>PROFIT FROM CONTINUED OPERATIONS</b>		<b>10,782,385</b>	<b>7,299,011</b>
<b>PROFIT FROM DISCONTINUED OPERATIONS</b>		<b>203,591</b>	<b>2,209,725</b>
<b>PERIOD PROFIT</b>		<b>10,985,976</b>	<b>9,508,736</b>
<b>Income attributable to:</b>			
Equity holders of the parent		64,646	15,241
Non-controlling interest		10,921,330	9,493,495
<b>Income per share (TL)</b>			
- <i>From continuing activities</i>	32	3.23	2.92
- <i>From discontinued operations</i>	32	0.06	0.88

The accompanying notes form an integral part of these consolidated financial statements.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

OTHER COMPREHENSIVE INCOME/(EXPENSE)	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
<b>Income for the year</b>		<b>10,985,976</b>	<b>9,508,736</b>
<b>Items that will not to be reclassified to profit or loss</b>		<b>(10,254,648)</b>	<b>7,351,217</b>
<i>Tangible assets revaluation increases/(decreases)</i>	16	<i>(12,671,219)</i>	<i>9,343,318</i>
<i>Changes in actuarial losses on employment benefit obligations</i>	21	<i>(156,898)</i>	<i>(154,296)</i>
<b>Items that will not to be reclassified to profit or loss</b>			
<b>Taxes on Other Comprehensive Income</b>		<b>2,573,469</b>	<b>(1,837,805)</b>
<i>Tangible assets revaluation increases/(decreases), tax effect</i>		<i>2,534,244</i>	<i>(1,868,664)</i>
<i>Changes in actuarial losses on employment benefit obligations, tax effect</i>		<i>39,225</i>	<i>30,859</i>
<b>Items that are or may be reclassified to profit or loss</b>		<b>238,100</b>	<b>(2,914,284)</b>
<i>- Foreign currency translation differences</i>		<i>(266,001)</i>	<i>(1,061,963)</i>
<i>Losses from foreign currency translation differences</i>		<i>(266,001)</i>	<i>(1,061,963)</i>
<i>- Hedge reserves</i>		<i>672,135</i>	<i>(2,315,401)</i>
<b>Items that are or may be reclassified to profit or loss</b>			
<b>Taxes on Other Comprehensive Income</b>		<b>(168,034)</b>	<b>463,080</b>
<i>Hedge reserves, tax effect</i>		<i>(168,034)</i>	<i>463,080</i>
<b>Other comprehensive loss/income</b>		<b>(10,016,548)</b>	<b>4,436,933</b>
<b>Total comprehensive loss/income</b>		<b>969,428</b>	<b>13,945,669</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		64,646	15,241
Non-controlling interests		904,782	13,930,428

The accompanying notes form an integral part of these consolidated financial statements.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(A mounts expressed in thousands of Turkish Lir a ("TL") with the purchasing power of 31 December 2023 unless otherwi se stated.)

	Share capital	Adjustments to share capital	Share premium	Revaluation of property plant and equipment	Actuarial losses	Foreign currency translation differences	Hedge reserves	Legal reserv es	Retained earnings	Net Period Profit	Equity of the Parent Company	Non controlling interests	Total equity
<b>Balance at 1 January 2022</b>	<b>2,500,000</b>	<b>15,580,732</b>	<b>9,961</b>	<b>10,975,801</b>	<b>(17,142)</b>	<b>3,243,439</b>	<b>(25,251,964)</b>	<b>100,624</b>	<b>6,851,101</b>	<b>6,683,799</b>	<b>20,676,351</b>	<b>(266,261)</b>	<b>20,410,090</b>
Transactions with the non-controlling parties	-	-	-	-	-	-	-	-	-	-	-	164,773	164,773
Transfers	-	-	-	(1,174,346)	-	-	-	-	7,846,186	(6,683,799)	(11,959)	11,959	-
Total comprehensive income	-	-	-	7,474,654	(123,437)	(1,061,963)	(1,852,321)	-	-	9,493,495	13,930,428	15,241	13,945,669
- Income for the year	-	-	-	-	-	-	-	-	-	9,493,495	9,493,495	15,241	9,508,736
- Total comprehensive income	-	-	-	7,474,654	(123,437)	(1,061,963)	(1,852,321)	-	-	-	4,436,933	-	4,436,933
<b>31 December 2022</b>	<b>2,500,000</b>	<b>15,580,732</b>	<b>9,961</b>	<b>17,276,109</b>	<b>(140,579)</b>	<b>2,181,476</b>	<b>(27,104,285)</b>	<b>100,624</b>	<b>14,697,287</b>	<b>9,493,495</b>	<b>34,594,820</b>	<b>(74,288)</b>	<b>34,520,532</b>
<b>Balance at 1 January 2023</b>	<b>2,500,000</b>	<b>15,580,732</b>	<b>9,961</b>	<b>17,276,109</b>	<b>(140,579)</b>	<b>2,181,476</b>	<b>(27,104,285)</b>	<b>100,624</b>	<b>14,697,287</b>	<b>9,493,495</b>	<b>34,594,820</b>	<b>(74,288)</b>	<b>34,520,532</b>
Capital increase	2,500,000	379,528	22,581	-	-	-	-	-	-	-	2,902,109	-	2,902,109
Transactions with the non-controlling parties	-	-	-	-	-	-	-	-	-	-	-	80,000	80,000
Subsidiary acquisition or disposal	-	-	-	-	432	10,807	-	-	(11,239)	-	-	-	-
Transfers	-	-	-	(1,608,339)	-	-	-	-	11,101,834	(9,493,495)	-	-	-
Total comprehensive income	-	-	-	(10,136,975)	(117,673)	(266,001)	504,101	-	-	10,921,330	904,782	64,646	969,428
- Income for the year	-	-	-	-	-	-	-	-	-	10,921,330	10,921,330	64,646	10,985,976
- Total comprehensive loss	-	-	-	(10,136,975)	(117,673)	(266,001)	504,101	-	-	-	(10,016,548)	-	(10,016,548)
<b>31 December 2023</b>	<b>5,000,000</b>	<b>15,960,260</b>	<b>32,542</b>	<b>5,530,795</b>	<b>(257,820)</b>	<b>1,926,282</b>	<b>(26,600,184)</b>	<b>100,624</b>	<b>25,787,882</b>	<b>10,921,330</b>	<b>38,401,711</b>	<b>70,358</b>	<b>38,472,069</b>

The accompanying notes form an integral part of these consolidated financial statements.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira (“TL”) with the purchasing power of 31 December 2023 unless otherwise stated.)

		Audited	Audited
	Notes	1 January- 31 December 2023	1 January- 31 December 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income for the period		10,281,983	3,194,649
- <i>Period profit/(loss) from continuing activities</i>		10,985,976	9,508,736
- <i>Period profit from discontinued operations</i>		10,782,385	7,299,011
		203,591	2,209,725
<b>Adjustments related to period net profit/(loss) reconciliation</b>		<b>(9,865,678)</b>	<b>(7,099,029)</b>
Adjustments related to depreciation and amortization	15,16,17	4,290,350	3,668,976
Adjustments related to provisions		83,503	42,212
- Adjustments for provisions related with employee benefits	21	32,494	28,521
- Adjustments for other provisions (Cancellations)		51,009	13,691
Adjustments related to interest (income) and expense		4,905,494	5,305,480
- <i>Adjustments related to interest (income)</i>	28, 30	(2,672,476)	(1,508,599)
- <i>Adjustments related to interest expense</i>	28, 30	7,577,970	6,814,079
Adjustments related to unrealized foreign exchange losses and currency translation differences		10,271,996	9,830,362
Adjustments related to fair value gains		(1.208.950)	(1.367.984)
- <i>Adjustments related to fair value losses (gains) of derivative financial instruments</i>	20	(11,314)	(1,367,984)
- <i>Other adjustments related to fair value losses (gains)</i>	2.2, 29	(1,197,636)	-
Adjustments related to retained earnings of investments valued by equity method		(136,234)	(153,530)
- <i>Adjustments related to retained earnings of affinities</i>	3,14	(136,234)	(153,530)
Adjustments related to tax (income) expense	24	(5,754,103)	2,955,075
Adjustments related to gains from disposals of fixed assets		(6,169)	(6,226)
- <i>Adjustments Related to Gains Resulting from Disposal of Tangible Assets</i>	29	(6,169)	(6,226)
Other adjustments related to non-cash items	4	(19,488,948)	(26,930,476)
Adjustments related to Gains from Disposals of Subsidiaries or Joint Operations	2.2, 29	(2,944,647)	-
Other adjustment related to profit (loss) reconciliation	4	122,030	(442,918)
<b>Net cash generated from operating activities before changes in working capital</b>		<b>(9,524,017)</b>	<b>1,113,693</b>
Changes in trade receivables		4,696,742	(3,874,410)
- <i>Changes in trade receivables from related parties</i>		1,470,958	(1,574,866)
- <i>Changes in trade receivables from third parties</i>		3,225,784	(2,299,544)
Changes in other receivables		8,603,193	2,642,168
- <i>Changes in other receivables from related parties</i>		8,600,624	2,645,765
- <i>Changes in other receivables from third parties</i>		2,569	(3,597)
Changes in receivables from service concession arrangement		746,788	(1,371,743)
Changes in inventories		331,373	(485,483)
Changes in trade payables		(3,215,730)	3,344,908
- <i>Changes in trade payables to related parties</i>		(426,388)	129,572
- <i>Changes in trade payables to third parties</i>		(2,789,342)	3,215,336
Changes in other payables		(200,915)	(963,844)
- <i>Changes in other payables to third parties</i>		(200,915)	(963,844)
Changes in other liabilities		(947,074)	62,145
- <i>Changes in other assets</i>		(1,047,706)	178,108
- <i>Changes in other liabilities</i>		100,632	(115,963)
Changes in assets arising from customer contracts		(289,677)	38,391
- <i>Changes in other contract assets</i>		(289,677)	38,391
Changes in prepaid income		(200,683)	1,721,561
<b>Net cash generated from operating activities</b>		<b>10,644,315</b>	<b>3,523,400</b>
Payments for Employee Benefits	21	(46,037)	(9,019)
Tax Payments		(316,295)	(319,732)

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira (“TL”) with the purchasing power of 31 December 2023 unless otherwise stated.)

		Audited	Audited
	Notes	1 January- 31 December 2023	1 January- 31 December 2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		<b>(79,050)</b>	<b>(992,315)</b>
Cash inflows related to sales resulting in loss of control of subsidiaries	2.2	2,105,061	-
Cash outflows related to capital advance payments of subsidiaries and/or joint ventures		(1,367,774)	-
Cash Inflows from the sale of tangible and intangible assets		185,050	24,367
- <i>Cash inflows from the sale of tangible assets</i>		185,050	20,714
- <i>Cash inflows from the sale of intangible assets</i>		-	3,653
Cash outflows from purchases of tangible and intangible assets		(1,029,389)	(1,016,682)
- <i>Cash outflows from the sale of tangible assets</i>		(972,554)	(970,604)
- <i>Cash outflows from the sale of intangible assets</i>		(56,835)	(46,078)
Other cash inflows/outflows		(83,119)	-
Dividend received	14	111,121	-
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		<b>(11,910,789)</b>	<b>(1,543,193)</b>
Cash inflows from issuance of shares and other equity instruments		1,335,545	-
- <i>Cash inflows from share issuance</i>		1,335,545	-
Cash inflows from capital advances	31	-	1,955,914
Cash inflows from borrowing		4,550,784	14,343,465
- <i>Cash inflows from loans</i>	6	261,336	10,822,243
- <i>Cash inflows from issued debt instruments</i>	6	4,289,448	3,521,222
Cash outflows related to debt payments		(12,123,501)	(11,423,031)
- <i>Cash outflows related to loan repayments</i>	6	(8,977,899)	(8,650,794)
- <i>Cash outflows from repayments of issued debt instruments</i>	6	(3,145,602)	(2,772,237)
Increase in other payables to related parties		-	14,327
Decrease in other payables to related parties		(777,152)	-
Payment of lease liabilities	6	(148,106)	(146,076)
Interest paid	6	(6,035,515)	(5,672,906)
Interest received		777,898	678,210
Cash inflows from derivative instruments		269,274	-
Cash outflows from derivative instruments		-	(239,057)
Other outflows	4	239,984	(1,054,039)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF CURRENCY TRANSLATION DIFFERENCES</b>		<b>(1,707,856)</b>	<b>659,141</b>
Effect of Currenct Translation Differences in Cash and Cash Equivalents		(146,598)	(85,055)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(1,854,454)</b>	<b>574,086</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>3,779,308</b>	<b>3,205,222</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>1,924,854</b>	<b>3,779,308</b>

The accompanying notes form an integral part of these consolidated financial statements.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira (“TL”) with the purchasing power of 31 December 2023 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, distribution and retailing of electricity, trading electricity, supply and distribution of gas, selling and distribution of solar panel and sale, 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 Turkey and its registered address is as follows: Bursa Organize Sanayi Bölgesi, Pembe Cadde, No: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 31 December 2023, 37.40% of its shares are open for trading (31 December 2022: 35.97%) (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 (“ <b>Zorlu Osmangazi</b> ”)	100%	Distribution and retail sale of electricity	Turkey	TL
Zorlu Yenilenebilir Enerji AŞ (“ <b>Zorlu Yenilenebilir</b> ”) (****)	100%	Electricity production and other	Turkey	TL
Eway Araç Kiralama Ticaret AŞ (“Eway”) (*)	100%	Electricity production and other	Turkey	TL
Zorlu Enerji Dağıtım AŞ (“ <b>Zorlu Enerji Dağıtım</b> ”) (***)	100%	Distribution of gaseous fuels via network pipeline, distribution of electrical energy and other	Turkey	TL
ZGP Pakistan (Private) Ltd. (“ <b>ZGP Pakistan</b> ”) (**)	99.70%	Electricity production and other	Pakistan	Pakistan rupue (“PKR”)
Zorlu Enerji Pakistan Ltd (“ <b>Zorlu Enerji Pakistan</b> ”)	99.99%	Electricity production and other	Pakistan	Pakistan rupue (“PKR”)
Zorlu Enerji İsrail Ltd (“ <b>Zorlu Enerji İsrail</b> ”)	100%	Electricity production and other	Israel	New Israel shekel (“NIS”)
ZJ Strong Energy for Renewable Energy Ltd. Co. (“ <b>ZJ Strong</b> ”)	75%	Electricity production and other	Palestine	Jordanian Dinar (“JOD”)
Zador Israel Limited (“ <b>Zador</b> ”)	100%	Electricity production and other	Israel	New Israel shekel (“NIS”)

(\*) The company’s new trade name was registered on 9 February 2023 as "Eway Araç Kiralama Ticaret AŞ".

(\*\*) The new title of "Zorlu Wind Pakistan (Private) Ltd.", established in Pakistan, has been registered as "ZGP Pakistan (Private) Ltd".

(\*\*\*) The sale and share transfer of all shares of the Company’s 100% subsidiary Zorlu Enerji Dağıtım AŞ to Palmet Enerji AŞ’s 100% subsidiary Gaztrak Enerji AŞ, were completed on 12 March 2024. Following the fulfillment of the conditions required by TFRS 5, the assets and liabilities of this subsidiary have been classified as "non-current assets classified for sale" and "liabilities related to asset groups classified for sale", respectively.

(\*\*\*\*) An application was made to the CMB of Turkey on 22 February 2024 for the approval of the Prospectus regarding the public offering of some shares of Zorlu Yenilenebilir.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira (“TL”) with the purchasing power of 31 December 2023 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 subsidiaries and its Ratio	Direct Share	Nature of Operations	Country
Osmangazi Elektrik Perakende Satış AŞ (“ <b>OEPSAŞ</b> ”)	100% Zorlu Osmangazi		Electricity trading for users and other	Turkey
Osmangazi Elektrik Dağıtım AŞ (“ <b>OEDAŞ</b> ”)	100% Zorlu Osmangazi		Electricity distribution and other	Turkey
Zorlu Doğal Elektrik Üretimi AŞ (“ <b>Zorlu Doğal</b> ”)	100% Zorlu Yenilenebilir		Electricity production and other	Turkey
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ (“ <b>Zorlu Jeotermal</b> ”)	100% Zorlu Yenilenebilir		Electricity production and other	Turkey
Rotor Elektrik Üretim AŞ (“ <b>Rotor</b> ”)	100% Zorlu Yenilenebilir		Electricity production and other	Turkey
Zorlu Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret AŞ (“ <b>Zorlu Elektrik</b> ”) (*)	100% Zorlu Yenilenebilir		Wholesale purchase of electrical energy and/or capacity and sales activities and other	Turkey
Nemrut Jeotermal Elektrik Üretimi AŞ (“ <b>Nemrut Jeotermal</b> ”) (*)	100% Zorlu Yenilenebilir		Electricity production and other	Turkey
Trakya Bölgesi Doğal Gaz Dağıtım AŞ (“ <b>Trakya</b> ”) (***)	90% Zorlu Enerji Dağıtım		Distribution of gaseous fuels via network pipeline and other	Turkey
Gazdaş Gaziantep Doğal Gaz Dağıtım AŞ (“ <b>Gazdaş</b> ”) (***)	90% Zorlu Enerji Dağıtım		Distribution of gaseous fuels via network pipeline and other	Turkey
Zorlu Doğal Gaz Tedarik Ticaret AŞ (“ <b>Zorlu Doğal Gaz Tedarik</b> ”) (***)	100% Zorlu Enerji Dağıtım		Wholesale of gaseous fuels and related products and other	Turkey
Zorlu Renewable Pakistan (Private) Limited (“ <b>Zorlu Renewable Pakistan</b> ”)	99.70% ZGP Pakistan		Electricity production and other	Pakistan
Zorlu Sun Power (Private) Limited (“ <b>Zorlu Sun Power Pakistan</b> ”)	99.70% ZGP Pakistan		Electricity production and other	Pakistan
Zorlu Industrial Pakistan (Private) Limited (“ <b>Zorlu Industrial Pakistan</b> ”)	99.99% ZGP Pakistan		Engineering and consultancy activities for energy projects and other	Pakistan
Zorlu O&M Pakistan Limited (“ <b>Zorlu O&amp;M Pakistan</b> ”)	99.99% ZGP Pakistan		Operation and maintenance activities for energy projects and other	Pakistan
Zorlu Solar Pakistan Limited (“ <b>Zorlu Solar Pakistan</b> ”) (**)	99.70% ZGP Pakistan		Maintenance, repair, installation, sale of charging stations and other	Pakistan

(\*) Based on the material event disclosure dated 29 September 2023; In order to establish a more effective and focused structure in renewable energy activities and to evaluate the initial public offering of the shares of Zorlu Yenilenebilir which 100% subsidiary of the Company, the shares of Nemrut, Jeotermal and Zorlu Elektrik in the company’s assets were transferred to Zorlu Yenilenebilir at their nominal share values, in accordance with the relevant legislation.

(\*\*) Based on the material event disclosure dated 26 July 2023; The transfer of 997 shares, representing 99.7% of the company capital of Zorlu Solar Pakistan Limited, to ZGP Pakistan (Private) Limited (old title: Zorlu Wind Pakistan (Private) Limited) has been completed.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira (“TL”) with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

(\*\*\*) It has been decided to sell Zorlu Enerji Dağıtım with its subsidiaries Trakya, Gazdaş ve Zorlu Doğal Gaz Tedarik to Palmet Enerji AŞ and Zorlu Enerji Dağıtım with its subsidiaries will be sold to Palmet Enerji AŞ’s 100% subsidiary of Gaztrak Enerji AŞ, the transactions were completed as of 12 March 2024.

##### 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
Ezotech Electric Limited (“Ezotech”)	42.15 %	Electricity production and other	Israel
Solad Energy Limited (“Solad”)	42.15%	Electricity production and other	Israel
Adnit Real Estate Limited (“Adnit”)	42.15%	Solar power plant construction	Israel
Dorad Energy Limited (“Dorad”)	25%	Electrical energy production	Israel

(\*) Based on the material event disclosure dated 9 December 2022. The total of payments representing the capital of ZES Dijital Ticaret AŞ, which is also a 100% direct subsidiary of the Company, was transferred to Electrip Global B.V, which is also a 100% direct subsidiary of the Company. The establishment of the Company titled Electrip Global Limited ("Electrip Limited"), as a 100% subsidiary of Wren House Infrastructure LP ("Wren House") on the island of Jersey in the United Kingdom, was completed on 9 December 2022. The shares representing half of the capital of Electrip Global B.V., in which Zorlu Enerji owns 100%, plus one share were sold to Electrip Global Limited on 13 January 2023, for a price of 50,000 thousand US Dollars. 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.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira (“TL”) with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Indirect affiliates of the Company are presented below:

Indirect affiliates	Shareholding Affiliates and its Ratio	Direct Share	Nature of Operations	Country
Ashdod Energy Limited (“Ashdod”)	100% Ezotech		Electricity production and other	Israel
Ramat Negev Energy Limited (“Ramat”)	100% Ezotech		Electricity production and other	Israel
ZES Dijital Ticaret AŞ (“ZES Dijital”) (*)	%100 Electrip Global		Wholesale trade of gas, liquid or electricity supply or production meters, installation services of electrical equipment and other	Turkey
ZES Solar Enerji Tedarik ve Ticaret AŞ (“ZES Solar”) (**)	%100 Electrip Global Ltd.		Electricity production and other	Turkey
Electrip Energy Solutions and Mobility Services Sasu	%100 Electrip Global		Maintenance, repair, installation, sale of charging stations and other	France
Electrip Bucharest SRL	%100 Electrip Global		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		Maintenance, repair, installation, sale of charging stations and other	Albania
Electrip USA Inc.	100% Electrip Global		Maintenance, repair, installation, sale of charging stations and other	United States of America
ZES Germany GmbH	100% Electrip Global		Maintenance, repair, installation, sale of charging stations and other	Germany
Electrip Dooel Skopje	100% Electrip Global		Maintenance, repair, installation, sale of charging stations and other	Macedonia
Electrip Italy S.r.l.	100% Electrip Global		Maintenance, repair, installation, sale of charging stations and other	Italy
Electrip Hellas Single Member P.C.	100% Electrip Global		Maintenance, repair, installation, sale of charging stations and other	Greece





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 1- ORGANIZATION AND NATURE OF OPERATIONS (Continued)

##### Affiliates (Continued)

Indirectly held affiliates (Continued)	Shareholding Affiliate and its Share Ratio	Direct and its Nature of Operations	Country
Electrip Mobility Service D.O.O.	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Croatia
Electrip Poland Spółka Z.O.O.	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Poland
Electrip Montenegro DOO	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Montenegro
ZES Israel Ltd	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Israel
Electrip Mobility Service L.T.D.	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	England
ZES Solutions, D.O.O	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Slovenia
Electrip Netherlands B.V.	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Netherlands
Electrip PTG, Unipessoal LDA	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Portugal
Electrip DOO Belgrade	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Serbia
Electrip Czech Republic s.r.o.	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Czech Republic
Electrip Mobility Service Kft	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Hungary
Electrip Energy Solutions Spain, S.L.U.	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Spain
Electrip BH d.o.o	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Bosnia and Herzegovina
Electrip Bulgaria EOOD	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Bulgaria
Electrip Austria GmbH	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Austria
Electrip Czech Republic s.r.o.	100% Electrip Global	Maintenance, repair, installation, sale of charging stations and other	Czech Republic

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 1- ORGANIZATION AND NATURE OF OPERATIONS (Continued)

##### Affiliates (Continued)

##### Indirect Affiliates

(\*) Based on the material event disclosure dated 9 December 2022. The total of payments representing the capital of ZES Dijital Ticaret AŞ, which is also a 100% direct subsidiary of the Company, was transferred to Electrip Global B.V, which is also a 100% direct subsidiary of the Company. The establishment of the Company titled Electrip Global Limited ("Electrip Limited"), as a 100% subsidiary of Wren House Infrastructure LP ("Wren House") on the island of Jersey in the United Kingdom, was completed on 9 December 2022. The shares representing half of the capital of Electrip Global B.V., in which Zorlu Enerji owns 100%, plus one share were sold to Electrip Global Limited on 13 January 2023, for a price of 50,000 thousand US Dollars. 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.

(\*\*) Based on the material event disclosure dated 22 June 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 49,400 thousand US Dollars, 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.

The average personnel number of the Group as of 31 December 2023 is 2,619 ( 31 December 2022: 2,645)

The power plants of the Group located in Turkey and abroad are presented below together with their existing installed capacities:

##### Installed capacity in Turkey:

Power Plant	Company	Location	Type	Electricity Production Capacity (MW)	Steam Production Capacity (Ton/Hour)
<b>Geothermal</b>				<b>305.00</b>	<b>--</b>
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 (*)	Zorlu Jeotermal	Manisa	Geothermal	45.00	--
<b>Wind</b>				<b>135.00</b>	<b>--</b>
Gökgedağ	Rotor	Osmaniye	Wind	135.00	--

(\*) The 3.588 MWp solar power plant integrated to the existing Alaşehir 1 Geothermal Power Plant started commercial operations as of 22 December 2022 and the second 0.1663 MWp unit (Rooftop solar PV system) as of 20 January 2023.





ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED  
31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira (“TL”) with the purchasing power of 31 December 2023 unless otherwise stated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Installed capacity in Turkey (Continued)

Power Plant	Company	Location	Type	Electricity Production Capacity (MW)	Steam Production Capacity (Ton/Hour)
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				83.83	98.00
Lüleburgaz	Zorlu Enerji	Lüleburgaz, Kırklareli	Cogeneration Natural Gas	49.53	98.00
Bursa	Zorlu Enerji	Bursa Organized Industrial Zone	Combined-Cycle Natural Gas	34.30	--
TOTAL				642.77	98.00

ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED  
31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira (“TL”) with the purchasing power of 31 December 2023 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 (*)			1.50	--
Deadsea	Palestine	Solar (2 MW)	1.50	--
Natural Gas (*)			295.48	46.37
Dorad	Israel	Combined-Cycle Natural Gas (840 MW)	215.00	--
Ashdod	Israel	Cogeneration Natural Gas (64.54 MW, 40 ton/hour)	27.20	16.86
Ramat Negev	Israel	Cogeneration Natural Gas (126.4 MW, 70 ton/hour)	53.28	29.51
TOTAL			353.38	46.37

(\*) Stake of Zorlu Enerji in Israel and Palestine companies has been taken into consideration in the calculation of total production capacity.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 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 - derivative financial instruments accounted for in profit or loss at fair value,
- Land, land improvements, buildings, and machinery and equipment accounted for in property, plant and equipment.

###### b) Functional and reporting currency

The Group's consolidated financial statements are prepared in Turkish lira (TL), which is the functional currency of the primary economic environment in which it operates. All financial information presented in TL has been rounded to the nearest thousand TL unless otherwise indicated.

###### c) Accounting in hyperinflationary economies

The Group prepared its financial statements as at and for the year ended December 31, 2023 by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by POA on November 23, 2023 and the "Application Guidance on Financial Reporting in Hyperinflationary Economies". The standard requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the purchasing power of that currency at the balance sheet date and that comparative figures for the prior period financial statements be expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented its financial statements as of December 31, 2022 in terms of the purchasing power of that currency as of December 31, 2023.

In accordance with the Capital Markets Board's decision dated December 28, 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on December 31, 2023.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 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 TL are restated for the changes in the general purchasing power of the Turkish Lira as at 31 December 2023 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 2023	1.859,38	1.00000
31 December 2022	1.128,45	1.64773
31 December 2021	686,95	2.70672
31 December 2020	504,81	3.68333

The Group has applied IAS 29 "Financial Reporting in High Inflation Economies" Standard in its consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") for the year ending 31 December 2022. For this reason, the Group's first application date of TAS 29 has been determined as 1 January 2021.

As of 1 January 2021, the amount of previous year losses without inflation adjustment is 969,887 TL. After inflation adjustment within the scope of TAS 29, the amount of retained earnings as of 1 January 2021 is 2,038,747 TL, and the version of this amount brought to the purchasing power of 31 December 2023 is 7,509,317 TL.

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 corrections 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.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 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)

- 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.
- 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 the current reporting currency at the reporting date. For this purpose, all items in the cash flow statement were restated using the relevant conversion factors from the transaction date.
- All figures for comparative periods are derived from the relevant comparative periods that 31 December 2023 has been restated by applying the index change.

The Group has determined that the functional currency is the currency of a hyperinflationary economy and that there was no high inflation in the previous period. Therefore, the Group applies the requirements of TAS 29 as if the economy has always been hyperinflationary for the reporting period. Therefore, regarding non-monetary items measured at historical cost, the opening statement of financial position at the earliest period presented in the Group's consolidated financial statements should be restated to reflect the effects of inflation from the date the assets were acquired and the liabilities were assumed or incurred. For non-monetary items presented at their current amounts in the opening statement of financial position, this adjustment should reflect the effect of inflation from the date their current values were determined up to the end of the reporting period.

The Group applied TAS 29 in the opening statement of financial position as of 1 January 2021, and restated the relevant figures to reflect the effects of inflation from the date the assets were acquired and the liabilities were assumed up to the end of the reporting period.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.1 Basis of presentation (continued)

###### 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 Public Oversight Accounting and Auditing Standards Authority ("POA") which was adopted by Capital Markets Board of Turkey ("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 15 April 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 2 April 2024. 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.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 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 Group. The Group's 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 Group 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.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.2 Basis of consolidation (continued)

##### a) Affiliates (continued)

The shares representing half of the capital of Electrip Global B.V., in which company owns 100%, plus one share were sold to Electrip Global Limited on 13 January 2023, for a price of 50,000 thousand US Dollars. 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.

Based on the material event disclosure dated 22 June 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 49,400 thousand US Dollars, 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.

With the share transfers, Electrip Global B.V. and ZES Solar 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 31 December 2023.

As of 13 January 2023 the transaction date; Electrip Global B.V., which sold 50.01%. The assets, liabilities and net assets of its shares are as follows:

	13 January 2023
Current assets	92,605
Non-current assets	210,998
<b>Total assets</b>	<b>303,603</b>
Short-term liabilities	(122,079)
Long-term liabilities	(25,133)
<b>Total liabilities</b>	<b>(147,212)</b>
<b>Net assets</b>	<b>156,391</b>
Ratio of shares sold	%50.01
<b>Net assets disposed</b>	<b>78,211</b>
<b>Net cash inflow from sales</b>	<b>938,040</b>
<b>As of 13 January, subsidiary sales profit</b>	<b>859,829</b>
Subsidiary sales profit monetary gain impact	431,372
<b>As of 31 December, subsidiary sales profit (Note 29)</b>	<b>1,291,201</b>





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.2 Basis of consolidation (continued)

###### 1) Affiliates (continued)

The shares representing half of the capital of Electrip Global B.V., in which Zorlu Enerji owns 100%, plus one share were sold to Electrip Global Limited on 13 January 2023, for a price of 50,000 thousand US Dollars. 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. 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	1,875,705
Group's ownership interest in Electrip Global Limited shares	%49.99
Fair value of the financial asset held	937,665
Registered value of the financial asset held	139,462
<b>As of 13 January, increase in value of financial assets held</b>	<b>798,203</b>
Monetary gain impact related to value increase	399,433
<b>As of 31 December, Increase in value of financial assets held (Note 29)</b>	<b>1,197,636</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.2 Basis of consolidation (continued)

As of 22 June 2023, the transaction date; the assets, liabilities and net assets of 100% sold ZES Solar shares are as follows:

	22 June 2023
Current assets	798,059
Non-current assets	5,880
<b>Total assets</b>	<b>803,939</b>
Short-term liabilities	(807,779)
Long-term liabilities	(640)
<b>Total liabilities</b>	<b>(808,419)</b>
<b>Net assets</b>	<b>(4,480)</b>
Ratio of shares sold	%100.00
<b>Net assets disposed</b>	<b>(4,480)</b>
<b>Net cash inflow from sales</b>	<b>1,167,021</b>
<b>As of 22 June, subsidiary sales profit</b>	<b>1,171,501</b>
Subsidiary sales profit monetary gain impact	481,945
<b>As of 31 December, subsidiary sales profit (Note 29)</b>	<b>1,653,446</b>

##### 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. The table below sets out all subsidiaries and demonstrates the proportion of ownership interest as at 31 December 2023 and 31 December 2022. Financial statements of subsidiaries are consolidated using the full consolidation method.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.2 Basis of consolidation (continued)

##### Direct ownership interest by Zorlu Enerji (%)

Directly held affiliates	31 December 2023	31 December 2022
Zorlu Osmangazi	100	100
Zorlu Yenilenebilir	100	100
Eway	100	100
Zorlu Enerji Dağıtım	100	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
Rarik Turkison (*)	-	100
Alkan Jeotermal (**)	-	100
Zorlu Enerji Asia (***)	-	100
Zorlu Elektrik	-	100
Nemrut Jeotermal	-	100
Electrip Global B.V.	-	100
ZES Solar	-	100

(\*) The application made to the Capital Markets Board on 6 February 2023 for "Merger in Facilitated Procedure through Acquisition" with Rarik Turkison Enerji AŞ, the Company's wholly owned subsidiary, was approved by the Board's decision dated 9 August 2023 and numbered 46/956.

(\*\*) The application made to the Capital Markets Board on 11 October 2023 for "Merger in Facilitated Procedure through Acquisition" with Alkan Jeotermal Enerji Elektrik Üretimi A.Ş., the Company's wholly-owned subsidiary, was approved by the Board's decision dated 1 December 2023 and numbered 75/1628. approved.

(\*\*\*) The liquidation process of Zorlu Enerji Asia Holding Limited, established in Dubai International Financial Center, in which the Company owns all of its shares representing its capital, has been completed.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.2 Basis of consolidation (continued)

##### Equity accounted investees

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 31 December 2023 and 31 December 2022:

	31 December 2022	31 December 2021
Direct Associates	(%)	(%)
Dorad	25	25
Ezotech	42.15	42.15
Solad	42.15	42.15
Adnit	42.15	42.15
Electrip Global Limited	49.99	-





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.3. Amendments in Turkish Financial Reporting Standards

###### a) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023

A number of new standards, interpretations of and amendments to existing standards are not effective at reporting date and earlier application is permitted; however the Group has not early adopted are as follows.

-Classification of Liabilities as Current or Non-current (Amendments to TAS 1),

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to TAS 1

###### b) *New Accounting Policies and Amendments are effective on 1 January 2023*

1 January 2023 and the amendments that are effective for accounting periods beginning on or after 1 January 2023 are as follows:

- Disclosure of accounting policies (Amendments to TAS 1),
- Definition of accounting estimates (Amendments to TAS 8),
- Deferred tax on assets and liabilities arising from a single transaction - Amendments to TAS 12 Income Taxes.

These newly adopted amendments did not have a significant impact on the Group's consolidated financial statements.

##### 2.4 Summary of significant 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);

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

- 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 31).

###### 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 TL.

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 Kızıldere 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.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### c) Property, plant and equipment (continued)

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.

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, Kızıldere 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 Jhimpir owned by Zorlu Pakistan and the wind farm and natural gas power plants belonging to Zorlu Energy were revalued on 31 December 2023 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)

Kızıldere geothermal power plants and hydroelectric power plants	15
Alaşehir 1 geothermal and solar power plant	17
Jhimpir wind farm	10
Gökçedağ wind farm	12

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

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### c) Property, plant and equipment (continued)

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.

###### 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 recognised 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).

###### Contract Assets

In accordance with the concession agreement, the Group shows its investments for the first 8 years which cannot be billed to its subscribers until the formation of the regulated asset base, under intangible assets. The remaining useful life of contract costs is approximately 13 years (Note 12, 17).





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### d) Intangible assets (continued)

###### *Service concession agreements*

Service concession agreements owned as a result of business combinations are recognised 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 13 years). The service concession agreement is amortised 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 13 years) for OEPSAŞ. Customer relationships are amortised within this period specified. (Note 17).

###### *Business combinations and goodwill*

A business combination is the bringing together of separate legal entities or businesses into one reporting entity. Business combinations are recognised 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 recognised 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 recognised in the consolidated statement of financial position at their fair values. The goodwill previously recognised 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.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### d) Intangible assets (continued)

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.

###### e) Receivables from service concession agreements

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 gas distribution services are recognised 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 recognises 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.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### e) Receivables from service concession agreements (continued)

The Group constructs or renews the infrastructure used for the delivery of a public service within the framework of its natural gas distribution activities and operates and maintains this infrastructure during the specified period. The Group also collects a certain subscription fee from each subscriber in order to provide resources for infrastructure investments to be made in the region where the subscriber is located and to deliver natural gas to subscribers. The subscriber connection fee amounts determined by EMRA are collected only once and non-refundable at the time of signing the connection agreement. In this context, investments made during the period are calculated on a net basis by deducting the connection revenues obtained in the relevant tariff year from the regulated network investment expenditures made within the scope of distribution activities for each tariff year, according to the Regulation on Tariff Calculation Procedures and Principles for Natural Gas Distribution Companies with decision number 7139.

In scope of TFRS Interpretation 12, all investments of the Group related to electricity and gas distribution operation are recognised as "Receivables from service concession agreements" (Note 5). As of December 31, 2023, "Financial Assets Related to Concession Agreements" related to natural gas distribution activities are classified as "Non-Current Assets Classified for Sale". Service concession agreements related to OEDAŞ disclosed under intangible assets are included in the consolidated financial statements in 2017 as a result of the business combination accounting applied according to TFRS 3.

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 24 July 2006. Until the expiration date of the distribution license of the Company on 1 September 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.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### e) Receivables from service concession agreements (continued)

The distribution system operating income requirement and related parameters for the third implementation period, which will be valid for OEDAŞ between 2016-2020, were determined by EMRA with the Board decision dated 30 December 2015 and numbered 6039-1 (last revision: numbered 9067-1 and dated 26 December 2019) whereas the distribution system operating income requirement and related parameters for the fourth implementation period, which will be valid between 2021-2025, were approved by EMRA with the Board decision dated 24 December 2020 and numbered 9911-1.

Trakya's natural gas distribution activity started with the receipt of a license on 25 January 2006 after the tender held by EMRA on 23 June 2005. The license of Trakya will expire on 25 January 2036. The parameters regarding the investment and operating income requirement for the retail sales tariffs for the third tariff implementation period, which will be valid for Trakya between 2022 and 2026, were published by EMRA with the Board Decision dated 8 September 2022 and numbered 11194. Gazdaş's natural gas distribution activity started with the receipt of a license on 24 February 2006 after the tender held by EMRA on 28 July 2005. Gazdaş's license will expire on 24 February 2036. The parameters regarding the investment and operating income requirement for the third tariff implementation period retail sales tariffs for Gazdaş, which will be valid between 2022-2026, are determined by EMRA. It was published with the Board Decision dated 1 September 2022 and numbered 11169.

In the natural gas distribution sector, the ownership of the distribution network belongs to the distribution company. The distribution company may request the renewal of the natural gas distribution license in force, at the earliest one year or at the latest nine months before the expiration date of the license via a petition to EMRA. If the license period is not extended by EMRA, EMRA opens a tender for the relevant city in accordance with the procedures and principles specified in the Distribution and Customer Services Regulation and licenses the legal entity that has submitted the most appropriate offer.

Receivables from service concession agreements are measured at amortized cost in accordance with TFRS 9, since they are composed of cash flows that only include principal and interest.

Receivables from service concession agreements for electricity and natural gas distribution activities are depreciated over 10 and 22 years as per the concession arrangements, respectively (Note 5, 12).





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### e) Receivables from service concession agreements (continued)

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 TL 9,120,452 in its statement of financial position as of 31 December 2023 (31 December 2022: TL 12,866,007) (Note 5). In addition, the interest income related to the real reasonable return arrangement of OEDAŞ amounting to 1,219,261 TL (31 December 2022: 1,096,322 TL) (Note 28) has been accounted in the operating income and is recorded in the earnings before interest, depreciation and tax ("EBITDA") is included in the calculation. Interest income related to the real reasonable return arrangement of Gazdaş and Trakya, amounting to 361,191 TL in total, is presented as discontinued operations and is not included in the EBITDA (Note 3) calculation. The index difference regarding receivables from service concession agreements belonging to OEDAŞ totaling 4,164,402 TL (31 December 2022: 3,672,678 TL) is accounted for in monetary gain/loss and is included in the EBITDA calculation. The index difference regarding the receivables from service concession agreements of Gazdaş and Trakya amounting to 1,248,627 TL in total is presented as discontinued operations and is not included in the EBITDA calculation.

In accordance with the concession agreement, the Group shows its investments for the first 8 years which cannot be billed to its subscribers until the formation of the regulated asset base, under intangible assets (31 December 2023: contract cost, net TL 505,394, 31 December 2022: contract cost, net TL 544,271) and amortises them for the duration of the remaining license period. The relevant amortization expense is accounted under cost of sales and is TL 38.877 as of 31 December 2023 and 31 December 2022. 31 Aralık 2023 tarihi itibarıyla maddi olmayan duran varlıklar altında sınıflandırılan sözleşme varlıkları, "Satış Amaçlı Sınıflandırılan Duran Varlıklar" olarak sınıflandırılmıştır (Note 12, 17)

###### 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.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### f) Revenue (continued)

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.

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 recognised as income from operating activities in current period.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### f) Revenue (continued)

The Group's performance obligations consist of distribution of electricity and gas and electricity sales. The customer simultaneously consumes the benefits of performance provided by the Group. Electricity and gas distribution services are recognized as soon as services are rendered whereas electricity sales are recognized upon the delivery of electricity. The Group recognises 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 recognised in case of electricity delivery and on accrual basis and at the invoiced amount.

###### **Panel sales revenue**

It refers to the revenue obtained at domestic and abroad by generating electricity from solar energy and selling, purchasing, exporting and installing solar photovoltaic panels on rooftops. The said amount is invoiced simultaneously with the delivery of the goods and recorded as revenue.

###### **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.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### f) Revenue (continued)

###### **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.

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.





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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

##### f) Revenue (continued)

##### Revenue related to electricity distribution (continued)

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.

##### • 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 receivables from 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 Interpretation 9 are updated according to CPI as of each reporting date. The index difference regarding receivables from concession arrangements belonging to OEDAŞ is accounted as monetary gain/(loss) in the accompanying financial statements.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

##### f) Revenue (continued)

##### • 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 recognised 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.

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 related to concession agreements" in the statement of financial position (Note 25 and Note 5). 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".





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIARIES

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### Summary of significant accounting policies (continued)

##### f) Revenue (continued)

##### • 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

##### 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.

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

##### g) Discontinued activities (continued)

##### • 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.

##### • 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 recognised as per Service Concession Agreements (TFRS Interpretation 12). Interest income earned from receivables from concession agreements is recognised using the effective interest method. Interest income related to the real reasonable return adjustment has been accounted for under profits from discontinued operations in the accompanying financial statements.





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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.5 Summary of significant accounting policies (continued)

###### g) Discontinued activities (continued)

###### • Indexation difference on receivables from concession arrangements

The Group accounts for the income calculated using the effective interest method on the financial asset as "Indexation difference related to receivables from service concession agreements" within other operating income. The indexation difference regarding receivables from service concession agreements 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.

In accordance with the "Communiqué on the Regulation of the Distribution Tariff" published by EMRA, electricity distribution companies have income requirements determined to cover the costs in the form of investment and operating expenses to carry out the distribution activities, excluding the costs incurred within the scope of energy supply activities for lost energy and general lighting purposes. In this framework, the difference between the value of the system operating income ceiling for a tariff year calculated based on the December CPI of the relevant tariff year and the value of the system operating income realized in the relevant tariff year calculated based on the December CPI of the relevant tariff year is determined as the system operating income difference. Difference is taken into account by EMRA in determining the system operating revenue cap for the next tariff year, as a component of system operating revenue difference adjustment and is included in the system operating revenue cap calculation. The excess portion of the period is classified under deferred income in the financial statements.

###### i) Deposits received

*Accounting policy for deposits received from retail electricity distribution segment:*

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.

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.6 Summary of significant accounting policies (continued)

###### g) Discontinued activities (continued)

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.

*Accounting policy for deposits received from gas distribution segment:*

In order to guarantee the receivables arising from the sale of gas, the Group collects deposits from the subscribers using the mechanical meter for a one-time period or receives a letter of guarantee. The deposits paid by a subscriber whose subscription is ending is paid to the subscriber or their authorised representative within fifteen days following a request on the condition that all debts are paid, and the deposit received in cash is updated within the framework of the relevant legislation.

Differences resulting from the valuation of the amounts received for deposits are accounted for under discontinued operations 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.





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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.7 Summary of significant 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 Turkey, 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 per share are calculated by dividing net profit 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.

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### m) Earnings/(losses) per share (continued)

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 32).

###### 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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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant 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 recognised 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 amortised 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.

A financial asset is measured at amortised 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.

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### r) Financial instruments (continued)

All financial assets not classified as measured at amortised 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 amortised 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;
- 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.





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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of significant accounting policies (continued)

r) Financial instruments (continued)

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.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of significant accounting policies (continued)

r) Financial instruments (continued)

*Financial assets – Gains or losses from subsequent measurement*

<b>Financial assets and liabilities at fair value through profit or loss</b>	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.
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<b>Financial assets and liabilities carried at amortized cost</b>	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”, “trade receivables”, “other receivables” and “receivables from service concession agreements”.
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<b>Debt instruments measured at fair value through other comprehensive income</b>	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.
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*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.





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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### r) Financial instruments (continued)

###### (iii) *Derecognition*

###### *Financial assets*

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.

###### *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.

###### s) Impairment of Assets

###### (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;

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### s) Impairment of Assets

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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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

##### s) Impairment of Assets (continued)

###### (i) Non-derivative financial 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.

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant 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.





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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant 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 amortised 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.

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.4 Summary of significant accounting policies (continued)

###### u) Segment reporting

The Group management has determined the reportable segments of the Group as electricity distribution, natural gas distribution (classified as a discontinued operation as of the end of 2023.), retail and wholesale 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 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 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.

##### 2.5 Going concern assumption

The Group's EBITDA for the years ending 31 December 2023 and 2022 is 11,386,497 TL and 12,376,276 TL, respectively. The Group's net profit for the parent company for the years ending 31 December 2023 and 2022 is 10,921,330 TL and 9,493,495 TL, respectively, and as of 31 December 2023, short-term liabilities exceed its current assets by 11,731,960 TL (31 December 2022: 14,949,700 TL).

According to the material event disclosure dated 13 January 2023; as a result of negotiations between the Company, its controlling shareholder Zorlu Holding AŞ and Wren House Infrastructure LP (a subsidiary of Kuwait Investment Authority ("KIA")) regarding the sale of the majority shares of Electrip Global B.V. (whose previous trade name was ZES N.V.), a company incorporated in the Netherlands which the Company fully owns and the minority shares of the Company as well as the amendment of the loan agreement signed between the Company and KIA on 15 March 2018, the repayment term of the loan debt of the Company was extended. The liquidity risk and foreign currency risk was reduced, and thus the Company's balance sheet and financial situation were strengthened.





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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.5 Going concern assumption (continued)

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 31 December 2025, and Zorlu Doğal's Kızıldere 3 geothermal power plant will be able to sell electricity within the scope of YEKDEM until 31 December 2027.

With the financing planned to be obtained as a result of the public offering of shares of Zorlu Yenilenebilir, one of the subsidiaries of the Group, it is planned to execute strategic investment and expansion plans more quickly and effectively, ensure the continuity of current growth targets, increase efficiency and reduce financial indebtedness.

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 framework of 12 March 2024 dated material event disclosure; within the framework of the adaptation criteria in the Share Purchase Agreement, by making adjustments according to the financial and commercial liabilities on the closing date, by deducting the financial and commercial liabilities amounting to TL 2.806.342 thousand from the sales price and by paying the remaining TL 3.568. 987 thousand TL paid in cash and in advance by the buyer, the sale of all shares of Zorlu Enerji Dağıtım AŞ, a 100% subsidiary of the Company, to Gaztrak Enerji AŞ, a 100% subsidiary of Palmet Enerji AŞ, for a total consideration of USD 200.000.000 equivalent to TL 6.375.330.000 and the share transfer transactions were completed on 12 March March 2024.

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.

##### 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.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 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 31 December 2023 according to the future projections, deferred tax assets are recognized on the carryforward tax losses amounts to TL 14,147,302 (31 December 2022: TL 15,134,290). Deferred tax asset is not recognized carryforward tax losses for the remaining TL 4,141,300 (31 December 2022: TL 2,881,045) (Note 24).

###### b) *Cash flow hedge transactions*

As explained in Note 20, the Group uses bond and investment loans amounting USD 549,077 thousand (31 December 2021: USD 643,932 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 2023 and 2022 has no effect on the evaluation of the efficiency tests.

###### c) *Fair value determination of derivative financial instruments*

As explained in Note 14, the Group has carried out interest rate swap transactions. Derivative instruments are initially recognized at fair value. Changes in the fair value of derivative instruments following their initial recognition are accounted in profit or loss.





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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Critical accounting estimates, assumptions and judgments

d) *Explanations for revaluation method and fair value measurement*

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 method was used in the valuation of natural gas power plants owned by Zorlu Eneji and the Kızıldere 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.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
2.7 Critical accounting estimates, assumptions and judgments (Continued)

Companies	Valuated power plant type	Valuation period	Valuation company	Valuation method	Valuation assumptions		
					Weighted capital cost rate (%) (USD)	Electricity Sales Price (cent/kWh)(**)	Electricity Sales Volume (kWh/year)
Zorlu Doğal	Kızıldere II Geothermal Energy Power Plant	31.12.2023	Aden Gayrimenkul	DCF	10.8-12.7	91.9 -133.3 cent	390,894,890
Zorlu Doğal	Kızıldere III Geothermal Energy Power Plant	31.12.2023	Aden Gayrimenkul	DCF	10.8-12.7	105-133.3 cent	1,008,938,689
Zorlu Doğal	Tokat/Ataköy Hydroelectric Energy Power Plant	31.12.2023	Aden Gayrimenkul	DCF	10.8-12.7	91.9 -133.3 cent	7,076,536
Zorlu Doğal	Eskişehir/Beyköy Hydroelectric Energy Power plant	31.12.2023	Aden Gayrimenkul	DCF	10.8-12.7	91.9 -133.3 cent	43,771,109
Zorlu Doğal	Kars/Çıldır Hydroelectric Energy Power Plant	31.12.2023	Aden Gayrimenkul	DCF	10.8-12.7	91.9 -133.3 cent	16,429,594
Zorlu Doğal	Rize/İkizdere Hydroelectric Energy Power Plant	31.12.2023	Aden Gayrimenkul	DCF	10.8-12.7	91.9 -133.3 cent	114,183,103
Zorlu Doğal	Erzurum/Kuzgun Hydroelectric Energy Power Plant	31.12.2023	Aden Gayrimenkul	DCF	10.8-12.7	91.9 -133.3 cent	21,968,608
Zorlu Doğal	Tunceli/Mercan Hydroelectric Energy Power Plant	31.12.2023	Aden Gayrimenkul	DCF	10.8-12.7	91.9 -133.3 cent	73,983,244
Zorlu Doğal	Erzincan/Tercan Hydroelectric Energy Power Plant	31.12.2023	Aden Gayrimenkul	DCF	10.8-12.7	91.9 -133.3 cent	36,509,381
Rotor	Gökçeadağ Wind Energy Power Plant	31.12.2023	Aden Gayrimenkul	DCF	10.8-10.9	91.9-173.2 cent	338,408,860
Zorlu Jeotermal	Alaşehir I Geothermal Energy Power Plant	31.12.2023	Aden Gayrimenkul	DCF	10.8-12.7	105-135.0 cent	251,984,868
Zorlu Enerji Pakistan	Jhimpir Wind Energy Power Plant	31.12.2023	A A Baig & Co. Chartered Accountants	DCF	11.2-13.6	63-77 cent	159,010,000

(\*) 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 ENERJİ ELEKTRİK ÜRETİM AŞ

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.7 Critical accounting estimates, assumptions and judgments (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 2023	In case of a 10% increase	In case of a 10% decrease
Electricity prices	3,842,424	(4,170,175)
Sales volume	6,003,157	(4,781,146)
Weighted capital cost ratio	(2,112,896)	2,357,010

##### e) *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.

##### f) *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 31 December 2023, 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.

##### g) *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 31 December 2023.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ

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#### 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 1 September 2036 and the projections determined in TL 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 53% and 21%, while the annual inflation rate is kept variable between 57% for 2024, 47% for 2025 and between 10% and 45% 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 14.6% 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 2023	In case of a 1% increase	In case of a 1% decrease
Inflation rate	61,116	(79,992)
Capital cost ratio	(1,286,398)	1,397,012
Expense efficiency	171,216	(17,216)

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 TL 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 2024 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 53%-21%.

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 2023	In case of a 1% increase	In case of a 1% decrease
Eligible consumer profit margin	464,087	(464,087)
Capital cost ratio	(218,119)	237,063

As a result of the sensitivity analysis, there is no impairment in the amount of goodwill.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 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. In the gas distribution segment, business volume is higher in the first and fourth quarters corresponding to winter months and for 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 fourth quarter of the year, respectively. Seasonality does not have a significant impact on the volume of business in the remaining segments of the Group.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 3 - SEGMENT REPORTING

Management of the Group has determined the reportable parts of the Group as distribution of electricity, distribution of gas (As of 31 December 2023, It is presented as a discontinued operation.), retail and wholesale of electricity, production/trading and other according to the activity groups. Management of the Group considers earnings before interest, taxes, depreciation and amortisation (“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 2023	Electricity distribution	Gas distribution	Retail and Wholesale	Production/trading and other	Consolidation adjustments and effect of discontinued operations	Consolidation total
Revenue	6,456,121	-	13,802,742	15,087,169	(8,064,148)	27,281,884
Cost of sales	(5,394,422)	-	(13,021,564)	(12,348,345)	7,244,764	(23,519,567)
Gross profit	1,061,699	-	781,178	2,738,824	(819,384)	3,762,317
Operating expenses	(603,935)	-	(470,695)	(588,393)	88,848	(1,574,175)
Amortisation and depreciation expenses (*)	87,013	-	4,057	3,723,622	-	3,814,692
Interest income related to real fair return adjustment (**)	1,219,261	-	-	-	-	1,219,261
Indexation difference on receivables from service concession arrangements (**)	4,164,402	-	-	-	-	4,164,402
EBITDA (***)	5,928,440	-	314,540	5,874,053	(730,536)	11,386,497
Other income	438,282	-	298,587	3,129,764	(922,446)	2,944,187
Other expense	(191,366)	-	(209,149)	(1,542,318)	84,040	(1,858,793)
Finance income	205,457	-	16,474	10,488,941	(1,510,387)	9,200,485
Finance expense	(1,294,294)	-	(24,808)	(22,015,525)	2,449,147	(20,885,480)
Income before tax from discontinued operations	1,700,314	-	(113,004)	4,326,753	187,562	6,101,625
Income from continued operations	-	203,591	-	-	-	203,591
					Consolidation adjustments and effect of discontinued operations	
1 January – 31 December 2022	Electricity distribution	Gas distribution	Retail and Wholesale	Production/trading and other	Consolidation adjustments and effect of discontinued operations	Consolidation total
Revenue	6,922,323	-	17,119,334	24,283,737	(9,519,294)	38,806,100
Cost of sales	(6,783,775)	-	(16,488,069)	(18,662,830)	8,786,808	(33,147,866)
Gross profit	138,548	-	631,265	5,620,907	(732,486)	5,658,234
Operating expenses	(417,271)	-	(328,670)	(650,452)	141,921	(1,254,472)
Amortisation and depreciation expenses (*)	91,493	-	4,808	3,107,213	-	3,203,514
Interest income related to real fair return adjustment (**)	1,096,322	-	-	-	-	1,096,322
Indexation difference on receivables from service concession arrangements (**)	3,672,678	-	-	-	-	3,672,678
EBITDA (***)	4,581,770	-	307,403	8,077,668	(590,565)	12,376,276
Other income	1,433,322	-	73,568	716,706	(700,317)	1,523,279
Other expense	(103,492)	-	(257,440)	(562,518)	(38,315)	(961,765)
Finance income	209,878	-	48,368	10,709,403	(2,135,415)	8,832,234
Finance expense	(1,104,643)	-	(21,963)	(18,426,811)	998,536	(18,554,881)
Income before tax from discontinued operations	(592,746)	-	99,348	(2,090,441)	(285,314)	(2,869,153)
Income from continued operations	-	2,209,725	-	-	-	2,209,725





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 3 - SEGMENT REPORTING (Continued)

(\*) The depreciation and depletion expence amounts to 3,814,692 TL (31 December 2022: 3,203,514 TL) has been presented in the cost of sales and general administrative expenses and an amortization expense amounts to 288,297 TL (31 December 2022: 288,267 TL) in the main operating expenses.

(\*\*) Interest income related to real fair return adjustment which are related to OEDAŞ amounts to 1,219,261 TL (31 December 2022: 1,096,322 TL), which are accounted in the other income are included in EBITDA calculation. Indexation difference on receivables from service concession arrangements which are related to OEDAŞ amounts to 4,164,402 TL (31 December 2022: 3,672,678 TL), which are accounted in the monetary gain are included in EBITDA calculation.

(\*\*\*) The Group's EBITDA amount for the year ending 31 December 2023, the EBITDA effect of Dorad investments amounting to 1,110,625 TL (31 December 2022: 1,133,374 TL), which are classified as investments valued by the equity method and correspond to the share owned, and the EBITDA effect of Electrip investments amounting to (94,817) TL (Note 14) and the EBITDA effect of Zorlu Enerji Dağıtım and its subsidiaries amounting to 1,575,595 TL (31 December 2022: 1,549,062 TL) (Note 12), which are classified under profits from discontinued operations, are not included.

(\*\*\*\*) Based on the material event statement dated 12 March 2024, It relates to Zorlu Enerji Dağıtım and its subsidiaries, which were sold to Palmet.

1 January - 31 December 2023	Electricity distribution	Gas distribution	Retail and Wholesale	Production/trading and other	Consolidation adjustment	Consolidation total
Segment assets	13,685,953	-	3,691,161	106,727,014	(37,049,734)	87,054,394
Asset classified as held for sale assets related to groups	-	8,333,186	-	-	(1,343,145)	6,990,041
Shares from investments valued using the equity method	-	-	-	4,466,538	-	4,466,538
Segment Liabilities	4,325,797	-	3,515,682	51,069,889	(5,885,081)	53,026,287
Liabilities related to asset groups classified for sale	-	7,199,770	-	-	(187,153)	7,012,617
1 January - 31 December 2022	Electricity distribution	Gas distribution	Retail and Wholesale	Production/trading and other	Consolidation adjustment	Consolidation total
Segment assets	13,905,468	-	4,906,185	132,219,710	(25,982,780)	125,048,583
Asset classified as held for sale assets related to groups		9,809,120			(19,772,646)	(9,963,526)
Shares from investments valued using the equity method	-	-	-	2,659,471	-	2,659,471
Segment Liabilities	8,322,341	-	4,696,908	50,891,553	17,048,115	80,958,917
Liabilities related to asset groups classified for sale		9,642,485			(7,377,406)	2,265,079

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 3 - SEGMENT REPORTING (Continued)

Reconciliation between EBITDA and income before tax from continued operations is as follows:

	31 December 2023	31 December 2022
EBITDA (*)	11,386,497	12,376,276
Amortisation and depreciation expenses	(4,212,615)	(3,601,437)
Financial income/(expenses), net	(11,684,995)	(9,722,647)
Other operating income/(expenses), net	264,056	(136,885)
Shares from investments valued using the equity method	136,234	153,530
Income from investment activities	4,148,451	6,226
Gains on net monetary position	4,643,132	11,093,101
<b>Income before tax from continued operations</b>	<b>4,680,760</b>	<b>10,168,164</b>

(\*) The Group's EBITDA amount for the year ending 31 December 2023, the EBITDA effect of Dorad investments amounting to 1,110,625 TL (31 December 2022: 1,133,374 TL), which are classified as investments valued by the equity method and correspond to the share owned, and the EBITDA effect of Electrip investments amounting to (94,817) TL (Note 14) and the EBITDA effect of Zorlu Enerji Dağıtım and its subsidiaries amounting to 1,575,595 TL (31 December 2022: 1,549,062 TL) (Note 12), which are classified under profits from discontinued operations, are not included.

#### NOTE 4- CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash	1,177	494
Banks		
- Time deposits	135,901	1,386,561
- Demand deposits	1,796,681	2,411,884
	<b>1,933,759</b>	<b>3,798,939</b>

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 2023 (%)	31 December 2022 (%)
USD	-	0.03
PKR	20.51	14.51
TL	28.28	12.78

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.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

The details of cash and cash equivalents include the following for the purpose of the consolidated statements of cash flows as at 31 December 2023 and 2022:

	31 December 2023	31 December 2022
Cash and cash equivalents	1,933,759	3,798,939
Less: Restricted cash (*)	(8,905)	(19,631)
	<b>1,924,854</b>	<b>3,779,308</b>

(\*) As of 31.12.2023, total restricted cash balance is TL 407,974 of Group together with the restricted cash amounts to TL 399,069 under the short-term financial investments. Restricted deposits generally consist of the amounts held as deposits related to the payments of the loans obtained by the companies.

#### Supplementary explanations related to cash flows

"Other adjustments related to non-cash items" in net cash generated from operating activities before changes in operating assets and liabilities in cash flows represents the following:

	1 January - 31 December 2023	1 January - 31 December 2022
Redemptions related to loan commissions	230,614	154,394
Adjustments related to EMRA tariff change (Note 5)	-	56,294
Income from investment expenditures (Note 25, 26)	(108,584)	(653,606)
	<b>122,030</b>	<b>(442,918)</b>

Details of "Other outflows" in net cash used in financing activities in cash flows as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Commission paid related to borrowings	(306,978)	(784,397)
Change in blocked deposits	546,962	(269,642)
	<b>239,984</b>	<b>(1,054,039)</b>
	31 December 2023	31 December 2022
Adjustments related to monetary gains/(losses)	(19,488,948)	(26,930,476)
	<b>(19,488,948)</b>	<b>(26,930,476)</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 5 - RECEIVABLES FROM SERVICE CONCESSION ARRANGEMENT

	31 December 2023	31 December 2022
Short-term financial assets	1,732,907	1,716,084
Long-term financial assets	7,387,545	11,149,923
	<b>9,120,452</b>	<b>12,866,007</b>

The receivables from service concession arrangement represent the amounts of the investments not yet recovered by the tariff.

As at 31 December 2023, the total of the receivables from service concession arrangement is related to OEDAŞ (31 December 2022: TL 10,002,593 is related to OEDAŞ, TL 2,863,414 is related to Gazdaş and Trakya). As of 31 December 2023, TL 3,107,351 of the from service concession arrangement related to Gazdaş and Trakya is reclassified to "Assets Held for Sale".

The maturity analysis of receivables from service concession arrangements has shown as below;

	31 December 2023	31 December 2022
Up to 1 years	1,732,907	1,716,084
Between 1 to 2 years	1,732,907	1,716,084
More than 2 years	5,654,638	9,433,839
	<b>9,120,452</b>	<b>12,866,007</b>

The movements of the receivables from service concession arrangement for electricity and gas distribution companies are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Opening balance	12,866,007	10,896,952
Adjustments related to EMRA tariff change (*)	-	(56,294)
Adjusted opening balance	12,866,007	10,840,658
Gross investments (***)	1,695,568	3,994,473
Collections of subscriber connection fee (**)	(394,879)	(253,040)
Net investments	1,300,689	3,741,433
Collections (-) (****)	(1,938,893)	(1,716,084)
Assets held for sale	(3,107,351)	-
Closing balance	<b>9,120,452</b>	<b>12,866,007</b>





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 5 - RECEIVABLES FROM SERVICE CONCESSION ARRANGEMENT (Continued)

- (\*) For Trakya and Gazdaş, the parameters related to investment and operating income requirement for the third tariff implementation period retail sales tariffs that will be valid between 2022 and 2026 were determined by EMRA (Energy Market Regulatory Authority) with the Board Decision dated 8 September 2022, and numbered 11194 and the Board Decision dated 1 September 2022 and numbered 11169, respectively. The difference between the end-of-period asset base of 31 December 2021 in the published Board resolution and the asset base at the beginning of the period reported in the financial statements dated 31 December 2022, has been reflected in 2022 figures as adjustments made in accordance with the EMRA tariff change.
- (\*\*) The Company collects a certain subscription fee from each subscriber in order to provide resources for infrastructure investments to be made in the region where the subscriber is located and to deliver natural gas to subscribers within the framework of natural gas distribution activities. The subscriber connection fee amounts determined by EMRA are collected at the time of signing the connection agreement for once only and is non-refundable. In this context, subscriber connection investments and collections made during the period are shown as gross.
- (\*\*\*) As of 31 December 2023, TL 844,804 of the gross investment (31 December 2022: TL 750,154) is related to naturel gas distribution group and relates to the investment made during the period classified within the scope of discontinued operations.
- (\*\*\*\*) As of 31 December 2023, TL 205,986 of the collection (31 December 2022: TL 193,496) related to the collections made during the period within the scope of the tariff related to gas distribution group is classified within the scope of discontinued operations.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 6 - FINANCIAL LIABILITIES

The detail of financial liabilities of the Group as at 31 December 2023 and 31 December 2022 is as follows:

	31 December 2023	31 December 2022
Short-term secured bank borrowings	1,225,795	3,555,467
Issued bonds	431,369	928,111
<b>Total short-term financial liabilities</b>	<b>1,657,164</b>	<b>4,483,578</b>
Short-term portion of long-term secured bank borrowings	11,452,400	12,506,423
Issued bonds	3,669,191	2,130,105
Lease liabilities	124,985	183,765
<b>Total short-term portion of long term financial liabilities</b>	<b>15,246,576</b>	<b>14,820,293</b>
Long-term secured bank borrowings	18,116,925	28,686,611
Lease liabilities	7,176,919	8,313,860
Other issued marketable securities	296,680	328,292
<b>Total long-term financial liabilities</b>	<b>25,590,524</b>	<b>37,328,763</b>
<b>Total financial liabilities</b>	<b>42,494,264</b>	<b>56,632,634</b>

The detail of short-term financial liabilities of the Group as at 31 December 2023 and 31 December 2022 is as follows:

	Original currency		Weighted average effective interest rate per annum (%)		TL equivalent	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
USD	32,442	85,706	15.92	8.23	956,757	2,631,529
EURO	183	-	12.07	-	5,972	-
TL	694,435	1,118,120	50.69	28.99	694,435	1,852,049
					<b>1,657,164</b>	<b>4,483,578</b>





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 6 - FINANCIAL LIABILITIES (Continued)

The detail of short-term portion of long-term financial liabilities of the Group as at 31 December 2023 and 31 December 2022 is as follows:

	Original currency		Weighted average effective interest rate per annum (%)		TL equivalent	
	31 December	31 December	31 December	31 December	31 December	31 December
	2023	2022	2023	2022	2023	2022
USD	390,235	341,707	12.74	10.93	11,508,537	10,536,932
EUR	11,671	13,511	9.52	8.64	380,855	443,791
TL	3,353,962	2,314,261	49.59	17.36	3,353,962	3,813,275
PKR	-	168,304	-	10.66	-	22,744
NIS	394	405	5.50	5.50	3,222	3,551
					<b>15,246,576</b>	<b>14,820,293</b>

The detail of long-term financial liabilities of the Group as at 31 December 2023 and 31 December 2022 is as follows:

	Original currency		Weighted average effective interest rate per annum (%)		TL equivalent	
	31 December	31 December	31 December	31 December	31 December	31 December
	2023	2022	2023	2022	2023	2022
USD	762,728	1,038,091	12.92	8.70	22,493,840	32,022,474
EUR	16,353	19,055	8.68	7.79	533,641	586,733
TL	2,522,307	1,987,866	41.27	21.92	2,522,307	4,633,423
PKR	19,895	125,137	-	9.39	2,076	2,664
NIS	4,732	5,401	5.50	5.50	38,660	83,469
					<b>25,590,524</b>	<b>37,328,763</b>

Letters of guarantees given, pledges and mortgages related to financial liabilities are explained in Note 19.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 6 - FINANCIAL LIABILITIES (Continued)

The movements of financial liabilities for the ended 1 January - 31 December 2023 and 2022 are as follow:

	2023	2022
<b>As at 1 January</b>	<b>56,632,634</b>	<b>64,328,355</b>
Cash inflows from borrowings	261,336	10,822,243
Cash inflows from issued debt instruments	4,289,448	3,521,222
Cash outflows due to the repayment of bank borrowings	(8,977,899)	(8,650,794)
Cash outflows from debt repayments of issued debt instruments	(3,145,602)	(2,772,237)
Interest accruals	6,344,916	6,803,165
Cash outflows from debt repayments of lease agreements	(148,106)	(146,076)
Interest paid	(6,035,515)	(5,672,906)
Interest accruals related to lease contract	62,941	88,629
Change of exchange difference	17,788,732	18,064,684
Other classifications	(76,364)	(630,003)
Gains/(losses) on net monetary position	(22,776,809)	(29,123,648)
Liabilities related to assets held for sale (Note 12)	(1,725,448)	-
<b>31 December</b>	<b>42,494,264</b>	<b>56,632,634</b>

The Group is obliged to comply with various commitments within the context of the existing loan agreements. Financial ratios of the Group are consistent with the provisions of these agreements.

The carrying value of variable-rate financial liabilities are considered to approximate to their respective carrying values.

As of 31 December 2023, the carrying value and the fair value of the fixed- rate financial liabilities is TL 17,185,588 (31 December 2022: TL 24,366,143) and TL 18,436,905, respectively (31 December 2022: TL 22.073.524).





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 7 - TRADE RECEIVABLES AND PAYABLES

##### a) Short-term trade receivables:

31 December 2023 31 December 2022

Trade receivables from related parties (Note 31)	1,234,299	2,018,264
	<b>1,234,299</b>	<b>2,018,264</b>
Trade receivables from third parties	4,992,479	9,972,775
Notes receivables and cheques	9,420	75,255
Less: Allowance for doubtful receivables	(248,961)	(262,021)
	<b>4,752,938</b>	<b>9,786,009</b>

Movement for allowance for doubtful receivables is as follows:

2023 2022

<b>Opening Balance - 1 January</b>	<b>262,021</b>	<b>324,933</b>
Provisions released	(95)	(280)
Provisions related to the current period	188,055	148,134
Provision no longer required	(57,546)	(46,434)
Monetary gain	(124,300)	(164,332)
Assets held for sale	(19,174)	-
<b>Closing Balance - 31 December</b>	<b>248,961</b>	<b>262,021</b>

As of 31 December 2023, trade receivables amounting to TL 248,961 (31 December 2022: TL 262,021) have passed the due date and impaired. As of 31 December 2023 and 2022 the aging schedules are as follows:

31 December 2023 31 December 2022

More than 12 months	248,961	262,021
	<b>248,961</b>	<b>262,021</b>

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 TL 1,280,712 (31 December 2022: TL 1,662,994) and TL 1,113,348 of the amount is under guarantee with collaterals (31 December 2022: TL 938,436).

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

##### a) Short-term trade receivables (Continued):

As of 31 December 2023 and 2022, the detail of receivables that is past due but not impaired are as follows:

	31 December 2023	31 December 2022
Between 0-30 days	439,657	690,149
Between 31-60 days	130,805	80,699
Between 61-90 days	108,372	243,775
91 days and up	601,878	648,371
	<b>1,280,712</b>	<b>1,662,994</b>

Information related to the credit and market risk the Group is exposed to and impairment losses for trade receivables are presented in the Note 33.

##### b) Long-term trade receivables:

	31 December 2023	31 December 2022
Income accruals for non-controlling expenses (*)	373,110	150,967
	<b>373,110</b>	<b>150,967</b>

(\*) 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.

##### c) Trade payables:

	31 December 2023	31 December 2022
Short term trade payables to related parties (Note 31)	234,019	134,829
Short term payables to third parties	3,646,298	9,353,345
	<b>3,880,317</b>	<b>9,488,174</b>

As of 31 December 2023 and 2022, the average maturity of trade payables is less than 3 months and trade payables with no specified interest rate, are stated at cost value because the effect of interest rate is not material.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 8 - OTHER RECEIVABLES AND PAYABLES

##### a) Short-term other receivables:

	31 December 2023	31 December 2022
Other receivables from related parties (Note 31)	1,146,985	2,045,183
Other short-term receivables from third parties	146,044	390,588
	<b>1,293,029</b>	<b>2,435,771</b>

##### b) Long-term other receivables:

	31 December 2023	31 December 2022
Other receivables from related parties (Note 31)	12,039,204	12,007,345
Other long-term receivables from third parties	316,201	263,058
	<b>12,355,405</b>	<b>12,270,403</b>

##### c) Short term other payables:

	31 December 2023	31 December 2022
Deposit received	1,188,811	3,934,369
Other payables to related parties (Note 31)	36,383	1,998,575
Other short-term payables to thirt parties	204	8,985
	<b>1,225,398</b>	<b>5,941,929</b>

Movement for allowance for deposit received is as follows:

	2023	2022
<b>1 January</b>	<b>3,934,369</b>	<b>2.015.623</b>
Additions and payments, net	167,065	387,821
Indexation on deposit (*)	1,261,112	1,583,270
Liabilities related to assets held for sale (Note 12)	(2,553,231)	-
Gains on net monetary position	(1,620,504)	(52,345)
	<b>1,188,811</b>	<b>3,934,369</b>

(\*) As of 31 December 2023, the indexation of deposits amounts to TL 859,153 (31 December 2022: TL 332,330) is related to naturel gas distribution group reclassified in the scope of discontinued operations.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 8 - OTHER RECEIVABLES AND PAYABLES (continued)

##### d) Long-term other payables:

	31 December 2023	31 December 2022
Other payables to related parties (Note 31)	11,167	13,241
	<b>11,167</b>	<b>13,241</b>

#### NOTE 9 - INVENTORIES

	31 December 2023	31 December 2022
Direct materials and merchandise	205,326	321,074
Trade goods and other (*)	141,264	576,867
Investment inventories (**)	184,774	276,016
	<b>531,364</b>	<b>1,173,957</b>

(\*) TL 125,567 of the commercial goods amounting to TL 141,264 is related to the panel stocks (31 December 2022: TL 528,260).

(\*) As of 31 December 2023 and 31 December 2022, the investment inventories consist of the materials that have not yet been used in investments of the Group.

#### NOTE 10 - OTHER ASSETS AND LIABILITIES

##### a) Other current assets:

	31 December 2023	31 December 2022
VAT receivable	741,852	273,001
Insurance income accruals (*)	107,550	140,812
Income accruals	-	13,268
Other	5,434	10,683
	<b>854,836</b>	<b>437,764</b>

(\*) Insurance income accruals, the Group's commercial enterprises and components, machine breakage, loss of profit, fire, etc, for insurance policies that cover all risks; related to the claims for damages collected and expected to be collected.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 10 - OTHER ASSETS AND LIABILITIES (Continued)

##### b) Other non-current assets:

	31 December 2023	31 December 2022
Prepaid taxes	3,095	-
Income accruals	-	25,996
	<b>3,095</b>	<b>25,996</b>

##### c) Other current liabilities:

	31 December 2023	31 December 2022
Output VAT	297,520	192,741
Taxes and funds payable	128,083	177,701
Other	787	1,566
	<b>426,390</b>	<b>372,008</b>

#### NOTE 11 – PREPAID EXPENSES

##### a) Short term prepaid expenses:

	31 December 2023	31 December 2022
Prepaid expenses	83,436	87,009
Advances given	21,436	17,029
	<b>104,872</b>	<b>104,038</b>

##### b) Short term prepaid expenses:

	31 December 2023	31 December 2022
Advances given	11,076	13,791
	<b>11,076</b>	<b>13,791</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 12 – ASSETS HELD FOR SALE AND LIABILITIES AND DISCONTINUED OPERATIONS

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 Discontinuing Operations”, together with its subsidiaries Trakya, Gazdaş and Zorlu Doğal Gaz Tedarik, to Palmet Enerji AŞ and a “Share Purchase Aggrement” was signed between the parties on 13 February 2024. The sale of all shares of the Company’s 100% subsidiary Zorlu Enerji Dağıtım to Gaztrak Enerji AŞ, a 100% subsidiary of of Palmet Enerji AŞ, the share transfer transactions were completed as of 12 March 2024.

##### a) Assets held for sale

Assets held for sale related to Zorlu Enerji Dağıtım and its subsidiaries is presented below.

	31 December 2023
Cash and cash equivalents	149,368
Financial assets	96
Derivative financial instruments	75,437
Trade receivables	1,771,663
Other receivables	374,617
Service concession arrangements	3,107,351
Inventories	131,947
Prepaid expenses	33,249
Tax assets	5,522
Other current assets	316,043
Other contact assets	2,994
Right of use assets	19,673
Tangible assets	43,748
Intangible assets	818,338
Deferred tax assets	139,995
	<b>6,990,041</b>

Other receivables of Zorlu Enerji Dağıtım from Zorlu Enerji amounting to TL 1,338,315 and trade receivables of Zorlu Enerji Dağıtım from the Group amounting TL 4,830 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 TL 8,333,186.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 12 – ASSETS HELD FOR SALE AND LIABILITIES AND DISCONTINUED OPERATIONS (Continued)

##### b) Liabilities directly associated with the assets held for sale

Liabilities directly associated with asset held for sale of Zorlu Enerji Dağıtım are as follows:

	31 December 2023
Borrowings	1,725,448
Short term provisions	12,683
Trade payables (*)	2,599,978
Liabilities within the scope of employee benefits	11,019
Other payables	2,553,231
Deferred revenue	29,511
Long term provisions	45,291
Tax provisions	17,313
Deferred tax liability	4
Other short term liabilities	18,139
	<b>7,012,617</b>

(\*) Trade payables of Zorlu Enerji Dağıtım from the Group amounting to TL 187,153 to same balance arising from intra-group transactions, are eliminated in the preparation of the consolidated financial statements. Before elimination of intra-group balances liabilities directly associated with the assets held for sale of Zorlu Enerji Dağıtım was amounting to TL 7,199,770.

##### c) Period profit from discontinued operations

	1 January - 31 December 2023	1 January - 31 December 2022
Revenue	15,393,142	18,891,948
Cost of sales	(14,469,774)	(17,996,442)
<b>Gross profit</b>	<b>923,368</b>	<b>895,506</b>
General administrative expenses (-)	(313,168)	(202,229)
Marketing expenses (-)	(2,630)	(6,011)
Other income	146,445	172,179
Income from investment activities	5	956
<b>Operating income before financial expenses</b>	<b>754,020</b>	<b>860,401</b>
Financial income/(expense)	(769,465)	(940,273)
Monetary gain	603,219	2,448,394
<b>Income before tax</b>	<b>587,774</b>	<b>2,368,522</b>
Tax expense	(384,183)	(158,797)
<b>Period income from discontinued operations</b>	<b>203,591</b>	<b>2,209,725</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

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#### NOTE 12 – NON-CURRENT ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND PROFIT FROM DISCONTINUED OPERATIONS (Continued)

##### d) Cash Flow Statement for Discontinued Operations

	1 January - 31 December 2023	1 January - 31 December 2022
Cash flow from operating activities	13.430	1.249.166
Cash flow from investing activities	(139.389)	(11.276)
Cash flow from financing activities	39.950	(1.094.200)
Net increase/(decrease) in cash and cash equivalents	(86.303)	145.237

#### NOTE 13 – FINANCIAL INVESTMENTS

##### Short-term financial investments

	31 December 2023	31 December 2022
Financial investments (*)	399.069	1.084.769
	<b>399.069</b>	<b>1.084.769</b>

(\*) The Group's total blocked deposits amount to TL 407,974 (31 December 2022: TL 1,104,400), of which TL 8,905 is classified under cash and cash equivalents (31 December 2022: TL 19,631), and TL 399,069 is classified under short-term financial investments (31 December 2022: TL 1,084,769). The blocked deposits included in the financial investments account relate to the total loan amount of TL 2,551 million obtained by OEDAŞ from the European Bank for Reconstruction and Development ("EBRD"), International Finance Corporation ("IFC"), Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden N.V. ("FMO"), Asian Infrastructure Investment Bank ("AIIB"), and Denizbank, and the total loan amount of NIS 5.1 million obtained by ZI Strong from the Bank of Palestine. As of 31 December 2023, TL 389,066 (31 December 2022: TL 1,084,769) of the amount presented under financial investments is term deposits, with a weighted average interest rate of 38%.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

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#### NOTE 12 – ASSETS HELD FOR SALE AND LIABILITIES AND DISCONTINUED OPERATIONS (Continued)

##### d) Cash flow related to discontinued operations

	1 January - 31 December 2023	1 January - 31 December 2022
Cash flow from operating activities	13,430	1,249,166
Cash flow from investing activities	(139,389)	(11,276)
Cash flow from financing activities	39,950	(1,094,200)
Net increase/(decrease) in cash and cash equivalents	(86,303)	145,237

#### NOTE 13 – FINANCIAL ASSETS

##### Short-term financial assets

	31 December 2023	31 December 2022
Financial assets (*)	399,069	1,084,769
	<b>399,069</b>	<b>1,084,769</b>

(\*) The Group's total restricted deposits are TL 407,974 (31 December 2022: TL 1,104,400). TL 399,069 (31 December 2022: TL 1,084,769) of the restricted deposits are classified in the short-term financial investments and TL 8,905 (31 December 2022: TL 19,631) is classified in the cash and cash equivalents. 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 TL 2,551 million and by ZJ Ztrong from Bank Palestine amounting to NIS 5.1 million. As at 31 December 2023, the weighted average interest rate for TL denominated time deposits of TL 389,066 (31 December 2022: TL 1,084,769) is 38%.

##### Long-term financial assets

	31 December 2023	31 December 2022
Long-term securities (*)	1,953	1,953
	<b>1,953</b>	<b>1,953</b>

(\*) Zorlu Enerji participated with 246,291 shares (Share amount: TL 246) and in a ratio of 0.4% in the ownership of Enerji Piyasaları İşletme Anonim Şirketi which was established with a capital of TL 61,573.

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#### NOTE 14 – EQUITY ACCOUNTED INVESTEEES

Movement of equity accounted investees for the ended 31.12.2023 is as follows:

	2023	2022
1 January	<b>2,659,471</b>	<b>3,197,035</b>
Electrip Global Ltd. share transfer effect	2,032,994	-
Change on equity accounted investees (*)	339,697	559,729
Share of gain of associates	136,234	153,530
Dividend payment	(111,121)	-
Losses on net monetary position	(590,737)	(1,250,823)
<b>31 December</b>	<b>4,466,538</b>	<b>2,659,471</b>

(\*) As at 31 December 2023 change on equity accounted investees amounting to TL 339,697 relates to the currency translation difference (31 December 2022: TL 559,729).

Summary information regarding the financial statements of the Group's equity accounted investees, Dorad, Ezotech, Solad, Adnit and Electrip Global Ltd. is as follows:

31 December 2023	Dorad	Ezotech	Solad	Adnit	Electrip Global Ltd.	Total
Current assets	3,620,957	1,866,888	16	13,517	2,137,990	7,639,368
Non-current assets	30,408,082	8,409,164	-	4,880	3,139,681	41,961,807
Current liabilities	(4,097,409)	(2,234,835)	(108,725)	(6,408)	(1,457,043)	(7,904,420)
Non-current liabilities	(19,392,973)	(8,426,599)	(285,857)	(13,192)	(39,731)	(28,158,352)
Currency translation difference	(804,483)	-	-	-	285,905	(518,578)
<b>Net assets/(liabilities)</b>	<b>9,734,174</b>	<b>(385,382)</b>	<b>(394,566)</b>	<b>(1,203)</b>	<b>4,066,802</b>	<b>13,019,825</b>
Group's share on net assets/(liabilities) (%)	25%	42.15%	42.15%	42.15%	49.99%	
Book value in the statement of financial position	2,433,544	-	-	-	2,032,994	4,466,538

31 December 2022	Dorad	Ezotech	Solad	Adnit	Total
Current assets	3,707,336	1,411,386	211	16,805	5,135,738
Non-current assets	33,873,351	9,214,062	-	2,773	43,090,186
Current liabilities	(4,594,470)	(1,663,956)	(115,735)	(6,344)	(6,380,505)
Non-current liabilities	(22,302,497)	(9,623,318)	(306,751)	(13,426)	(32,245,992)
Currency translation difference	(45,835)	-	-	-	(45,835)
<b>Net assets/(liabilities)</b>	<b>10,637,885</b>	<b>(661,826)</b>	<b>(422,275)</b>	<b>(192)</b>	<b>9,553,592</b>
Group's share on net assets/(liabilities) (%)	%25	%42.15	%42.15	%42.15	
Book value in the statement of financial position	2,659,471	-	-	-	2,659,471





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#### NOTE 14 – EQUITY ACCOUNTED INVESTEEES (Continued)

31 December 2023	Dorad	Ezotech	Solad	Adnit	Electrip Ltd.	Global	Total
Revenue	17,760,934	-	-	-	722,373		18,483,307
Cost of sales	(14,717,419)	-	-	-	(679,686)		(15,397,105)
Operating expense	(180,506)	-	-	-	(232,359)		(412,865)
Financial income/ (expense), net	(1,073,115)	-	-	-	1,135		(1,071,980)
Tax expense	(423,470)	-	-	-	-		(423,470)
Net profit for the period	1,366,424	-	-	-	(188,537)		1,177,887
Dividend distribution	(111,121)	-	-	-	-		(111,121)
Amortisation and depreciation expenses	(1,579,492)	-	-	-	-		(1,579,492)
EBITDA	4,442,501	-	-	-	(189,672)		4,252,829
Group's share of EBITDA	1,110,625	-	-	-	(94,817)		1,015,808
Group's share on period profit/(loss)	230,485	-	-	-	(94,251)		136,234

31 December 2022	Dorad	Ezotech	Solad	Adnit	Electrip Ltd.	Global	Total
Revenue	19,327,811	-	-	-	-		19,327,811
Cost of sales	(16,548,662)	-	-	-	-		(16,548,662)
Operating expense	(196,324)	-	-	-	-		(196,324)
Financial income/ (expense), net	(1,786,456)	-	-	-	-		(1,786,456)
Tax expense	(182,249)	-	-	-	-		(182,249)
Net profit for the period	614,120	-	-	-	-		614,120
Amortisation and depreciation expenses	(1,950,671)	-	-	-	-		(1,950,671)
EBITDA	4,533,496	-	-	-	-		4,533,496
Group's share of EBITDA	1,133,374	-	-	-	-		1,133,374
Group's share on period profit/(loss)	153,530	-	-	-	-		153,530

In the table presented above, current year figures for Dorad, Adnit and Solad have been obtained from its financial statements as of 31 December 2023 whereas financial statements as of 31 December 2022 have been taken into consideration for Ezotech and 30 September 2023 for Electrip Global Ltd.

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#### NOTE 15 - RIGHT OF USE ASSETS

As of 31 December 2023 and 31 December 2022, the details of right-of-use assets accounted in the consolidated financial statement by asset categories are as follows:

	31 December 2023	31 December 2022
Land (*)	563,020	475,920
Buildings	33,034	91,607
Plant, machinery and equipment	5,490	36,117
Motor vehicles	2,696	6,721
<b>Total right of use assets</b>	<b>604,240</b>	<b>610,365</b>

(\*) The portion amounting to TL 356,933 is related to Zorlu Doğal's Sarayköy geothermal field which is valid for 30 years and the portion amounting to TL 206,087 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 2023	Additions	Disposal	Transfer to assets held for sale	31 December 2023
<b>Cost</b>					
Land	526,409	117,335	-	-	643,744
Buildings	87,030	12,853	(16,458)	(34,718)	48,707
Property, plant and equipment	17,118	1,156	-	-	18,274
Vehicles	241,618	29,029	(9,457)	(1,062)	260,128
	<b>872,175</b>	<b>160,373</b>	<b>(25,915)</b>	<b>(35,780)</b>	<b>970,853</b>
<b>Accumulated depreciation</b>					
Land	50,489	30,235	-	-	80,724
Buildings	50,913	18,126	(10,665)	(15,157)	43,217
Property, plant and equipment	10,397	5,181	-	-	15,578
Vehicles	150,011	86,811	(8,778)	(950)	227,094
	<b>261,810</b>	<b>140,353</b>	<b>(19,443)</b>	<b>(16,107)</b>	<b>366,613</b>
<b>Net book value</b>	<b>610,365</b>				<b>604,240</b>





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NOTE 15 - RIGHT OF USE ASSETS (Continued)

	1 January 2022	Additions (*)	31 December 2022
<b>Cost</b>			
Land	303,226	223,183	526,409
Buildings	79,600	7,430	87,030
Property, plant and equipment	8,532	8,586	17,118
Vehicles	224,681	16,937	241,618
	<b>616,039</b>	<b>256,136</b>	<b>872,175</b>
<b>Accumulated depreciation</b>			
Land	26,091	24,398	50,489
Buildings	33,415	17,498	50,913
Property, plant and equipment	5,563	4,834	10,397
Vehicles	69,277	80,734	150,011
	<b>134,346</b>	<b>127,464</b>	<b>261,810</b>
<b>Net book value</b>	<b>481,693</b>		<b>610,365</b>

(\*) As of 31 December 2023, TL 13,915 of the additions in right of use assets belongs to natural gas distribution group companies classified as assets held for sale.

(\*) As of 31 December 2023, TL 4,912 of additions to depreciation (31 Aralık 2022: TL 2,343) belongs to natural gas distribution group companies which was reclassified to discontinued operations.

The depreciation expenses related to right of use assets amounts to TL 131,381 and TL 8,968 are presented in cost of sales and general administrative expenses, respectively (31 December 2022: TL 121,233 and TL 6,231, respectively).

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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
<b>1 January 2023</b>	<b>1,058,137</b>	<b>1,625,325</b>	<b>609,760</b>	<b>51,087,670</b>	<b>130,332</b>	<b>417,481</b>	<b>2,350,936</b>	<b>111,532</b>	<b>57,391,173</b>
Additions (*)	5,694	7,482	11	12,279	255,725	19,829	671,134	400	972,554
Transfers (**)	-	(103,343)	35,811	(1,973,736)	-	-	(966,541)	-	(3,007,743)
Disposals	(27,926)	(2,964)	(199,725)	(314,089)	(11,634)	(7,761)	-	-	(564,099)
Currency translation difference	-	-	-	(775,145)	-	(608)	(54,805)	-	(830,558)
Revaluation increase	(102,043)	(435,147)	202,615	(12,336,644)	-	-	-	-	(12,671,219)
Disposal of subsidiary (****)	-	-	-	(133,136)	(29,710)	(13,467)	(145,742)	(69,681)	(391,736)
Fixed assets held for sale	(9,027)	-	(8,151)	(5,394)	(14,068)	(123,665)	(23)	(18,612)	(178,940)
<b>31 December 2023</b>	<b>924,835</b>	<b>1,091,353</b>	<b>640,321</b>	<b>35,561,805</b>	<b>330,645</b>	<b>291,809</b>	<b>1,854,959</b>	<b>23,639</b>	<b>40,719,432</b>
<b>Accumulated depreciation:</b>									
<b>1 January 2023</b>	-	-	-	-	<b>52,253</b>	<b>298,113</b>	-	<b>60,587</b>	<b>410,953</b>
Additions (*)	-	109,155	44,548	3,471,303	32,027	21,412	-	462	3,678,907
Transfers (**)	-	(106,191)	35,877	(2,936,180)	-	-	-	-	(3,006,494)
Disposals	-	(2,964)	(78,017)	(294,853)	(2,322)	(7,062)	-	-	(385,218)
Currency translation difference	-	-	-	(227,845)	-	(29)	-	-	(227,874)
Disposal of subsidiary (****)	-	-	-	(7,483)	(7,771)	(1,847)	-	(25,485)	(42,586)
Fixed assets held for sale	-	-	(2,408)	(4,942)	(13,990)	(96,321)	-	(17,531)	(135,192)
<b>31 December 2023</b>	-	-	-	-	<b>60,197</b>	<b>214,266</b>	-	<b>18,033</b>	<b>292,496</b>
<b>Net book value</b>	<b>924,835</b>	<b>1,091,353</b>	<b>640,387</b>	<b>35,561,805</b>	<b>270,448</b>	<b>77,543</b>	<b>1,854,959</b>	<b>5,606</b>	<b>40,426,936</b>

(\*) As of 31 December 2023, 6,366 TL of the inflow in property, plant and equipment belongs to natural gas distribution group companies classified as assets held for sale.

(\*) As of 31 December 2023, 9,827 TL (31 December 2022: 9,287 TL) 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 966,541 TL, 962,444 TL were transferred to plant machinery and equipment, 2,848 TL to underground and aboveground arrangements, and 1,249 TL to rights.

(\*\*\*)Electrip Global B.V., which was sold on 13 January 2023. The total net tangible assets excluded from the scope of consolidation of Zes Solar, which was sold on 22 June 2023, is 349,150 TL.

(\*\*\*\*) The total investment, which is being added in 2023, is 671,134 TL. In 2023, 564,830 TL 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, 41,841 TL will be allocated to the Alegehir 1 improvement and hybrid solar power plant projects, 56,939 TL will be allocated to the Rotor improvement projects, 104 TL will be allocated to the existing Kızıldere 1, 2 and 3 projects. TL belongs to Zorlu Enerji investments and TL 7,420 belongs to other projects of the Group.





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**NOTE 16 – TANGIBLE ASSETS (Continued)**

Cost	Land	Land improvements	Buildings	Plant and machinery	Motor vehicles	Furniture and fixtures	Construction work		Leasehold improvements	Total
							in progress (**)			
1 January 2022	965,436	1,194,117	382,939	45,650,808	103,474	370,759	2,313,002		92,143	51,072,678
Additions (*)	-	-	-	237,911	38,361	48,578	626,365		19,389	970,604
Transfers (**)	-	(29,293)	(37,506)	(2,015,028)	10,119	-	(479,065)		-	(2,550,773)
Disposals	-	-	-	-	(21,622)	(1,035)	-		-	(22,657)
Currency translation difference	-	-	-	(1,311,810)	-	(821)	(109,366)		-	(1,421,997)
Revaluation increase	92,701	460,501	264,327	8,525,789	-	-	-		-	9,343,318
31 December 2022	1,058,137	1,625,325	609,760	51,087,670	130,332	417,481	2,350,936		111,532	57,391,173
Accumulated depreciation:										
1 January 2022	-	-	-	-	34,213	276,240	-		45,649	356,102
Additions (*)	-	73,326	40,032	2,898,710	25,331	22,772	-		14,938	3,075,109
Transfers (**)	-	(73,326)	(40,032)	(2,446,775)	127	-	-		-	(2,560,006)
Disposals	-	-	-	-	(7,418)	(751)	-		-	(8,169)
Currency translation difference	-	-	-	(451,935)	-	(148)	-		-	(452,083)
31 December 2022	-	-	-	-	52,253	298,113	-		60,587	410,953
Net book value	1,058,137	1,625,325	609,760	51,087,670	78,079	119,368	2,350,936		50,945	56,980,220

(\*) The total investment made in the one year period is TL 626,365. Additions for construction work in progress in 2022 are related to; rehabilitation work of Kızılderne 2 and 3 projects amounting to TL 204,103; Akşehir rehabilitation and hybrid solar energy projects amounts to TL 174,647, Rotor rehabilitation work amounts to TL 49,906, Zorlu Energy projects amounts to TL 43,892, ZES Dijital charging stations amounts to TL 145,742 and other projects of the Group amounts to TL 8,075.

(\*\*) The total amount of investments transferred is TL 479,065. TL 431,747 of this amount has been transferred to plant and machinery, TL 44,033 has been transferred to leasehold improvements, TL 2,587 to buildings and TL 698 has been transferred to rights.

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**NOTE 16 – TANGIBLE ASSETS (Continued)**

As explained in Note 1, the lands, facilities, machinery and equipment amounting to 276,618 TL and 45,052,806 TL, respectively, consist of the power plants that Zorlu Doğal took over from ADÜAŞ and will operate for 30 years in accordance with the Operating Rights Transfer Agreement. The accumulated depreciation of the facilities, machinery and equipment related to the specified power plants is 10,083,356, and the current period entries are 1,651,038 TL.

The Group has chosen the revaluation method among application methods mentioned under TAS 16 with respect to measurement and disclosure of the Group's power plants at fair value commencing from 31 December 2013. As at 31 December 2023, the Group has revalued its power plants and the revaluation fund has been accounted in the consolidated statement of financial position.

As at 31 December 2023 and 31 December 2022, the movements for revaluation fund are as follows:

1 January 2022	10,975,801
Revaluation surplus	7,474,654
Transfers	(1,174,346)
31 December 2022	17,276,109
1 January 2023	17,276,109
Revaluation surplus	(10,136,975)
Transfers	(1,608,339)
31 December 2023	5,530,795

Collateral, pledges and mortgages on property, plant and equipment are presented in Note 19.

Breakdown of the current period depreciation and amortisation expenses under cost of sales, operating expenses and other operating expenses have been presented in Notes 26, 27 and 28.

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 31 December 2023, and 2022 is as follows:

	31 December 2023	31 December 2022
Land	329,684	351,694
Land improvements	609,548	637,698
Buildings	460,219	617,607
Machinery and equipment	21,079,514	20,268,376





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NOTE 17 – INTANGIBLE ASSETS

Cost	Rights	Customer relationships	Service concession		Contract cost	Other rights	Goodwill	Licenses	Total
			agreements						
<b>1 January 2023</b>	<b>9,406,351</b>	<b>2,146,388</b>	<b>5,649,618</b>	<b>1,040,779</b>	<b>569,566</b>	<b>2,475,135</b>	<b>94,058</b>	<b>11,975,544</b>	
Additions	135,804	-	-	-	135,804	-	1,031	136,835	
Transfers	1,249	-	-	-	1,249	-	-	1,249	
Disposals	(3,995)	-	-	-	(3,995)	-	(2,212)	(6,207)	
Disposal of subsidiary	(10,704)	-	-	-	(10,704)	-	-	(10,704)	
Assets held for sale	(1,440,862)	-	-	(1,040,779)	(400,083)	-	(50,697)	(1,491,559)	
Currency translation difference	(227)	-	-	-	(227)	-	-	(227)	
<b>31 December 2023</b>	<b>8,087,616</b>	<b>2,146,388</b>	<b>5,649,618</b>	<b>-</b>	<b>291,610</b>	<b>2,475,135</b>	<b>42,180</b>	<b>10,604,931</b>	
<b>Accumulated amortisation</b>									
<b>1 January 2023</b>	<b>3,104,551</b>	<b>1,526,108</b>	<b>826,540</b>	<b>496,508</b>	<b>255,395</b>	<b>-</b>	<b>51,496</b>	<b>3,156,047</b>	
Additions	466,202	109,556	288,367	38,877	29,402	-	4,888	471,090	
Disposals	(3,866)	-	-	-	(3,866)	-	(860)	(4,726)	
Disposal of subsidiary	(5,198)	-	-	-	(5,198)	-	-	(5,198)	
Assets held for sale	(638,438)	-	-	(535,385)	(103,053)	-	(34,783)	(673,221)	
Currency translation difference	(229)	-	-	-	(229)	-	-	(229)	
<b>31 December 2023</b>	<b>2,923,022</b>	<b>1,635,664</b>	<b>1,114,907</b>	<b>-</b>	<b>172,451</b>	<b>-</b>	<b>20,741</b>	<b>2,943,763</b>	
<b>Net book value</b>	<b>5,164,594</b>	<b>510,724</b>	<b>4,534,711</b>	<b>-</b>	<b>119,159</b>	<b>2,475,135</b>	<b>21,439</b>	<b>7,661,168</b>	

(\*) As of 31 December 2023, additions to intangible assets amounts to TL 133,022 is related to natural gas group companies, which is reclassified to assets held for sale.

(\*) As of 31 December 2023, additions to amortisation of intangible assets amounts to TL 62,996 (31 December 2022: TL 55,909) is related to natural gas group companies, which is reclassified to profits from discontinued operations.

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NOTE 17 - INTANGIBLE ASSETS (Continued)

Cost	Rights	Customer relationships	Service concession		Contract cost	Other rights	Goodwill	Licenses	Total
			agreements						
<b>1 January 2022</b>	<b>9,375,625</b>	<b>2,146,388</b>	<b>5,649,618</b>	<b>1,040,779</b>	<b>538,840</b>	<b>2,475,135</b>	<b>92,938</b>	<b>11,943,698</b>	
Additions	43,216	-	-	-	43,216	-	1,120	44,336	
Transfers	(9,361)	-	-	-	(9,361)	-	-	(9,361)	
Additions due to acquisition	1,867	-	-	-	1,867	-	-	1,867	
Disposals	(4,461)	-	-	-	(4,461)	-	-	(4,461)	
Currency translation difference	(535)	-	-	-	(535)	-	-	(535)	
<b>31 December 2022</b>	<b>9,406,351</b>	<b>2,146,388</b>	<b>5,649,618</b>	<b>1,040,779</b>	<b>569,566</b>	<b>2,475,135</b>	<b>94,058</b>	<b>11,975,544</b>	
<b>Accumulated amortisation</b>									
<b>1 January 2022</b>	<b>2,643,160</b>	<b>1,416,552</b>	<b>538,173</b>	<b>457,631</b>	<b>230,804</b>	<b>-</b>	<b>47,636</b>	<b>2,690,796</b>	
Additions	462,543	109,556	288,367	38,877	25,743	-	3,860	466,403	
Transfers	(127)	-	-	-	(127)	-	-	(127)	
Additions due to acquisition	125	-	-	-	125	-	-	125	
Disposals	(809)	-	-	-	(809)	-	-	(809)	
Currency translation difference	(341)	-	-	-	(341)	-	-	(341)	
<b>31 December 2022</b>	<b>3,104,551</b>	<b>1,526,108</b>	<b>826,540</b>	<b>496,508</b>	<b>255,395</b>	<b>-</b>	<b>51,496</b>	<b>3,156,047</b>	
<b>Net book value</b>	<b>6,301,800</b>	<b>620,280</b>	<b>4,823,078</b>	<b>544,271</b>	<b>314,171</b>	<b>2,475,135</b>	<b>42,562</b>	<b>8,819,497</b>	

Amortisation and depreciation amounts are included in cost of sales, general administrative expenses, marketing expenses and other operating expenses; details have been presented in Notes 26, 27 and 28.





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#### NOTE 18 - CONTRACT ASSETS

	31 December 2023	31 December 2022
Other contract assets (*)	300,740	14,057
	<b>300,740</b>	<b>14,057</b>

(\*) Contract assets consist of ongoing investment expenditures as of 31 December 2023 and 2022. 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 2023	31 December 2022
Provisions for annual leave	52,415	-
Other short-term provisions	21,355	35,444
	<b>73,770</b>	<b>35,444</b>

Other short-term provisions consist of provisions for legal disputes.

##### 19.2 Long-term provisions

	31 December 2023	31 December 2022
Provisions for employment benefits (Note 21)	286,418	288,697
	<b>286,418</b>	<b>288,697</b>

##### 19.3 Contingent assets

		31 December 2023		31 December 2022	
	Original currency	Original amount	TL equivalent (*)	Original amount	TL equivalent (*)
Letters of guarantees received	TL	2,409,547	2,409,547	3,158,918	3,158,918
Letters of guarantees received	USD	5,804	170,859	8,688	267,675
Letters of guarantees received	EUR	1,265	41,206	446	14,650
Cheques received	TL	30,630	30,630	32,635	32,635
Cheques received	USD	91	2,679	8,114	249,990
Cheques received	EUR	181	5,896	181	5,945
		<b>2,660,817</b>		<b>3,729,813</b>	

(\*) As of 31 December 2023 and 2022, all amounts stated at above has been expressed in thousands of Turkish Lira (“TL”) excluding the effect of purchasing power of 31 December 2023.

Guarantee letters received consist of the letters, cheques and notes received from customers in relation to the Group’s operations.

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#### 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 31 December 2023 and 31 December 2022 are summarized as follows:

		31 December 2023		31 December 2022	
	Original currency	Original amount	TL amount (*)	Original amount	TL amount (*)
<b>GPMS’s given by the Group</b>					
A. Total amount of GPMS given on behalf of its own legal entity					
	USD	128,805	3,791,787	128,805	3,968,449
	TL	5,991,076	5,991,076	9,882,780	9,882,780
	PKR	4,796,483	503,871	4,796,483	648,230
B. Total amount of GPMS given in favor of subsidiaries included in the scope of full consolidation					
	TL	3,292,547	3,292,547	5,394,523	5,394,523
	USD	950	27,966	7,950	244,937
	NIS	625	5,106	625	5,479
C. Total amount of GPMS given in order to secure the debt of other third parties for the purpose of conducting ordinary commercial activities					
	USD	19,047	560,709	18,569	572,106
	NIS	9,243	75,514	9,243	81,034
D. Total amount of other GPMS					
		-	-	-	-
		<b>14,248,576</b>		<b>20,797,538</b>	

(\*) As at December 31, 2023 and 2022, all other currencies presented in Turkish Lira are expressed in terms of the purchasing power of 2023.

Letters of guarantee given generally consist of letters given to government agencies for the electricity and gas transmission and distribution (mainly to “EMRA” and government agencies providing electricity and gas transmission and distribution) and natural gas suppliers for the procurement of natural gas 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 31 December 2023 (31 December 2022: 0%).

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:





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#### NOTE 19 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

##### 19.4 Guarantees, pledges and mortgages given by the Group (Continued)

###### Zorlu Doğal

On 27 October 2015, a loan agreement amounting to USD 815 million (USD 785 million in cash and USD 30 million guarantee limit) and having a 14 year term was signed between Zorlu Doğal, Akbank TAŞ, Türkiye Garanti Bankası AŞ, Türkiye İş Bankası AŞ and Türkiye Sınai Kalkınma Bankası AŞ for the refinancing of Zorlu Doğal's debts and to finance the investment in the 1st unit of Kızıldere 3 Geothermal Energy Plant established in Denizli with a power of 99,5 MW. Furthermore, Zorlu Doğal entered into a loan agreement amounting to USD 190 million with the European Bank for Reconstruction and Development ("EBRD"), Akbank TAŞ, Türkiye İş Bankası AŞ and Türkiye Sınai Kalkınma Bankası AŞ on 6 April 2017 for the purpose of financing the second unit of the Kızıldere 3 Geothermal Energy Plant with a power of 65,5 MW. In addition to the said loan contracts, contracts for an account pledge, a share pledge and the transfer of receivables and stakeholder receivables transfers have been signed. Within the scope of the related agreement, the transfer amount cap for EPIAŞ's receivable is TL 9.500.000. EPIAŞ's receivable transfer amount is not included in the collateral, pledges and mortgages given by the Group disclosure since it represents the cap. Zorlu Holding AŞ and Zorlu Enerji are the guarantors for the loan amounting to USD 975 million obtained by Zorlu Doğal. The outstanding loan amount after payments is USD 574 million, including all reporting adjustments.

###### Zorlu Jeotermal

Zorlu Jeotermal's project finance loan was paid early on 13 July 2021 with the proceeds of the issued bonds. Transfer of EPIAŞ receivables, transfer of receivables, account pledge, share pledge and successor pledge contracts signed within the scope of project financing were terminated on 16 July 2021 whereas mortgage and commercial enterprise transfer agreements were cancelled on 29 July 2021. Zorlu Jeotermal is a guarantor for Zorlu Yenilenebilir's issuance of a foreign bond (Eurobond) with a coupon rate of 9% and amounting to USD 300 million. An account pledge and a share pledge agreement were signed on 30 July 2021 and assignment of EPIAŞ receivables and trade receivables agreements were entered into on 6 August 2021 by Zorlu Jeotermal for providing collateral for the Eurobond issuance. Within the scope of the related agreement, the transfer amount cap for EPIAŞ's receivable is TL 6.000.000. The transfer amount of EPIAŞ's receivable is not included in the collateral, pledges and mortgages given by the Group disclosure since it represents the cap.

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#### NOTE 19 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

##### 19.4 Guarantees, pledges and mortgages given by the Group (Continued)

###### Rotor

Rotor's project finance loan was paid early on 15 June 2021 with the proceeds of the issued bonds. Mortgage, transfer of commercial enterprise, account pledge, share pledge, transfer of receivables pledge of insurance receivables and guarantee agreements signed within the scope of project financing were terminated on 14 July 2021 accordingly.

Rotor is a guarantor for Zorlu Yenilenebilir's issuance of a foreign bond (Eurobond) with a coupon rate of 9% and amounting to USD 300 million. An account pledge and a share pledge agreement were signed on 30 July 2021 and assignment of EPIAŞ receivables and trade receivables agreements were entered into on 6 August 2021 by Rotor for providing collateral for the Eurobond issuance. Within the scope of the related agreement, the transfer amount cap for EPIAŞ's receivable is TL 6.000.000. The transfer amount of EPIAŞ's receivable is not included in the collateral, pledges and mortgages given by the Group disclosure since it represents the cap.

###### Zorlu Yenilenebilir

Zorlu Yenilenebilir has issued a secured priority Eurobond amounting to USD 300 million with a maturity of 1 June 2026 and a coupon rate of 9%, to be sold abroad. An account pledge and a share pledge on 30 July 2021, a foreign account pledge on 31 July 2021, and a transfer of trade receivables agreement on 6 August 2021 were signed as collaterals within the scope of the bond. The outstanding bond amount after payments and with all adjustments related to reporting is USD 299 million.

###### Zorlu Enerji

As per the sale of the Lüleburgaz steam generator of Zorlu Enerji, a sell and leaseback financial leasing agreement was signed between Şeker Finansal Kiralama AŞ and Zorlu Enerji on 24 August 2017. Zorlu Holding is a guarantor for the finance lease liabilities of Zorlu Enerji resulted from sell and leaseback agreement signed for the sale of steam generator. The receivables of Zorlu Enerji arising from the steam agreement with Zorluteks Tekstil Tic.ve San.AŞ were transferred to Şeker Finansal Kiralama AŞ in the scope of financial leasing transactions.

Zorlu Enerji has become a guarantor to provide the limit of Bank Mizrahi for Adnit, a 42.15% associate of Zorlu Enerji.





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#### NOTE 19 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

##### 19.4 Guarantees, pledges and mortgages given by the Group (Continued)

###### OEDAŞ

For the cash loan agreement between OEDAŞ, 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, project financing agreements have been signed. In addition to the said loan agreement, agreements for receivable transfer, account pledge, successor pledge and share collateral amounting to TL 147,743 thousand were signed. Zorlu Enerji, Zorlu Holding and Zorlu Osmangazi were co-signers as the guarantors for OEDAŞ's loan in the amount of TL 4,065 million, which was provided from EBRD, IFC, FMO, AIIB and Denizbank AŞ. Share pledge agreements amounting to TL 52,126 thousand and TL 1,150,050 thousand were signed for OEPSAŞ and Zorlu Osmangazi, respectively as well. The outstanding balance after payments and with all adjustments related to reporting is TL 2,192 million.

###### ZJ Strong

ZJ Strong and Bank of Palestine signed a 13-year loan agreement with a nine-month grace period on 28 August 2019 for the financing of the 2 MW capacity solar power plant project amounting to NIS 5 million and together with an additional contract of NIS 1 million signed on 4 June 2020 it will provide resources up to 6 million NIS in total. In addition to the aforementioned loan agreement, an account pledge agreement has been signed.

Zorlu Enerji, together with JDECO (Jerusalam District Electricity Company), which is a 25% shareholder of ZJ Strong, has vouched for this loan provided by ZJ Strong as a guarantor. The outstanding balance after payments and with all adjustments related to reporting is amounting to NIS 5.1 million.

##### 19.5 Electricity purchase and sale commitments

###### Zorlu Elektrik Toptan

There is no commitment for electricity purchase for the year 2024. Within the scope of electricity purchase contracts made with energy companies, 1,727 MWh of energy was committed to be purchased in 2023, and all committed energy has been purchased. No transactions were made in 2023 within the scope of risk-sharing agreements made with energy companies related to electricity purchase and sale operations. Zorlu Elektrik Toptan has also not committed to any transactions for 2024.

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#### NOTE 19 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

##### 19.5 Electricity purchase and sale commitments (Continued)

###### Zorlu Enerji

There is no commitment for electricity purchase for the year 2024. There is no commitment for electricity purchase/sale for the year 2023. No transactions were made in 2023 within the scope of risk-sharing agreements made with energy companies related to electricity purchase and sale operations. Zorlu Elektrik Toptan has also not committed to any transactions for 2024.

###### OEDAŞ

The Company has no electricity sales commitment for 2023. Within the scope of electricity sales agreements the Company has committed to buy 803,163 MWh energy for 2023 and has bought the total of the committed amount.

###### OEPSAŞ

The Company has a electricity purchase commitment of 854,123 MWh for 2024. Within the scope of the electricity buying agreements made with energy companies, the Company has committed to buy 1,775,340 MWh energy for 2023 and fulfilled its commitment as at 31 December 2023.

##### 19.6 Gas purchase and sales commitments

###### Trakya

Trakya has committed to purchase 924.28 million sm<sup>3</sup> gas according to its contract with BOTAŞ for the year 2023. Related consumption was realized as 647.87 million sm<sup>3</sup>.

###### Gazdaş

Gazdaş has committed to purchase 530.40 million sm<sup>3</sup> gas according to its contract with BOTAŞ for the year 2023. Related consumption was realized as 480.45 million sm<sup>3</sup>.





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NOTE 20 - DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments

	Contract amount (USD)	Total contract amount (TL)	Fair value asset	Fair value liability	Carried at fair value through profit or loss
Interest rate swap agreements	491,125	14,457,836	343,657	-	(126,902)
	491,125	14,457,836	343,657	-	(126,902)
Forward agreements					
Interest rate swap agreements	5,127	157,961	-	(29,503)	-
	491,125	15,131,432	756,613	-	1,499,845
	496,252	15,289,393	756,613	(29,503)	1,499,845

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NOTE 20 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Derivative instruments not covered by cash flow hedge accounting

*Interest rate swap transactions*

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 31 December 2023, approximately 73% (31 December 2022: 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 2.38% (31 December 2022: 2.39%), thereby hedging against interest rate fluctuations.

*Forward agreements*

As of 31 December 2023, the Group has a sales commitment of TL 387,789 (31 December 2022: TL 115,961) in exchange for a purchase commitment of USD 14,500 thousand (31 December 2022: USD 5,127 thousand) pursuant to the contract dated 9-11-12-16 May 2023 with the maturity date of 5 April 2024. Since the transaction is related to naturel gas group companies, it's presented under "Assets held for sale".

The movements of derivative financial instruments are as follows:

	2023	2022
<b>As at 1 January</b>	<b>727,110</b>	<b>(581,918)</b>
Carried at fair value through profit or loss		
Income/(expense) from derivative instruments (Note 30)	(126,902)	1,499,845
Assets held for sale	(75,437)	-
Income/(expense) from derivative instruments		
reclassified to discontinued operations	138,216	(131,861)
Monetary loss	(319,330)	(58,956)
<b>As at 31 December</b>	<b>343,657</b>	<b>727,110</b>

**Non-derivative financial instruments**

As explained in Note 2.7, the Group has a loan with a total amount of USD 549,077 thousand (31 December 2022: USD 643,932) 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 2 geothermal power plant and Kızıldere 3 geothermal power plant of Zorlu Doğal will sell electricity in scope of YEKDEM until 2023 and 2027, respectively.





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#### NOTE 20 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

##### Derivative instruments not covered by cash flow hedge accounting (Continued)

##### Non-derivative financial instruments (Continued)

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 99% and 97% for the years ended 31 December 2023 and 2022 respectively. These hedge ratios represent the portion of YEKDEM sales revenue included in the effectiveness tests.

	31 December 2023		31 December 2022	
	Carried at fair value through		Carried at fair value through	
	Original amount	other comprehensive income	Original amount	other comprehensive income
	USD	(TL) (*)	USD	(TL) (*)
Hedging amount	549,077	(26,600,184)	643,932	(27,104,285)
	<b>549,077</b>	<b>(26,600,184)</b>	<b>643,932</b>	<b>(27,104,285)</b>

(\*) As of 31 December 2023, the Group uses Eurobond and investment loans amounting to USD 549,077 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:

	2023	2022
<b>As at 1 January</b>	<b>(27,104,285)</b>	<b>(25,251,964)</b>
Carried at fair value through other comprehensive income		
- Losses relating to cash flow hedges	504,101	(1,852,321)
<b>As at 31 December</b>	<b>(26,600,184)</b>	<b>(27,104,285)</b>

In the year ending on 31 December 2023 and 2022, cash flow hedge losses of TL 8,160,546 and TL 6,929,950 respectively, were reclassified in the income statement as gains or losses.

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#### NOTE 21 - PROVISIONS FOR EMPLOYMENT BENEFITS

##### Long - term provisions related to employee benefits

	31 December 2023	31 December 2022
Provision for employee termination benefits	286,418	288,697
	<b>286,418</b>	<b>288,697</b>

Movement of provision for employee termination benefits is as follows:

	2023	2022
<b>1 January</b>	<b>288,697</b>	<b>184,858</b>
Service cost (*)	32,494	28,521
Interest cost (*)	37,404	35,756
Termination benefits paid (*)	(46,037)	(9,019)
Actuarial gain	156,898	154,296
Gains on net monetary position	(137,747)	(105,715)
Assets held for sale	(45,291)	-
<b>31 December</b>	<b>286,418</b>	<b>288,697</b>

(\*) As of 31 December 2023, service cost, the amounts presented in interest cost and termination benefits paid amount to TL 4,676 (31 December 2022: TL 2,740), TL 5,773 (31 December 2022: TL 5,866) and TL 10,855 (31 December 2022: TL 2,853) 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 23 May 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 TL 23,490 for each year of service as of 31 December 2023 (31 December 2022: TL 15,371 (The amount has been expressed in thousands of Turkish Lira ("TL") excluding the effect of purchasing power of 31 December 2023)).

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.





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#### 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:

	2023	2022
Discount rate (%)	2.1	1.8
Default salary increase/inflation rate	22.0	10.0
Probability of retirement (weighted average %)	90.1	95.1

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation, The amount payable consists of one month's salary limited to a maximum of TL 35,059 for each period of service as of 1 January 2024 (1 January 2023: TL 19,983 (The amount has been expressed in thousands of Turkish Lira ("TL") excluding the effect of purchasing power of 31 December 2023)).

#### NOTE 22 – DEFERRED REVENUE

##### a) Short term deferred revenue from third parties

	31 December 2023	31 December 2022
Retail sales net profit margin income accruals (OMEGA 4) (*)	-	1,253,151
Revenue difference correction component (**)	-	235,253
Deferred revenue for non-controlling expenses	-	11,608
Order advances received	-	5,100
Other	-	16,660
	-	1,521,772

(\*) 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%.

(\*\*) The revenue difference correction component includes the adjustment for the difference between the value of the system operating income cap for a tariff year calculated according to the CPI of the month of December of the relevant tariff year and the value of the system operating income realized in the calculated according to the CPI of the month of December of the relevant tariff year. In the second year following its occurrence, the adjustment for the said difference is taken into account by EMRA as the operating income ceiling of the system that is the basis for adjustment and is used in the calculation of the income ceiling for the relevant year.

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#### NOTE 22 – DEFERRED REVENUE (Continued)

As of 31 December 2023, short term other deferred revenue from third parties is TL 29,511 and relates to natural gas group companies which are reclassified to assets held for sale.

##### b) Short term deferred revenue from related parties

	31 December 2023	31 December 2022
Advances received from related parties (Note 31)	1,881,730	590,152
	1,881,730	590,152

#### NOTE 23 - EQUITY

##### a) Share capital

	31 December 2023	31 December 2022
Limit on registered share capital	6,000,000	6,000,000
Issued capital	2,500,000	2,500,000

The Group's shareholders and shareholding structure as at 31 December 2023 and 31 December 2022 are as follows:

	Share (%)	31 December 2023	Share (%)	31 December 2022
Zorlu Holding	32.31	1,615,434	46.09	1,152,143
Korteks	17.55	877,373	17.55	438,687
Publicly held	37.40	1,869,981	35.96	899,170
Wren House Infrastructure LP	12.34	617,212	-	-
Other	0.40	20,000	0.40	10,000
	100	5,000,000	100	2,500,000

Adjustment to share capital	15,960,260	15,580,732
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Total	20,960,260	18,080,732
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Based on the material event disclosure dated 13 January 2023 and within the framework of the "ZOREN Share Purchase Agreement" signed between Zorlu Holding and Wren House Infrastructure LP ("WH") on 26 September 2022, the transfer of 30,860,606,611 Group B shares representing approximately 12.34% of the Company's capital to WH, the controlling shareholder, has been completed in accordance with the terms and conditions set forth in the material event disclosure dated 27 September 2022.





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#### NOTE 23 – EQUITY (Continued)

The subscription period for Zorlu Enerji's rights issue for increasing the Company's paid-in capital from TL 2,500,000 TL to TL 5,000,000 TL via TL 2,500,000 TL rights issue, within the limits of the registered capital ceiling of TL 6,000,000 TL which commenced on 15 June 2023 has ended on 3 July 2023. During the subscription period, pre-emptive rights corresponding to shares with a nominal value of TL 7,027,487.23 were not exercised and thus, corresponding shares will be offered for sale in the Primary Market of Borsa Istanbul on 6 July 2023.

The registration process of the new capital within the scope of the amendment to the articles of association has been completed as of 31 August 2023.

#### a)Share capital (Continued)

As of 31 December 2023 and 31 December 2022, the Group's capital inflation adjustment differences amounted to TL 15,960,260 and TL 15,580,732, 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.

	<b>Inflation-adjusted amounts included in financial statements prepared in accordance with Law No. 6762 and other legislation</b>	<b>Inflation adjusted amounts included in the financial statements prepared in accordance with TMS 29</b>	<b>Difference in previous year's profits</b>
<b>31 December 2023</b>			
Adjustments to Share Capital	26,268,436	15,960,260	10,308,176
Share Premium	32,811	32,542	269
Restricted reserves appropriated from profits	147,539	100,624	46,915

#### b)Premiums related to shares

The premiums related to the shares in the consolidated financial statements consist of the difference between the issuance price and the nominal value, as a result of the issuance of the shares which were issued within the capital increases after the initial establishment of the Group at a price above their nominal value. As of 31 December 2023 the premiums related to the shares in the consolidated financial statements of the Group are TL 32,542 (31 December 2022: TL 9,961).

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#### NOTE 23 – EQUITY (Continued)

#### c)Restricted reserves and retained earnings

	<b>31 December 2023</b>	<b>31 December 2022</b>
Legal reserves	100,624	100,624

The legal reserves consist of primary and secondary reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the primary legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The secondary legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

Retained earnings and current period profit in the legal financial statements are ready to be distributed, provided that the abovementioned legal reserve allocation requirements are fulfilled and the legal regulations of the Capital Markets Board regarding profit distribution are complied with. Publicly traded companies are entitled to distribute dividends in accordance with CMB's Dividend Communiqué numbered II-19.1 which entered into force on 1 February 2014.

Companies distribute their profits within the framework of the profit distribution policies to be determined by their general assembly and in accordance with the provisions of the relevant legislation. Within the scope of the said communiqué, a minimum distribution rate has not been set. Companies make their dividend payments according to their articles of association or dividend policies. In addition, dividends can be paid in installments of equal or varying amounts and dividend advances can be distributed in cash over the profit included in the financial statements.





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#### NOTE 23 – EQUITY (Continued)

##### c)Restricted reserves and retained earnings (Continued)

Unless the reserves required to be set aside according to the TCC and the profit share determined for the shareholders in the articles of association or the profit distribution policy are allocated; it cannot be decided to allocate other reserves, transfer profits to the next year, as well as distribute dividends to shareholders, members of the board of directors, employees and non-shareholders.

##### 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 (31 December 2023: TL 263,234 31 December 2022: TL (74,288)) 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 31 December 2023 and 2022 are as follows:

	2023	2022
<b>As at 1 January</b>	<b>(74,288)</b>	<b>(266,261)</b>
The portion of the period (loss)/profit attributed to non-controlling interests	64,646	15,241
Transactions with non-controlling shareholders	80,000	164,773
Transfers	-	11,959
<b>As at 31 December</b>	<b>70,358</b>	<b>(74,288)</b>

#### NOTE 24 – TAXES

	31 December 2023	31 December 2022
Current year income tax expense	484,928	447,344
Less: Prepaid taxes and funds	(378,747)	(261,195)
<b>Tax (asset)/liability, net</b>	<b>106,181</b>	<b>186,149</b>

##### Corporation tax

The Company and its subsidiaries located in Turkey are subject to the tax legislation and practices in force in Turkey. 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.

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#### NOTE 24 – TAXES (Continued)

According to the tax laws in Turkey, the corporate income tax general rate applied to the legal tax base, which is determined by adding non-deductible expenses under tax laws and deducting exemptions specified in tax laws, was 20% as of 31 December 2022. However, with the amendments made in Article 32 of the Corporate Tax Law No. 5520 regarding the corporate tax rate by the Law on the Establishment of Additional Motor Vehicle Taxation for the Compensation of Economic Losses Caused by the Earthquakes Occurred on 6/2/2023 and Amendments to Some Laws and Law Decrees with the Law No. 375 published in the Official Gazette dated 15 July 2023 and numbered 32249, the general rate applied in corporate tax was increased from 20% to 25% starting from the declarations to be submitted from 1 October 2023. Therefore, the Group has used a tax rate of 25% for the 2023 period tax calculation (31 December 2022: 23%).

The necessary conditions for the inflation adjustment of the financial statements have been met as of 31 December 2021, within the scope of Article 298 of the Tax Procedure Law. However, with the Law No. 7352, published in the Official Gazette dated 29 January 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.

- As of 31 December 2023, the financial statements will be subject to inflation adjustment in a manner that will not affect the corporate tax base.

The financial statements of enterprises operating in Turkey 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 30 December 2023 and numbered 32415. The inflation-adjusted financial statements will form the opening balance sheet for tax returns prepared from 1 January 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 31 December 2023, have been included in the calculation of deferred taxes.





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NOTE 24 – TAXES (Continued)

Corporation tax (Continued)

As of 31 December 2023, the corporate tax rates for Turkey and subsidiaries outside Turkey are as follows:

Country	Tax rate
Turkey	25%
Pakistan (Earnings from electricity sales are exempt from corporate tax)	29%
Israel	23%
Netherlands (The first EURO 395,000 of the financial profit is taxed at 15%)	25.8%

Turkish tax legislation does not allow for the submission of tax returns over consolidated financial statements prepared by the parent company, which include its affiliates and affiliates, tax considerations reflected in these consolidated financial statements have calculated separately for each of the companies in the scope of the consolidation.

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 Turkey other than the ones which are not responsible for or exempt from corporate-and income tax and to real persons whether residing in Turkey or not and to non-resident legal entities in Turkey are subject to 15% income tax.

Dividend payments made from joint stock companies residing in Turkey to joint stock companies residing in Turkey 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. 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 15 July 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 15 July 2023.

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NOTE 24 – TAXES (Continued)

Corporation tax (Continued)

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 Turkey 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 Turkey were subject to a withholding tax rate of 15% until 22 December 2021. However, with the Presidential Decree No. 4936, published in the Official Gazette dated 22 December 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%.

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 Turkey, 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 18 November 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.





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#### NOTE 24 – TAXES (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 31 December 2023 and 2022 is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Profit before tax</b>	<b>4,680,760</b>	<b>10,168,164</b>
Tax rate	25%	23%
Tax expense calculated with effective tax rate	(1,170,190)	(2,338,678)
Deductions and exemptions	1,696,324	805,422
Additions	(437,254)	(377,536)
Unrecognised tax losses	(593,931)	(348,267)
Effect of tax rate change	690,517	1,662,536
Tax revenue from the indexation of legal records to inflation	8,881,232	-
Tax effect reclassified to discontinued operations	(384,183)	(158,797)
Losses on net monetary position	(2,581,952)	(2,114,533)
Other	1,062	700
<b>Total tax income/(expense)</b>	<b>6,101,625</b>	<b>(2,869,153)</b>

##### 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 31 December 2023, the tax rate used in the calculation of deferred tax assets and liabilities is 25% (31 December 2022: 20%).

##### Deferred taxes (Continued)

	31 December 2023	31 December 2022
Deferred tax assets	4,748,396	1,700,569
Deferred tax liabilities	(2,591,721)	(8,052,892)
<b>Deferred tax assets/(liabilities), net</b>	<b>2,156,675</b>	<b>(6,352,323)</b>

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#### NOTE 24 – TAXES (Continued)

	Temporary differences		Deferred tax assets/(liabilities)	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Tangible and intangible assets	(2,914,945)	36,701,573	723,953	(7,343,430)
Carry forward tax losses	(14,147,302)	(15,134,290)	3,536,826	3,029,671
Receivables from service concession arrangements	9,120,452	12,866,007	(2,280,113)	(2,573,201)
Indexation of deposits received	(963,851)	(2,435,083)	240,963	486,896
OMEGA 4 income accrual	203,815	-	(50,954)	-
Credit commission and unearned credit finance expense	(485,353)	(266,520)	121,338	57,381
Investment incentive	(490,388)	(560,274)	122,597	112,055
Derivative instruments	343,657	727,110	(85,914)	(145,422)
Provision for employee termination benefits	(286,418)	(288,697)	71,505	63,497
Other	980,676	184,954	(243,526)	(39,770)
<b>Deferred tax assets/(liabilities), net</b>	<b>(8,639,657)</b>	<b>31,794,780</b>	<b>2,156,675</b>	<b>(6,352,323)</b>

The movements in deferred tax assets and liabilities for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
<b>1 January</b>	<b>(6,352,323)</b>	<b>(2,469,867)</b>
Charged to statement of profit or loss from continued operations (net)	6,586,553	(2,421,809)
Charged to other comprehensive income (net)	2,405,435	(1,374,725)
Charged to statement of profit or loss from discontinued operations (net)	(347,522)	(85,922)
Assets held for sale	(139,991)	-
Disposal of subsidiary	4,523	-
<b>31 December</b>	<b>2,156,675</b>	<b>(6,352,323)</b>





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#### NOTE 24 – TAXES (Continued)

As at 31 December 2023, the Group recognized deferred tax assets for the carry forward tax losses amounting to TL 14,147,302 (31 December 2022: TL 15,134,290) for which the Group believes it will utilize in the future. For the remaining carry forward tax losses amounting to TL 4,141,300 (31 December 2022: TL 2,881,045), 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 2023	31 December 2021
2023	30,018	49,462
2024	2,218	3,655
2025	3,742	6,166
2026	752,809	1,240,425
2027	959,707	1,581,337
2028	2,392,806	-
	<b>4,141,300</b>	<b>2,881,045</b>

#### NOTE 25 – REVENUE

	1 January - 31 December 2023	1 January - 31 December 2022
Electricity generation and wholesale income	10,517,648	13,390,998
Retail sales income	8,704,824	14,477,425
Income from electricity distribution activities	3,855,686	1,615,615
Panel sales income	1,794,545	4,367,504
General lighting income	1,181,950	1,024,479
Income from investment activities	850,764	3,244,319
Other	376,467	685,760
	<b>27,281,884</b>	<b>38,806,100</b>

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#### NOTE 26 – COST OF SALES

	1 January - 31 December 2023	1 January - 31 December 2022
Retail electricity purchase expense	8,556,389	12,369,007
Depreciation and amortisation	3,771,459	3,145,653
Electricity generation and wholesale purchase expense	2,962,080	6,284,525
Energy purchase cost related to electricity distribution	2,029,006	1,829,571
Panel purchase expense	1,812,246	3,862,233
Electricity generation and retail system utilization fee	1,568,492	676,241
Expenses from investment and construction activities	742,180	2,590,713
Employee and personnel expenses	741,265	593,125
Maintenance and repair expenses	659,369	703,860
Other	677,081	1,092,938
	<b>23,519,567</b>	<b>33,147,866</b>

#### NOTE 27 – GENERAL ADMINISTRATIVE AND MARKETING EXPENSES

##### a) General Administrative Expenses

	1 January - 31 December 2023	1 January - 31 December 2022
Employee and personnel expenses	545,217	370,248
Consulting and outsourcing expenses	424,020	345,783
Taxes paid	179,950	116,786
Depreciation and amortisation expense	43,233	57,861
Donations	33,359	16,217
Rent expenses	30,998	38,488
Travelling expenses	23,002	20,254
Office expenses	21,231	29,315
Licence expenses	17,313	11,865
Insurance expenses	11,824	9,560
Advertising expenses	11,745	14,909
Communication expenses	11,141	6,892
Maintenance and repair expenses	7,413	23,826
Other	49,744	35,805
	<b>1,410,190</b>	<b>1,097,809</b>





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#### NOTE 27 – GENERAL ADMINISTRATIVE AND MARKETING EXPENSES (Continued)

##### b) Marketing expenses

	1 January - 31 December 2023	1 January - 31 December 2022
Employee and personnel expenses	93,010	68,898
Rent Expenses	15,918	19,273
Comission Expense	13,295	10,262
Consulting and outsourcing expenses	13,233	5,948
Communication expenses	8,138	5,594
Office Expenses	5,218	4,716
Travelling expenses	2,561	5,339
Motor vehicle expenses	2,316	2,697
Advertising expenses	1,442	19,974
Other	8,854	13,644
	<b>163,985</b>	<b>156,663</b>

#### NOTE 28- OTHER OPERATING INCOME AND EXPENSES

##### a) Other operating income:

	1 January - 31 December 2023	1 January - 31 December 2022
Interest income from distribution activities	1,219,261	1,096,322
Foreign exchange difference from trading activities	842,005	188,983
Interest income from trading activities	571,811	66,399
Insurance income	100,764	63,302
Other	210,346	108,273
	<b>2,944,187</b>	<b>1,523,279</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

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#### NOTE 28 - OTHER OPERATING INCOME AND EXPENSES (Continued)

##### b) Other operating expense:

	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange difference from trading activities	776,862	195,264
Interest expense from trading activities	305,496	133,279
Depreciation of service concession arrangements	288,367	288,367
Provisions expenses	149,940	115,163
Depreciation of customer relations	109,556	109,556
Other	228,572	120,136
	<b>1,858,793</b>	<b>961,765</b>

#### NOTE 29 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

##### a) Income from investing activities

	1 January - 31 December 2023	1 January - 31 December 2022
Gain on sale of subsidiaries (Note 2.2)	2,944,647	-
Fair value gains of associates (Note 2.2)	1,197,636	-
Gain on sale of fixed assets	9,025	6,251
	<b>4,151,308</b>	<b>6,251</b>

##### b) Expenses from investing activities

	1 January - 31 December 2023	1 January - 31 December 2022
Loss on sale of fixed assets	2,856	25
Other	1	-
	<b>2,857</b>	<b>25</b>





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 30 - FINANCE INCOME AND EXPENSES

##### a) Financial income:

	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange gains	7,099,820	5,890,189
Interest income	2,100,665	1,442,200
Income on derivative instruments	-	1,499,845
	<b>9,200,485</b>	<b>8,832,234</b>

##### b) Financial expense:

	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange loss	13,186,521	11,680,490
Interest expense (*)	7,272,474	6,680,800
Bank commission and other financial expenses	299,583	193,591
Loss on derivative instruments	126,902	-
	<b>20,885,480</b>	<b>18,554,881</b>

(\*) As at 31 December 2023, TL 64,553 of interest expense (31 December 2022: TL 81,868) is related to lease agreements in within the scope of TFRS 16.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 31 - RELATED PARTY TRANSACTIONS

##### i) Related party balances:

##### a) Short-term trade receivables from related parties

	31 December 2023	31 December 2022
Korteks	427,548	768,475
Meta Nikel Kobalt Madencilik Sanayi AŞ ("Meta Nikel")	398,230	311,279
Zorluteks Tekstil Ticaret ve Sanayi AŞ ("Zorluteks")	326,887	605,878
Zorlu Tesis Yönetim AŞ ("Zorlu Tesis Yönetimi")	27,281	55,891
Vestel Beyaz Eşya Sanayi ve Ticaret AŞ ("Vestel Beyaz Eşya")	15,100	19,613
Vestel Elektronik Sanayi ve Ticaret AŞ ("Vestel Elektronik")	14,163	244,039
Zes Solar Enerji Tedarik ve Ticaret AŞ ("Zes Solar")	11,208	-
Vestel Ticaret AŞ ("Vestel Ticaret")	-	7,576
Diğer	13,882	5,513
	<b>1,234,299</b>	<b>2,018,264</b>

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 2023	31 December 2022
Zorlu Holding (*)	1,125,259	2,039,523
ZES Israil	15,207	-
Other	6,519	5,660
	<b>1,146,985</b>	<b>2,045,183</b>

(\*) TL 1,125,259 of the Group's total receivables from Zorlu Holding amounting to TL 8,750,069 are short-term. All of the short-term receivables originate from intercompany loans, and the interest rates of the receivables amounting to TL 23,318, USD 37,432 thousand equivalent to TL 1,101,941 are 49.8% for TL and in the range of 10%-14.95% for USD.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 31 - RELATED PARTY TRANSACTIONS (Continued)

##### i) Related party balances (Continued):

##### c) Long-term other receivables from related parties

	31 December 2023	31 December 2022
Zorlu Holding (*)	7,624,810	8,000,061
Zorlu O&M Enerji Tesisleri İşletme ve Bakım Hizmetleri AŞ ("Zorlu O&M") (**)	3,439,080	2.684,335
Ezotech (***)	878,534	941,776
Zorlu Doğalgaz İthalat, İhracat ve Toptan Ticaret AŞ ("Zorlu Doğal Gaz İthalat") (****)	-	279,887
Diğer	96,780	101,286
	<b>12,039,204</b>	<b>12,007,345</b>

(\*) TL 7,624,810 of the Group's total receivables out of TL 8,850,069 from Zorlu Holding is long-term. The interest rates for the parts of the Group's long-term receivable amounting to TL 52,210 and USD 33,819 thousand together equivalent to TL 995,853 and EURO 20,062 thousand equivalent to TL 653,489 resulting from an intercompany loan are 30.5%, 7.5%-12.75% and 6.95%-9.9%, respectively. The remaining USD 201,210 thousand equivalent to TL 5,923,258 of the long-term receivables are of financial nature and interest rate is 8% which is valid for USD and determined by market conditions.

(\*\*) USD 98,127 thousand equivalent to TL 3,439,080 of the Group's long-term receivables from Zorlu O&M amounting to TL 2,888,668 are of financial nature and the interest rate is 8%, which is valid for USD and determined by market conditions. The remaining receivables amounting to USD 18,697 thousand equivalent to TL 550,412 originate from an intercompany loan and the interest rate is 12.75%.

(\*\*\*) The Group's financial receivables amounting to NIS 107,528 thousand equivalent to TL 878,534 have been provided within the scope of power plant projects in Israel.

(\*\*\*\*) The Group's long-term financial receivable from Zorlu Doğal Gaz İthalat, amounting to TL 366,175, is presented under assets held for sale.

##### d) Short-term trade payables to related parties

	31 December 2023	31 December 2022
Zes Solar Mena Dmcc	119,771	-
Zorlu O&M (**)	42,483	61,600
Zorlu Holding (*)	28,289	24,334
Vestel Ticaret	17,329	-
Vestel Elektronik	7,190	-
Other	18,957	48,895
	<b>234,019</b>	<b>134,829</b>

(\*) The Group's trade payables to Zorlu Holding generally consist of general administrative expenses.

(\*\*) 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.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 31 - RELATED PARTY TRANSACTIONS (Continued)

##### i) Related party balances (Continued):

##### e) Short-term other payables to related parties

	31 December 2023	31 December 2022
Zorlu O&M	36,383	42,661
Zorlu Holding (*)	-	1,286,112
Korteks (*)	-	669,802
	<b>36,383</b>	<b>1,998,575</b>

(\*) As of 31 December 2022, The Group's payables of TL 1,286,112 to Zorlu Holding and TL 669,802 to Korteks are related to capital advances provided by Zorlu Holding and Korteks, based on Zorlu Enerji's material event disclosure dated 27 September 2022.

##### f) Long-term financial liabilities to related parties

	31 December 2023	31 December 2022
Zorlu O&M	11,167	13,241
	<b>11,167</b>	<b>13,241</b>

##### g) Short-term deferred liabilities from related parties

	31 December 2023	31 December 2022
Vestel Elektronik (*)	1,317,752	590,152
Vestel Beyaz Eşya (*)	563,826	-
Other	152	-
	<b>1,881,730</b>	<b>590,152</b>

(\*) As of 31 December 2023 and 2022, the balances represent the Group's advance payables from Vestel Elektronik and Vestel Beyaz Eşya.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 31 - 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.

##### h) Sales to related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Korteks	767,988	1,556,229
Zorluteks	413,783	693,692
Vestel Beyaz Eşya	347,606	453,173
Vestel Elektronik	297,120	1,163,986
Zorlu Tesis Yönetimi	230,309	368,068
Meta Nikel Kobalt	184,886	270,448
Zes Solar	174,259	-
Other	49,739	53,335
	<b>2,465,690</b>	<b>4,558,931</b>

##### i) Purchases from related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Zorlu O&M Enerji	121,317	118,866
Vestel Elektronik	-	219,303
Other	7,555	134,359
	<b>128,872</b>	<b>472,528</b>

##### i) General administrative expenses and marketing expenses from related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Zorlu Gayrimenkul	40,742	36,011
Zorlu Holding	25,374	66,230
ABH Turizm Temsilcilik ve Ticaret AŞ ("ABH Turizm")	17,429	14,208
Zorlu Tesis Yönetimi	8,508	6,296
Mehmet Zorlu Vakfı	6,510	4,881
Zorlu Yapı Yatırım AŞ	5,834	2,780
Other	7,369	23,744
	<b>111,766</b>	<b>154,150</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 31 - RELATED PARTY TRANSACTIONS (Continued)

##### i) Related party balances (Continued):

##### j) Operating other income to related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Korteks	414,063	42,739
Zorluteks	305,738	43,362
Meta Nikel Kobalt	134,248	53,106
Other	12,783	38,891
	<b>866,832</b>	<b>178,098</b>

##### k) Operating other expenses to related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Vestel Elektronik	434,775	75,492
Vestel Beyaz Eşya	134,611	-
Other	6,831	10,758
	<b>576,217</b>	<b>86,250</b>

##### l) Interest income from related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Zorlu Holding	1,309,034	989,702
Zorlu O&M	215,311	193,371
Other	30,677	20,382
	<b>1,555,022</b>	<b>1,203,455</b>





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 31 - RELATED PARTY TRANSACTIONS (Continued)

##### i) Related party balances (Continued):

##### m) Interest expense from related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Zorlu O&M Enerji	2,485	74
Other	-	54
	<b>2,485</b>	<b>128</b>

##### n) Foreign exchange gain from related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Zorlu Holding	3,424,824	3,941,698
Zorlu O&M	1,421,919	774,611
Ezotech	390,415	247,805
Zorlu Doğal Gaz İthalat	156,107	87,328
Other	101,287	44,296
	<b>5,494,552</b>	<b>5,095,738</b>

##### o) Foreign exchange loss from related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Zorlu O&M Enerji	6,503	-
Other	952	168
	<b>7,455</b>	<b>168</b>

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.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 31- RELATED PARTY TRANSACTIONS (Continued)

##### ii) Key management compensations for the periods between 1 January - 31 December 2023 and 2022 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 2023	1 January - 31 December 2022
Salaries and other benefits	102,310	92,843

There are no guarantees, pledges or mortgages regarding the Group's related party transactions.

#### NOTE 32 – 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 per share from continued operations:

	1 January - 31 December 2023	1 January - 31 December 2022
Net income for equity holders of the Group	10,782,385	7,299,011
Weighted average value of each of the issued share	333,333,333	250,000,000
Profit per 100 share (TL)	3.235	2.920

##### Earnings per share from discontinued operations:

	1 January - 31 December 2023	1 January - 31 December 2022
Net income for equity holders of the Group	203,591	2,209,725
Weighted average value of each of the issued share	333,333,333	250,000,000
Profit per 100 share (TL)	0.061	0.884

Nominal value of each of the issued share as of 31 December 2023 and 2022 is 1 Kr.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 33 - 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 2023 and 2022, the analysis of the Group's financial liabilities according to their maturities is as follows:

##### *Non-derivative financial liabilities (1)(2):*

	Book	Total cash outflows				
		in accordance	Less than			Over
2023	value	with contract	3 months	3-12 months	1-5 years	5 years
Financial liabilities	42,072,599	54,082,970	8,283,729	9,707,080	32,998,091	3,094,070
Lease liabilities	421,665	1,475,983	97,704	189,293	393,730	795,256
Trade payables	3,880,317	3,880,317	3,880,317	-	-	-
Other payables	1,236,565	1,236,565	1,225,398	-	11,167	-
	<b>47,611,146</b>	<b>60,675,835</b>	<b>13,487,148</b>	<b>9,896,373</b>	<b>33,402,988</b>	<b>3,889,326</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

##### (a) Liquidity risk (Continued)

##### *Non-derivative financial liabilities (1)(2) (Continued):*

	Book	Total cash outflows				
		in accordance	Less than			Over
2022	value	with contract	3 months	3-12 months	1-5 years	5 years
Financial liabilities	56,120,577	72,257,978	11,014,046	9,397,675	42,982,725	8,863,532
Lease liabilities	512,057	1,655,902	64,680	162,016	436,917	992,289
Trade payables	9,488,174	9,488,174	9,488,174	-	-	-
Other payables	5,955,170	5,955,170	5,941,929	-	13,241	-
	<b>72,075,978</b>	<b>89,357,224</b>	<b>26,508,829</b>	<b>9,559,691</b>	<b>43,432,883</b>	<b>9,855,821</b>

(1) Maturity analysis has been applied on financial instruments and this analyse does not include legal liabilities.

(2) Amounts above are cash flows which has not been discounted belongs to contracts. Since discounted amounts are on immetarial 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.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 33 - 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 31 December 2023 and 2022 as follows:

	2023	2022
<b>Fixed interest rate financial instruments</b>		
Cash and cash equivalents	135,901	1,386,561
Financial assets	399,069	1,084,769
Other receivables	1,701,551	2,010,060
Financial liabilities	(17,185,588)	(24,366,143)
<b>Variable interest rate financial instruments</b>		
Other receivables	10,971,570	11,653,050
Receivables from		
service concession arrangements (*)	9,120,452	12,866,007
Other payables to related parties	(47,550)	(55,903)
Financial liabilities (**)	(25,308,676)	(32,266,490)
Security deposits received (*)	(1,188,811)	(3,934,369)

(\*) Receivables from service concession arrangements are indexed with CPI. Security deposits received are also indexed with CPI in accordance with the methods determined by EMRA.

(\*\*) As of 31 December 2023, the borrowings with variable interest rates amounts to TL 11.694.038 whose interest rate is fixed are taken into consideration in the variable rate financial borrowings (31 December 2022: TL 14,156,291).

If interest rates of borrowings with floating rates had been 100 basis points higher/lower with all other variables held constant, gain before taxation of the Group would be TL 136,146 higher/lower (2022: TL 181,102 lower/ higher).

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 33 - 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 USD, EURO 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 19).

Foreign currency denominated assets and liabilities held by the Group as at 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Assets	17,067,158	18,995,831
Liabilities	(37,481,301)	(48,245,132)
Net position of derivative instruments	-	157.961

<b>Foreign currency position, (net)</b>	<b>(20,414,143)</b>	<b>(29,091,340)</b>
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## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira (“TL”) with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

##### *(b)Market risk (Continued)*

The amounts and TL equivalent of assets and liabilities denominated in foreign currency held by the Group at 31 December 2023 and 31 December 2022 are as follows:

		31 December 2023			
		TL equivalent (functional currency)	USD	EURO	NIS
1-	Trade receivables	2,183,587	73,151	710	860
2a-	Monetary financial assets	2,770,713	91,887	1,640	1,506
2b-	Non-monetary financial assets	-	-	-	-
3-	Other	125,891	3,475	722	-
4-	<b>Current Assets (1+2+3)</b>	<b>5,080,191</b>	<b>168,513</b>	<b>3,072</b>	<b>2,366</b>
5-	Trade receivables	-	-	-	-
6a-	Monetary financial assets	11,986,967	355,150	20,062	107,528
6b-	Non-monetary financial assets	-	-	-	-
7-	Other	-	-	-	-
8-	<b>Non-Current Assets (5+6+7)</b>	<b>11,986,967</b>	<b>355,150</b>	<b>20,062</b>	<b>107,528</b>
9-	<b>Total Assets (4+8)</b>	<b>17,067,158</b>	<b>523,663</b>	<b>23,134</b>	<b>109,894</b>
10-	Trade payables	925,817	19,032	11,171	-
11-	Financial liabilities	12,852,121	422,677	11,854	-
12a-	Other monetary liabilities	675,882	22,918	-	-
12b-	Other non-monetary liabilities	-	-	-	-
13-	<b>Short-term Liabilities (10+11+12)</b>	<b>14,453,820</b>	<b>464,627</b>	<b>23,025</b>	-
14-	Trade payables	-	-	-	-
15-	Financial liabilities	23,027,481	762,728	16,353	-
16a-	Other monetary liabilities	-	-	-	-
16b-	Other non-monetary liabilities	-	-	-	-
17-	<b>Long-term Liabilities (14+15+16)</b>	<b>23,027,481</b>	<b>762,728</b>	<b>16,353</b>	-
18-	<b>Total Liabilities (13+17)</b>	<b>37,481,301</b>	<b>1,227,355</b>	<b>39,378</b>	-
19-	<b>Net asset/liability position of off-balance sheet derivative instruments (19a-19b)</b>	-	-	-	-
19a-	Amount of active off-balance sheet derivative products denominated in foreign currency	-	-	-	-
19b-	Amount of passive off-balance sheet foreign currency derivative products	-	-	-	-
20-	<b>Net foreign currency denominated assets/(liabilities) position (9-18+19)</b>	<b>(20,414,143)</b>	<b>(703,692)</b>	<b>(16,244)</b>	<b>109,894</b>
21-	<b>Monetary accounts net foreign currency denominated assets/(liabilities) position (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(20,540,034)</b>	<b>(707,167)</b>	<b>(16,966)</b>	<b>109,894</b>
22-	<b>Total fair value of financial instruments used for foreign exchange hedge</b>	-	-	-	-
23-	<b>Export</b>	-	-	-	-
24-	<b>Import</b>	<b>1,074,259</b>	<b>36,492</b>	-	-

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira (“TL”) with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

##### *(b)Market risk (Continued)*

		31 December 2022			
		TL equivalent (functional currency)	USD	EURO	NIS
1-	Trade receivables	2,898,927	89,928	3,905	-
2a-	Monetary financial assets	4,078,809	124,771	6,740	1,512
2b-	Non-monetary financial assets	-	-	-	-
3-	Other	152,627	4,389	530	-
4-	<b>Current Assets (1+2+3)</b>	<b>7,130,363</b>	<b>219,088</b>	<b>11,175</b>	<b>1,512</b>
5-	Trade receivables	-	-	-	-
6a-	Monetary financial assets	11,865,468	334,834	18,496	107,422
6b-	Non-monetary financial assets	-	-	-	-
7-	Other	-	-	-	-
8-	<b>Non-Current Assets (5+6+7)</b>	<b>11,865,468</b>	<b>334,834</b>	<b>18,496</b>	<b>107,422</b>
9-	<b>Total Assets (4+8)</b>	<b>18,995,831</b>	<b>553,922</b>	<b>29,671</b>	<b>108,934</b>
10-	Trade payables	2,023,673	58,994	6,274	-
11-	Financial liabilities	13,612,252	427,413	13,511	-
12a-	Other monetary liabilities	-	-	-	-
12b-	Other non-monetary liabilities	-	-	-	-
13-	<b>Short-term Liabilities (10+11+12)</b>	<b>15,635,925</b>	<b>486,407</b>	<b>19,785</b>	-
14-	Trade payables	-	-	-	-
15-	Financial liabilities	32,609,207	1,038,091	19,055	-
16a-	Other monetary liabilities	-	-	-	-
16b-	Other non-monetary liabilities	-	-	-	-
17-	<b>Long-term Liabilities (14+15+16)</b>	<b>32,609,207</b>	<b>1,038,091</b>	<b>19,055</b>	-
18-	<b>Total Liabilities (13+17)</b>	<b>48,245,132</b>	<b>1,524,498</b>	<b>38,840</b>	-
19-	<b>Net asset/liability position of off-balance sheet derivative instruments (19a-19b)</b>	<b>157,961</b>	<b>5,127</b>	-	-
19a-	Amount of active off-balance sheet derivative products denominated in foreign currency	157,961	5,127	-	-
19b-	Amount of passive off-balance sheet foreign currency derivative products	-	-	-	-
20-	<b>Net foreign currency denominated assets/(liabilities) position (9-18+19)</b>	<b>(29,091,340)</b>	<b>(965,449)</b>	<b>(9,169)</b>	<b>108,934</b>
21-	<b>Monetary accounts net foreign currency denominated assets/(liabilities) position (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(29,401,928)</b>	<b>(974,965)</b>	<b>(9,699)</b>	<b>108,934</b>
22-	<b>Total fair value of financial instruments used for foreign exchange hedge</b>	<b>(29,503)</b>	<b>(958)</b>	-	-
23-	<b>Export</b>	<b>1,048</b>	<b>34</b>	-	-
24-	<b>Import</b>	<b>1,710,094</b>	<b>55,505</b>	-	-





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") with the purchasing power of 31 December 2023 unless otherwise stated.)

#### NOTE 33 - 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 USD, EUR and NIS currencies denominated assets and liabilities to local currency. As at 31 December 2023 and 31 December 2022, had the TL 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 2023		31 December 2023	
	Profit or loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>In case of 10% appreciation / depreciation USD against TL:</b>				
USD net asset/(liability)	(2,078,051)	2,078,051	(2,078,051)	2,078,051
Amount hedged for USD risk (-)	1,616,384	(1,616,384)	-	-
<b>USD net effect</b>	<b>(461,667)</b>	<b>461,667</b>	<b>(2,078,051)</b>	<b>2,078,051</b>
<b>In case of 10% appreciation / depreciation of EUR against TL:</b>				
EUR net asset/(liability)	(53,145)	53,145	(53,145)	53,145
Amount hedged for EUR risk (-)	-	-	-	-
<b>EUR net effect</b>	<b>(53,145)</b>	<b>53,145</b>	<b>(53,145)</b>	<b>53,145</b>
<b>In case of 10% appreciation / depreciation of NIS against TL:</b>				
NIS net asset/(liability)	89,782	(89,782)	89,782	(89,782)
Amount hedged for NIS risk (-)	-	-	-	-
<b>NIS net effect</b>	<b>89,782</b>	<b>(89,782)</b>	<b>89,782</b>	<b>(89,782)</b>
<b>Total net effect</b>	<b>(425,030)</b>	<b>425,030</b>	<b>(2,041,414)</b>	<b>2,041,414</b>

As at 31 December 2023, the Group uses investment loans amounting to USD 549,077 thousand (31 December 2022: USD 634,932 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.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

##### *(b) Market risk (Continued)*

	31 December 2022		31 December 2022	
	Profit or loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>In case of 10% appreciation / depreciation USD against TL:</b>				
USD net asset/(liability)	(2,974,527)	2,974,527	(2,974,527)	2,974,527
Amount hedged for USD risk (-)	1,983,937	(1,983,937)	-	-
<b>USD net effect</b>	<b>(990,590)</b>	<b>990,590</b>	<b>(2,974,527)</b>	<b>2,974,527</b>
<b>In case of 10% appreciation / depreciation of EUR against TL:</b>				
EUR net asset/(liability)	(30,116)	30,116	(30,116)	30,116
Amount hedged for EUR risk (-)	--	--	--	--
<b>EUR net effect</b>	<b>(30,116)</b>	<b>30,116</b>	<b>(30,116)</b>	<b>30,116</b>
<b>In case of 10% appreciation / depreciation of NIS against TL:</b>				
NIS net asset/(liability)	95,509	(95,509)	95,509	(95,509)
Amount hedged for NIS risk (-)	--	--	--	--
<b>NIS net effect</b>	<b>95,509</b>	<b>(95,509)</b>	<b>95,509</b>	<b>(95,509)</b>
<b>Total net effect</b>	<b>(925,197)</b>	<b>925,197</b>	<b>(2,909,134)</b>	<b>2,909,134</b>

##### *(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 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.





## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 33 - 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 31 December 2023 and 2022, nebt debt to equity ratio is as follows:

	31 December 2023	31 December 2022
Financial liabilities (Note 6)	42,494,264	56,632,634
Other payables to related parties (Note 31) (*)	47,550	55,902
Less: Cash and cash equivalents (Note 4)	(1,933,759)	(3,798,939)
Less: Financial assets (Note 13)	(399,069)	(1,084,769)
<b>Net debt</b>	<b>40,208,986</b>	<b>51,804,828</b>
<b>Total equity</b>	<b>38,472,069</b>	<b>34,520,532</b>
<b>Net debt to equity ratio</b>	<b>1.0</b>	<b>1.5</b>

(\*) As of 31 December 2022, financial liabilities in the form of capital advances amounting to TL 1,286,112 and TL 669,802, respectively, placed by Zorlu Holding and Korteks (Note 31) have not been taken into account in the calculation.

##### (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.

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

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#### NOTE 33 - 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 31 December 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)	1,234,299	5,126,048	-	9,120,452	13,186,189	462,245	-	1,932,582
-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	1,234,299	3,845,336	-	9,120,452	13,186,189	462,245	-	1,932,582
B. Net book value of financial assets that are renegotiated, if not that will be accepted as part due or impaired	-	1,280,712	8-	-	-	-	-	-
- The part under guarantee with collaterals, etc	-	1,113,34	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	-	-	-	-	-
- Impairment (-)	-	248,961	-	-	-	-	-	-
- The part under guarantee with collaterals, etc	-	(248,961)	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-	-
- The part under guarantee with collaterals, etc	-	-	-	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	-





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NOTE 33 - 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 31 December 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 2022 (A+B+C+D)	2,018,264	9,936,976	-	12,866,007	14,052,528	653,646	-	3,798,445
-The part of maximum risk under guarantee with collaterals, etc	-	4,141,058	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	2,018,264	8,273,982	-	12,866,007	14,052,528	653,646	-	3,798,445
B. Net book value of financial assets that are renegotiated, if not that will be accepted as part due or impaired	-	1,662,994	-	-	-	-	-	-
- The part under guarantee with collaterals, etc	-	938,436	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	262,021	-	-	-	-	-	-
- Impairment (-)	-	(262,021)	-	-	-	-	-	-
- The part under guarantee with collaterals, etc	-	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-	-
- The part under guarantee with collaterals, etc	-	-	-	-	-	-	-	-

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NOTE 33 - 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 fair values of short term bank borrowings and other monetary liabilities are considered to approximate to their respective carrying values due to their short-term nature. Since long term foreign currency loans generally have floating interest rate fair value is close to their book value. Fair value of long term bank loans are discounted amounts of contractual cash flows with the market interest rate. 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.





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NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS  
(Continued)

Fair value estimation (Continued):

Fair values of translated foreign currency balances with year-end foreign exchange rates are considered to approximate their carrying values.

Cash and cash equivalents as at the carrying value of certain financial assets carried at cost, are considered to approximate their fair values due to their short-term.

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 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
<b>Derivative financial instruments</b>		
Level 1	-	-
Level 2	343,657	727,110
Level 3	-	-
	<b>343,657</b>	<b>727,110</b>

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.

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NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS  
(Continued)

Fair value estimation (Continued):

Fair values of translated foreign currency balances with year-end foreign exchange rates are considered to approximate their carrying values.

Cash and cash equivalents as at the carrying value of certain financial assets carried at cost, are considered to approximate their fair values due to their short-term.

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 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
<b>Derivative financial instruments</b>		
Level 1	-	-
Level 2	343,657	727,110
Level 3	-	-
	<b>343,657</b>	<b>727,110</b>

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.





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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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#### NOTE 33 - 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 Kızıldere 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 2.9.

Property, plant and equipment	31 December 2023	31 December 2022
Level 1	--	--
Level 2	1,489,687	1,452,620
Level 3	36,728,693	52,928,272
	<b>38,218,380</b>	<b>54,380,892</b>

#### NOTE 34 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR / INDEPENDENT AUDIT FIRM

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 30 March 2021 and based on the POA letter dated 19 August 2021, is as follows:

	31 December 2023	31 December 2022
Independent audit fee for the reporting period	13,085	6,765
Special purpose independent audit fees	4,636	-
Fees for other assurance services	155	194
	<b>17,876</b>	<b>6,959</b>

## ZORLU ENERJİ ELEKTRİK ÜRETİM AŞ AND ITS SUBSIDIATIES

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#### NOTE 35 - SUBSEQUENT EVENTS

Based on the material event disclosure dated 3 January 2024; The liquidation process of Zorlu Enerji Asia Holding Limited, established in Dubai International Financial Center, in which the Company owns all of its shares representing its capital, has been completed.

Based on the material event disclosure dated 5 January 2024; The application made to the Aydın Governorship Investment Monitoring and Coordination Directorate regarding the conversion of resource exploration licenses for the Kuyucak and Nazilli geothermal fields in the Aydın province of Zorlu Geothermal, a 100% indirect subsidiary of the Company, into a geothermal resource operating license was accepted and valid for 30 years. Geothermal resource operation licenses have been obtained.

Based on the material event disclosure dated 13 February 2024; Within the framework of the investment policies and strategies of Zorlu Group, which includes the Company; Obtaining legal permissions for all 895,150,000 shares with a nominal value of 1 TL each, representing the capital of Zorlu Enerji Dağıtım, a subsidiary of the Company in which it has a 100% participation, along with all its rights and obligations, and selling shares in accordance with the principles set out in the Agreement, on the closing date. It has been decided to sell it to Palmet Enerji A.Ş., registered in the Istanbul trade registry with the registration number 201308-0, provided that the price is adjusted and paid, and the "Share Purchase Agreement" was signed between the parties on 13 February 2024.

Within the framework of the adjustment criteria set out in the Share Purchase Agreement, by adjusting according to the financial and commercial liabilities at the closing date, by deducting the financial and commercial liabilities amounting to TL 2.806.342.588 from the sales price and paying the remaining TL 3.568.987. 412 Turkish Lira in cash and in advance by the buyer, the sale of all shares of Zorlu Enerji Dağıtım, a 100% subsidiary of the Company, to Gaztrak Enerji AŞ, a 100% subsidiary of Palmet Enerji A.Ş, for a total consideration of USD 200.000.000 (USD/TRY rate: 31,8767) equivalent to TL 6.375.330 thousand and the share transfer transactions were completed on 12 March 2024.

Pursuant to the material event disclosure dated 21 February 2024; it has been decided to apply to the Capital Markets Board for the approval of the Prospectus for the public offering of some shares of Zorlu Yenilenebilir, a subsidiary of the Company in which the Company owns 100% of the capital, through capital increase and sale of existing shareholder shares within the framework of the Capital Markets Law No. 6362 and the Communiqués and decisions of the Capital Markets Board. The application was made to the Capital Markets Board for the approval of the Prospectus for the public offering of some shares of Zorlu Yenilenebilir Enerji A.Ş. on 22 February 2024 and the Draft Prospectus and Fund Utilization Report were published on our Company's website [www.zorluenerji.com.tr](http://www.zorluenerji.com.tr) and Zorlu Yenilenebilir's website [www.zorluyenilenebilir.com.tr](http://www.zorluyenilenebilir.com.tr), Ak Yatırım Menkul Değerler AŞ's website [www.akyatirim.com.tr](http://www.akyatirim.com.tr) and Garanti Yatırım Menkul Kıymetler AŞ's website [www.garantibbvayatirim.com.tr](http://www.garantibbvayatirim.com.tr) as of 22 February 2024.



# [ APPENDIX ]





Installed Capacity of Zorlu Enerji in Türkiye

Power Plant	Company	Location	Type	Electricity Generation	Steam Generation Capacity (Tons/ Hour)	Direct and Indirect Equity Share (%)
Capacity (MW)	Steam Generation Capacity (Tons/Hour)	Direct and Indirect Equity Share (%)		83,83	98,00	
Natural Gas				83.83	98.00	
Lüleburgaz	Zorlu Enerji Elektrik Üretim AŞ	Lüleburgaz, Kırklareli	Cogeneration Natural Gas	49.53	98.00	100
Bursa	Zorlu Enerji Elektrik Üretim AŞ	Bursa OSB	Combined Cycle Natural Gas	34.30	-	100
Wind				135.00	-	
Gökçedağ (Rotor)	Rotor Elektrik Üretim AŞ	Osmaniye	Wind	135.00	-	100
Hydroelectric				118.94	-	
Tercan	Zorlu Doğal Elektrik Üretimi AŞ	Erzincan	Hydroelectric (With Reservoir)	15.00	-	100
Kuzgun	Zorlu Doğal Elektrik Üretimi AŞ	Erzurum	Hydroelectric (With Reservoir)	20.90	-	100
Ataköy	Zorlu Doğal Elektrik Üretimi AŞ	Tokat	Hydroelectric (With Reservoir)	5.50	-	100
Mercan	Zorlu Doğal Elektrik Üretimi AŞ	Tunceli	Hydroelectric (Run-of-the-River)	20.40	-	100
Çıldır	Zorlu Doğal Elektrik Üretimi AŞ	Kars	Hydroelectric (With Reservoir)	15.40	-	100
İkizdere	Zorlu Doğal Elektrik Üretimi AŞ	Rize	Hydroelectric (Run-of-the-River)	24.94	-	100
Beyköy	Zorlu Doğal Elektrik Üretimi AŞ	Eskişehir	Hydroelectric (Run-of-the-River)	16.80	-	100
Geothermal				305.00	-	
Kızildere 1	Zorlu Doğal Elektrik Üretimi AŞ	Denizli	Geothermal	15.0	-	100
Kızildere 2	Zorlu Doğal Elektrik Üretimi AŞ	Denizli	Geothermal	80.00	-	100
Kızildere 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				642.77	98.00	

Zorlu Enerji’s Installed Capacity Abroad

Power Plant	Company	Location	Type	Electricity Generation Capacity (MW)	Steam Generation Capacity (Tons/ Hour)	Direct and Indirect Equity Share (%)
Natural Gas				295.48		
Dorad*	Dorad Energy Ltd.	Israel	Combined Cycle Natural Gas	215	-	25
Ashdod*	Ezotech Electric Ltd.	Israel	Cogeneration Natural Gas	27.20	16.86	42.15
Ramat Negev*	Ezotech Electric Ltd.	Israel	Cogeneration Natural Gas	53.28	29.51	42.15
Wind				56.4		
Jhimpir	Zorlu Enerji Pakistan Ltd.	Pakistan	Wind	56.4		100
Solar				1.5		
Dead Sea*	ZJ Strong Energy For Renewable Energy Ltd.	Palestine	Solar	1.5		75

\* 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 Hybrid Phase 1	Solar	Manisa	3.7543
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Alkan Geothermal*	Geothermal	Manisa	18.6
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Alkan Geothermal Hybrid	Solar	Manisa	0.21746
Zorlu Doğal Elektrik Üretimi AŞ	Kızildere 1	Solar	Denizli	0.99
Zorlu Doğal Elektrik Üretimi AŞ	Kızildere 2 Hybrid	Solar	Denizli	11.9947
Zorlu Doğal Elektrik Üretimi AŞ	Kızildere 3 Hybrid Phase 1	Solar	Aydın	24.7498
Rotor Elektrik Üretim AŞ	Gokcedag Additional Capacity	Solar	Osmaniye	9.6088
Rotor Elektrik Üretim AŞ	Gökçedağ Hybrid Phase 2	Solar	Osmaniye	11.6
Rotor Elektrik Üretim AŞ	Gökçedağ WPP Additional Capacity***	Wind	Osmaniye	46.6
Generation Preliminary Licenses				
Zorlu Doğal Elektrik Üretimi AŞ	Tekkehamam 2	Geothermal	Denizli	35
Zorlu Elektrik İthalat ihracat Toptan Satış A.Ş.	Yeniçiftlik	Wind Power Plant with Storage Unit	Tekirdağ	250
Zorlu Elektrik İthalat ihracat Toptan Satış A.Ş.	Hamitabat	Wind Power Plant with Storage Unit	Kırklareli	125
Operating Licenses				
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Simav-Yeniköy	Geothermal	Kütahya	-
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Nazilli Diracık	Geothermal	Aydın	-
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Kuyucak	Geothermal	Aydın	-
Nemrut Jeotermal Elektrik Üretimi AŞ	Nemrut No: 004	Geothermal	Bitlis	-
Nemrut Jeotermal Elektrik Üretimi AŞ	Nemrut No: 09	Geothermal	Bitlis	-
Exploration Licenses				
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Gedik	Geothermal	Ağrı	-
Zorlu Jeotermal Enerji Elektrik Üretimi AŞ	Mutlu	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.

\*\*\* Kızildere 3 Hybrid

Our international licenses, pre-licenses and permits are as follows:

Company	Power Plant	Type	Location	Elektrik Üretim Kapasitesi** (MWp/MWe)
Generation Licenses				
Zorlu Sun Power (Private) Limited (“Zorlu Sun Power Pakistan”)	Solar Fotovoltaik	Solar	QASP, Bahawalpur, Pakistan	100 MWp (DC)
Zorlu Sun Power (Private) Limited (“Zorlu Sun Power Pakistan”)	Solar Fotovoltaik	Solar	QASP, Bahawalpur, Pakistan	100 MWp (DC)
Zorlu Sun Power (Private) Limited (“Zorlu Sun Power Pakistan”)	Solar Fotovoltaik	Solar	QASP, Bahawalpur, Pakistan	100 MWp (DC)





Memberships to Domestic and International Organizations

Organizations and Institutions	Representatives	Position in the Company	Role in the Organization and Institution
DEİK (Foreign Economic Relations Board of Türkiye)	Sinan AK	CEO	Representative Member
DEİK Energy Business Council	Sinan Ak	CEO	Representative Member
DEİK Türkiye - U.S. Business Council	Sinan Ak	CEO	Representative Member
DEİK Outbound Investments Business Council	Sinan Ak	CEO	Representative Member
TESAB (Association of Turkish Electricity Industry)	Sinan Ak	CEO	Representative Member
CIGRE Türkiye National Committee (International Council on Large Electrical Systems)	Sinan Ak	CEO	Representative Member
ENVER (Energy Efficiency Association)	Sinan Ak	CEO	Representative Member
ETD (Energy Traders Association)	Sinan Ak	CEO	Representative Member
EÜD (Electricity Producers Association)	Sinan Ak	CEO	Representative Member
GÜYAD (Energy Investors Association)	Sinan Ak	CEO	Representative Member
INTES (Turkish Employers' Association of Construction Industries)	Sinan Ak	CEO	Representative Member
DEK (World Energy Council Turkish National Committee)	Sinan Ak	CEO	Representative Member
United Nations Global Compact Türkiye	Sinan Ak	CEO	Representative Member
SMİ (Sustainable Mobility Initiative)	Sinan Ak	CEO	Representative Member
IICEC (Sabancı University Istanbul International Center for Energy and Climate)	Sinan Ak	CEO	Representative Member
Union of Chambers and Commodity Exchanges of Türkiye Energy Council	Sinan Ak	CEO	Representative Member
E-MOD (E-Mobility Operators Association)	Sinan Ak	CEO	Vice Chairperson of the Board
H2DER (Green Hydrogen Producers Association)	Sinan Ak	CEO	Representative Member
ELDER (Association of Electricity Distribution System Operators)	Sinan Ak	CEO	Board Member
TÜSİAD (Turkish Industry and Business Association)	Sinan Ak	CEO	Representative Member
German-Turkish Chamber of Industry and Commerce	Sinan Ak	CEO	Representative Member
ÇATIDER (Association of Roofing Industrialists and Businesspeople)	Sinan Ak	CEO	Representative Member
SKD Türkiye (Business Council for Sustainable Development Türkiye)	Sinan Ak	CEO	Representative Member
TÜREB (Turkish Wind Energy Association)	Ali Kindap	General Manager, Investments, O&M	Representative Member
JED (Geothermal Energy Association)	Ali Kindap	General Manager, Investments, O&M	Chairperson of the Association
National Hydrogen Association	Ali Kindap	General Manager, Investments, O&M	Representative Member
ENSİA (Energy Industrialists and Businessmen's Association)	Ali Kindap	General Manager, Investments, O&M	Representative Member
TÜRKOTED (Türkiye Kojenerasyon ve Temiz Enerji Teknolojileri Derneği)	Ali Kindap	General Manager, Investments, O&M	Representative Member
ERTA (Integrated Reporting Türkiye Network)	Elif Yener	General Manager, Financial Affairs	Representative Member

TÜMAKÜDER (Accumulator Importers and Producers Association)	Evren Evcit	Director, Solar and Foreign Investments	Representative Member
DEİK Türkiye - Pakistan Business Council	Evren Evcit	Director, Solar and Foreign Investments	Representative Member
GÜNDER (International Solar Energy Society Türkiye Section)	Evren Evcit	Director, Solar and Foreign Investments	Representative Member
GENSED (Solar Energy Industrialists and Industry Association)	Evren Evcit	Director, Solar and Foreign Investments	Representative Member
Energy Storage Industries Association	Evren Evcit	Director, Solar and Foreign Investments	Representative Member
DEİK Türkiye - Greece Business Council	Elçin Trakadas	Country Manager, Greece	Representative Member
KİD (Corporate Communication Association)	Funda Küçükosmanoğlu	Director, Marketing and Corporate Communication	Representative Member
ÖSGD (Corporate Volunteers Association)	Funda Küçükosmanoğlu	Director, Marketing and Corporate Communication	Representative Member
TÜHİD (Public Relations Association of Türkiye)	Funda Küçükosmanoğlu	Director, Marketing and Corporate Communication	Representative Member
TKSD (Corporate Social Responsibility Association of Türkiye)	Funda Küçükosmanoğlu	Director, Marketing and Corporate Communication	Representative Member
Representative Member	Adnan Çomakoğlu	Manager, New Generation Technologies	Representative Member
KalDer (Turkish Quality Association)	Tamer Soylu	Manager, Sustainability	Representative Member
Environment and Climate Change Working Group of Turkish Industry and Business Association	Tamer Soylu	Manager, Sustainability	Representative Member
YEYKAD (Green Collar Women Association)	Funda Küçükosmanoğlu, Ulaş Karaağaç	Director, Marketing and Corporate Communication; Group Manager, Business Development	Representative Member



Collaborations within the Scope of R&D Projects

For the purpose of the R&D projects that we undertake, we strengthen critical elements such as sustainability, innovation and competitive advantage by establishing collaborations with business partners operating in various fields. Thanks to our partnerships, we provide better access to various perspectives, cultures and markets from different fields while enabling R&D projects to progress faster with common intelligence and resources. The partnerships we have established within the scope of our R&D projects are listed in the tables below.

GECO Project partners;

Project website: <https://geco-h2020.eu/>

Partner Name	Country	Field of Activity
ORKUVEITA REYKJAVIKUR SF	Iceland	Energy
ISLENSKAR ORKURANNSOKNIR	Iceland	Engineering
CENTRE NATIONAL DE LA RECHERCHE SCIENTIFIQUE CNRS	France	Research Center
GEORG-RANNSOKNARKLASI I JARDHITA	Iceland	Counseling
HASKOLI ISLANDS	Iceland	University
IFP Energies Nouvelles	France	Institute
UNIVERSITA DEGLI STUDI DI FIRENZE	Italy	University
GRAZIELLA GREEN POWER S.P.A.	Italy	Energy
STORENGY SA	Italy	Energy
FUNDACION CIRCE CENTRO DE INVESTIGACION DE RECURSOS Y CONSUMOS ENERGETICOS	Spain	Research Center
PLAN B CO2 BV	Netherlands	Engineering
UNITED KINGDOM RESEARCH AND INNOVATION	England	R&D and Innovation
MIDDLE EAST TECHNICAL UNIVERSITY	Türkiye	University
CONSIGLIO NAZIONALE DELLE RICERCHE	Italy	Research Council
HOCHSCHULE BOCHUM	Germany	University
INSTITUTT FOR ENERGITEKNIKK	Norway	Institute
ASOCIACION DE INVESTIGACION METALURGICA DEL NOROESTE	Spain	Technology Center

GeoSmart Project partners;

Project website: <https://www.geosmartproject.eu/>

Partner Name	Country	Field of Activity
TWI LIMITED	England	Institute
VLAAMSE INSTELLING VOOR TECHNOLOGISCH ONDERZOEK N.V.	Belgium	Institute
COMMISSARIAT A L ENERGIE ATOMIQUE ET AUX ENERGIES ALTERNATIVES	France	Institute
ATLAS COPCO AIRPOWER NV	Belgium	Equipment Manufacturer
EUROPEAN GEOTHERMAL ENERGY COUNCIL	Belgium	Association
FRAUNHOFER GESELLSCHAFT ZUR FOERDERUNG DER ANGEWANDTEN FORSCHUNG E.V.	Germany	Institute
SPIKE RENEWABLES SRL	Italy	Engineering
ORKUVEITA REYKJAVIKUR SF	Iceland	Energy
HASKOLI ISLANDS	Iceland	University
MIDDLE EAST TECHNICAL UNIVERSITY	Türkiye	University
BERTIN TECHNOLOGIES SAS	Belgium	Engineering
GEROSION EHF	Iceland	Counseling
KADIR HAS UNIVERSITY	Türkiye	University
TECHNOVATIVE SOLUTIONS LTD	England	Counseling
FLOWPHYS AS	Norway	Engineering
P.VALD EHF	Iceland	Engineering
CONSORZIO PER LO SVILUPPO DELLE AREE GEOTERMICHE	Italy	NGO
NYSKOPUNARMIDSTOD ISLANDS	Iceland	Innovation Center

SUCCEED Project Partners

Project website: <https://www.imperial.ac.uk/energy-futures-lab/succeed/>

Partner Name	Country	Field of Activity
IMPERIAL COLLEGE LONDON	England	University
MIDDLE EAST TECHNICAL UNIVERSITY	Türkiye	University
DELFT UNIVERSITY OF TECHNOLOGY	Netherlands	University
SILIXA LTD	England	Engineering
SEISMIC MECHATRONICS BV	Netherlands	Engineering
ORKUVEITA REYKJAVIKUR SF	Iceland	Energy
ISTITUTO NAZIONALE DI OCEANOGRAFIA E DI GEOFISICA SPERIMENTALE	Italy	Institute

GEOPRO Project partners;

Project website: <https://www.geoproproject.eu/>

Partner Name	Country	Field of Activity
TWI LIMITED	England	Institute
HASKOLI ISLANDS	Iceland	University
EIDGENOESSISCHE TECHNISCHE HOCHSCHULE ZUERICH	Switzerland	University
CENTRE NATIONAL DE LA RECHERCHE SCIENTIFIQUE CNRS	France	Research Center
FLOWPHYS AS	Norway	Engineering
TECHNOVATIVE SOLUTIONS LTD	England	Counseling
ORKUVEITA REYKJAVIKUR SF	Iceland	Energy
EQUINOR ENERGY AS	Norway	Energy
NORGES TEKNISK-NATURVITENSKAPELIGE UNIVERSITET NTNU	Norway	University
PFALZWERKE GEOFUTURE GMBH	Germany	Energy
UNIVERSITAET ZU KOELN	Germany	University





eCharge4Drivers Project Partners

Project website: <https://echarge4drivers.eu/>

Partner Name	Country	Field of Activity
ABB BV	Netherlands	Energy
INSTITUTE OF COMMUNICATION AND COMPUTER SYSTEMS	Greece	Institute
AVESTA BATTERY & ENERGY ENGINEERING	Belgium	Engineering and Coun- seling
BAYERISCHE MOTOREN WERKE AKTIENGESELLSCHAFT	Germany	Automobile Manufacturer
BUILDING FACILITY SERVICES PAROCHYPIRESION ANONYMI ETAIREIA	Greece	Service
ROBERT BOSCH GMBH	Germany	Manufacturer
BARCELONA DE SERVEIS MUNICIPALS SA	Spain	Municipality
COMMISSARIAT A L ENERGIE ATOMIQUE ET AUX ENERGIES ALTERNATIVES	France	Institute
CHARGER Y GMBH	Germany	Equipment Manufacturer
CENTRO RICERCHE FIAT SCPA	Italy	Research Center
ELECTROMAPS SL	Spain	Engineering
EUROPEAN ROAD TRANSPORT TELEMATICS IMPLEMENTATION COORDINATION ORGANISATION- INTELLIGENT TRANSPORT SYSTEMS & SERVICES EUROPE	Belgium	NGO
GRENOBLE-ALPES-METROPOLE METRO	France	Municipality
GREENPACK MOBILE ENERGY SOLUTIONS GMBH	Germany	Engineering
HUBJECT GMBH	Germany	e-Commerce
CONSORZIO INTERUNIVERSITARIO PER L'OTTIMIZZAZIONE E LA RICERCA OPERATIVA	Italy	Research Center
IDIADA AUTOMOTIVE TECHNOLOGY SA	Spain	Engineering
MOSAIC FACTOR SL	Spain	Software
NEXXTLAB SA	Luxembourg	Counseling
SCUTUM LOGISTIC SL	Spain	Logistics
POLIS - PROMOTION OF OPERATIONAL LINKS WITH INTEGRATED SERVICES, ASSOCIATION INTERNATIONALE	Belgium	NGO
POLITECNICO DI BARI	Italy	University
POWERDALE	Belgium	Engineering and Coun- seling
SRL ROUTE220	Italy	Software
OPEN TECHNOLOGY SERVICES AE	Greece	Counseling
SMATRICS GMBH & CO KG	Austria	Software
UNIVERSITA DI PISA	Italy	University
THE UNIVERSITY OF SUSSEX	England	University
VERBUND AG	Austria	Energy
VOLVO PERSONVAGNAR AB	Sweden	Automobile Manufacturer
VRIJE UNIVERSITEIT BRUSSEL	Belgium	University

JIDEP (Joint Industrial Data Exchange Platform) Project Partners

Project website: <https://www.jidep.eu/>

Partner Name	Country	Field of Activity
FACHHOCHSCHULE VORARLBERG GMBH	Austria	University
ARTEEVO TECHNOLOGIES LTD	Israel	Software
UNIVERSITA DEGLI STUDI DI TRENTO	Italy	University
ADSCENSUS MB	Lithuania	Technology
ALMAS PARTECIPAZIONI INDUSTRIALI SPA	Italy	Engineering
CENTRO RICERCHE FIAT SCPA	Italy	Research Center
UNIVERZITA PARDUBICE	Czechia	University
TPI-KOMPOZIT KANAT SANAYI VE TICARET ANONIM SIRKETI	Türkiye	Equipment Manufacturer

SmartWind Project partners;

Proje website: <https://smart-wind.eu/>

Partner Name	Country	Field of Activity
ENFORMA TECHNOLOGIES	Türkiye	Software
NETAS TELEKOMUNIKASYON AS	Türkiye	Telecommunication
ISOTROL	Spain	Energy
TECNALIA	Spain	Research Center
RUHR UNIVERSITY BOCHUM	Germany	University

Deeplight Project partners;

Proje website: <https://deeplight-project.eu/>

Partner Name	Country	Field of Activity
BITSz Electronics GmbH	Germany	Engineering
Iceland Drilling Company	Iceland	Engineering
Iceland GeoSurvey	Iceland	Counseling
IHC Mining B.V.	Netherlands	Mining
Technische Universität Dresden	Germany	University
Technische Universiteit Eindhoven	Netherlands	University
The Netherlands Organisation for Applied Scientific Research	Netherlands	Research Center
Well Engineering Partners B.V.	Netherlands	Counseling
WiE GmbH – Werk für industrielle Elektronik	Germany	Electronics





## PlaMES Project Partners undertaken by OEDAŞ

Proje website: <https://plames.eu/>

Partner Name	Country	Field of Activity
RHEINISCH-WESTFAELISCHE TECHNISCHE HOCHSCHULE AACHEN	Germany	University
FRAUNHOFER GESELLSCHAFT ZUR FOERDERUNG DER ANGEWANDTEN FORSCHUNG E.V.	Germany	University
ALMA MATER STUDIORUM - UNIVERSITA DI BOLOGNA	Italy	University
OPTIT SRL	Italy	Software

## FlexiGrid Project partners carried out within OEDAŞ;

Proje website: <https://flexigrid.org/>

Partner Name	Country	Field of Activity
IMCG SWEDEN AB	Sweden	Counseling
TECHNISCHE UNIVERSITEIT EINDHOVEN	Netherlands	University
CHALMERS TEKNISKA HOEGSKOLA AB	Sweden	University
EMAX	Belgium	Software Counseling
SIVECO ROMANIA SA	Romania	Software Development
RISE RESEARCH INSTITUTES OF SWEDEN AB	Sweden	Institute
AKADEMISKA HUS AKTIEBOLAG	Sweden	Academic Real Estate Developer
ENERGO-PRO ENERGY SERVICES EOOD	Bulgaria	Energy
GOTEBORG ENERGI AB	Sweden	Energy
TECHNICAL UNIVERSITY OF SOFIA	Bulgaria	University
SMART CONSULTING	Bulgaria	Counseling
HAUTE ECOLE SPECIALISEE DE SUISSE OCCIDENTALE	Sweden	University
L'ENERGIE DE SION-REGION SA, ESR	Sweden	Energy
T4E ENERJI ANONIM SIRKETI	Türkiye	Energy

## BD4OPEM Project partners carried out within OEDAŞ

Proje website: <https://bd4opem.eu/>

Partner Name	Country	Field of Activity
UNIVERSITAT POLITECNICA DE CATALUNYA	Spain	University
WE PLUS SPA	Italy	Software and Consultancy
Odit-e	France	Energy and Counseling
ATOS SPAIN SA	Spain	Digitalization
INSTITUT JOZEF STEFAN	Slovenia	Institute
INTRACOM SA TELECOM SOLUTIONS	Greece	Telecommunication
NUVVE DENMARK APS	Denmark	Electric Vehicle Charging Stations
VRIJE UNIVERSITEIT BRUSSEL	Belgium	University
ESTABANELL Y PAHISA ENERGIA SA	Spain	Electricity Distribution
ELEKTRO CELJE D.D.	Slovenia	Electricity Distribution
SUSTAINABLE INNOVATION I SVERIGE AB	Sweden	Counseling

## BD4NRG Project partners carried out within OEDAŞ

Proje website: <https://www.bd4nrg.eu/>

Partner Name	Country	Field of Activity
ENGINEERING - INGEGNERIA INFORMATICA SPA	Italy	Digital Transformation
NATIONAL TECHNICAL UNIVERSITY OF ATHENS - NTUA	Greece	University
RHEINISCH-WESTFAELISCHE TECHNISCHE HOCHSCHULE AACHEN	Germany	University
EUROPEAN DYNAMICS LUXEMBOURG SA	Luxembourg	Software
INTERNATIONAL DATA SPACES EV	Germany	Data Science
EUROPEAN NETWORK OF TRANSMISSION SYS. OPERATORS FOR ELECT.AISBL	Belgium	Association
PANEPISTIMIO DYTIKIS ATTIKIS	Greece	University
ATOS SPAIN SA	Spain	Digitalization
FUNDACION CARTIF	Spain	Technology Center
UNIVERZA V LJUBLJANI	Slovenia	University
ENEL X SRL	Italy	Energy
REN - REDE ELECTRICA NACIONAL SA	Portugal	Electricity Transmission
CENTRO DE INVESTIGACAO EM ENERGIA REN - STATE GRID SA	Portugal	Research Center
UNINOVA-INSTITUTO DE DESENVOLVIMENTO DE NOVAS TECNOLOGIASASSOCIACAO	Portugal	Institute
ENERCOUTIM - ASSOCIACAO EMPRESARIALDE ENERGIA SOLAR DE ALCOUTIM	Portugal	Association
FIWARE FOUNDATION EV	Germany	Software
CENTRICA BUSINESS SOLUTIONS BELGIUM	Belgium	Energy
NEDERLANDSE ORGANISATIE VOOR TOEGEPAST NATUURWETENSCHAPPELIJK ONDERZOEK TNO	Netherlands	Research Organization
ASM TERNI SPA	Italy	Waste Management
VIDES INVESTICIJU FONDS SIA	Lithuania	Investment Fund
COMSENSUS, KOMUNIKACIJE IN SENZORIKA, DOO	Slovenia	Digital Transformation
HOLISTIC IKE	Greece	Engineering and Consultancy
INTERUNIVERSITAIR MICRO-ELECTRONICA CENTRUM	Belgium	Research Organization
TERRASIGNA SRL	Romania	Engineering and Consultancy
UBIMET GMBH	Austria	Weather Forecasting
ELEKTRO LJUBLJANA PODJETJE ZADISTRIBUCIJO ELEKTRICNE ENERGIJE D.D.	Slovenia	Electricity Distribution
BORZEN, OPERATER TRGA Z ELEKTRIKO,D.O.O.	Slovenia	Electricity Market Operator
AJUNTAMIENTO DE SANT CUGAT DEL VALLES	Spain	Municipality
ELES DOO SISTEMSKI OPERATER PRENOSNEGA ELEKTROENERGETSKEGA OMREZJA	Slovenia	Electricity Transmission Company
E-LEX - STUDIO LEGALE	Italy	Law
VEOLIA SERVICIOS LECAM SOCIEDAD ANONIMA UNIPERSONAL	Spain	Energy
STICHTING EGI	Netherlands	NGO
CINTECH SOLUTIONS LTD	Cyprus	Engineering and Software
EMOTION SRL	Italy	Energy

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.





Number of Species Listed in the IUCN (International Union for Conservation of Nature) Red List

Indicator	Unit	Critically Endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threat (NT)	Least Concern (LC)
<b>Total Red-List Species</b>	Number of total species	2	18	5	0	1
- Plants	Number of total species	0	0	2	1	9
- Amfibiler	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
<b>Zorlu Doğal Red-List Species</b>		Critically Endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threat (NT)	Least Concern (LC)
- Plants	Number of total species	2	18	5	0	1
- Amfibiler	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
<b>Zorlu Doğal Red-List Species</b>		Critically Endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threat (NT)	Least Concern (LC)
- Plants	Number of total species	0	0	0	0	0
- Amfibiler	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	Toplam Tür Sayısı	0	0	0	0	8
<b>Rotor Red-List Species</b>		Critically Endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threat (NT)	Least Concern (LC)
- Plants	Number of total species	0	0	0	0	0
- Amfibiler	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

Sustainability Performance Indicators

Financial Performance Indicators

Summary Balance Sheet

(thousand TRY)	2021*	2022	2023
CURRENT ASSETS	6,471,306	22,590,703	19,827,114
FIXED ASSETS	28,955,112	95,153,825	78,683,859
<b>TOTAL ASSETS</b>	35,426,418	117,744,528	98,510,973
CURRENT LIABILITIES	9,501,761	37,540,403	31,559,074
NON-CURRENT LIABILITIES	19,742,764	45,683,593	28,479,830
SHAREHOLDERS' EQUITY	6,181,893	34,520,532	38,472,069
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	35,426,418	117,744,528	98,510,973
GROSS FINANCIAL DEBT	23,779,755	56,632,634	42,494,264
NET FINANCIAL DEBT	22.309.709	51.804.828	40.208.986

\*The data for the years 2022 and 2023 were calculated according to inflation accounting, no inflation accounting adjustments were made for 2021.

SUMMARY INCOME STATEMENT

(thousand TRY)	2021*	2022	2023
REVENUES	11,634,808	38,806,100	27,281,884
GROSS PROFIT	1,863,112	5,658,234	3,762,317
OPERATING INCOME/(LOSS)	2,721,263	4,965,276	3,273,536
SHARE OF PROFIT/(LOSS) OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD	29,491	153,530	136,234
OPERATING PROFIT/(LOSS) BEFORE FINANCIAL INCOME/(EXPENSES)	2,752,852	5,125,032	7,558,221
EBITDA*	3,708,673	12,376,276	11,386,497
NET FINANCIAL EXPENSES	-2,947,924	9,722,647	11,684,995
NET PROFIT/(LOSS) FOR PERIOD**	-86,447	9,508,736	10,985,976
GROSS PROFIT MARGIN	17.7%	15%	14%
EBITDA MARGIN	28.2%	32%	42%

\* The data for the years 2022 and 2023 were calculated according to inflation accounting, no inflation accounting adjustments were made for 2021.

\*\*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.



Performance Indicators Related to Operations and Productions

Zorlu Enerji Generation Data

GENERATION	2021	2022	2023	Annual Change
Electricity (kWh)*	2,708,415,530	2,660,930,111	2,688,413,880	+
Steam (ton)	378,487	339,421	270,870	-

\*Gross values were used.

Zorlu Enerji Sales and Distribution Data

SALES/DISTRIBUTION	2021	2022	2023	Annual Change
Electricity (Generation) (kWh)	2,451,522,607	2,397,033,972	2,364,115,667	-
Electricity (Commercial) (kWh)	8,609,459,763	6,686,790,194	6,347,298,089	-
Steam (ton)	378,487	339,421	270,870	-
Domestic and Cooling Water (m³)	35,728	30,432	36,289	+
Carbon Dioxide Gas (m³)	110,000	56,939	161,797	+
Net Distributed Electricity (kWh)	6,926,976,734	6,809,632,533	6,731,765,971	
Natural Gas (Sales) (Sm³)	1,343,950,182	1,431,103,605	1,347,352,655	-
Natural Gas (Distributed, Including Transported) (Sm³)	2,237,646,906	2,086,617,550	1,965,911,928	-

OEDAŞ Line Length Comparable by Years

	Unit	2021	2022	2023	Annual Change
Energy Transmission Line	km	21,387	21,973	22,115	+
Village Grids	km	12,270	12,364	12,601	+
Urban Grids (Overhead Line Facilities)	km	9,171	9,141	9,074	-
Urban Grids (Underground Line Facilities)	km	8,555	9,728	9,774	+
Total	km	51,383	53,207	53,564	+

OEDAŞ Current Transformer Capacity

PROVINCE	Transformer Capacity (Installed Power MVA)			
	INSTITUTION		PRIVATE	
	LV	MV	LV	MV
AFYONKARAHİSAR	636.02	30.00	1,997.20	40.00
BİLECİK	196.52	0.00	812.33	124.85
ESKİŞEHİR	751.44	230.00	1,737.94	101.60
KÜTAHYA	456.25	50.00	754.65	48.91
UŞAK	385.31	10.00	510.66	0.00

OEDAŞ Energy Transmission Lines

PROVINCE	Existing Line Length (Km)							
	INSTITUTION				PRIVATE			
	LV		MV		LV		MV	
	Overhead	Underground	Overhead	Underground	Overhead	Underground	Overhead	Underground
AFYONKARAHİSAR	6,008.61	1,460.40	4,992.79	565.25	61.38	31.74	3176.64	181.49
BİLECİK	1,217.56	740.02	1,514.81	239.91	53.53	2.76	649.59	107.3
ESKİŞEHİR	3,630.09	1,743.91	3,754.50	857.84	179.73	197.37	3854.71	262.83
KÜTAHYA	4,096.79	1,167.37	3,548.56	365.78	70.5	15.79	838.02	130.63
UŞAK	3,184.16	1,132.39	2,271.92	490.46	82.61	26.02	604.95	54.98

Net Generation Breakdown by Resource in Türkiye, Palestine and Pakistan

Resource	Unit	2021	2022	2023	Annual Change
Geothermal	kWh	1,962,960,747	1,611,787,740	1,552,000,000	-
Wind	kWh	457,317,667	436,812,230	444,354,068	+
Hydroelectric	kWh	272,966,815	303,174,551	329,000,000	+
Solar	kWh	3,159,872	3,181,709.00	2,917,017	-
Natural Gas	kWh	12,010,428	243,160	505,273	+
Total	kWh	2,708,415,529	2,355,199,390	2,328,776,358	-

Environmental Performance Indicators

Consumption Details

	Unit	2021	2022*	2023
Direct Energy Consumption (Natural Gas, Diesel, Gasoline, LPG, Coal)	GJ	2.721.435	3,391,562.63**	2,222,379.15
Indirect Energy Consumption (Electricity, Heating, Cooling, Steam)	GJ	149,906	132,242	144,511.35
Energy Intensity (Total Consumed Energy / Total Produced Energy)	(MWh/MWh) %	0.09	0.47	0.24

\* OEDAŞ consumption figures are included, steam generation is excluded.

\*\* Data updated.

Electricity Consumption (kwh)*	Unit	2021	2022	2023
Natural Gas (m³)	kwh	41,640,657.10	37,018,556.91	40,266,646.71
Diesel (liters)	m³	5,407,908.03	1,976,530.87	2,044,383.47
Gasoline (liters)	liters	1,914,366.02	1,668,005.43	1,946,589.46
LPG (kg)	liters	29,896.74	291,807.80	172,928.44
Coal (tons)	kg	1,045.00	1,362.00	1,614.00
Total	Tons	96,017.52	128,523.60	80,907.34

\* The amount of electricity consumed from renewable sources is 0 kWh..





Water Consumption Details

	Unit	2021	2022	2023
Water Consumption	Tons	100,295,239.20	109,479,077.75	119,012,919.04

Amount of water withdrawn	Unit	2021	2022	2023
Mains water	Tons	10,378.98	7,879.38	35,956.44
Clean surface water (rainwater, wetlands, rivers, lakes)	Tons	22,666.00	875.00	1,368.70
Brackish surface water / sea water	Tons	-	-	3,000.00
Underground water (Renewable)	Tons	89,009,805.00	95,269,098.00	95,136,041.00
Underground water (Non-Renewable)	Tons	470,178.00	348,293.00	395,256.00
Recycled water (condensate, water recovered from wastewater etc.)	Tons	291,463.00	6,963,136.00	82,223.00
Amount of water withdrawn from the dam lake, stream and canal for HEPPs	Tons	1,745,298,636.32	1,877,500,871.00	2,138,755,398.00
Total	Tons	1,835,103,127.30	1,980,090,152.38	2,234,409,243.14

Amount of discharged water	Unit	2021	2022	2023
Discharged to surface water (canal, stream, lake, river etc.)	Tons	1,658,036,368.50	1,783,629,505.45	2,031,826,136.82
Discharged to Brackish surface water / sea water	Tons	-	-	-
Re-injection into groundwater (for geothermal plants)	Tons	76,648,204.62	86,827,767.00	83,376,766.00
Discharge to third party sites (municipality/ OIZ treatment plant, sewage, septic tank etc.)	Tons	123,314.98	153,802.18	193,421.28
Total	Tons	1,734,807,888.11	1,870,611,074.63	2,115,396,324.10

Water Use Intensity

	Unit	2021	2022	2023
Water Intensity - Withdrawal	m3/MWh	0.19	0.23	0.04
Water Intensity - Consumption	m3/MWh	0.05	0.07	0.04

*\*Domestic water consumption from OEDAŞ and GAZDAŞ is neglected.*  
*\*\* Mains, non-renewable groundwater and surface water use are taken into account.*

Water stress Table

	Unit	Low	Low-Moderate	Moderate-High	High	Very High
Water stress	Tons	0	51,479,743	2,419,210	65,111,268	2,699

*\*Calculated based on water consumption, the water stress map for the locations can be found on page 120.*

Greenhouse Gas Emissions

	Unit	2021	2022	2023
Scope 1	tCO2e	1,093,383	1,063,477.93	756,843.22
Scope 2	tCO2e	240,699	232,456.77	234,905.91
Scope 3*	tCO2e	6,532,538.63	6,108,347.85	6,001,865.26
Total	tCO2e	7,866,621	7,404,283	6,993,614.39

*\*Scope 3 Emissions recalculated based on the 15 categories of the GHG Protocol.*

Scope 3 Category Breakdowns	Unit	2023
3.1 Purchased Goods and Services	tCO2e	28321.1
3.2 Capital Goods	tCO2e	296.4
3.3 Fuel and Energy Related Activities	tCO2e	2835264.0
3.4 Upstream Transportation and Distribution	tCO2e	2685.0
3.5 Waste Generated in Operations	tCO2e	74305.6
3.6 Business Travel	tCO2e	470.693
3.7 Employee Commuting	tCO2e	30180.1
3.8 Upstream Leased Assets	tCO2e	0.0
3.9 Downstream Transportation and Distribution	tCO2e	0.0
3.10 Processing of Sold Goods	tCO2e	0.0
3.11 Use of Sold Goods	tCO2e	2577772.3
3.12 End-of-Life Treatment of Sold Goods	tCO2e	0.0
3.13 Downstream Leased Assets	tCO2e	0.0
3.14 Franchises	tCO2e	0.0
3.15 Investments	tCO2e	452570.88

2023 Emissions by Industry (tCO<sub>2</sub>e)

	Unit	Zorlu Enerji	OEDAŞ	GAZDAŞ	OEPSAŞ
Scope 1	tCO2e	748,151.87	3,726.39	4,732.20	232.76
Scope 2	tCO2e	15,597.93	218,309.78	814.27	183.93
Scope 3	tCO2e	908,523.213	33,158	2,590,982.28	2,326,711
Total	tCO2e	1,847,921.78	222,036.17	2,596,528.75	2,327,127.69

Emission Intensity

	Unit	2021	2022	2023
Zorlu Enerji	tCO2e/Gross Generation (MWh)	0.48	0.41	0.28
OEDAŞ	tCO <sub>4</sub> e x 10 <sup>6</sup> /ENH Length (km)	4.55	4.37	4.14
GAZDAŞ	tCO <sub>2</sub> e x 10 <sup>6</sup> /Gas Distribution (Sm³)	4.6	5.5	7.58

*\*Calculations are based on scope 1 and scope 2 emissions.*

Waste Data

	Unit	2021	2022	2023
Hazardous Waste				
Total wastes recycled/reused	Tons	19350	961	1869
Total wastes disposed of	Tons	106	112	95
Total wastes stored	Tons	1	1	5
Wastes recycled for energy generation	Tons	0	0	0
Amount incinerated (not for energy production):	Tons	0	0	0
Other wastes disposed of	Tons	0	0	90
Wastes with unknown disposal method	Tons	105	111	0
Total	Tons	19456	1073	1964
Non-Hazardous Wastes				
Total wastes recycled/reused	Tons	26540	15361	35208
Total wastes disposed of	Tons	11912	25032	1579.03
Total wastes stored	Tons	11911	25031	1517
Wastes recycled for energy generation	Tons	0	0	0.03
Amount incinerated (not for energy production):	Tons	0	0	
Other wastes disposed of	Tons	0	0	62
Wastes with unknown disposal method	Tons	1	1	
Total	Tons	38452	40393	38455
Ash waste	Tons	22990	29200	26162





## Waste Data by Company

Company	Unit	Hazardous Waste		Non-Hazardous Waste	
		2022	2023	2022	2023
Zorlu Enerji	Tons	144.812	114.91	34,198.887	26,168.117
OEDAŞ	Tons	925.58	1849.25	3,948.53	10,557.751
OEPSAŞ	Tons	0.021	0.05	0.514	0.328
GAZDAŞ	Tons	1.587	0.58	2.819	60.784

## Other Waste Types

	Unit	2023
Wind Turbine Blade	Tons	-
Domestic Waste	Tons	24.21
Scrap	Tons	61.94
Drilling mud	Tons	0.02
Electronic wastes	Tons	1,845.6

## Air Emissions

Parametre	Unit	2021	2022	2023
NO <sub>x</sub>	tons/year	296.70	367.76	186.00
SO <sub>2</sub>	tons/year	1,075.25	1,335.42	729.00
Dust	tons/year	8.85	9.89	8.30
CO	tons/year	52.75	54.06	48.00
PM <sub>10</sub>	mg/nm <sup>3</sup>	0.77	0	0
H <sub>2</sub> S	kg/sa	24,9	41*	0
SF <sub>6</sub>	tons/year	0	0	0

\* The sum of the annual average values determined by CEMS over geothermal power plants.

\*\* 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.

\*\*\* There is no consumption of Ozone Depleting Substance (ODS).

\*\*\*\* There is no consumption of Volatile Organic Compounds (VOC)

## Social Performance Indicators

### Zorlu Enerji Employees by Gender:

	2021	2022	2023
Female	401	450	523
Male	1.955	2.286	2278
Total	2.356	2.736	2.801
Female Employees / Total Employees	17%	16%	19%
Male Employees / Total Employees	83%	84%	81%

## Number of Disabled Employees

	2021	2022	2023
Female	8	9	10
Male	42	44	43

## Employees by Category and Employment Status

	2021	2022	2023
Full Time White Collar	1548	1951	1297
Part Time White Collar	0	0	0
Full Time Blue Collar	808	785	1504
Part Time Blue Collar	0	0	0

## Employee Rates by Category (2023):

	2023
White Collar	46%
Blue Collar	54%

## Training Hours (people\*hours)

	2021	2022	2023
Average Training Hours per Employee	4.41	5.35	6.82
Total Training Hours	10.393	14.625	19.104

## Recruitment (2023)

	2023
Newly Recruited Female Employees	28%
Newly Recruited Male Employees	72%





Employees by Category and Gender

	2021	2022	2023
White Collar Women	385	434	491
White Collar Men	1163	1517	806
Total White Collar	1548	1951	1297
Blue Collar Women	16	16	32
Blue Collar Men	792	769	1472
Total Blue Collar	808	785	1504
Ratio of White Collar Female Employees	25%	22%	38%

Employees by Age

	2021	2022	2023
Women Under 30 yrs of age	87	110	142
Men Under 30 yrs of age	238	448	452
Total Employees Under 30 yrs of age	325	558	594
Women between 30-50 yrs of age	301	327	369
Men between 30-50 yrs of age	1625	1727	1732
Total Employees between 30-50 yrs of age	1926	2054	2101
Women Above 50 yrs of age	13	13	12
Men Above 50 yrs of age	92	111	94
Total Employees Above 50 yrs of age	105	124	106

Employees by Tenure

	2021	2022	2023
Women between 0-5 yrs of Tenure	148	183	270
Men between 0-5 yrs of Tenure	500	707	807
Total employees between 0-5 yrs of Tenure	648	890	1077
Women between 5-10 yrs of Tenure	118	119	121
Men between 5-10 yrs of Tenure	629	629	606
Total employees between 5-10 yrs of Tenure	747	748	727
Women with above 10 yrs of Tenure	135	148	132
Men with above 10 yrs of Tenure	826	950	865
Employees with above 10 yrs of Tenure	961	1098	997

Leaving Employee by Age

	2021	2022	2023
Leaving Women Under 30 yrs of age	7	12	8
Leaving Men Under 30 yrs of age	32	34	87
Total Leaving Employees Under 30 yrs of age	39	46	95
Leaving Women between 30-50 yrs of age	20	23	30
Leaving Men between 30-50 yrs of age	120	69	93
Total Leaving Employees between 30-50 yrs of age	140	92	123
Leaving Women Above 50 yrs of age	1	4	1
Leaving Men Above 50 yrs of age	9	13	11
Total Leaving Employees Above 50 yrs of age	10	17	12

Voluntarily Leaving Employees by Gender

	2021	2022	2023
Voluntarily Leaving Women	28	24	32
Voluntarily Leaving Men	161	72	152
Total Voluntarily Leaving Employees	189	96	173

Leaving Employees by Gender

	2021	2022	2023
Leaving Women	28	39	39
Leaving Men	161	116	191
Total Leaving Employees	189	155	230

Opened Positions

	2023
All Opened Positions	420
Positions Filled with Internal Female Candidates	1
Positions Filled with Internal Male Candidates	2
Positions Filled with Internal Candidates	3

New Recruitment

	2021	2022	2023
Newly Hired Woman	52	64	93
Newly Hired Men	78	244	245
Total New Hires	130	308	338





## Working Hours

	2021	2022	2023
Total Working Hours	5,307,120	6046560	6,246,360
Total Days Worked	707.616	711.360	730.000

## Contracted Employees

	2023
Contracted Male Employees	167
Contracted Female Employees	105

## Number of Employees in Governance Bodies by Age Group and Gender

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
< 30 years	0	0	0	0	0	0
Below 30-50 years of age	4	7	3	4	5	7
> 50 years	0	9	1	8	1	10

## Number of Blue Collar Employees by Age Group and Gender

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
< 30 years	0	38	1	34	11	320
Below 30-50 years of age	12	736	11	705	17	1109
> 50 years	4	26	4	30	4	43

## Number of White Collar Employees by Age Group and Gender

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
< 30 years	83	207	109	414	131	132
30 to 50 years	285	879	316	1022	350	610
> 50 years	9	64	9	81	10	64

## Women Executives by Gender and Age

	2021	2022	2023
Women Under 30 yrs of age	0	4	5
Women between 30-50 yrs of age	22	94	79
Women Above 50 yrs of age	1	5	2

## Men Executives by Gender and Age

	2021	2022	2023
Men Under 30 yrs of age	1	8	3
Men between 30-50 yrs of age	70	228	185
Men Above 50 yrs of age	16	30	27

## Executives by Gender and Age

	2023
Number of Women Senior Executives	5
Number of Men Senior Executives	7
Number of Women Mid-Level Executives	77
Number of Men Mid-Level Executives	192
Number of Women Junior Executives	119
Number of Men Junior Executives	197
Women Above 50 yrs of age	2
Men Above 50 yrs of age	27
Total Employees Above 50 yrs of age	29

## Total Employees with Senior Executive Roles

	2021	2022	2023
Female	8	6	5
Male	27	20	7
Total	35	26	12

## Executives in Revenue-Generating Functions

	2021	2022	2023
Female	2	43	56
Male	8	215	83
Total	10	258	239

## Executives in Revenue-Generating Functions

	2021	2022	2023
Female	17	331	433
Male	45	2086	2064
Total	62	2417	2497

## Employees with STEM Positions

	2021	2022	2023
Female	11	99	110
Male	13	355	426
Total	24	454	536





## Executives by Gender and Age

	2021	2022	2023
Women Employees with Senior Executive Roles	8	6	5
Men Employees with Senior Executive Roles	27	20	7
Women Employees in Revenue-Generating Functions	17	331	433
Men Employees in Revenue-Generating Functions	45	2086	2064
Women Executives in Revenue-Generating Functions	8	215	56
Men Executives in Revenue-Generating Functions	2	43	83
Female Employees in STEM Roles	11	99	110
Male Employees in STEM Roles	13	355	426

## Number of Members on the Board of Directors

	2021	2022	2023
Female	2	2	2
Male	7	7	5

## Number of Women Members on the Board of Directors

	2022	2023
Women Under 30 yrs of age	0	0
Women between 30-50 yrs of age	1	1
Women Above 50 yrs of age	1	1
Total Women Members	2	2

## Number of Men Members on the Board of Directors

	2022	2023
Men Under 30 yrs of age	0	0
Men between 30-50 yrs of age	1	0
Men Above 50 yrs of age	6	5
Total Men Members	7	5

## Board of Directors by Gender and Age

	2023
Women Under 30 yrs of age	0
Men Under 30 yrs of age	0
Total Employees Under 30 yrs of age	0
Women between 30-50 yrs of age	1
Men between 30-50 yrs of age	0
Total Employees between 30-50 yrs of age	1
Women Above 50 yrs of age	1
Men Above 50 yrs of age	5
Total Employees Above 50 yrs of age	6

## Audit and Executive Committee by Gender and Age

	2021	2022	2023
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

	2023
Average Tenure of the Board of Directors (other members) - Years	10.20
Average Tenure of the Board of Directors (independent members) - Years	4
Seniority of the Board of Directors (independent members) - Years	34.60
Number of Board members without a bachelor's degree	1
Number of Board members with a bachelor's degree	4
Number of Board members with a post graduate degree	2
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

	2023
Average Tenure of the Senior Executives (other members) - Years	11
Average Tenure of the Senior Executives (independent members) - Years	0
Average Seniority of the Senior Executives (independent members) - Years	0
Number of Senior Executives without a bachelor's degree	0
Number of Senior Executives with a bachelor's degree	3
Number of Senior Executives with a post graduate degree	9
Number of Senior Executives Serving in Committees (members)	1
Number of Senior Executives Serving in Committees (not members)	11

## Total Number of Newly Hired Employees

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
< 30 years	9	58	49	284	47	136
30 to 50 years	10	49	36	99	44	104
> 50 years	1	8	1	6	2	5





### Total Number of Leaving Employees

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
< 30 years	4	22	12	34	8	87
Below 30-50 years of age	13	29	23	69	30	93
> 50 years	1	10	4	13	1	11

### Ratio of Returning to Work and Continuing to Work after Maternity Leave by Gender

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Number of Employees Entitled to Maternity Leave	11	32	26	83	10	45
Number of Employees Accepting Maternity Leave	11	32	26	83	10	45
Number of Who Returned to Work after Maternity Leave	9	32	10	83	8	45
Total Number of Employees Who Returned to Work after Maternity Leave and Are Still at Work After Twelve Months from Returning to Work	9	32	10	82	8	45
The Ratio of Employees Returning to Work and Continuing to Work after Maternity Leave	82%	100%	38%	99%	80%	100%

### Training Hours

	2021	2022	2023
Total Training Hours	10.393	14.625	19.104
Average Training Hours per Employee	4.41	5.35	6.82
Budget Allocated to Trainings (TRY)*	-	-	2544843
Training Budget Realization Rate	-	-	100

\* Training budget was first planned for 2023.

### Training Hours per Employee Categories

	2023
White Collar Women	9
White Collar Men	7
Blue Collar Women	2
Blue Collar Men	5

### Employees Passing Performance Assessment Criteria

	2021	2022	2023
Senior Executive Assessment	13	596	479
Senior Executive Assessment (%)	1%	22%	17%

### Employees Subject to Periodic Performance Assessment and Career Development Plan

	2023
Blue Collar Women	22
Blue Collar Men	726
White Collar Women	447
White Collar Men	754
Women Executives	6
Men Executives	8

### Risk, Ethics, Corruption and Anti-Bribery Trainings

	2021	2022	2023
Code of Ethics Training Hours (people*hours)*	0	482	703
Number of Employees Receiving Code of Ethics Training	0	508	547
Number of White Collar Employees Receiving Code of Ethics Training	0	336	394
Number of Blue Collar Employees Receiving Code of Ethics Training	0	172	153
Executive Code of Ethics Training Hours (people*hours)	0	45	99
Contractor Code of Ethics Training Hours (people*hours)	0	0	0
Number of Women Contractors Receiving Code of Ethics Training	0	0	0
Risk Training Hours (people*hours)**	0	196	0
Number of Employees Receiving Risk Training	0	59	0
Executive Risk Training Hours (people*hours)	0	10	0

\*Code of Ethics training covers the Anti-Corruption and Anti-Bribery topics. The training has been assigned to all employees through Zorlu Academy.

\*\* “Enterprise Risk Management” training entitled Risk Management was assigned to all our employees in December. As the quantitative data covers the year 2023, it has not yet been reflected in the actual figures.

### Average Training Hours Provided to Employees

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Blue Collar	0.68	9.40	0.44	5.80	2	5
White Collar	2.84	2.60	11.47	14.76	9	7
Senior Executives	8.33	8.61	3.49	17.29	9	6

### Volunteering Projects

	2021	2022	2023
Number of Volunteering Employees	113	79	85
Total Hours in Volunteering Projects	94	14.251	248
Number of Volunteering Executives (Manager and Higher Titles)	5	9	11
Number of Employees Participating in Corporate Volunteering Programs	113	79	85





## Average Training Hours Provided to Employees on Ethics

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Blue Collar	0	0.9	0	0.9	0.1	0.1
White Collar	1	0.8	1.1	0.9	0.4	0.5
Senior Executives	1.2	0	0	0	0	0.1

## Rate of Employees Subject to Periodic Performance Assessment and Career Development Plan by Gender and Employment Status

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Blue Collar	100%	100%	100%	98%	69%	49.3%
White Collar	94%	94%	94%	95%	91%	94%
Senior Executives	75%	94%	100%	100%	100%	100%

## Number of Employees Participating in the Employee Engagement Survey\*\*

	2021	2022	2023
Female	330	-	-
Male	1.112	-	-

\*\* Employee Engagement Survey is conducted every two years at Zorlu Enerji, but no survey was conducted in 2022 and 2023.

## Salaries and wage rates of men and women in each employment category in specific locations of operation (in TRY)

	2021		2022		2023	
Position	Female	Male	Female	Male	Female	Male
CEO / Deputy General Manager / Director	63.335	61.164	133.019	133.727	247,610	243,179
Group Man / Man / Executive	20.787	21.159	43.974	45.224	109,582	110,242
Up to manager	7.302	6.801	15.216	12.948	36,913	28,661

## Number of Employees Receiving OHS Trainings

	2021	2022	2023
Contractor	0	260	1.686
Employee	2.266	1.831	4.927

## Payments Extended to Suppliers (TRY)

	2022	2023
Payments Extended to Local Suppliers	52,757,129	24,814,415,793
Total Payments	6,886,480,747.23	25,530,544,255

## Critical Suppliers in All Suppliers

	2021	2022	2023
Key Suppliers	48	57	44
Total Suppliers	1481	1744	1858

## Supplier Audits

	2021	2022	2023
Total Suppliers Audited	48	13	16
Environmental Audit Criteria	48	13	16
Social Audit Criteria	48	13	16

## Supplier Audit Rates

Audited Supplier Rate	Suppliers Audited In Terms of Envi-ronmental Audit Criteria	Suppliers Audited In Terms of Social Audit Criteria
36%	36%	36%





Number of Suppliers

	2021	2022	2023
Total Number of Suppliers	1481	1744	1858
Number of New Suppliers	152	263	376
Total Number of Local Suppliers	497	435	687

Number of Critical Suppliers

	2021	2022	2023
Critical Suppliers	48	57	44
Number of Suppliers Subjected to Environmental and Social Audits	48	13	12

Work Accident Rates by Gender in Zorlu Enerji Total Workforce:

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Total Recordable Incident Rate	1.59	3.01	0	2.23	0	7.50
Total Accident Frequency Rate (AFR)	1.59	3.01	0	2.23	0	7.50
Total Accident Severity Rate (ASR)	0.05	0.05	0	39.57	0	49.23
Lost Time Accident Frequency Rate	1.59	3.01	0	2.23	0	4.00
Occupational Disease Incidence Rate	0	0	0	0	0	0
Number of Work Accidents with Man-Days Lost	1	6	0	8	0	8
Total Number of Work Accidents	1	6	0	8	0	15
Total Number of Work Days Lost	30	96	0	142	0	103
Total Number of Fatal Work Accidents	0	0	0	0	0	0
Total Number of Occupational Disease Cases	0	0	0	0	0	0

OHS Performance Metrics by Gender for All Contractors Controlled by Zorlu Enerji:

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Total Recordable Incident Rate	0	2.78	0	2.05	0	2.12
Total Accident Frequency Rate (AFR)	0	2.78	0	2.05	0	2.12
Total Accident Severity Rate (ASR)	0	0.02	0	3.76	0	70.04
Lost Time Accident Frequency Rate	0	1.39	0	2.05	0	1.41
Occupational Disease Incidence Rate	0	0	0	0	0	0
Number of Work Accidents with Man-Days Lost	0	2	0	3	0	2
Total Number of Work Accidents	0	4	0	3	0	3
Total Number of Work Days Lost	0	29	0	5.5	0	99
Total Number of Fatal Work Accidents	0	0	0	0	0	0
Total Number of Occupational Disease Cases	0	0	0	0	0	0

OHS Performance Metrics by Gender for the Total Workforce of OEDAŞ:

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Total Recordable Incident Rate	1.59	3.01	0	6.65	0	7.51
Total Accident Frequency Rate (AFR)	1.59	3.01	0	6.65	0	7.51
Total Accident Severity Rate (ASR)	0.05	0.05	0	0.01	0	63.98
Lost Time Accident Frequency Rate	1.59	3.01	0	1.56	0	1.07
Occupational Disease Incidence Rate	0	0	0	0	0	0
Number of Work Accidents with Man-Days Lost	1	6	0	4	0	3
Total Number of Work Accidents	1	6	0	17	0	21
Total Number of Work Days Lost	30	96	0	38	0	179
Total Number of Fatal Work Accidents	0	0	0	0	0	0
Total Number of Occupational Disease Cases	0	0	0	0	0	0





OHS Performance Metrics by Gender for All Contractors Controlled by OEDAŞ:

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Total Recordable Incident Rate	0	2.78	22.28	32.44	0	41.76
Total Accident Frequency Rate (AFR)	0	2.78	22.28	32.44	0	41.76
Total Accident Severity Rate (ASR)	0	0.02	0	0.39	0	378.89
Lost Time Accident Frequency Rate	0	1.39	0	11.89	0	11.05
Occupational Disease Incidence Rate	0	0	0	0	0	0
Number of Work Accidents with Man-Days Lost	0	2	0	22	0	18
Total Number of Work Accidents	0	4	1	60	0	68
Total Number of Work Days Lost	0	29	0	729	0	627
Total Number of Fatal Work Accidents	0	0	0	0	0	0
Total Number of Occupational Disease Cases	0	0	0	0	0	0

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

GRI Content Index



2024

DECLARATION OF USE	Zorlu Enerji reported in accordance with GRI Standards for the period between 01.01.2023-31.12.2023.
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.

GRI STAN-DARD	DISCLOSURES	LOCATION
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	2-1 Organization details	About Zorlu Enerji p.40
	2-2 Entities included in the organization’s sustainability reporting	About the Report p.6
	2-3 Reporting period, frequency and contact point	About the Report p.6
	2-4 Restatements of information	About the Report p.6
	2-5 External assurance	Independent Assurance Report p.430
	2-6 Activities, value chain and other business relationships	About Zorlu Enerji p.40
	2-7 Employees	Social Performance Indicators p.395
	2-8 Workers who are not employees	Sosyal Performans Indicators s.395
	2-9 Governance structure and composition	Governance and Value Creation p.60
	2-10 Nomination and selection of the highest governance body	Sustainability Governance Structure p.66
	2-11 Chair of the highest governance body	Roles, Authorization and Rights of the Board of Directors p.224
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance Structure p.66
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance Structure p.66 Sustainability and Climate Related Risks and Opportunities p.74
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance Structure p.66
	2-15 Conflicts of interest	Ethics, Compliance and Transparency p.92
	2-16 Communication of critical concerns	Integrated Thinking and Sustainability Approach p.62
	2-17 Collective knowledge of the highest governance body	Roles, Authorization and Rights of the Board of Directors p.224
	2-18 Evaluation of the performance of the highest governance body	Sustainability Governance Structure p.66
	2-19 Remuneration policies	Employee Rights and Well-being p.133
	2-20 Process to determine remuneration	Employee Rights and Well-being p.133
	2-21 Annual total compensation ratio	Social Performance Indicators p.395
	2-22 Statement on sustainable development strategy	Sustainability Strategy p.70
	2-23 Policy commitments	Zorlu Enerji Governance Policy and Commitments p.94
	2-24 Embedding policy commitments	Zorlu Enerji Governance Policy and Commitments p.94
	2-25 Processes to remediate negative impacts	Sustainability and Climate Related Risks and Opportunities p.74
	2-26 Mechanisms for seeking advice and raising concerns	Ethics, Compliance and Transparency p.92
	2-27 Compliance with laws and regulations	Ethics, Compliance and Transparency p.92
	2-28 Membership associations	Memberships, Collaborations and Initiatives p.90
	2-29 Approach to stakeholder engagement	Stakeholder Interaction and Social Dialogue p.86
	2-30 Collective bargaining agreements	Employee Rights and Well-being p.133





GRI STANDARD	DISCLOSURES	LOCATION	DISCLOSURES FOR THE IN-FORMATION NOT PROVIDED
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis p.69	
	3-2 List of material topics	Materiality Analysis p.69	
OCCUPATIONAL HEALTH AND SAFETY & PROCESS SAFETY			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis p.69 Occupational Health, Safety and Process Safety p.128	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health, Safety and Process Safety p.128	
	403-2 Hazard identification, risk assessment, and incident investigation	Social Performance Indicators p.395	
	403-3 Occupational health services	Occupational Health, Safety and Process Safety p.128	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health, Safety and Process Safety p.128	
	403-5 Worker training on occupational health and safety	Occupational Health, Safety and Process Safety p.128	
	403-6 Promotion of worker health	Occupational Health, Safety and Process Safety p.128	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health, Safety and Process Safety p.128	
	403-8 Workers covered by an occupational health and safety management system	Occupational Health, Safety and Process Safety p.128	
	403-9 Work-related injuries	Social Performance Indicators p.395	
	403-10 Work-related ill health	Social Performance Indicators p.395	
HUMAN RIGHTS			
GRI 3: Material Topics 2021	3-3 Management of the material topics	Materiality Analysis p.69 People and Culture p.125 Ethics, Compliance and Transparency p.92	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		No cases of discrimination were notified during the reporting period.
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	Ethics, Compliance and Transparency p.92	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Ethics, Compliance and Transparency p.92	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Ethics, Compliance and Transparency p.92	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Ethics, Compliance and Transparency p.92	

BRAND REPUTATION			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis p.69 People and Culture p.125 Impact Driven Growth p.155	
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Social Compliance in Supply Chain p.144	
COMBATING CLIMATE CHANGE			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis p.69 Nature Stewardship and Value Chain p.97	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Management of the Water Footprint p.119	
	303-2 Management of water discharge-related impacts	Management of the Water Footprint p.119	
	303-3 Water withdrawal	Environmental Performance Indicators p.390	
	303-4 Water discharge	Environmental Performance Indicators p.390	
	303-5 Water consumption	Environmental Performance Indicators p.390	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circular Economy p.121	
	306-2 Management of significant waste-related impacts	Circular Economy p.121	
	306-3 Waste generated	Environmental Performance Indicators p.390	
	306-4 Waste diverted from disposal	Environmental Performance Indicators p.390	
	306-5 Waste directed to disposal	Environmental Performance Indicators p.390	
STRONG ECONOMIC PERFORMANCE			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis p.69 Impact Driven Growth p.155 People and Culture p.125	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Value Creation and Business p.64 Model Strong Economic Performance p.193	
	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability and Climate Related Risks and Opportunities p.74	
	201-3 Defined benefit plan obligations and other retirement plans	Employee Rights and Well-being p.132 Inclusion, Equality and Diversity p.140	
	201-4 Financial assistance received from government	Innovation and New Business Models p.160	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Innovation and New Business Models p.160 Products and Services p.180	
	203-2 Significant indirect economic impacts	Value Creation and Business Model p.64	
RESPONSIBLE AND SUSTAINABLE FINANCE			
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis p.69 Governance and Value Creation p.60 Impact Driven Growth p.155	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Impact Driven Growth p.155	
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Ethics, Compliance and Transparency p.92	
	205-2 Communication and training about anti-corruption policies and procedures	Ethics, Compliance and Transparency p.92	
	205-3 Confirmed incidents of corruption and actions taken	Ethics, Compliance and Transparency p.92	
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics, Compliance and Transparency p.92	
GRI 207: Tax 2019	207-1 Approach to tax	Ethics, Compliance and Transparency p.92	
	207-2 Tax governance, control, and risk management	Ethics, Compliance and Transparency p.92	





TRANSITION TO LOW CARBON TECHNOLOGIES & ENERGY EFFICIENCY

GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis p.69 Combating the Climate Crisis p.99 Transition to Low Carbon Technologies and Energy Efficiency p.105	
GRI 302: Energy 2016	302-1 Energy consumption within the organi-zation	Environmental Performance Indicators p.390	
	302-2 Energy consumption outside of the organization	Environmental Performance Indicators p.390	
	302-3 Energy intensity	Environmental Performance Indicators p.390	
	302-4 Reduction of energy consumption	Transition to Low Carbon Technologies and Energy Efficiency p.105 Environmental Performance Indicators p.390	
	302-5 Reductions in energy requirements of products and services	Transition to Low Carbon Technologies and Energy Efficiency p.105	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emis-sions	Combating the Climate Crisis p.99 Environmental Performance Indicators p.390	
	305-2 Energy indirect (Scope 2) GHG emissions	Combating the Climate Crisis p.99 Environmental Performance Indicators p.390	
	305-3 Other indirect (Scope 3) GHG emissions	Combating the Climate Crisis p.99 Environmental Performance Indicators p.390	
	305-4 GHG emissions intensity	Environmental Performance Indicators p.390	
	305-5 Reduction of GHG emissions	Combating the Climate Crisis p.99	
	305-6 Other indirect (Scope 3) GHG emissions	Environmental Performance Indicators p.390	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Performance Indicators p.390	

BIODIVERSITY LOSS AND DEFORESTATION

GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis p.69 Biodiversity Loss and Deforestation p.112	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areası	Biodiversity Loss and Deforestation p.112	
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity Loss and Deforestation p.112	
	304-3 Habitats protected or restored	Biodiversity Loss and Deforestation p.112	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity Loss and Deforestation p.112	

EMPLOYEE RIGHTS AND WELL-BEING

GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis p.69 Employee Rights and Well-being p.133	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Performance Indicators p.395	
	401-2 Benefits provided to full-time employees that are not provided to tem-po-rary or parttime employees	Employee Rights and Well-being p.133	
	401-3 Parental Leave	Employee Rights and Well-being p.133 Social Performance Indicators p.395	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social Performance Indicators p.395	
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training and Development p.136	
	404-3 Düzenli performans gelişim değerlendirmelerinden geçen çalışan yüzdesi	Social Performance Indicators p.395	

CORPORATE GOVERNANCE AND ATTITUDES

GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis p.69 Governance and Value Creation p.60	
GRI 402: Labor/Management Re-la-tions 2016	402-1 Minimum notice periods regarding operational changes	Corporate Governance p.195	

INCLUSION, EQUALITY, DIVERSITY

GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis p.69 Inclusion, Equality and Diversity p.140	
GRI 405: Diversity and Equal Oppor-tunity 2016	405-1 Diversity of governance bodies and employees	Inclusion, Equality and Diversity p.140 Social Performance Indicators p.395	
	405-2 Ratio of basic salary and remuneration of women to men	Employee Rights and Well-being p.133 Social Performance Indicators p.395	

DIGITALIZATION AND TECHNOLOGY

GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis p.69 Innovation and New Business Models p.160	
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CLIMATE RISKS

GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis p.69 Sustainability and Climate Related Risks and Opportunities p.74 Combating the Climate Crisis p.99	
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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
<b>Human Rights</b>	
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
<b>Labour Standards</b>	
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 Social Compliance in Supply Chain
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	People and Culture Inclusion, Equality and Diversity
<b>Environment</b>	
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 New Business Models
<b>Anti-Corruption</b>	
Principle 10: Businesses must work against all forms of corruption, including bribery and extortion.	Ethics, Compliance and Transparency 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

Communication on Progress regarding Bloomberg Gender Equality

Description	Unit	2021	2022	2023
Percentage of Women Members on the Board of Directors	Percentage	22.22	22.22	22.22
Chairwoman or Equivalent	Yes/No	No	No	No
Percentage of Committees Chaired by Women	Percentage	0.00	0.00	0.00
Women Senior Executive or Equivalent	Yes/No	No	No	No
Percentage of Women Executives	Percentage	33.33	38.46	41.60
Women CFO or Equivalent	Yes/No	Yes	Yes	Yes
Is a CDO or Equivalent Executive available?	Yes/No	No	No	No
Percentage of Women Participating in the Management	Percentage	23.80	21.10	31.00
Percentage of Mid-Level and Other Women Executives	Percentage	22.91	16.36	15.67
Percentage of Women Executives	Percentage	25.00	28.00	29.00
Percentage of Non-Executive Women	Percentage	15.00	15.00	16.44
Percentage of Women in the Workforce	Percentage	17.00	16.00	19.00
Percentage of Women with IT/Engineering Roles	Percentage	15.00	20.00	17.78
Percentage of Promoting Women	Percentage	23.00	30.00	41.00
Percentage of Newly Recruited Female Employees	Percentage	23.00	18.00	28.00
Percentage of Leaving Women	Percentage	22.00	23.00	17.00
Average Gender Pay Gap	Percentage	16.00	32.00	8.00
Adjusted Average Gender Wage Gap Percentage	Percentage	-	-	-
Action Plan Against Gender Pay Gap	Yes/No	No	No	No
Women's Leadership Action Plan	Yes/No	Yes	Yes	Yes
Targeted Time to Increase Female Representation	Yes/No	Yes	Yes	Yes
Number of Weeks of Fully Paid Primary Parental Leave	Number	16.00	16.00	16.00
Number of Weeks of Fully Paid Secondary Parental Leave	Number	1.00	1.00	1.00
Rate of Return from Parental Leave	Percentage	95.00	85.00	90.00
Rate of Return from Maternity Leave	Percentage	82.00	38.00	80.00
Backup Family Care Services Indicator	Yes/No	Yes	Yes	Yes
Flexible Working Policy Indicator	Yes/No	No	Yes	Yes
Is There a Working Group for Women?	Yes/No	Yes	Yes	Yes
Unconscious Bias Training for All Employees	Yes/No	No	Yes	Yes
Annual Sexual Harassment Training	Yes/No	No	Yes	Yes





Statement of Compliance with Sustainability Principles

YES		COMPLIANCE STATUS				REPORT /LINK ON PUBLICLY DISCLOSED INFORMATION (Page NUMBER, RELEVANT TAB IN THE WEB PAGE)	
		NO	PARTLY	NOT RELEVANT	DESCRIPTION		
	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				<p>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.</p> <p>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.</p>	<p><a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-policy-and-our-commitments">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-policy-and-our-commitments</a></p> <p><a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/our-sustainability-strategy">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/our-sustainability-strategy</a></p> <p>Integrated Thinking and Sustainability Approach</p>
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				<p>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.</p>	<p><a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-policy-and-our-commitments">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-policy-and-our-commitments</a></p> <p><a href="https://www.zorluenerji.com.tr/en/career/human-r-policy">https://www.zorluenerji.com.tr/en/career/human-r-policy</a></p> <p>Zorlu Enerji Governance Policy and Commitments</p>
A1.2	ESG Policies Short- and Long-term goals set under the ESG policy are disclosed to the public.	X				<p>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.</p>	<p><a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/our-sustainability-strategy">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/our-sustainability-strategy</a></p> <p><a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-performance">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-performance</a></p> <p>Sustainability Goals</p>

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				<p>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.</p>	<p><a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/our-sustainability-strategy">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/our-sustainability-strategy</a></p> <p>Sustainability Governance Structure</p>
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				<p>The Sustainability Committee reported directly to the Board of Directors regarding the ESG projects executed in 2023</p>	<p>Corporate Governance</p>
A2.2	Implementation and action plans in line with the ESG targets are formed and declared to the public.	X				<p>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</p>	<p><a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports</a></p> <p>Integrated Thinking and Sustainability Approach</p>
A2.3	The scope of ESG Key Performance Indicators (KPI) and relevant indicators are announced to public on a yearly basis.	X				<p>Progress towards ESG targets have been disclosed annually in the 2023 Integrated Annual Report.</p>	<p>Sustainability Goals</p>
A2.4	Activities that improve sustainability performance in business processes, products, and services have been disclosed to the public	X				<p>Activities to improve the sustainability performance of business processes or products and services have been disclosed to the public through the 2023 Integrated Annual Report.</p>	<p><a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports</a></p>





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.	<a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports</a>
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.	<a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports</a>
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.	<a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports</a>
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 2022 Integrated Annual Report has further been independently audited, and ISEA3000 audit processes will be carried out for the 2023 studies (Integrated Annual Report).	<a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/awards">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/awards</a>
	<b>B. ENVIRONMENTAL PRINCIPLES</b>						
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.	<a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/quality-management-systems">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/quality-management-systems</a>  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.	<a href="https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf">https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf</a>
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
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.	<a href="https://www.zorluenerji.com.tr/fileuploads/271023/S%C3%BCrd%C3%BCr%C3%BClebilirlik/7.pdf">https://www.zorluenerji.com.tr/fileuploads/271023/S%C3%BCrd%C3%BCr%C3%BClebilirlik/7.pdf</a>  <a href="https://zes.net/">https://zes.net/</a>  <a href="https://www.zorluenerji.com.tr/en/corporate/sunsidaries-and-asso/zorlu-solar-enerji-tedarik-ve-ticaret-as">https://www.zorluenerji.com.tr/en/corporate/sunsidaries-and-asso/zorlu-solar-enerji-tedarik-ve-ticaret-as</a>  Sustainable Supply Chain





B8	Whether the environment organizations and non-governmental organizations are involved in the policy-making 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 2023 data, are reported in sustainability reports in a way that is comparable to previous years. All environmental indicators for 2023 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.	<a href="https://www.zorluenerji.com.tr/en">https://www.zorluenerji.com.tr/en</a> <a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports</a> 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.	<a href="https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf">https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf</a> Nature Stewardship and Value Chain
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 2023 data, are reported in sustainability reports in a way that is comparable to previous years. Environmental indicators of 2023 can be found in the relevant section of Integrated Annual Report and CDP reports.	<a href="https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf">https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf</a> 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.	<a href="https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf">https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf</a> 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.	<a href="https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf">https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf</a> 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.	<a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports</a> Nature Stewardship and Value Chain
B14	Actions for reducing greenhouse gas emissions of third parties (e.g. Suppliers, subcontractors, 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.	<a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports</a> 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.	<a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports</a> <a href="https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf">https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf</a>
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.	<a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports</a> <a href="https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf">https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf</a>





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.	<a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports</a> <a href="https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf">https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf</a>
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.	Transition to Low Carbon Technologies and Energy Efficiency
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.	<a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports</a> <a href="https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf">https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20%20CDP%20I%CC%87klim%20Deg%CC%86is%CC%A7iklig%C-C%86i%20Raporu.pdf</a>  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
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.	<a href="https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20CDP%20Su%20Gu%CC%88venlig%CC%86i%20Raporu.pdf">https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/Zorlu%20Enerji%20CDP%20Su%20Gu%CC%88venlig%CC%86i%20Raporu.pdf</a>  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 2023 are presented in ton CO2e in the report.	Transition to Low Carbon Technologies and Energy Efficiency
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.	
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	A 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 Turkey'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.	<a href="https://www.zorluenerji.com.tr/fileuploads/231123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/38.pdf">https://www.zorluenerji.com.tr/fileuploads/231123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/38.pdf</a>





C1.2	Considering the supply and value chain impacts, fair labour, improvement of labour 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				<p>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.</p> <p><a href="https://www.zorluenerji.com.tr/fileuploads/271023/S%C3%BCrd%C3%BCr%C3%BClebilirlik/7.pdf">https://www.zorluenerji.com.tr/fileuploads/271023/S%C3%BCrd%C3%BCr%C3%BClebilirlik/7.pdf</a></p> <p><a href="https://www.zorluenerji.com.tr/en/career/human-resources-a/diversity-equality-inclusion">https://www.zorluenerji.com.tr/en/career/human-resources-a/diversity-equality-inclusion</a></p> <p><a href="https://www.zorluenerji.com.tr/fileuploads/231123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/38.pdf">https://www.zorluenerji.com.tr/fileuploads/231123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/38.pdf</a></p> <p>People and Culture</p>
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				<p>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.</p> <p><a href="https://www.zorluenerji.com.tr/fileuploads/271023/S%C3%BCrd%C3%BCr%C3%BClebilirlik/7.pdf">https://www.zorluenerji.com.tr/fileuploads/271023/S%C3%BCrd%C3%BCr%C3%BClebilirlik/7.pdf</a></p> <p>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.</p>

C1.4	Developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced labour and child labour have been disclosed to the public.	X				<p>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.</p> <p><a href="https://www.zorluenerji.com.tr/en/corporate/our-policy">https://www.zorluenerji.com.tr/en/corporate/our-policy</a></p> <p><a href="https://www.zorluenerji.com.tr/fileuploads/231123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/38.pdf">https://www.zorluenerji.com.tr/fileuploads/231123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/38.pdf</a></p> <p>People and Culture</p>
C1.5	Investments in employees (training, development policies), compensation, fringe benefits, right to form labour unions, work/life balance solutions and talent management issues have been included in the policy on employee rights.	X				<p>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.</p> <p>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.</p> <p>People and Culture</p>
C1.5	Mechanisms for resolving employee complaints and disputes have been established and dispute resolution processes have been determined.	X				<p>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.</p> <p>People and Culture</p>
C1.5	Activities carried out during the reporting period to ensure employee satisfaction have been disclosed to the public.	X				<p>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.</p> <p>People and Culture</p>





C1.6	The Company established occupational health and safety policies and announced them to the public.	X				Zorlu Enerji Occupational Health and Safety (OHS) Policy is published on the Company's corporate website. <a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/quality-management-systems">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/quality-management-systems</a> <a href="https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/EYS-POL003_2%20ZORLU%20ENERJİ%CC%87%20I%CC%87S%CC%A7%20SAG%C-C%86LIG%CC%86I%20VE%20GU%CC%88VENLI%CC%87G%C-C%86I%CC%87%20POLI%C-C%87TI%CC%87KASI.pdf">https://www.zorluenerji.com.tr/fileuploads/171123/S%C3%BCrd%C3%BCr%C3%BClebilirlik/PDF/EYS-POL003_2%20ZORLU%20ENERJİ%CC%87%20I%CC%87S%CC%A7%20SAG%C-C%86LIG%CC%86I%20VE%20GU%CC%88VENLI%CC%87G%C-C%86I%CC%87%20POLI%C-C%87TI%CC%87KASI.pdf</a>	
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 OHS performance and accident statistics are published in the integrated annual report on an annual basis.	Occupational Health, Safety and Process Safety
C1.7	Personal data protection and data security policies have 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.	<a href="https://www.zorlu.com.tr/tr/kisisel-verilerin-korunmasi">https://www.zorlu.com.tr/tr/kisisel-verilerin-korunmasi</a> <a href="https://www.zorluenerji.com.tr/en/privacy-statement">https://www.zorluenerji.com.tr/en/privacy-statement</a>
C1.8	Ethics policy has been established and disclosed to the public.	X				Zorlu Enerji's sustainability reports published before 2022 and the integrated annual report for 2022 and 2023 include information under the relevant sections.	<a href="https://www.zorlu.com.tr/assets/files/pdf/zorlu-holding-etik-ilkeler-en.pdf">https://www.zorlu.com.tr/assets/files/pdf/zorlu-holding-etik-ilkeler-en.pdf</a>
C1.9	The company discloses its work within the scope of social investment, social responsibility, financial inclusion and access to finance.	X				Zorlu Enerji'nin 2022 öncesinde yayımladığı sürdürülebilirlik raporları, 2022 ve 2023 yılı Entegre Faaliyet Raporlarının ilgili bölümlerinde bilgiler paylaşılmaktadır.	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.	<a href="https://www.zorluenerji.com.tr/en/corporate/our-policy">https://www.zorluenerji.com.tr/en/corporate/our-policy</a> 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.	<a href="https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports">https://www.zorluenerji.com.tr/en/sustainability/sustainability-management/sustainability-reports</a>
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 (SJDI) in 2023	Zorlu Enerji in Figures
	<b>CORPORATE GOVERNANCE PRINCIPLES</b>						
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.	<a href="https://www.zorluenerji.com.tr/fileuploads/SUSTAN%20POLICY/Environmental%2C%20Social%20and%20Governance%20Principals%20Commitment.pdf">https://www.zorluenerji.com.tr/fileuploads/SUSTAN%20POLICY/Environmental%2C%20Social%20and%20Governance%20Principals%20Commitment.pdf</a>





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
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Reporting Guidelines

Energy Data	
Total Energy Consumption (GJ)	<ul style="list-style-type: none"><li>● Electricity, natural gas, diesel, gasoline, coal and LPG consumption were taken into account when calculating the total energy consumption.</li><li>● Electricity consumption was obtained in kWh and then converted to GJ. This conversion was based on a conversion factor of 1 kWh=0.0036 GJ.</li><li>● Annual consumptions at the power plants are calculated in m3 for natural gas, in tons for coal, in liters for diesel and gasoline, and in kg for LPG. The calculated values are then converted into GJ using the conversion factors provided by DEFRA.</li><li>● The reporting content covers the Türkiye, Palestine and Pakistan operations of Zorlu Enerji.</li></ul>
GHG Data	
Scope 1 (ton CO2e) Scope 2 (ton CO2e)	<ul style="list-style-type: none"><li>● GHG emissions refer to the carbon emissions from energy consumption and refrigerant gases during the reporting period. GHG emissions from operations of Zorlu Enerji are calculated by SEEM in accordance with the Greenhouse Gas Protocol: A Revised Corporate Accounting and Reporting Standard.</li><li>● Greenhouse Gas Emissions are calculated as Scope 1 (Direct Greenhouse Gas Emissions) and Scope 2 (Indirect Greenhouse Gas Emissions).</li><li>● For emission factors, we referred to the emission factors in the “International Panel on Climate Change (IPCC) and 2006 Guidelines for National Greenhouse Gas Inventories” documents.</li><li>● Grid Emission Factor is calculated in line with the data provided by “International Energy Agency - CO2 Emissions From Fuel Combustion Highlights”.</li><li>● When calculating greenhouse gas emissions, the following sources that cause carbon emissions are taken into account:<ul style="list-style-type: none"><li>● Scope 1 emissions: Natural gas and coal consumption for heating purposes -Company Vehicle Fuel Consumption (Diesel) -Refrigerant Gases (Leaks reported during installation and maintenance are taken into account.</li><li>● Scope 2 emissions: - Electricity consumption and electricity losses and leakages are taken into account.</li></ul></li><li>● The report content covers the Türkiye, Palestine and Pakistan operations of Zorlu Enerji. The effects of working from home are not included in the calculations for resource consumption and emission during the reporting period.</li></ul>
Water and Waste Data	
Water Consumption (m3)	<ul style="list-style-type: none"><li>● Water consumption is evaluated in three different categories: surface water, groundwater and mains water. Water taken from municipalities or other suppliers such as İSKİ is considered mains water, and all of the water purchased and consumed as mains water is considered the total mains water. The meter readings of the supplier based on the consumption amount at each location are considered as the mains water consumption. 5% loss is accepted for the discharge of water drawn from HEPPs. The reporting content covers the Türkiye, Palestine and Pakistan operations of Zorlu Enerji.</li><li>● The given waste quantities are itemized for Zorlu Enerji, OEDAŞ, OEPSAŞ and GAZDAŞ. Plastic, metal and glass waste are considered non-hazardous recyclable waste. Disposed hazardous waste includes batteries, fluorescent lamps, vehicle batteries and toner cartridges. The reporting on waste covers the Alaşehir GPP, Kızıldere GPP, Trakya Gas, Gaziantep Gas, Lüleburgaz, Kuzgun, Çıldır, İkizdere, Tercan, Beyköy, Ataköy, Mercan, Gökçedağ and OEPSAŞ operations. Receipts from authorized recycling companies and MoTAT entries are taken into account when calculating the disposed waste amount.</li></ul>
Total Amount of Hazardous Waste (Tons)	
Total Amount of Non-Hazardous Waste (Tons)	

Human Resources Data	
Total Employees	● This includes all employees working in the domestic operations of Zorlu Enerji as of December 31, 2021. Interns, workers who are not employees, and employees assigned to domestic subsidiaries are not included in the total number of employees.
Distribution of Total Employees by gender	● This refers to the distribution of employees by gender.
Number of Female Employees	● This represents the total number of female employees holding a managerial position or higher in Zorlu Enerji as of December 31, 2021. (Managerial positions or higher include Manager, Group Manager, Director, Deputy Director General and Director General.)
Number of Unionized Employees	● It is the total number of employees who are members of the Turkish Energy Water and Gas Workers Union as of 31 December 2021.
Total hours of training provided in 2021 to employees within the scope of the Code of Ethics including the institution's anti-corruption policies and procedures and anti-bribery training - Number of employees who received, and the total training hours provided for “Anti-Bribery and Corruption” training - Number of employees who received, and the total training hours provided for “Ethical Principles/Business Ethics” training - Number of employees who received, and the total training hours provided for “Sustainability” training	● Anti-Bribery and Corruption”, “Ethical Principles/Business Ethics”, “Human Rights” and “Sustainability” trainings provide education in these subjects; and the number of employees who received such training and the total hours of the said trainings are taken into account in the calculation of the indicator. The training time was calculated exclusive of the duration of the trainings delivered for these subjects as part of the training programs organized by the Internal Audit Department.
OHS Data on the Basis of Employees	
Accident Frequency Rate	● This was calculated as ratio of accidents that occurred during the reporting year to the total working time. The following formula (Number of Work Accidents with Man-Days Lost + Number of Work Accidents without Man-Days Lost) * 106 / (Total Number of Man-Days Worked) was used for the calculations performed.
Total Accident Severity Rate	● This was calculated as ratio of man-days lost due to work accidents occurred during the reporting year to the total man-days worked. Man-Days Lost to Work Accidents * 106 / (Total Number of Man-Days Worked) formula is used to calculate this rate.
Lost Time Accident Frequency Rate	● This is calculated by dividing the number of lost days due to job accidents by the total working hours. (Number of Work Accidents with Man-Days Lost * 106) / (Total Number of Man-Days Worked) formula is used to calculate this rate. The total number of lost days in the formula refers to the total number of days on which employees did not work due to any accident.





## INDEPENDENT ASSURANCE REPORT



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### Independent Limited Assurance Report

#### To the Board of Directors of Zorlu Enerji Elektrik Üretim Anonim Şirketi

We were engaged by Zorlu Enerji Elektrik Üretim Anonim Şirketi (hereinafter “Company” or “Zorlu Enerji”) to provide limited assurance on the “Selected Information” contained in the Reporting Guidelines of the Integrated Annual Report (hereinafter “the Report”) for the year ended 31 December 2023.

The scope of our assurance is limited to the Selected Information listed below which are defined in the Reporting Guidelines section of the Report:

- Total energy consumed (GJ)
- Electricity consumption (kWh)
- Natural gas consumption (m3)
- GHG emissions
  - Scope 1 Direct GHG Emissions (tonnes CO2e)
  - Scope 2 Direct GHG Emissions (tonnes CO2e)
- Total water consumption (m3)
- Total mains water consumption (m3)
- Amount and types of recycled hazardous waste (tonnes)
- Amount and types of recycled non-hazardous waste (tonnes)
- Total number of employees
- Breakdown of employees by gender
- Number of women in management
- Number of unionized employees
- Number of employees who attended to training on “Anti-Corruption and Anti-Bribery”, “Principals of Ethics/Business Ethics”, “Human Rights” and “Sustainability” and total training hours
- Total Accident Frequency Rate (%)
- Lost Time Accident Frequency Rate (%)
- Total Accident Severity Rate (%)



### Management's responsibilities

Management is responsible for the preparation and presentation of the Report for the Selected Information in accordance with the Reporting Guidelines section of the Report, and the information and assertions contained within it; for determining Zorlu Enerji's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

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

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

### Our responsibilities

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

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

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

### Procedures performed

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

- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Selected Information.
- Using the Reporting Guidelines of the Report to evaluate and measure the Selected Information;





- Re-performing, on a sample basis, calculations used to prepare the Selected Information for the reporting period;
- Evaluating the disclosure and presentation of the Selected Information in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Zorlu Enerji.
- Comparing the information presented in the Selected Information to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Selected Information.
- Reading the information presented in the Selected Information to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Zorlu Enerji.

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

#### ***Inherent limitations***

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

#### ***Conclusion***

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

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

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Selected Information of the Report of Zorlu Enerji for the year ended 31 December 2023 is not presented, in all material respects, in accordance with the Reporting Guidelines of the Report.

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



#### ***Restriction of use of our report***

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Şirin Soysal,  
Partner  
8 May 2024  
İstanbul, Türkiye



## INVESTOR INFORMATION

### GENERAL INFORMATION

**Reporting Period:** January 1 - December 31, 2023

**Commercial Title:** Zorlu Enerji Elektrik Üretim AŞ

**Trade Registry Information:** Bursa Trade Registry Directorate, No: 33550

**Head Office:** Organize Sanayi Bölgesi Pembe Cadde No: 13 16159 BURSA

**Contact Address:** Levent 199 Büyükdere Cad. No: 199 34394 Şişli - İSTANBUL

**Telephone:** (212) 456 23 00

**Fax:** (212) 422 00 99

**Authorized Share Capital:** 6,000,000,000 TRY

**Paid-in/Issued Capital:** 2,500,000,000 TRY

### INDEPENDENT AUDITOR

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ Levent, İş Kuleleri, Kule 3, Kat:2-9, 34330 Beşiktaş - İSTANBUL

**Tel:** (212) 316 60 00

**Fax:** (212) 316 60 60

### FINANCIAL INFORMATION AND COMPANY NEWS

The financial statements, audit reports, annual reports and material disclosures of Zorlu Enerji Elektrik Üretim A.Ş. are available on the Company's website: [www.zorluenerji.com.tr](http://www.zorluenerji.com.tr).

Information can also be requested from the Investor Relations Department of Zorlu Enerji Elektrik Üretim A.Ş. via telephone or e-mail.

### INVESTOR RELATIONS

**Başak Dalga**

**Investor Relations Manager**

Levent 199 Büyükdere Cad. No: 199 34394 Şişli - İSTANBUL

**Tel:** (212) 456 34 56

**E-mail:** [yatirimci@zoren.com.tr](mailto:yatirimci@zoren.com.tr)

### Report Advisor

Deloitte Türkiye Sustainability Services [https://www2.deloitte.com/tr/tr/pages/risk/topics/surdurulebilirlik-hizmetleri.html?icid=top\\_surdurulebilirlik-hizmetleri](https://www2.deloitte.com/tr/tr/pages/risk/topics/surdurulebilirlik-hizmetleri.html?icid=top_surdurulebilirlik-hizmetleri)

### Report Methodology-Creative Design Spring Global

[www.springgl.com](http://www.springgl.com)





# ZORLUENERJİ



[www.zorluenerji.com.tr](http://www.zorluenerji.com.tr)